



SIM Technology

SIM Technology Group Limited

晨訊科技集團有限公司*

(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)

Annual Report 年報 2007



sim
SIM Technology



HSDPA

TD-SCDMA

EDGE

GPRS

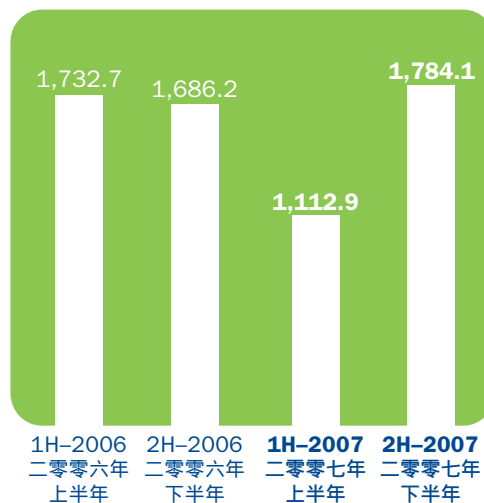
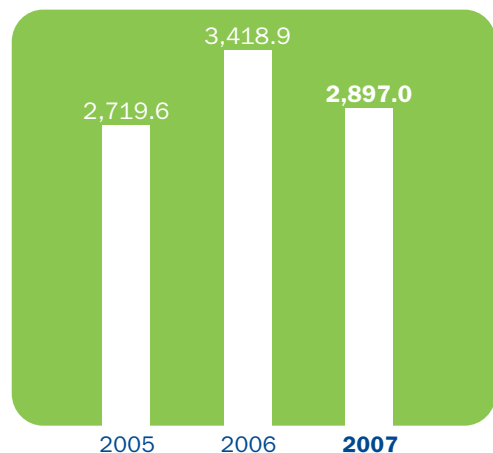
GSM

Financial Highlights

財務概要

Revenue 收入

(HK\$ million 以港幣百萬元計)



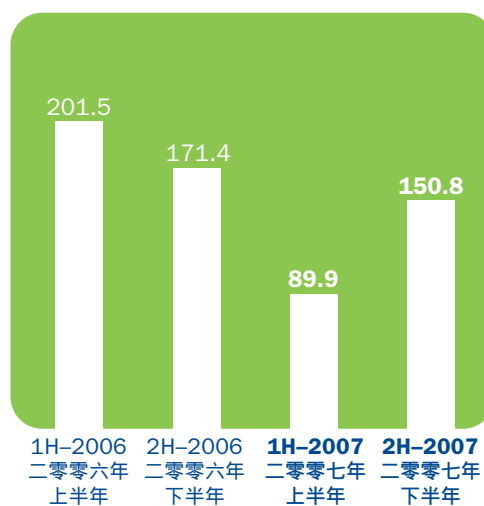
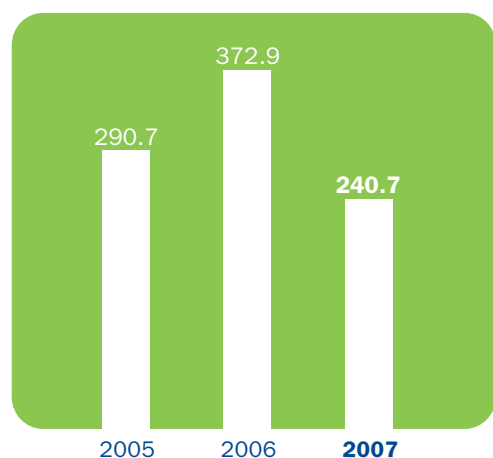
Gross Profit 毛利

(HK\$ million 以港幣百萬元計)



Net Profit 純利

(HK\$ million 以港幣百萬元計)



Highlights of the Year 本年度大事紀

February

- Shanghai Simcom and SiRF jointly launched A-GPS feature phone, personal tracking terminal and wireless module solution

二月

- 上海希姆通聯合SiRF推出A-GPS 功能電話、個人追蹤終端機及無線模塊解決方案

April

- Shanghai Sunrise's touch panel product line trial-produced successfully

四月

- 上海晨興的觸摸屏生產線試產成功



June

- WCDMA/HSDPA(7.2Mbps) USB Modem - SIM5250 which is developed by Shanghai Simcom has been successfully produced in quantity

六月

- 上海希姆通研發的WCDMA/HSDPA(7.2Mbps) USB Modem - SIM5250成功量產



July

- SIM Technology acquired Shanghai Basecom

七月

- 晨訊科技落實收購上海基信康

August

- Mr Raymond Tsang was promoted as the Deputy Chairman of the Company, and Mr Tony Li was appointed as CEO of the business operation headquarter of the Group
- SIM Technology cooperates with SKTC on TD-SCDMA Wireless Terminal Platform

八月

- 擢升曾憲龍先生為本公司副主席，委任李承軍先生為本集團業務運作總部之首席執行官
- 與SKTC組成戰略性合作夥伴，共同開發用於TD-SCDMA平台上的無線終端應用解決方案

October

- Shanghai Simcom was awarded Shanghai Patent Activity Exemplary Enterprises
- Shanghai Sunrise was awarded Shanghai Patent Activity Experimental Enterprises

十月

- 上海希姆通榮獲「上海市專利工作示範企業」稱號
- 上海晨興被評為「上海市專利工作試點企業」

November

- Shanghai Simcom successfully developed TD-SCDMA/WiMAX Dual Mode USB Modem (Downlink: 384Kbps)
- Shanghai Basecom developed N3 Smart Phone and produced in quantity, based on EDGE Platform, it is the first Smart Phone produced in quantity

十一月

- 上海希姆通成功研製出TD-SCDMA/WiMAX雙模USB Modem (Downlink: 384Kbps)
- 上海基信康研製的基於EDGE平台的Smart Phone - N3成功量產，這是集團第一款成功量產的Smart Phone

December

- SIM Technology was awarded Deloitte Technology Fast 50 China and Deloitte Technology Fast 500 Asia Pacific for the third time
- Mr Simon Wong, President of the Group, was awarded Young Industrialist Awards of Hong Kong 2007
- Shanghai Simcom was awarded as the 2007 Key Software Enterprises under the State's Planning Projects
- Applied a total of 132 invention patents, 47 utility patents and 26 design patents

十二月

- 晨訊科技第三次入選「德勤中國高科技、高成長50強」企業和「德勤亞太區高科技、高成長500強」企業
- 集團總裁王曦先生榮獲「2007香港青年工業家獎」
- 上海希姆通入選「2007年度國家規劃佈局內重點企業」
- 共申請132項發明專利，47項實用新型專利，26項外觀專利



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Chairman's Statement

主席報告



Dear Shareholders:

I am pleased to report that, SIM Technology Group Limited (the "Company" or "SIM Technology") and its subsidiaries (the "Group") were one of the market front runners in China, in sales volume and net profit, in the year 2007. Taking into consideration of the fierce competition, it has been a hard task in making such an achievement. At the start of the year, with reference to market changes, the management of the Group speeded up strategic repositioning, completed structure reform, strengthened development of new-tech market, so that after a short period of decline, the Group stood up and achieved a V shape rebound in annual operation results. Moreover, such business reform and investments in new technology have made the Company well positioned in the market, laid a solid foundation for future development, and trained an excellent team of high spirit. Backed by numerous potential high quality projects and sufficient funds on hand, we believe the years to come will be very promising.

各位股東：

本人向各位匯報，晨訊科技集團有限公司(「本公司」或「晨訊科技」)及其附屬公司(「本集團」)在整個二零零七年度，銷售額及純利潤仍在中國居市場前列。這是在過去一年，面對行業過度競爭的市場環境下取得的，難能可貴。在年初之時，集團管理層針對市場變化，加快了戰略轉移，進行了架構改革，加強了新技術市場的開拓，使得集團在經歷短暫的業績下滑後，很快重新增長，最終實現了年度經營業績的V字形反彈。更令人欣慰的是，這次業務重組和新技術方面的投資，使企業處於有利的市場地位，為企業打下了良好的發展基礎，鍛煉出了一支富有戰鬥力的優秀團隊，並在眾多潛在優質項目和充足資金的保障下，使未來幾年充滿期待。

During the year, the Group has formulated a new strategy and laid down a solid foundation for future development.

本年度，本集團完成新的戰略布局，為未來發展奠定堅實基礎。



On behalf of the board of directors of the Company (the "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

13 March 2008

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

二零零八年三月十三日

Words from the President 總裁的話



RESULTS

I am delighted to present the annual report of the Group for the year ended 31 December 2007. The Group's revenue and net profit were approximately HK\$2,897 million and approximately HK\$241 million, representing a drop of 15.26% and 35.44% respectively when compared to those of 2006. Basic earnings per share for the year was HK15.9 cents, representing a drop of 35.89% when compared to that of last year.

業績

本人欣然提呈本集團截至二零零七年十二月三十一日止年度之年報，本集團的收入及純利分別為約2,897,000,000港元及約241,000,000港元，與二零零六年相比分別減少15.26%及35.44%。本年度每股基本盈利為15.9港仙，較去年減少35.89%。

PROPOSED FINAL DIVIDEND

The directors of the Company (“Directors”) have recommended the payment of a final dividend of HK2.5 cents per share to shareholders whose names appear on the register of members of the Company on 7 May 2008. The Company’s register of members will be closed from 5 May 2008 to 7 May 2008, both days inclusive, and the proposed final dividend will be paid on or about 20 May 2008. The payment of dividends shall be subject to the approval of the shareholders at the forthcoming annual general meeting to be held on 7 May 2008 (“Annual General Meeting”).

MANAGEMENT DISCUSSION AND ANALYSIS

After a period of tough business challenges and the re-positioning of our business strategies in 2007, we achieved HK\$2,897 million in revenue and HK\$240.7 million in net profit for the year ended 31 December 2007. Despite the price pressure in the global wireless communications industry, the gross profit margin of the Group maintained at above 14% for the year 2007. In the second half of 2007 (“2H-2007”), revenue and gross profit grew by 60.3% and 74.76% respectively when compared with those of the first half of 2007 (“1H-2007”). In 2008, we intend to continue with our strategy of engaging in high quality business and further enhancing efficiency of our operations. We believe we are well-positioned to serve the demands of new technologies in the mobile communications industry.

BUSINESS REVIEW

Avoided price competition in the low-end mobile handset market

The China domestic feature phone market was faced with tremendous price pressure. Despite achieving another record year of handset solutions unit shipment with 43.98% growth from 2006 to 2007, our revenue declined by 17.5% as compared with that of 2006. To combat the decline in feature phone market price, we have unveiled three high-end design solutions – analog mobile TV, GPS phones and smart phones, which, together with the increasing design service income from large original equipment manufacturers (“OEMs”), drove the improvement in the gross profit margin of the mobile handset solutions in 2H-2007 (12.34%) as compared with 1H-2007 (11.05%).

建議末期股息

本公司董事(「董事」)已建議向於二零零八年五月七日名列本公司股東名冊的股東支付每股2.5港仙之末期股息。本公司將於二零零八年五月五日至二零零八年五月七日(首尾兩日包括在內)暫停辦理股份過戶登記,而建議末期股息將於二零零八年五月二十日前後支付。股息支付須經股東於即將於二零零八年五月七日召開之應屆股東週年大會(「股東週年大會」)批准,方可作實。

管理層討論及分析

經過一段艱難業務挑戰時期及於二零零七年調整我們的業務策略後,我們於截至二零零七年十二月三十一日止年度錄得收入2,897,000,000港元及純利240,700,000港元。儘管面對全球無線通訊行業的價格壓力,於二零零七年,本集團的毛利率仍維持在14%以上。於二零零七年下半年,收入及毛利分別較二零零七年上半年增長60.3%及74.76%。於二零零八年,我們擬繼續推行從事高質素業務及進一步提高我們運營效率的策略。我們相信,我們已做好充分準備滿足移動通訊業的新型技術需求。

業務回顧

規避低端移動手機市場的價格競爭

中國國內功能手機市場承受著巨大價格壓力。儘管二零零七年手機解決方案的付運量較二零零六年增長43.98%,再創新高,而我們的收入卻較二零零六年下降17.5%。為應對功能手機市價下跌,我們已推出三種高端設計解決方案 - 電視手機、GPS手機及智能手機。連同來自大型原始設備製造商(「OEM」)不斷增加的設計服務收入,令移動手機解決方案的毛利率由二零零七年上半年的11.05%改善至二零零七年下半年的12.34%。

In 2007, we launched a complete suite of TD-SCDMA solutions including data cards, feature phones and smart phones. We also successfully extended our service to global leading handset OEMs and international mobile operators, which has enabled us to establish a strong position in the industry to capture future TD-SCDMA market growth.

Accelerated global reach for wireless module solutions

Our wireless module solutions achieved another record year of unit shipment and revenue in 2007. The sales quantity of and revenue from wireless module solutions increased by 43.16% and 16.05% year-on-year respectively. The volume growth was driven by our India business. Our industrial application solutions were also well received in the European market. Together with the launch of a series of HSDPA (3.5G) wireless module solutions tailored for the international market, we believe we have strengthened our growth potential in the global market.

Improved cost structure of LCD modules

Touch-panel display module has become a trend in mobile handset applications. We started investing in touch-panel screen production in our LCD module factory in early 2007, and successfully mass produced touch-panel screens in 2H-2007. As a result, our gross profit margin for LCD module business for 2H-2007 improved to 9.32% as compared to 7.26% in 1H-2007. We intend to continue investing in our manufacturing capability to improve our cost competitiveness.

BUSINESS OUTLOOK

Focus on R&D investments to drive business growth

In 2007, we have successfully re-positioned our business strategies to speed up our research and development (“R&D”) for higher returns and higher performance mobile handset and wireless communication module solutions. In 2008, we expect to devote more R&D resources to develop advance technology in our solution offerings to support the demands of the domestic and international markets. To further enhance our solutions portfolio, we intend to expand our high-end solutions including WCDMA/HSDPA, Digital Mobile TV (CMMB), TD/WiMAX and TD-HSDPA Solutions, which the management believes to have potential future business growth.

於二零零七年，我們推出整套TD-SCDMA解決方案，包括數據卡、功能手機及智能手機。我們亦將我們的服務成功拓展至全球領先手機OEM及國際移動營運商，這令我們於業內建立起強勁地位，進而把握TD-SCDMA市場的未來增長。

加快無線模塊解決方案的全球步伐

於二零零七年，我們的無線模塊解決方案在付運量及收入上再創新高。無線模塊解決方案的銷售量及收入分別較去年同期增加43.16%及16.05%。銷售量的增長乃由我們的印度業務所帶動。我們的工業應用解決方案亦在歐洲受到熱烈歡迎。連同推出一系列針對國際市場的HSDPA(3.5G)無線模塊解決方案，我們相信我們增強了我們於全球市場的增長潛力。

改善液晶顯示模塊的成本架構

觸摸屏顯示模塊已成為移動手機應用的趨勢。我們於二零零七年初開始在我們的液晶顯示模塊廠投資生產觸摸屏幕，並於二零零七年下半年成功大規模產出觸摸屏幕。因此，我們的液晶顯示模塊業務的毛利率改善至二零零七年下半年的9.32%(二零零七年上半年：7.26%)。我們擬繼續對我們的生產能力進行投資，以改善我們的成本競爭力。

業務展望

專注研發投資，帶動業務增長

於二零零七年，我們成功調整我們的業務策略，加快高回報及高性能的移動手機及無線通訊模塊解決方案的研究及開發(「研發」)。於二零零八年，我們預期投入更多研發資源，將先進技術應用於我們的解決方案，以滿足國內及國際市場的需求。為進一步加強我們的解決方案組合，我們擬擴展我們的高端解決方案，包括WCDMA/HSDPA、數碼電視手機(CMMB)、TD/WiMAX及TD-HSDPA解決方案等管理層相信具未來業務增長潛力的領域。

Continuous expansion of international business

In 2007, we have successfully increased the proportion of our export revenue to above 10% (2006: 4.5%). In 2008, we intend to further strengthen the capacity of our original design manufacturer (ODM) business models where it fits the high-end solutions for the international markets. The management believes the international market will continue to represent a significant future opportunity for our growth.

Our path ahead

We believe that the mobile communication market will remain challenging in 2008. However, our future business has several promising trends. The management expects the demand for higher bandwidth, GPS, and entertainment rich mobile communication solutions will drive faster new technology adoption. We believe that the re-positioning of our business strategies and our R&D investments in 2007 have positioned us to capture these future growing market segments.

Wong Hei, Simon

President

Hong Kong

13 March 2008

繼續擴充國際業務

於二零零七年，我們將我們的出口收入所佔比例成功增加至10%以上(二零零六年：4.5%)。於二零零八年，我們擬進一步增強我們的原始設計製造商(ODM)業務模塊的生產能力，將高端解決方案與國際市場接軌。管理層相信，國際市場將繼續向我們提供未來大幅增長的機會。

我們的前景

我們相信，移動通訊市場於二零零八年仍充滿挑戰。然而，我們的未來業務則將持續向好。管理層預期，對高帶寬、GPS及娛樂移動通訊解決方案的需求將加快新技術的應用。我們相信，調整我們的業務策略及我們於二零零七年的研發投資使我們能打進並把握這些未來增長的市場。

王曦

總裁

香港

二零零八年三月十三日

Management's Discussion and Analysis

管理層討論及分析



2.5G is a more advanced technology compared with the second generation mobile communication but less than the third one. It breaks through the constraint of circuit-switched technology to data transmission rate in 2G system, the introduction of the packet switching technology makes the fundamental change for the data transmission rate, GPRS is the typical representative. Additionally, HSCSD, GPRS, WAP, EDGE, Bluetooth, EPOC are all belonged to 2.5G.

2.5G是指比第二代移動通訊更先進、但又未達到第三代移動通訊要求的技術，它突破了2G電路交換技術對數據傳輸速率的制約，引入了分組交換技術，從而使數據傳輸速率有了質的突破，典型技術代表為GPRS。另外，HSCSD、GPRS、WAP、EDGE、藍牙(Bluetooth)、EPOC等技術都是2.5G技術。





FINANCIAL REVIEW

Financial results

For the year ended 31 December 2007, the Group's revenue decreased by 15.26% to HK\$2,897 million (2006: HK\$3,418.9 million) as compared with that of 2006. In 1H-2007, the Group shifted its R&D resources to high performance product development and suffered from the tough pricing competition in the China mobile handset market. However, the Group experienced a turnaround after 1H-2007 by introducing high performance products and increasing penetration into the overseas market. The revenue for the 2H-2007 increased by 60.31% to HK\$1,784.1 million (second half of 2006 ("2H-2006"): HK\$1,686.1 million) as compared to the 1H-2007.

財務回顧

財務業績

截至二零零七年十二月三十一日止年度，本集團的收入較二零零六年減少15.26%至2,897,000,000港元（二零零六年：3,418,900,000港元）。於二零零七年上半年，本集團將其研發資源轉向發展具有高性能產品的開發，並承受中國移動手機市場的艱難價格競爭。然而，透過引進高性能產品及增加對海外市場的滲透力，本集團於二零零七年上半年後實現逆轉。二零零七年下半年的收入較二零零七年上半年增加60.31%至1,784,100,000港元（二零零六年下半年：1,686,100,000港元）。





3G is the third generation mobile communication technology. It is a mobile communication system which combines the wireless communications with the internet and other multimedia communications. It is able to handle images, music, video streaming and other forms of media. Meanwhile it provides many information services, including web browsing, teleconference, E-business. In order to provide the said services, wireless network must be able to support different data transmission speed. The transmission speed for indoor, outdoor and driving is at least 2Mbit/s, 384Kbit/s and 144Kbit/s respectively. CDMA is considered as the first choice for 3G. The 3G standards are WCDMA, CDMA2000 and TD-SCDMA at this moment. Wimax is the fourth standard, which was just accepted by ITU.

3G是指第三代移動通訊技術，它是將無線通訊與互聯網等多媒體通訊結合的移動通訊系統。它能夠處理圖像、音樂、視頻流等多種媒體形式，提供包括網頁流覽、電話會議、電子商務等多種信息服務。為了提供這種服務，無線網絡必須能夠支援不同的數據傳輸速度，也就是說在室內、室外和行車的環境中能夠分別支持至少2Mbit/s、384Kbit/s以及144Kbit/s的傳輸速度。CDMA被認為是3G技術的首選，目前的3G標準有WCDMA、CDMA2000、TD-SCDMA。另外還有剛剛被ITU接納的第四個3G標準 - Wimax。





由於移動手機解決方案的平均售價下跌，本集團二零零七年的毛利較去年同期減少18.53%至410,600,000港元(二零零六年：504,000,000港元)。然而，由於來自移動手機解決方案之設計服務收入及無線通訊模塊解決方案銷售(均具有較高毛利率)的增加，本集團二零零七年的毛利率得以維持在14.17%(二零零六年：14.74%)。

於截至二零零七年十二月三十一日止年度，本集團錄得年度溢利240,700,000港元(二零零六年：372,900,000港元)，較二零零六年下降35.44%。二零零七年下半年的溢利較二零零七年上半年增加67.77%至150,800,000港元(二零零六年下半年：171,300,000港元)。二零零七年每股基本盈利較去年同期下降35.89%至15.9港仙(二零零六年：24.8港仙)。

The gross profit of the Group decreased by 18.53% year-on-year to HK\$410.6 million (2006: HK\$504 million) for the year 2007 due to the average selling price erosion for mobile handset solutions. The gross profit margin of the Group, however, maintained at 14.17% in 2007 (2006: 14.74%) because of the increasing sales contribution by the design service income of mobile handset solutions, as well as the wireless communication module solutions, which had higher gross profit margins.

The Group achieved a profit for the year of HK\$240.7 million (2006: HK\$372.9 million) for the year ended 31 December 2007, representing a drop of 35.44% as compared with that of 2006. The profit for the 2H-2007 increased by 67.77% to HK\$150.8 million (2H-2006: HK\$171.3 million) as compared with that of 1H-2007. The basic earnings per share for the year 2007 decreased by 35.89% year-on-year to HK15.9 cents (2006: HK24.8 cents).





3.5G is the enhanced wireless technology of WCDMA, with High Speed Downlink and Packet Access (HSDPA, High-Speed Downlink Packet Access). It is a modulation/demodulation system for 3GPP which is in the agreement of R5 needs to meet the requirement uplink/downlink to the data asymmetry. This construction is under the same network structure of WCDMA which has been built up and the larger data rate for the downlink will be increased to 14.4 Mbps. This technology is an important technology for the last net construction for WCDMA on improving the downlink capacity and data rate.

3.5G是WCDMA的增強型無線技術，高速下行分組接入(HSDPA, High-Speed Downlink Packet Access)也被稱為3.5G技術。它是3GPP在R5協議中為了滿足上下行數據業務不對稱的需求而提出的一種調製解調算法，它可以在不改變已經建設的WCDMA網絡結構的情況下，把下行數據業務最大速率提高到14.4Mbps。該技術是WCDMA網絡建設後期提高下行容量和數據業務速率的一種重要技術。





研究及開發費用

於二零零七年，本集團致力發展高性能的移動手機解決方案，包括中國3G、電視手機及智能手機解決方案。為大幅提升我們的研發能力，本集團於二零零七年七月收購一家移動手機設計公司，該公司擁有強大的研發團隊，其中包括150名專研WiFi/EDGE及WCDMA/HSDPA方面的專家。於二零零七年，設計及開發團隊成員增加至933人（二零零六年：638人）。研發費用達98,200,000港元（二零零六年：76,000,000港元），佔本集團收入的3.39%（二零零六年：2.22%）。

Research and development expenses

In 2007, the Group devoted itself to the development of high performance mobile handset solutions including China 3G, Mobile-TV and smart phone handset solutions. In order to boost our R&D capabilities, in July 2007, the Group acquired a mobile handset design company which had a strong R&D team with 150 experts specialising in R&D of WiFi/EDGE and WCDMA/HSDPA. The number of design and development team members increased to 933 (2006: 638) in 2007. The R&D expenses, which amounted to HK\$98.2 million (2006: HK\$76 million), representing 3.39% (2006: 2.22%) of the Group's revenue.



Selling and distribution costs

In 2007, the selling and distribution costs increased by 43.74% to HK\$71.9 million (2006: HK\$50 million) resulting from the expansion of the Group's international business. The ratio of the selling and distribution costs over revenue in 2007 was 2.48% (2006: 1.46%).

Administrative expenses

In 2007, the Group's administrative expenses increased by 11.07% to HK\$85.6 million (2006: HK\$77.1 million), representing 2.96% (2006: 2.26%) of the revenue. The increase was mainly due to the rise of staff and rental costs.

Segment results

銷售及分銷成本

於二零零七年，銷售及分銷成本增加43.74%至71,900,000港元(二零零六年：50,000,000港元)，乃由於本集團擴展國際業務所致。於二零零七年，銷售及分銷成本佔收入的比率為2.48%(二零零六年：1.46%)。

行政開支

於二零零七年，本集團的行政開支增加11.07%至85,600,000港元(二零零六年：77,100,000港元)，佔收入的2.96%(二零零六年：2.26%)。該增加主要由於員工及租賃成本上升所致。

分類業績

		Year ended 31 December 2007 截至二零零七年十二月三十一日止年度				Year ended 31 December 2006 截至二零零六年十二月三十一日止年度			
		Revenue		Gross profit		Revenue		Gross profit	
		Units shipped	Gross profit	margin	Units shipped	Gross profit	margin	margin	
		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	1,797.0	10,754	212.9	11.85%	2,178.3	7,469	323.6	14.85%
LCD modules	液晶顯示模塊	461.5	4,811	39.3	8.52%	690.4	5,634	52.2	7.56%
Wireless communication module solutions	無線通訊模塊解決方案	638.5	3,682	158.4	24.81%	550.2	2,572	128.2	23.30%
		2,897.0	19,247	410.6	14.17%	3,418.9	15,675	504.0	14.74%

Mobile handset solutions

Revenue from the mobile handset solutions of the Group for 2007 decreased by 17.5% year-on-year to HK\$1,797 million. During the 1H-2007, the Group shifted more R&D resources to high performance product development including China 3G, Mobile-TV and smart phone handset solutions, and successfully introduced those products in 2H-2007. The revenue of this segment for 2H-2007 increased by 59.91% to HK\$1,105.6 million (2H-2006: HK\$1,114 million) as compared to that of 1H-2007. The Group has launched 173 (2006: 269) handset models and 36 (2006: 29) handset platforms in 2007.

LCD modules

The Group successfully developed touch-panel screens and applied them in our LCD modules in 2H-2007. As a result, the gross profit margin of this segment for 2007 improved to 8.52% (2006: 7.56%). Revenue and sales quantity of this segment for 2007 have decreased by 33.16% and 14.61% respectively as compared with those of 2006 because some of our customers started to source their own LCD modules instead of bundling together with the mobile handset solutions. On the other hand, revenue and gross profit of this segment for 2H-2007 increased by 57.47% to HK\$282.2 million (2H-2006: HK\$345.3 million) and 102% to HK\$26.3 million (2H-2006: HK\$8.3 million) respectively as compared with those in 1H-2007.

移動手機解決方案

本集團二零零七年度移動手機解決方案的收入較去年同期減少17.5%至1,797,000,000港元。於二零零七年上半年，本集團將更多研發資源轉向具有高性能產品的開發，包括中國3G、電視手機及智能手機解決方案，並於二零零七年下半年成功推出該等產品。該分類於二零零七年下半年的收入較二零零七年上半年增加59.91%至1,105,600,000港元(二零零六年下半年：1,114,000,000港元)。本集團於二零零七年推出173種(二零零六年：269種)手機型號和36個(二零零六年：29個)手機平台。

液晶顯示模塊

本集團於二零零七年下半年成功開發出觸摸屏幕，並將其應用到我們的液晶顯示模塊。因此，該分類二零零七年度毛利率改善至8.52%(二零零六年：7.56%)。二零零七年度該分類的收入及銷售量較二零零六年分別下降33.16%及14.61%，原因為我們的一些客戶開始採購他們自己的液晶顯示模塊而非與移動手機解決方案一起採購所致。另一方面，二零零七年下半年的收入及毛利仍分別較二零零七年上半年增加57.47%至282,200,000港元(二零零六年下半年：345,300,000港元)及102%至26,300,000港元(二零零六年下半年：8,300,000港元)。





Wireless communication module solutions

Attributable to our effective cost management and our increasing overseas market penetration in the wireless communication business, 2007 was the third consecutive year that the Group recorded growth in this segment. Revenue and sales quantity of this segment increased by 16.05% and 43.16% respectively as compared with those of 2006. The gross profit ratio of this segment also improved to 24.81% (2006: 23.3%).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2007, the Group had bank balances of HK\$620.4 million (2006: HK\$822.7 million), among which 72.3% was held in Renminbi, 21.1% 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.

As at 31 December 2007, the Group had no bank borrowings (2006: Nil). The turnover period of the Group's inventory, trade receivables together with notes and bills receivable and trade and notes payables were 72 days, 14 days and 85 days respectively (2006: 54 days, 19 days and 61 days respectively) in 2007. The turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.

無線通訊模塊解決方案

由於我們有效的成本管理及我們的無線通訊業務不斷滲透至海外市場，本集團該分類於二零零七年連續第三年錄得增長。該分類的收入及銷售量分別較二零零六年增加 16.05% 及 43.16%。該分類的毛利率亦改善至 24.81% (二零零六年：23.3%)。

流動資金、財務資源及資本結構

於二零零七年十二月三十一日，本集團的銀行結餘為 620,400,000 港元 (二零零六年：822,700,000 港元)，其中 72.3% 以人民幣持有，21.1% 以美元持有，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。

於二零零七年十二月三十一日，本集團並無銀行借貸 (二零零六年：無)。於二零零七年，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 72 日、14 日及 85 日 (二零零六年：分別為 54 日、19 日及 61 日)。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。

After reviewing the current financial position based on the Group's finance policy, the management of the Group considered that it was not necessary to use any financial instrument for hedging purpose nor adopt any particular hedging policy in 2007.

As at 31 December 2007, the Company had an issued share capital comprising 1,515,880,000 ordinary shares of HK\$0.10 each.

於二零零七年，根據本集團之融資政策檢討現有財政狀況後，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何特定對沖政策。

於二零零七年十二月三十一日，本公司已發行股本包括1,515,880,000股每股面值0.10港元之普通股。

CASH FLOW DATA

現金流量數據

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net cash inflow from operating activities	經營活動現金流入淨額	391,022	751,765
Net cash outflow from investing activities	投資活動現金流出淨額	(421,464)	(213,622)
Net cash outflow from financing activities	融資活動現金流出淨額	(197,246)	(314,424)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 (減少)增加淨額	(227,688)	223,719





The Group's net decrease in cash and cash equivalents for the year 2007 were primarily attributable to the cash inflows from operating activities, have been offset by the acquisitions of the R&D company, land use right, fixed assets, expenditures on intangible assets, acquisitions of available-for-sale investments, which was a strategic investment in our supplier, and the payment of year 2006 final and year 2007 interim dividends.

GEARING RATIO

As at 31 December 2007, the total assets value of the Group was HK\$1,955.2 million (2006: HK\$1,833.9 million) and there was no bank borrowings (2006: Nil). The gearing ratio of the Group, calculated as total bank borrowings over total assets, was 0% (2006:0%).

EMPLOYEES

As at 31 December 2007, the Group had 2,499 (2006: 1,903) 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\$219.3 million (2006: HK\$180.7 million) during 2007.

於二零零七年，本集團之現金及等值項目減少淨額主要來自經營活動之現金流入，惟受購買研發公司、土地使用權、固定資產、無形資產開支、購買可供出售投資(是對我們供應商的策略性投資)和支付二零零六年末期及二零零七年中期股息所抵銷。

負債比率

於二零零七年十二月三十一日，本集團之資產總值為1,955,200,000港元(二零零六年：1,833,900,000港元)，且並無銀行借貸(二零零六年：無)。本集團的負債比率(按銀行借貸總額除以資產總值計算)為0%(二零零六年：0%)。

僱員

於二零零七年十二月三十一日，本集團共有2,499名(二零零六年：1,903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。本集團二零零七年的員工成本總額為219,300,000港元(二零零六年：180,700,000港元)。

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 37 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 32 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 does not have a 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 2007, 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年報第37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32。

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

於二零零七年十二月三十一日，本集團並無任何重大或然負債。





Though our individual ability is limited, the collective effort of each good deed, no matter how small it may seem, will add up to make this world better. Our actions will speak loud and our results will draw others to our good causes-protecting the environment and helping those in disadvantage. Together we can make the future better.

— Mr Wong Cho Tung.

儘管我們能力有限，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，盡我們的一份責任，這個世界畢竟會因為我們多一分美好。希望用我們的行動去影響、感染更多的人參與慈善公益事業和環保活動，大家攜手共創美好、和諧的明天。

— 王祖同先生。



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.

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。

領先行業的企業目標

我們的目標是：讓公司成為全球無線通訊終端產品解決方案與服務的領先企業。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。

Care for our Future

關注我們的未來

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.

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

An organisation establishes and funds 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.

ENCOURAGEMENT AND RECOGNITIONS

The Group was awarded “Remarkable Contribution of Chinese Charitable Causes Award” by the China Charity Federation and was nominated for the highest award for Chinese Charitable Causes, the “Chinese Charitable Award” elected by the Ministry of Civil Affairs of PRC. These awards serve as recognition and endorsement of Sunrise people’s culture and drive us to work even harder.



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。

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，盡一份責任，世界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

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。

鼓勵與認同

集團獲中華慈善總會頒發的「中華慈善事業突出貢獻獎」，並獲中國慈善事業的最高獎提名 - 由國家民政部評選的2006年度「中華慈善獎」。這些獎項是對晨興文化的肯定和認同，也激勵著晨興人不斷努力。

Directors and Senior Management Profile

董事及高級管理人員

DIRECTORS

Ms Yeung Man Ying (“Mrs Wong”), aged 63, is the chairman and executive Director of the Company, the chairperson of Shanghai Sunrise Electronic Technology Co., Limited (“Shanghai Sunrise”) and a director of Sunrise Electronic Industry Limited (“SEIL”). Mrs Wong is responsible for developing strategic direction and development of the Group. In 1986, Mrs Wong together with her spouse, Mr. Wong Cho Tung, founded Sunrise Technology Limited (“Sunrise Technology (HK)”), a company engaging in the distribution of electronic components. Over the years, Mrs Wong and Mr Wong Cho Tung had established a number of companies which engaged in the electronics and telecommunications business including Shanghai Sunrise, 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. Before setting up Sunrise Technology (HK), Mrs Wong also 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.

Mr Wong Hei, Simon, aged 35, is the president and an executive Director of the Company, the managing director of SIM Technology HK Limited (“SIM Technology (HK)”), a director of Shanghai Sunrise, SEIL, Simcom International Holdings Limited, Suncom International Holdings Limited and Max Vision Limited and is responsible for overall management and supervision of the Group’s business, ranging from production development, marketing operation, supply chain management to devising business strategies. He is a son of Mr Wong and Mrs Wong and the younger brother of Mr Wong Sun. Mr Wong Hei, Simon has over 10 years of experience in the electronics and telecommunications industry and extensive experience in investment and business management. Prior to joining Sunrise Technology (HK), he worked at the headquarters of National Semiconductor in the Silicon Valley in 1995. In May 2001, Sunrise Technology (HK), Sunrise Technology Group Limited and their subsidiaries (together, the “Sunrise Group”) were acquired by Avnet Sunrise Limited and Avnet Asia Pte Limited upon which Mr Wong Hei, Simon was appointed as the managing director of Chinatronic Technology Limited. Mr Wong Hei, Simon joined the Group as a director of SEIL in February 2000 and became a director of Shanghai Sunrise in October 2003. 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」), 63歲, 本公司主席兼執行董事、上海晨興電子科技有限公司(「上海晨興」)主席、晨興電子工業有限公司(「晨興電子工業」)之董事, 負責為本集團發展策略性方向和本集團之發展。於一九八六年, 王太太及其配偶王祖同先生創立晨興電子科技有限公司(「晨興電子」), 該公司從事分銷電子元器件。多年來, 王太太及王祖同先生成立多家公司, 從事電子及通訊業務, 包括上海晨興, 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。於成立晨興電子前, 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。



王曦先生, 35歲, 本公司之總裁兼執行董事、晨訊科技香港有限公司(「晨訊科技(香港)」)之董事總經理以及上海晨興、晨興電子工業、Simcom International Holdings Limited、Suncom International Holdings Limited及天景有限公司之董事, 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生意策略。彼為王先生及王太太之子及王晨先生之胞弟。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。加盟晨興電子前, 彼於一九九五年曾任職於矽谷National Semiconductor之總部。二零零一年五月, 晨興電子, 晨興科技集團有限公司及其附屬公司(統稱為「晨興集團」)由Avnet Sunrise Limited及Avnet Asia Pte Limited收購, 而王曦先生獲委任為Chinatronic Technology Limited之董事總經理。王曦先生於二零零零年二月加入本集團為晨興電子工業之董事, 並於二零零零年三月十月成為上海晨興之董事。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。





Mr Tsang Hen Loon, Raymond (“Mr Tsang”), aged 49, is the deputy chairman and an executive Director of the Company and is responsible for assisting the chairman of the company to develop strategic direction of the Group. Mr Tsang has over 20 years of experience in the electronics industry. Mr Tsang was the marketing director (Asia-Pacific region) of National Semiconductor. In 1995, Mr Tsang joined the Sunrise Group as the managing director of Sunrise Technology (HK). Two years later, he joined Pericom Technology (Shanghai) Co., Ltd., a semiconductor company, as general manager. Mr Tsang re-joined Sunrise Technology (HK) as the chief executive officer in 2000. In 2001, the electronic components distribution business of the Sunrise Group was acquired by Avnet. Mr Tsang became vice president and regional director (Hong Kong and PRC) of Avnet Sunrise Limited in May 2001 and was promoted to president of Avnet Electronics Marketing Asia in March 2002.

Mr Tsang has extensive experience in corporate management and strategic business planning. Mr Tsang re-joined the Group on 1 January 2005. Mr Tsang obtained a bachelor degree of science in electrical engineering from the University of Wisconsin-Madison in 1981 and a master’s degree in business administration from the East Asia Open Institute in 1993.

曾憲龍先生(「曾先生」), 49歲, 本公司之副主席及執行董事, 負責協助本公司主席為本集團發展策略性方向。曾先生於電子業擁有逾20年經驗。曾先生曾任 National Semiconductor 亞太區市場總監。於一九九五年, 曾先生加盟晨興集團, 出任晨興電子之董事總經理。兩年後, 彼加盟一間半導體公司 Pericom Technology (Shanghai) Co., Ltd. 擔任總經理。曾先生於二零零零年重新加盟晨興電子出任行政總裁。於二零零一年, 晨興集團的電子元件分銷業務由 Avnet 購入。曾先生於二零零一年五月成為 Avnet Sunrise Limited 之副總裁兼地區經理(香港及中國), 並於二零零二年三月晉升為 Avnet Electronics Marketing Asia 之總裁。

曾先生於企業管理及策略業務策劃方面擁有豐富經驗。曾先生於二零零五年一月一日重返本集團。曾先生於一九八一年獲 University of Wisconsin-Madison 電機工程學士學位, 以及於一九九三年取得澳門東亞大學工商管理碩士學位。

Mr Wong Cho Tung (“Mr Wong”), aged 63, is an executive Director and the president of the business operation headquarter of the Group. Mr Wong is primarily responsible for the overall management and supervision of the Group’s business, 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, SEIL, SIM Technology Group (BVI) Limited and SIM Technology (HK). Mr Wong is also a the director of Info Dynasty Group Limited, a controlling shareholder of the Company. In 1986, Mr Wong together with his spouse, Ms Yeung Man Ying, founded Sunrise Technology (HK). In 1993, Shanghai Sunrise, one of the main operating subsidiaries of the Group, was incorporated as a subsidiary of Sunrise Technology (HK). Under the leadership of Mr Wong, Sunrise Technology (HK) has expanded into one of the larger distributors of electronic components in China. In May 2001, Sunrise Group attracted Avnet Sunrise Limited and Avnet Asia Pte Limited (“Avnet”) to acquire the Sunrise Group’s components distribution business. After the successful acquisition of the component distribution business by Avnet, Mr Wong was appointed as a senior vice president of Avnet Asia Pte Limited. 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. Prior to co-founding Sunrise Technology (HK), Mr Wong held positions in various companies such as manufacturing plants in Sichuan Province, the Computer Centre of South China Institute of Technology in Guangzhou, as well as the Mass Transit Railway Corporation in Hong Kong. Mr Wong’s responsibilities in these companies included electrical product design as well as computer hardware and software system development and modification.

王祖同先生(「王先生」), 63歲, 執行董事及本集團業務運作總部之總裁。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、晨興電子工業、SIM Technology Group (BVI) Limited及晨訊科技(香港)之董事。王先生亦為本公司控股股東 Info Dynasty Group Limited之董事。於一九八六年, 王先生及其配偶楊文瑛創立晨興電子。於一九九三年, 本集團其中 - 主要營運附屬公司上海晨興成立為晨興電子之附屬公司。在王先生的領導下, 晨興電子發展成為中國最大的電子元器件分銷商之一。於二零零一年五月晨興集團獲Avnet Sunrise Limited及Avnet Asia Pte Limited(「Avnet」)垂青, 收購晨興集團元器件分銷業務。於Avnet成功收購電子元器件分銷業務後, 王先生其後獲委任為Avnet Asia Pte Limited 之高級副總裁。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。創立晨興電子之前, 王先生曾於四川省的工廠、廣州華南理工大學電腦中心以及香港地下鐵路公司任職。在這些職位上, 王先生主要從事電機設計, 電腦硬件及軟件的研發和改進。





Mr Zhang Jianping (“Mr Zhang”), aged 42, is an executive Director and the chief operating officer of the business operation headquarter of the Group. He is also a director of Shanghai Sunrise and Shanghai SIM Technology Limited. He assists the president and the chief executive officer in the overall management of the Group, including the overall operation of Shanghai Sunrise and Shanghai Simcom. Mr Zhang joined Shanghai Sunrise 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.



Mr Wong Sun (王晨), aged 35, is an executive Director, a director of Shanghai Sunrise and SEIL. Mr Wong Sun is responsible for the business development and operation of the Group. He is a son of Mr Wong and Mrs Wong and the elder brother of Mr Wong Hei, Simon. Since joining Sunrise Technology (HK), in 1996, Mr Wong Sun has been involved in the sales operations of the Group in Beijing, Shanghai and Shenzhen and has been responsible for the management of the investment and business development of Sunrise Technology (HK) and the Group. Mr Wong Sun joined the Group as a director of SEIL in February 2000 and became a director of Shanghai Sunrise in March 2000. Mr Wong Sun has over 10 years of experience in the electronics and telecommunication industry and extensive experience in investment and business management. In 1994, Mr Wong Sun obtained a bachelor’s degree in science from the University of Southern California specialising in engineering and in 2004, a master’s degree in business administration from the China Europe International Business School.

張劍平先生(「張先生」), 42歲, 執行董事及本集團業務運作總部之首席運營官。彼亦為上海晨興及晨訊科技(上海)有限公司之董事。彼協助總裁及行政總裁全面管理本集團, 包括上海晨興及上海希姆通之整體業務營運。張先生於一九九六年加入上海晨興, 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國國際工商管理學院獲工商管理碩士學位。

王晨先生, 35歲, 執行董事、上海晨興及晨興電子工業之董事。王晨先生負責本集團之業務發展及營運。彼為王先生及王太太之子及王曦先生之胞兄。自一九九六年加入晨興電子以來, 王晨先生一直負責本集團於北京、上海及深圳之銷售營運, 並負責管理晨興電子及本集團之投資及業務發展。王晨先生於二零零零年二月加入本集團擔任晨興電子工業之董事, 並於二零零零年三月成為上海晨興之董事。王晨先生於電子及電訊業擁有逾10年經驗, 並於投資及業務管理上擁有豐富經驗。於一九九四年, 王晨先生取得南加州大學理學士學位, 專修工程學, 並於二零零四年在中國國際工商管理學院取得工商管理碩士學位。

Ms Tang Rongrong (“Ms Tang”), aged 54, is an executive Director, vice president of Hunan Resources and Administration Department of the Group, and a director of Shanghai Sunrise. 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. Ms Tang graduated from 贛南醫學專科學校 (Gannan Medical College) in 1978.

Mr HENG Kwoo Seng (“Mr Heng”), aged 60, is an independent non-executive Director and the chairman of the Audit Committee of the Company. Mr Heng is the managing partner of Morison Heng, Chartered Accountants and Certified Public Accountants in Hong Kong. Mr Heng is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr Heng has worked with a number of companies listed on the Stock Exchange either in the capacity of company secretary or as an independent non-executive director. In the last three years, Mr Heng was also an independent non-executive director of The Thai-Asia Fund Limited, The Thai Asset Fund Limited, Winfair Investment Company Limited and Tack Fat Group International Limited. Mr Heng is currently an independent non-executive director of China Fire Safety Enterprise Group Holdings Limited, GCL-Poly Energy Holdings Limited, Lee & Man Holding Limited, Lee & Man Paper Manufacturing Limited, Minth Group Limited, SCUD Group Limited, Soundwill Holdings Limited, The United Laboratories International Holdings Limited and Zhong An Real Estate Limited, and a company secretary of AEON Stores (Hong Kong) Co., Limited and China Life Insurance Company Limited, all of which are companies listed on the Stock Exchange. Mr Heng was appointed as an independent non-executive Director in January 2005.

Mr Wang Chengwei (“Mr Wang”), aged 68, is an independent non-executive Director. Mr Wang has 30 years experience in the steel industry. Mr Wang joined Bao Steel Group in 1980 and has held a number of senior positions including vice commander of 上海寶鋼工程指揮部 (Shanghai Bao Steel Construction Headquarters) and chairman of the board of several of its joint venture companies. Mr Wang is a winner of the first class award of national technology improvements granted by the State in 1993. Mr Wang graduated from Beijing University of Mechanical Engineering in 1964. Mr. Wang was appointed as an independent non-executive Director in January 2005.

唐融融女士 (「唐女士」), 54歲, 執行董事、本集團人事行政部之副總裁及上海晨興之董事。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。



邢詒春先生 (「邢先生」), 60歲, 為本公司之獨立非執行董事及審核委員會主席。邢先生為華利信會計師事務所(特許會計師及香港執業會計師)之主管合夥人。邢先生為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。邢先生曾於多間聯交所上市公司出任公司秘書或獨立非執行董事。於過去三年, 邢先生亦同時為The Thai-Asia Fund Limited、The Thai Asset Fund Limited、永發置業有限公司及德發集團國際有限公司之獨立非執行董事。邢先生現時為中國消防企業集團控股有限公司、保利協鑫能源控股有限公司、理文集團有限公司、理文造紙有限公司、敏實集團有限公司、飛毛腿集團有限公司、金朝陽集團有限公司、聯邦製藥國際控股有限公司及眾安房產有限公司之獨立非執行董事, 以及永旺(香港)百貨有限公司及中國人壽保險股份有限公司之公司秘書, 所有該等公司均為聯交所上市公司。邢先生於二零零五年一月獲委任為獨立非執行董事。



汪誠蔚先生 (「汪先生」), 68歲, 本公司之獨立非執行董事。汪先生於鋼鐵業擁有30年經驗。汪先生於一九八零年加入寶鋼集團, 並擔任多個高級職位, 包括上海寶鋼工程指揮部之副指揮及該公司若干合營公司之董事會主席。汪先生於一九九三年榮獲中國國家科技進步一等獎。汪先生於一九六四年畢業於北京機械工程學院。汪先生於二零零五年一月獲委任為獨立非執行董事。





Mr Zhuang Xingfang ("Mr Zhuang"), aged 59, is an independent non-executive Director. Mr Zhuang is a graduate in management engineering of Hangzhou University of Electronics Technology Industry 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 chairman of CCID Consulting Company Limited (a Company listed on the Stock Exchange) and 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」), 59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。彼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。彼現時為在香港上市之賽迪顧問股份有限公司董事長及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。

SENIOR MANAGEMENT

Mr Chan Tat Wing, Richard ("Mr Chan"), aged 51, is 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 and is employed by the Company on a full time basis as a qualified accountant pursuant to Rule 3.24 of the Listing Rules. 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) in July 2004.

高級管理人員

陳達榮先生(「陳先生」), 51歲, 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, 並為本公司根據上市規則第3.24條全職聘用之合資格會計師。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)。



Mr Li Chengjun ("Mr Tony Li"), aged 35, is the chief executive officer of the business operation headquarter of the Group. Mr Tony Li joined the Group in August 2007, and is responsible for overseeing the PRC operation and management of the Group. Mr Tony Li has 11 years of experience in technology, sales and marketing, and management. Before joining the Group, Mr Tony Li held a senior position in the Wireless and Terminal Department of Shenzhen Huawei Technologies Co., Ltd., and was responsible for the R&D of mobile handset, and sales and marketing. Mr Tony Li obtained a master degree in engineering from the Beijing University of Aeronautics and Astronautics in 1997.

李承軍先生(「李先生」), 35歲, 本集團業務運作總部之首席執行官。李先生於二零零七年八月加盟本集團, 負責中國運營總部的營運及管理。李先生在移動通信領域擁有11年技術、行銷及管理經驗。加盟本集團前, 李先生在深圳華為技術有限公司無線網路部門和終端部門擔任高級管理職務, 負責手機研發及市場銷售工作。李先生於一九九七年獲得北京航空航天大學工程學碩士學位。



Mr Li Zhemin (“Mr Li”), aged 35, is the general manager of the TD-SCDMA business unit of the Group. Mr Li has over 10 years of experience in R&D and technical management in the fields of mobile phone and mobile telecommunication technology. Before joining the Group in December 2006, Mr Li held senior technical and administrative positions in various large international telecommunication companies, including Motorola (China) Electronics Ltd., Alcatel Shanghai Bell Co., Ltd. and Analog Devices, Inc. Mr Li obtained a bachelor’s degree in engineering from XiDian University, specializing in electronic engineering.

李哲民先生(「李先生」), 35歲, 本集團TD-SCDMA事業部總經理。李先生在移動電話及移動通訊技術方面擁有超過10年的研究開發與技術管理經驗。二零零六年十二月加盟本集團前, 李哲民先生曾在多家大型國際通訊公司擔任高級技術及管理職務, 包括摩托羅拉電子有限公司、上海貝爾阿爾卡特股份有限公司和美國模擬器件公司。李先生於一九九六年取得西安電子科技大學工程學學士學位, 主修電子工程技術。



Ms Xu Hong (“Ms Xu”), aged 38, is the general manager of the Supply Chain Department of the Group. In 1991, Ms Xu joined Sunrise Technology (HK) as the person-in-charge for the northern region in China and was responsible for the sales and marketing activities in this region. Following the acquisition of Sunrise Technology (HK) by Avnet in May 2001, Ms Xu served as the IMS sales managing director of Avnet Inc in the PRC. From 2005 onward, Ms Xu was the OEM sales managing director of Avnet’s operations in Hong Kong and the PRC. Ms Xu has over 16 years of experience in supply chain management and electronic components sales management. In early 2006, Ms Xu left Avnet Inc and joined the Group. Ms Xu is attending MBA courses jointly held by Peking University and Duke University.

徐竑女士(「徐女士」), 38歲, 本集團交付平台總經理。徐女士於一九九一年加入晨興電子, 擔任中國北方地區負責人, 負責整個中國北方地區的銷售及市場推廣等工作。二零零一年五月當晨興集團被Avnet收購後, 徐女士擔任安富利集團中國區IMS銷售總經理, 並於二零零五年起擔任安富利香港及中國地區OEM銷售總經理。徐女士有著超過16年的供應鏈管理及電子元器件銷售管理經驗。2006年初徐女士離開安富利集團加入本集團。徐女士現進修北京大學與杜克大學聯合開設的工商管理碩士課程。





Mr Shen Jianguo (“Mr Shen”), aged 42, is the co-general manager of the module business unit of the Group. Mr Shen has over 15 years of experience in marketing and sales of electronic components and 6 years of experience in software-related work. Before joining the Group in January 2004, Mr Shen was the sales general manager of the South China’s operations of Chinatronic Technology Limited, a subsidiary of Avnet Inc.. Mr Shen obtained a bachelor’s degree from Nantong Vocational College, specializing in application of electronic technique.

沈建國先生(「沈先生」), 42歲, 本集團模塊事業部聯席總經理。沈先生擁有超過15年的電子元器件市場銷售經驗和6年的軟件工作經驗。二零零四年一月加盟本集團前, 沈先生擔任安富利集團下屬華創科技有限公司南中國區銷售總經理。沈先生1986年取得南通職業技術大學學士學位, 主修電子技術應用。



Mr Tsang Shiu Keung, aged 40, is the vice president of the Group. Mr Tsang Shiu Keung is responsible for driving the international business growth of wireless module and machine to machine application. Mr Tsang Shiu Keung brings years of leadership and business experience from other multi-national companies. Prior to joining the Group, Mr Tsang Shiu Keung has worked in various financial management positions at Intel supporting new product launch. Mr Tsang Shiu Keung obtained a bachelor of science degree in Mechanical Engineering from California Polytechnic and a master degree in Business Administration from the Marshall School of Business, University of Southern California.

曾兆強先生, 40歲, 本集團模塊事業部聯席總經理。曾兆強先生負責推動無線模塊及機器至機器應用的國際業務增長。曾兆強先生於其他跨國公司有多年領導及業務經驗。加入本集團之前曾兆強先生在英特爾擔任不同業務管理職位, 為新產品上市提供支援。曾兆強先生於加州理工大學機械工程專業獲得理學學位, 並獲南加州大學馬歇爾商學院工商管理碩士學位。

Ms Wong Tik (“Ms Wong”) CPA, aged 35, is the company secretary and finance manager of SIM Technology (HK). 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.

黃荻女士(「黃女士」)(CPA), 35歲, 本公司之公司秘書及晨訊科技(香港)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 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its subsidiaries are set out in note 34 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement on page 50.

An interim dividend of HK3.0 cents per share amounting to HK\$45,469,000 was paid to the shareholders during the year. The Directors have recommended the payment of a final dividend of HK2.5 cents per share to the shareholders on the register of members on 7 May 2008, amounting to HK\$37,897,000, and the retention of the remaining profit for the year of HK\$157,349,000.

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 2007 and assets and liabilities of the Group as at 31 December 2005, 2006 and 2007 are set out on page 119 to 120 of the annual report.

PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

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

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 27 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.

董事會欣然提呈截至二零零七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34。

業績及分派

本集團截至二零零七年十二月三十一日止年度之業績載於第50頁之綜合收益表。

本年度向股東派發的中期股息為每股3.0港仙，合共45,469,000港元。董事已建議向於二零零八年五月七日登記在股東名冊的股東派發末期股息每股2.5港仙，合共37,897,000港元，並保留本年度剩餘溢利為157,349,000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

本集團於截至二零零七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二零零五、二零零六年及二零零七年十二月三十一日之資產與負債載於年報第119至120頁。

物業、廠房及設備及土地使用權

本年度本集團物業、廠房及設備及土地使用權之變動詳情載於綜合財務報表附註16及17。

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27。

本年度，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 2007 were approximately HK\$225,571,000 (2006: HK\$187,977,000), being the contributed surplus of approximately HK\$193,846,000 (2006: HK\$193,846,000) add accumulated profits of approximately HK\$31,725,000 (2006: less losses of HK\$5,869,000).

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 during the year and up to date of this report are:

Executive Directors:

Ms Yeung Man Ying
Mr Wong Cho Tung
Mr Tsang Hen Loon, Raymond
Mr Zhang Jianping
Mr Wong Hei, Simon
Mr Wong Sun
Ms Tang Rongrong

Independent non-executive Directors:

Mr Heng Kwo Seng
Mr Wang Chengwei
Mr Zhuang Xingfang

In accordance with the provisions of the Company's Bye-laws, Mr Wong Cho Tung, Mr Tsang Hen Loon, Raymond, Mr Zhang Jianping and Mr Wong Hei, Simon 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 of the Company are set out in the "Directors and Senior Management Profile" section of this annual report.

可供分派儲備

本公司於二零零七年十二月三十一日可供分派予股東之儲備約為225,571,000港元(二零零六年: 187,977,000港元), 即繳入盈餘約193,846,000港元(二零零六年: 193,846,000港元) 加累計溢利約31,725,000港元(二零零六年: 減虧損約5,869,000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

於本年度及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
曾憲龍先生
張劍平先生
王曦先生
王晨先生
唐融融女士

獨立非執行董事:

邢詒春先生
汪誠蔚先生
庄行方先生

根據本公司公司細則之條文, 王祖同先生、曾憲龍先生、張劍平先生及王曦先生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 2007, the interests and short positions of the Directors and chief executives of the Company in the shares and debentures of the Company or the shares, underlying shares and debentures of any associated corporation (within the meaning of Part XV of the Securities and Future Ordinance (“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 of Hong Kong Limited (“Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

(a) Long position 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

於二零零七年十二月三十一日，本公司董事及主要行政人員於本公司股份及債券或任何相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第352條記錄於本公司須存置之登記冊中，或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)中上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

(a) 持有本公司股份及相關法團股份之好倉

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	Corporate interest (note 1) 公司權益(附註1)	910,000,000	60.03%
	Company 本公司	Family interest (note 1) 家族權益(附註1)	320,000	0.02%
	Info Dynasty Group Limited (“Info Dynasty”)	Personal interest 個人權益	1,000	49.95%
Ms Yeung Man Ying 楊文瑛女士	Company 本公司	Corporate interest (note 2) 公司權益(附註2)	910,000,000	60.03%
	Company 本公司	Personal interest 個人權益	320,000	0.02%
	Info Dynasty	Personal interest 個人權益	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	Personal interest 個人權益	1	0.05%
Mr Wong Sun 王晨先生	Info Dynasty	Personal interest 個人權益	1	0.05%
Mr Tsang Hen Loon, Raymond 曾憲龍先生	Company 本公司	Personal interest 個人權益	1,500,000	0.10%
Mr Zhang Jianping 張劍平先生	Company 本公司	Personal interest 個人權益	1,500,000	0.10%
Ms Tang Rongrong 唐融融女士	Company 本公司	Personal interest 個人權益	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. 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, respectively. Mr Wong is the spouse of Ms Yeung Man Ying and is therefore taken to be interested in the interests of his spouse by virtue of Part XV of the SFO.
- Ms Yeung Man Ying, the spouse of Mr Wong ("Mrs 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. Mrs Wong is the spouse of Mr Wong and is therefore taken to be interested in the interests of her spouse by virtue of Part XV of the SFO.
- Calculation is based on the issued share capital of 1,515,880,000 shares of the Company as at 31 December 2007.

附註：

- 王祖同先生(「王先生」)控制Info Dynasty三分之一以上之投票權；因此，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，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。王先生乃楊文瑛女士之配偶，根據證券及期貨條例第XV部，彼將被視為擁有其配偶之權益。
- 王先生之配偶楊文瑛女士(「王太太」)控制Info Dynasty三分之一以上之投票權；因此，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。王太太為王先生之配偶，根據證券及期貨條例第XV部，彼將被視為擁有其配偶之權益。
- 根據本公司於二零零七年十二月三十一日之已發行股本1,515,880,000股股份計算。

(b) Share options

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) (附註)
Mr Tsang Hen Loon, Raymond 曾憲龍先生	Company 本公司	Personal interest 個人權益	1,500,000	1,500,000	0.10%
Mr Zhang Jianping 張劍平先生	Company 本公司	Personal interest 個人權益	1,500,000	1,500,000	0.10%
Ms Tang Rongrong 唐融融女士	Company 本公司	Personal interest 個人權益	464,000	464,000	0.03%

Note:

Calculation is based on the issued share capital of 1,515,880,000 shares of the Company as at 31 December 2007.

As at 31 December 2007, save as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions, whether beneficial or non-beneficial, in the shares, underlying shares or debentures of the Company or any of its associated corporation.

SHARE OPTIONS

Particulars of the Company's share option schemes and details of movements in the share options are set out in note 32 to the consolidated financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed in note 32 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.

(b) 購股權

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) (附註)
Mr Tsang Hen Loon, Raymond 曾憲龍先生	Company 本公司	Personal interest 個人權益	1,500,000	1,500,000	0.10%
Mr Zhang Jianping 張劍平先生	Company 本公司	Personal interest 個人權益	1,500,000	1,500,000	0.10%
Ms Tang Rongrong 唐融融女士	Company 本公司	Personal interest 個人權益	464,000	464,000	0.03%

附註：

根據本公司於二零零七年十二月三十一日之已發行股本 1,515,880,000 股股份計算。

於二零零七年十二月三十一日，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，擁有任何權益或淡倉。

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 32。

購買股份或債券之安排

除綜合財務報表附註 32 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。

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 existing during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2007, as far as is known to the Directors and chief executives of the Company, the interests or short position 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 of substantial shareholders maintained by the Company pursuant to section 336 of the SFO were as follows:

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) (附註)
Info Dynasty	Beneficial interest 實益權益	841,175,000	55.49%

Note: Calculation is based on the issued share capital of 1,515,880,000 shares of the Company as at 31 December 2007.

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

於二零零七年十二月三十一日，就董事及本公司之主要行政人員所知，根據證券及期貨條例第336條本公司須存置之主要股東名冊所記錄，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：

附註：根據本公司於二零零七年十二月三十一日之已發行股本1,515,880,000股股份計算。

APPOINTMENT 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 are independent.

委任獨立非執行董事

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.

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 32 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes of the Group are set out in note 31 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

As 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 year ended 31 December 2007, the five largest customers accounted for approximately 53.89% of the Group's total sales and sales attributable to the Group's largest customer accounted for approximately 20.94% of the Group's total sales.

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。

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32。

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31。

優先購買權

本公司之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。

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

截至二零零七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53.89%，而本集團最大客戶的銷售額則佔本集團總銷售額約20.94%。

For the year ended 31 December 2007, the five largest suppliers accounted for approximately 46.71% of the Group's total purchases and purchases attributable to the Group's largest supplier accounted for approximately 22.75% of the Group's total purchases.

At no time during the year 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 suppliers.

COMPLIANCE WITH CODE OF BEST PRACTICES

The Company and its Directors confirm, to their best knowledge, that the Company has complied with the applicable code provisions of the Code of Corporate Governance Practices ("Corporate Governance Code") contained in Appendix 14 to the Listing Rules.

The Company has adopted the Model Code as its code for dealing in securities of the Company by the Directors. After specific enquiry 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 2007.

AUDITOR

The consolidated financial statements for the year ended 31 December 2007 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

13 March 2008

截至二零零七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約46.71%，而本集團最大供應商的採購額則佔本集團總採購額約22.75%。

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，概無於本年度內任何時間，在本集團五大客戶或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，本公司已遵守上市規則附錄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。

本公司已採納標準守則作為董事進行買賣證券之守則。在由本公司作出具體查詢後，所有董事確認，彼等已於截至二零零七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

截至二零零七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

二零零八年三月十三日

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

The Company has complied with the Corporate Governance Code for the year ended 31 December 2007.

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 and 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.

Board composition and practices

As at 31 December 2007, the Board comprised seven executive Directors and three independent non-executive Directors. Biographical details of the Directors and the relationships among them are set out in the "Directors and Senior Management Profile" section on pages 23 to 30 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.

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

截至二零零七年十二月三十一日止年度，本公司已遵守企業管治守則。

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。

董事會之組成及運作

於二零零七年十二月三十一日，董事會由七名執行董事及三名獨立非執行董事組成。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23頁至第30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所需披露的關連(包括財務、商務或家庭關係)。

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.

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 directors.

The Board delegates specific tasks to the Group's management include 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 Company's 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 2007. 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.

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集團政策以及就集團之所有營運向董事會負全責。

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,以於公布前待董事會批准。

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。根據本公司之公司細則,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可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。於二零零七年,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檢查。

The Board held four meetings in 2007 with attendance rate of 100%.

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. The existing Directors were appointed prior to the listing of the Company in 2005 (“Listing”) and four of them had retired in accordance with the Bye-laws of the Company and were re-appointed by the shareholders of the Company at the last annual general meeting held on 27 April 2007 and since the Listing, the Board did not have any meeting to nominate any new Director.

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.

To reflect the Corporate Governance Code, a special resolution has been passed at the last annual general meeting of the Company to amend Bye-law 86(2) of the Bye-Laws of the Company such that any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting.

The re-election procedure set out in the Bye-laws of the Company 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. 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 reelection 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.

董事會於二零零七年舉行了四次會議，出席率為100%。

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，以供股東於股東大會上選舉。所有現有董事於二零零五年本公司上市(「上市」)前已獲委任，而其中四位董事根據本公司之公司細則已退任並經本公司之股東於二零零七年四月二十七日舉行之最近股東週年大會上膺選連任，自上市以來，董事會並無舉行任何會議提名委任任何新董事。

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。

為反映企業管治常規守則，上次本公司股東週年大會上提呈一項特別決議案，以通過本公司之公司細則第86(2)條，以使董事會所委任之任何董事之任期只直至本公司下屆股東大會(如為填補臨時空缺)或直至本公司下屆股東週年大會(如為董事會新增董事)，並符合資格在有關大會上膺選連任。

載於本公司之公司細則內之重選之程序訂明，於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。

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 Hong Kong Companies Ordinance and the applicable accounting standards.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Having made specific enquiry of all Directors, that all Directors have confirmed that they have complied with the required standard set out in the Model Code for the period covered by the annual report.

REMUNERATION COMMITTEE

The Company has established a 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.

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，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，並可據此按香港公司條例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。經向所有董事作出具體詢問，而所有董事確認於年報所涵蓋之期間內均已遵守標準守則所規定之標準。

薪酬委員會

本公司成立一根據企業管治常規守則書面列明其職權範圍之薪酬委員會。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。

The Remuneration Committee had three meetings in 2007 which was attended by all members of the Remuneration Committee and the Remuneration Committee had reviewed the remuneration packages of Directors and senior management of the Group.

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

The Remuneration Committee consists of three members, two of whom are independent non-executive Directors, being Mr Wang Chengwei and Mr Zhuang Xingfang 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, an independent non-executive Director.

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 propose 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.

On 31 May 2005, the Company entered into a service agreement with each executive Director for a period of three years which may be terminated by either party by serving on the other party prior written notice of at least three months, provided that such notice shall not expire earlier than the end of the first year after the first day on which dealings in the Company's shares commence on the Stock Exchange (30 June 2005).

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.

薪酬委員會於二零零七年舉行了三次會議，所有薪酬委員會成員均出席所有會議，並審閱董事及高層管理人員的薪酬。

所有董事均沒有參與有關其本身薪酬的討論。

薪酬委員會由三名成員組成，包括兩名獨立非執行董事汪誠蔚先生及庄行方先生以及一名執行董事王祖同先生。彼等於人力資源管理有豐富經驗。薪酬委員會由獨立非執行董事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提呈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。薪酬包括基本薪金、酌情花紅及 或購股權。

於二零零五年五月三十一日，本公司與每名執行董事各自訂立服務協議。所有該等委任各自之任期均不超過三年，可由訂約之任何一方向另一方提出最低限度三個月通知期終止協議，惟該通知期不得早於本公司之股份於聯交所開始買賣首日(二零零五年六月三十日)後之首週年前屆滿。

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進行檢討。

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, Mr Wong Cho Tung, Mr Wong Sun) is entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of the Group and the Director. Mr Tsang Hen Loon, Raymond is further entitled to an annual fixed sum bonus equal to one month of the average monthly salary to be paid on a pro-rata basis for each completed year of services.

Each of Mr Heng Kwo Seng, Mr Wang Chengwei and Mr Zhuang Xingfang entered into a letter of appointment on 24 January 2008 with the Company to serve as the independent non-executive Director for one year commencing on 25 January 2008 and 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.

AUDIT COMMITTEE

The Company has established the Audit Committee with the written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 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 met twice in 2007 with 100% attendance rate by all members of the Audit Committee 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 interim and annual financial statements for 2007 before recommending them to the Board for approval).

The Audit Committee comprises three independent non-executive Directors, namely, Mr Heng Kwo Seng, Mr Wang Chengwei and Mr Zhuang Xingfang. The Audit Committee is chaired by Mr Heng Kwo Seng who has professional qualifications in accountancy.

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、王祖同先生及王晨先生除外)均可獲得酌情花紅。曾憲龍先生可進一步獲得固定金額之年度花紅，按相當於每一完整任職年度一個月平均月薪之比例基準支付。

邢詒春先生、汪誠蔚先生及庄行方先生均於二零零八年一月二十四日就擔任獨立非執行董事與本公司訂立委任書，任期為自二零零八年一月二十五日起一年，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，終止獨立非執行董事之委任。

審核委員會

本公司成立 - 根據上市規則第3.21條及企業管治常規守則第C3段書面列明其職權範圍之審核委員會。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。

審核委員會所有成員於二零零七年舉行了兩次會議，出席率為100%，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(包括在將二零零七年之中期及年度財務報表提交董事會批准之前對其進行審閱)進行討論。

審核委員會由三名獨立非執行董事邢詒春先生、汪誠蔚先生及庄行方先生組成。審核委員會由邢詒春先生擔任主席，其具有會計專業資格。

The Audit Committee has reviewed the Group annual report for the year ended 31 December 2007.

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 2007, the Company paid Deloitte Touche Tohmatsu, the external auditors of the Company, HK\$1.92 million and HK\$0.2 million as audit fees and non-audit related fees respectively.

The auditors' reporting responsibility is set out on page 48 to 49 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, and has recently issued an updated Authority Limits Guide to all appropriate personnel.

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.

本集團於截至二零零七年十二月三十一日止年度之年報已經審核委員會審閱。

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。

截至二零零七年十二月三十一日止年度，本公司向外部核數師德勤•關黃陳方會計師行支付審計費及非審計相關之費用分別為1,920,000港元及200,000港元。

核數師之申報職責載於本年報第48至49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。本集團不時更新及改善內部監控，並於最近向有關人員發佈了經更新之授權權限指引。

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

During 2007, the Group established an Internal Audit Department which conducts 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 2007.

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 21 days before the meeting and the said notice is also published in at least one English newspaper and one Chinese newspaper in Hong Kong, and will also be available on the Stock Exchange and the Company's websites. The Chairman and Directors will answer questions on the Group's business at the meeting. External auditors will also attend the annual general meeting.

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

內部審核

於二零零七年，本集團成立內部審核部分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，本部門也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，已信納截至二零零七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別人士索取資料及詢問作出回應。

董事會向股東提供本集團清晰而全面之資料乃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，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二十一個曆日前向股東寄發，且通告將最低限度在香港一份英文報章及一份中文報章上刊登，亦可通過聯交所及本公司之網站查閱。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。

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公司秘書發出書面要求，要求董事會召開股東特別大

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 Bye-law 66 of the Bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (v) if required by the rules of the designated Stock Exchange, by any Director or Director who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting if required by the rules of the designated Stock Exchange.

The poll is conducted by the Company's registrars and the results of the poll will be published on the Company's website. 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 Company Secretary at the Company's registered address or by e-mail to the Company's website.

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。

根據本公司之公司細則第66條，除非在宣布以舉手方式表決之結果時或之前或於撤銷任何其他以投票方式表決之要求時，下列人士要求進行投票表決，否則於任何股東大會上，任何提呈大會表決之決議案均須以舉手方式表決：

- (i) 大會主席；或
- (ii) 最少三名親自出席並於當時有權於會上投票之股東(或若股東為公司，則其正式法定代表)或受委代表；或
- (iii) 任何親自出席之一位或多位股東(或若股東為公司，則其正式法定代表)或受委代表，彼等須代表全體有權於會上投票之股東不少於十分之一之總投票權；或
- (iv) 親自出席或委任代表出席並持有獲賦予於會上投票權利之本公司股份，而該等股份之實繳股款總額不少於全部賦予該項權利之股份實繳股款總額十分之一之一位或多位股東(或若股東為公司，則其正式法定代表)；或
- (v) 倘指定證券交易所之規則規定，任何單獨或共同持有佔有關會議上總投票權百分之五(5%)或以上之委任代表人的一名或多名董事要求以投票方式表決。

投票由本集團之股份過戶處主持，其結果於本公司網站公布。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公司秘書，或經電子郵件寄至本公司之網站。

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 accompanying consolidated financial statements of SIM Technology Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 50 to 118, which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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)

本核數師行已審核隨附載於第50至118頁之晨訊科技集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表,其中包括於二零零七年十二月三十一日之綜合資產負債表與截至該日止年度之綜合收益表、綜合權益變動表和綜合現金流量表,以及重大會計政策概要和其他附註解釋。

管理層對綜合財務報表之責任

管理層須負責根據國際財務報告準則及香港公司條例之披露規定編製及公平地呈列此等綜合財務報表。該等責任包括:設計、執行及公平地呈列綜合財務報表所需的內部監控,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;選擇及應用合適的會計政策;以及作出對有關情況而言屬合理的會計估計。

核數師的責任

本核數師行的責任是根據吾等的審核,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,除此之外本報告別無其他用途。本核數師行不會就本報告的內容向任何其他人士負責或承擔責任。本核數師行已根據國際核數準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

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 and fair presentation of the consolidated financial statements 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 management, 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 financial position of the Group as of 31 December 2007, and of the Group's financial performance and its 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

13 March 2008

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有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及公平地列報綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控效能發表意見。審核亦包括評價管理層所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

本核數師行相信，本行所獲得的審核憑證是充足和適當地為本行的審核意見提供基礎。

意見

本核數師行認為，上述之綜合財務報表足以真實與公平地反映 貴集團於二零零七年十二月三十一日之財務狀況，及 貴集團截至該日止年度之財務表現及現金流量，並已按照國際財務報告準則及香港公司條例之披露規定而妥為編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零零八年三月十三日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Revenue	收入	7	2,896,996	3,418,864
Cost of sales	銷售成本		(2,486,378)	(2,914,878)
Gross profit	毛利		410,618	503,986
Other income	其他收入	9	102,269	91,044
Research and development expenses	研究及開發費用		(98,156)	(76,032)
Selling and distribution costs	銷售及分銷成本		(71,897)	(50,019)
Administrative expenses	行政開支		(85,635)	(77,098)
Finance costs	融資成本	10	(576)	(313)
Profit before taxation	除稅前溢利		256,623	391,568
Taxation	稅項	12	(15,908)	(18,695)
Profit for the year	本年度溢利	13	240,715	372,873
Dividends	股息	14	204,375	312,989
Earnings per share (HK cents)	每股盈利(港仙)	15		
Basic	基本		15.9	24.8
Diluted	攤薄		15.8	24.2

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2007
於二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	198,386	157,231
Land use rights	土地使用權	17	76,903	10,484
Intangible assets	無形資產	18	122,663	113,356
Deferred tax assets	遞延稅項資產	19	3,592	3,031
Available-for-sale investments	可供出售投資	20	86,911	–
Goodwill	商譽	21	58,928	–
Deposit paid for purchase of land use right	就購買土地使用權 支付之按金		42,372	7,465
			589,755	291,567
Current assets	流動資產			
Inventories	存貨	23	520,252	462,736
Trade receivables	應收貿易賬款	24	49,147	110,307
Notes and bills receivable	應收票據及賬單	24	45,171	18,787
Other receivables, deposits and prepayments	其他應收賬款、按金 及預付款項	24	130,446	127,820
Bank balances and cash	銀行結餘及現金	25	620,440	822,696
			1,365,456	1,542,346
Current liabilities	流動負債			
Trade and notes payables	應付貿易賬款及票據	26	484,092	576,449
Other payables, deposits received and accruals	其他應付賬款、已收 按金及應計款項	26	201,190	119,349
Tax payable	應付稅項		18,450	10,284
			703,732	706,082
Net current assets	流動資產淨值		661,724	836,264
			1,251,479	1,127,831
Capital and reserves	資本及儲備			
Share capital	股本	27	151,588	150,833
Reserves	儲備		1,093,413	969,314
Total equity	權益總額		1,245,001	1,120,147
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	19	6,478	7,684
			1,251,479	1,127,831

The consolidated financial statements on pages 50 to 118 were approved by the Board of Directors on 13 March 2008 and are signed on its behalf by:

載於第50至118頁之綜合財務報表已於二零零八年三月十三日獲董事會批准，並由以下董事代表簽署：

WONG CHO TUNG
王祖同
DIRECTOR
董事

TSANG HEN LOON, RAYMOND
曾憲龍
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the Year ended 31 December 2007
截至二零零七年十二月三十一日止年度

		Share capital	Share premium	Statutory reserve	Other reserve	Share option reserve	Revaluation reserve	Translation reserve	Accumulated profits	Total equity attributable to equity holders of the parent
		股本	股份溢價	法定盈餘儲備	其他儲備	購股權儲備	重估儲備	匯率儲備	累計溢利	母公司股東應佔權益總額
		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
				(Note a)	(Note b)					
				(附註a)	(附註b)					
At 1 January 2006	於二零零六年一月一日	150,000	454,160	22,981	97,091	6,670	-	6,693	282,277	1,019,872
Exchange difference arising on translation of foreign operations recognised directly in equity	直接於權益中確認之兌換海外業務產生之滙率差額	-	-	-	-	-	-	22,728	-	22,728
Profit for the year	本年度溢利	-	-	-	-	-	-	-	372,873	372,873
Total recognised income and expenses for the year	本年度已確認收入及開支總額	-	-	-	-	-	-	22,728	372,873	395,601
Issue of new shares due to exercise of share options	因行使購股權而發行新股份	833	7,660	-	-	-	-	-	-	8,493
Transfer upon exercise of share options	因行使購股權而轉撥	-	1,677	-	-	(1,677)	-	-	-	-
Transfer	轉撥	-	-	3,732	-	-	-	-	(3,732)	-
Recognition of equity settled share based payments	確認以股份支付之支出	-	-	-	-	9,170	-	-	-	9,170
Dividends paid	支付股息	-	-	-	-	-	-	-	(312,989)	(312,989)
At 31 December 2006	於二零零六年十二月三十一日	150,833	463,497	26,713	97,091	14,163	-	29,421	338,429	1,120,147

		Share capital	Share premium	Statutory reserve	Other reserve	Share option reserve	Revaluation reserve	Translation reserve	Accumulated profits	Total equity attributable to equity holders of the parent
		股本	股份溢價	法定盈餘儲備	其他儲備	購股權儲備	重估儲備	匯率儲備	累計溢利	母公司股東應佔權益總額
		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
				(Note a)	(Note b)					
				(附註a)	(附註b)					
Exchange difference arising on translation of foreign operations recognised directly in equity	直接於權益中確認之兌換海外業務產生之滙率差額	-	-	-	-	-	-	43,402	-	43,402
Fair value changes on available-for-sale investments	可供出售投資之公平值變動	-	-	-	-	-	29,371	-	-	29,371
Net income recognised directly in equity	直接於權益中確認之收入淨額	-	-	-	-	-	29,371	43,402	-	72,773
Profit for the year	本年度溢利	-	-	-	-	-	-	-	240,715	240,715
Total recognised income for the year	本年度已確認收入總額	-	-	-	-	-	29,371	43,402	240,715	313,488
Issue of new shares due to exercise of share options	因行使購股權而發行新股份	755	6,950	-	-	-	-	-	-	7,705
Transfer upon exercise of share options	因行使購股權而轉撥	-	8,433	-	-	(8,433)	-	-	-	-
Transfer upon forfeiture of share options	因沒收購股權而轉撥	-	-	-	-	(2,075)	-	-	2,075	-
Transfer	轉撥	-	-	886	-	-	-	-	(886)	-
Recognition of equity settled share based payments	確認以股份支付之支出	-	-	-	-	8,036	-	-	-	8,036
Dividends paid	支付股息	-	-	-	-	-	-	-	(204,375)	(204,375)
At 31 December 2007	於二零零七年十二月三十一日	151,588	478,880	27,599	97,091	11,691	29,371	72,823	375,958	1,245,001

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. 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。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 Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2007
截至二零零七年十二月三十一日止年度

	Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
OPERATING ACTIVITIES			
Profit before taxation	經營活動 除稅前溢利	256,623	391,568
Adjustments for:	就下列項目作出調整：		
Interest expenses	利息開支	576	313
Depreciation and amortisation	折舊及攤銷	172,260	91,249
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及 設備之(收益)虧損	(112)	2,687
Share-based payment expense	以股份支付之支出	8,036	9,170
(Reverse of) allowances for bad and doubtful debts	呆壞賬(撥回)撥備	(1,779)	917
Write-down of inventories	撇銷存貨	39,657	11,016
Interest income	利息收入	(8,315)	(10,658)
Operating cash flows before movements in working capital	營運資金變動前之 經營現金流量	466,946	496,262
Increase in inventories	存貨增加	(93,718)	(71,343)
Decrease in trade receivables	應收貿易賬款減少	62,537	15,927
(Increase) decrease in notes and bills receivable	應收票據及賬單(增加)減少	(26,384)	83,246
Increase in other receivables, deposits and prepayments	其他應收賬款、按金及 預付款項增加	(2,312)	(42,442)
(Decrease) increase in trade payables	應付貿易賬款(減少)增加	(92,357)	244,060
Increase in other payables, deposits received and accruals	其他應付賬款、已收按金 及應計款項增加	78,732	25,077
Cash generated from operations	來自經營之現金	393,444	750,787
Interest received	已收利息	8,315	10,658
Income tax paid	已付所得稅	(10,737)	(9,680)
NET CASH FROM OPERATING ACTIVITIES	來自經營活動之現金淨額	391,022	751,765
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	投資活動 購買物業、廠房及設備	(56,163)	(71,190)
Purchases of land use rights	購買土地使用權	(59,399)	-
Deposit paid for purchase of land use right	就購買土地使用權支付之按金	(42,372)	(7,465)
Acquisition of subsidiaries	收購附屬公司	(68,190)	2,110
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之 所得款項	311	53
Expenditure on intangible assets	無形資產之開支	(138,111)	(137,130)
Purchase of available-for-sale investments	購買可供出售投資	(57,540)	-
NET CASH USED IN INVESTING ACTIVITIES	用於投資活動之現金淨額	(421,464)	(213,622)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	<i>Note</i> 附註		
FINANCING ACTIVITIES	融資活動		
Issue of shares	發行股份	7,705	8,493
Proceeds from bank borrowings	銀行借貸所得款項	100,000	–
Repayment of bank borrowings	償還銀行借貸	(100,000)	(9,615)
Dividends paid	已付股息	(204,375)	(312,989)
Interest paid	已付利息	(576)	(313)
NET CASH USED IN FINANCING ACTIVITIES	用於融資活動現金淨額	(197,246)	(314,424)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 (減少)增加淨額	(227,688)	223,719
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初現金及現金等值項目	822,696	579,880
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	滙率變動之影響	25,432	19,097
CASH AND CASH EQUIVALENTS AT END OF YEAR, represented by bank balances and cash	年終現金及現金等值項目 即銀行結餘及現金	620,440	822,696

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2007
截至二零零七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 introduction section of the annual report.

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollar, as the directors consider that it is a more appropriate presentation 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 module solutions.

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

In the current year, the Group has applied, for the first time, the following amended International Accounting Standards (“IASs”), new IFRSs and interpretations (hereinafter collectively referred to as “new IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are effective for the financial year beginning 1 January 2007.

1. 一般資料

本公司乃根據百慕達1981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引言一節內披露。

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解決方案之製造、設計、開發及銷售。

2. 採納國際財務報告準則

於本年度，本集團首次採納由國際會計準則委員會及國際會計準則委員會之國際財務報告詮釋委員會頒布的如下經修訂國際會計準則、新國際財務報告準則及詮釋(以下統稱為「新國際財務報告準則」)，該等新準則及詮釋適用於二零零七年一月一日開始之財政年度。

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

IAS 1 (Amendment)
國際會計準則第1號(修訂)

IFRS 7
國際財務報告準則第7號

IFRIC 7

國際財務報告詮釋委員會第7號

IFRIC 8
國際財務報告詮釋委員會第8號

IFRIC 9
國際財務報告詮釋委員會第9號

IFRIC 10
國際財務報告詮釋委員會第10號

The adoption of the new IFRSs had no material effect on how the results and financial position for the current or prior accounting period have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards or interpretations that were issued but are not yet effective.

IAS 1 (Revised)
國際會計準則第1號(經修訂)

IAS 23 (Revised)
國際會計準則第23號(經修訂)

IAS 27 (Revised)
國際會計準則第27號(經修訂)

IAS 32 & 1 (Amendments)

國際會計準則第32及第1號(修訂本)

IFRS 2 (Amendment)
國際財務報告準則第2號(修訂本)

2. 採納國際財務報告準則(續)

Capital disclosures
資本披露

Financial instruments: Disclosures
金融工具：披露

Applying the restatement approach under IAS 29
Financial Reporting in Hyperinflationary
Economies
應用國際會計準則第29號「惡性通貨膨脹經濟
財務報告」的重列方法

Scope of IFRS 2
國際財務報告準則第2號範圍

Reassessment of embedded derivatives
再評估嵌入衍生工具

Interim financial reporting and impairment
中期財務報告及減值

採納新國際財務報告準則對編製及呈報本會計
期間或過往會計期間的業績及財務狀況並無重
大影響。因此，毋須對過往期間作出調整。

本集團並未提早採納以下已頒布惟未生效的新
訂及經修訂準則或詮釋。

Presentation of financial statements¹
呈列財務報表¹

Borrowing costs¹
借貸成本¹

Consolidated and separate financial statements²
綜合及獨立財務報表²

Puttable financial instruments and obligations
arising on obligation¹
責任所產生之可沽金融工具及責任¹

Vesting conditions and cancellation¹
歸屬條件及註銷¹

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

IFRS 3 (Revised)
國際財務報告準則第3號(經修訂)

IFRS 8
國際財務報告準則第8號

IFRIC 11
國際財務報告詮釋委員會第11號

IFRIC 12
國際財務報告詮釋委員會第12號

IFRIC 13
國際財務報告詮釋委員會第13號

IFRIC 14
國際財務報告詮釋委員會第14號

¹ Effective for annual periods beginning on or after 1 January 2009.

適用於二零零九年一月一日或以後開始之年度期間。

² Effective for annual periods beginning on or after 1 July 2009.

適用於二零零九年七月一日或以後開始之年度期間。

³ Effective for annual periods beginning on or after 1 March 2007.

適用於二零零七年三月一日或以後開始之年度期間。

⁴ Effective for annual periods beginning on or after 1 January 2008.

適用於二零零八年一月一日或以後開始之年度期間。

⁵ Effective for annual periods beginning on or after 1 July 2008.

適用於二零零八年七月一日或以後開始之年度期間。

The directors of the Company anticipate that the application of these new standards, amendments and interpretations will have no material effect on the results of the operations and financial position of the Group, except that the effects of the application of IFRS 3 (Revised) and IAS 27 (Revised) are not reasonably estimable.

2. 採納國際財務報告準則(續)

Business combinations ²
業務合併²

Operating segments ¹
經營分類¹

IFRS 2: Group and treasury share transactions ³
國際財務報告準則第2號 - 集團及庫存股份交易³

Service concession arrangements ⁴
服務經營權安排⁴

Customer loyalty programmes ⁵
長期客戶優惠計劃⁵

IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction ⁴
國際會計準則第19號 - 界定福利資產的限制、最低資金要求及兩者的互動關係⁴

本公司董事會預期採納該等新準則、修訂及詮釋不會對本集團的經營業績及財務狀況構成重大影響，惟採納國際財務報告準則第3號(經修訂)及國際會計準則第27號(經修訂)之影響不可合理估計。

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 certain financial instruments, which are measured at fair values, as explained in the accounting policies 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 income statement 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.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

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，惟若干以公平值計算之金融工具除外，有關的解釋載於下文的會計師政策內。

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。

少數股東權益應佔之合併附屬公司資產淨值於賬目內與本集團的股本分開呈列。少數股東權益所佔資產淨值包括原來業務合併日期的該等權益金額，以及自合併日期起少數股東應佔的股權變動。少數股東應佔虧損超出少數股東應佔附屬公司權益的金額於本集團權益對銷，惟於少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損者除外。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as 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, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets held for sale and discontinued operations, which are recognised and measured at fair value less costs to sell.

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

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on an acquisition of subsidiaries represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiaries at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

3. 重大會計政策(續)

業務合併

收購附屬公司及業務採用收購會計法入賬。業務合併成本乃按本集團為換取被收購方控制權而給予之資產、所產生或承擔之負債及本集團發行之股本工具於交換當日之公平值總額，另加業務合併之任何直接成本計算。被收購方符合國際財務報告準則第3號業務合併項下確認條件之可識別資產、負債及或然負債按收購日期之公平值確認，惟根據國際財務報告準則第5號「持作出售非流動資產及已終止業務」被分類為持作出售的非流動資產(或出售組別)除外，彼等將按公平值減出售成本確認及計量。

收購產生之商譽初步按成本確認為資產。商譽指業務合併成本超出本集團所佔已確認可識別資產、負債及或然負債之公平淨值之差額。在重新評估後，本集團所佔被收購方可識別資產、負債及或然負債之公平淨值超出業務合併成本之差額，將即時於損益表確認。

少數股東所佔被收購方之權益初步按所佔已確認可資產、負債及或然負債公平淨值之比例計算。

商譽

收購附屬公司而產生之商譽，指收購成本超出本集團於收購當日應佔附屬公司之可識別資產、負債及或然負債之公平值之金額。該商譽乃按成本減累計減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (CONTINUED)

Capitalised goodwill arising on an acquisition of subsidiaries is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition 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 acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When 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 the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the 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.

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

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.

Value Added Tax ("VAT") refund is recognised as income when the Group's rights to receive the VAT refund has been established.

3. 重大會計政策(續)

商譽(續)

收購附屬公司產生之資本化商譽於綜合資產負債表內分開列賬。

就減值測試而言，收購所產生之商譽乃被分配到各預期將從收購之協同效應中受益的有關賺取現金單位，或賺取現金單位之組別。已獲分配商譽之賺取現金單位於每年及凡單位有可能出現減值跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲分配商譽之賺取現金單位會於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則將分配減值虧損，以削減首先分配到該單位及其後以該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之任何商譽之賬面值。商譽之任何減值虧損乃直接於綜合收益表內確認。商譽之減值虧損於其後期間不予撥回。

於出售附屬公司時，商譽之應佔金額計入釐定出售損益之金額。

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。

貨品銷售於貨品已交付及其所有權已移交時確認。

來自金融資產的利息收入按時間基準累計，並參考未償還本金及適用的實際利率，該利率為就資產的賬面淨額，透過金融資產預算年期，準確貼現估計未來所獲現金數額。

退回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。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity 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 each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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 income statement because it excludes items of income and 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 rate that have been enacted or substantively enacted by the balance sheet date.

3. 重大會計政策(續)

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。於每個結算日，以外幣為面值的貨幣項目按結算日適用的匯率換算。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。

為呈列綜合財務報表的目的，本集團境外業務的資產及負債均以結算日適用匯率換算為本公司的呈列貨幣(即港元)，而其收入及開支則以本年度平均匯率予以換算。產生的匯率差異確認為一個股本的獨立構成部分(換算儲備)。該匯率差異於該境外業務被出售期間於損益賬內確認。

因收購海外業務而產生之商譽及公平值調整，均視為該海外業務之資產及負債處理，並按結算日的狒率折算。

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，故與綜合收益賬所列溢利不同。本集團本期稅項負債乃按已於結算日實施或大致實施之稅率計算。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (CONTINUED)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the relevant lease terms. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Government subsidies

Government subsidies are recognised as income when received and the conditions for the grants are met.

3. 重大會計政策(續)

稅項(續)

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差異入賬，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則按可能出現可供動用可扣減暫時差額之所有應課稅溢利而予以確認。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。

遞延稅項資產之賬面值乃於每個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供收回全部或部分資產為止。

遞延稅項按預期於清還負債或變現資產年度採用之已頒行或大致上已頒行之稅率計算。遞延稅項從收益賬中扣除或計入收益賬，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目，則在該情況下遞延稅項亦於股本中處理。

租賃

倘租賃期條款將所有權絕大部分風險及回報轉讓予承租人，則租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

根據經營租賃而應付之租金，在有關之租賃期內以直線法在收益賬中支銷。就訂立經營租賃作為獎勵已收及應收之利益亦於租賃期內以直線法分攤。

政府撥款

政府撥款於收到並在符合補貼之條件後確認為收入。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided using the straight-line method to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives after taking into account of their estimated residual value.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category 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.

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 recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

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.

3. 重大會計政策(續)

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。

物業、廠房及設備

物業、廠房及設備(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。

每項物業、廠房及設備按估計使用年期內，經計及其估計剩餘價值後，使用直線法作折舊，以撇銷物業、廠房及設備(在建工程除外)之成本。

在建工程指處於建設過程中之生產或自用之物業、廠房及設備。在建工程按成本減任何已確認之減值虧損列賬。在建工程於完成及可供原定用途使用時分類為適當類別之物業、廠房及設備。該等資產之折舊於資產可投入原定用途時按與其他物業資產相同之基準開始提撥。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。確認該資產時產生之任何盈虧(以出售所得款項淨額與該項目之賬面值之差額計算)乃計入於該項目不再確認年度之綜合收益表內。

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，乃按直線法於租賃期內攤銷。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated financial statements in the period in which they are incurred.

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 expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

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. 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 reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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 the consolidated income statement when the asset is derecognised.

3. 重大會計政策(續)

借貸成本

所有借貸成本均於其產生期間於綜合財務報表內確認為及計入融資成本。

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。

開發費用產生之內部產生無形資產，只會在當預計一個清晰界定的項目所產生的開發成本，將可從未來商業活動中收回時，方予確認。因而產生之資產於其可用年期按直線法攤銷，並按成本減其後累計攤銷及任何累計減值虧損入賬。

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賬內扣除。

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。

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在綜合收益表內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (CONTINUED)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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

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

At each balance sheet date, 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. 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.

3. 重大會計政策(續)

無形資產(續)

於業務合併中收購的無形資產

業務合併中所收購的無形資產倘符合無形資產的定義及彼等的公平值能夠可靠地計量，則與商譽分開確定及確認。該無形資產的成本乃為其於收購日期的公平值。

初步確認後，於業務合併中收購的無形資產，按與獨立收購的無形資產的相同基準，以成本減累計攤銷及累計減值虧損列賬。

業務合併中所收購的專有技術包括製造移動手機解決方案及無線通訊模塊解決方案之若干技術使用權。

有形及無形資產(不包括商譽，有關商譽之會計政策請參閱上文)之減值虧損

於各結算日，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。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。倘本公司估計某項資產之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。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet 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 sales 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.

Income is recognised on an effective interest basis for debt instruments.

3. 重大會計政策(續)

金融工具

當一家集團公司成為工具合約條文之一方，金融資產及金融負債於綜合資產負債表內確認。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費，即時於損益賬確認。

金融資產

本集團之金融資產分類為可供出售金融資產或貸款及應收賬款。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或金融負債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工具的預計可使用年期或(如適用)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收取或支付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，收入按實際利率基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (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 FVTPL, loans and receivables or held-to-maturity investment. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivables, notes and bills receivable, other receivables and deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets of the Group are assessed for indicators of impairment at each balance sheet date. 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 impacted.

For available-for-sale investments, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. 重大會計政策(續)

金融工具(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。於初始確認後各結算日，可供出售之金融資產乃按公平值計量。公平值變動乃於權益確認，直至金融資產被出售或釐定為減值為止，屆時，先前於權益確認之累計收益或虧損於權益中剔除及於損益確認。

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。於初步確認後之每個結算日，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，以及按金和銀行結餘)使用實際利率法按攤銷成本減任何可識別減值虧損列賬。

金融資產減值

本集團的金融資產乃就於每一結算日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。

就可供出售投資而言，該等投資的公平值大幅或長期下降至低於其成本，則被視為減值之客觀證據。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

Impairment of financial assets (continued)

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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 120 days.

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.

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.

3. 重大會計政策(續)

金融工具(續)

金融資產減值(續)

就貸款及應收款項而言，減值之客觀證據可能包括：

發行者或對方陷入重大財務困難；或

利息或本金支付之違約或拖欠；或

借款人將宣告破產或財務重組。

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 120 天的延遲付款的宗數增加的現象。

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，減值以金融資產賬面值與估計未來現金流按原有實際利率折現的現值兩者之間之差異計量。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

Impairment of financial assets (CONTINUED)

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.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity.

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. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

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 rate.

Financial liabilities

Financial liabilities including trade payables, other payables and deposits received are initially measured at fair values and subsequently measured at amortised cost, using the effective interest method.

3. 重大會計政策(續)

金融工具(續)

金融資產減值(續)

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。

可供出售之股本投資之減值虧損將不會於以後期間在損益中撥回。減值虧損後公平值的任何增加將直接於權益中確認。

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。就金融負債及股本工具採納之會計政策載列如下。

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。

金融負債

金融負債包括應付貿易賬款、其他應付款項及已收按金，初步按公平值計量，而其後則使用實際利率法按攤銷成本計量。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

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, 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 directly 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 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 each balance sheet date, 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.

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.

3. 重大會計政策(續)

金融工具(續)

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記錄。

終止確認

若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分風險及回報轉移，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收及應收代價及已直接於權益確認的累計損益的總和兩者之差，將於損益賬確認。

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賬確認。

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)。

於每個結算日，本集團修正其最終預算歸屬購股權數量之估計。損益賬確認修正估計之影響並於購股權儲備中作相對應的調整。

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. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet dates, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated impairment of intangible assets

Determining whether intangible assets is impaired requires an estimation of the future cash flows expected to arise from the products developed and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of intangible assets at 31 December 2007 was HK\$122,663,000 (2006: HK\$113,356,000) with no impairment loss recognised.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The discount rate represents rate that reflects current market assessments of time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. As at 31 December 2007, the carrying amount of goodwill is HK\$58,928,000. Details of the recoverable amount calculation are disclosed in Note 22.

5. 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.

4. 估計未明朗因素的主要來源

有關未來的主要假設，以及於結算日進行估計不明朗因素之其他主要來源在下文論述，兩者在對下個財政年度資產及負債之賬面值作出重大調整均具有重大風險。

無形資產估計減值

釐定無形資產是否減值，需要估計未來預計從開發產品中產生的現金流以及用於計算現值的一個適當的折扣率以便計算目前的價值。倘實際未來現金流量少於預期，則可能出現減值虧損。於二零零七年十二月三十一日無形資產賬面值為122,663,000港元(二零零六年：113,356,000港元)，並無確認減值虧損。

商譽估計減值

釐定商譽有否減值需估計獲分配商譽之賺取現金單位之使用價值。在計算使用價值時，本集團需估計該賺取現金單位產生之未來現金流量，並以適當之折現率計算其現值。倘實際未來現金流量少於預期，則可能出現重大減值虧損。折現率為反映目前市場對金錢時間值及未來現金流估計並無作出調整的資產的特定風險的評估的利率。於二零零七年十二月三十一日，商譽之賬面值約58,928,000港元。可收回金額計算方法之詳情披露於附註22。

5. 資本管理

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。

6. FINANCIAL INSTRUMENTS**6. 金融工具****Categories of financial instruments****金融工具類別**

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款與應收款 (包括現金及 現金等值項目)	832,676	1,065,051
Available-for-sale investments	可供出售之投資	86,911	-
Financial liabilities	金融負債		
Amortised cost	已攤銷成本	523,195	591,194

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables and payables, notes and bills receivable, other receivables and payables, deposits received and bank balances. 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 Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 25% of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale, whilst almost 75% of costs are denominated in the group entity's functional currency.

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貿易賬款及應付款項、應收票據及賬單、其他應收款項及應付款項、已收訂金及銀行結餘。該等金融工具之詳情披露於有關附註。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，確保能及時和有效採取適當措施。

貨幣風險

本公司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25%以集團實體進行買賣的功能貨幣以外的貨幣計值，而約75%的成本是以集團實體的功能貨幣計值。

6. 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 Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and 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 adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where RMB strengthen 5% against USD. For a 5% weakening of RMB against USD, there would be an equal and opposite impact on the profit and the balances below would be negative.

Profit or loss 溢利 虧損

Note: This is mainly attributable to the exposure on outstanding USD receivables and payables at year end in the Group.

6. 金融工具(續)

金融風險控制目標與政策(續)

貨幣風險(續)

於報告日期，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	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
137,038	198,505	337,175	326,792

本集團現時並無外幣對沖政策。然而，管理層會負責監察外匯風險，並於有需要時考慮對沖重大的外匯風險。

外匯敏感分析

下表詳列因應本集團對人民幣兌美元升值及減值5%之敏感度。5%為向主要管理人員內部匯報外匯風險所用之敏感度利率，並指管理層對匯率可能合理變動之評估。敏感度分析僅包括以外幣計算之尚未平倉貨幣項目，並於期末調整其兌換以反映匯率之5%變動。下列正數表示人民幣兌美元出現人民幣升值5%所導致的溢利增加。倘人民幣兌美元出現人民幣貶值5%，將會對溢利造成相等及相反之影響，而下列結餘將會為負數。

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	
9,530	6,109	附註(note)

附註：主要為來自本集團於年末未償還之美元應收款項及應付款項之風險。

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

(CONTINUED)

Price risk

The Group's available-for-sale investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to potential loss in market value resulting from an adverse change in prices. The management would manage this exposure by closely monitoring the performance of the investments and market conditions. The management will consider diversifying the portfolio of investments as they consider appropriate.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective equity instruments had been 5% higher/lower, investment valuation reserve would increase/decrease by approximately HK\$4,346,000 for the Group as a result of the changes in fair value of available-for-sale investments.

Credit risk

The Group's credit risk are primarily attributable to trade receivables, other receivables, notes and bills receivable 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 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. 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 each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts.

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.

6. 金融工具(續)

金融風險控制目標與政策(續)

價格風險

於每個結算日，本集團可供出售投資按公平值列賬。因此，本集團承擔因價格的不利變動而造成市價的潛在損失的風險。管理層將透過密切監察投資表現及市況管理此項風險，並在彼等認為適當時分散投資組合。

價格敏感度分析

於本報告日，以下的敏感度分析乃根據股價風險釐定。

若各權益工具的價值上升/下降5%，本集團的投資估值儲備將因可供出售投資之公平值變動而增加/減少約4,346,000港元。

信貸風險

本集團的信貸風險主要來自應收貿易賬款、其他應收賬款、應收票據及賬單，以及銀行存款結餘。

本集團因對手方未能履行責任而於二零零七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，為列於綜合資產負債表內該等資產之賬面金額。為盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付的債項。此外，於每個結算日，本集團定期評估每項個別貿易應收款之可收回金額，以確保就不可收回金額作出足夠之減值虧損。

本集團之銀行存款餘額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，因為對手方均為具良好評級之銀行。

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

(CONTINUED)

Credit risk

The Group has concentration of credit risks with exposure limited to certain customers. As at 31 December 2007, five (2006: three) customers amounted HK\$29,061,000 (2006: HK\$58,940,000) comprised over 50% (2006: 50%) 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.

Fair value

The fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices. The fair value of other financial assets and financial liabilities are determined in accordance with general accepted pricing models based on discounted cash flow analysis, using prices or rates from observable market transactions as input.

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 at the balance sheet date.

7. REVENUE

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

6. 金融工具(續)

金融風險控制目標與政策(續)

信貸風險

本集團存在信貸風險集中的情況，風險集中於若干客戶。於二零零七年十二月三十一日，五名(二零零六年：三名)客戶佔29,061,000港元(二零零六年：58,940,000港元)，相當於本集團的應收貿易賬款超過50%(二零零六年：50%)。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對手方授出長信貸期。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。

公平值

具有標準條款及條件及於活躍流通市場交易之金融資產之公平值乃參考市場所報之買入價而釐定。其他金融資產及金融負債之公平值乃按公認的定價模式根據折現現金流量分析使用可觀察的市場交易的價格或費率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於結算日之公平值相若。

7. 收入

收入指所售貨品扣除退貨後之已收及應收款項。

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group currently organised into three revenue streams - sale of mobile handset solutions, sale of LCD modules and sale of wireless communication module solutions. These revenue streams are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

Income statement

For the year ended 31 December 2007

		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 module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	收入					
External sales	對外銷售	1,797,001	461,477	638,518	-	2,896,996
Result	業績					
Segment result	分類業績	145,658	10,995	117,855	(268)	274,240
Interest income	利息收入					8,315
Unallocated corporate expenses	未分配公司開支					(25,356)
Finance costs	融資成本					(576)
Profit before taxation	除稅前溢利					256,623
Taxation	稅項					(15,908)
Profit for the year	本年度溢利					240,715

8. 業務及地區分類

業務分類

本集團現時有三個收入來源 - 銷售移動手機解決方案、銷售液晶顯示模塊，以及銷售無線通訊模塊解決方案。該等收入來源為本集團分類資料之主要呈報基準。

此等業務的分類資料呈報如下：

收益表

截至二零零七年十二月三十一日止年度

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

8. 業務及地區分類(續)

Business segments (CONTINUED)

Balance sheet

At 31 December 2007

業務分類(續)

資產負債表

於二零零七年十二月三十一日

		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 module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產				
Segment assets	分類資產	222,581	268,735	94,988	586,304
Unallocated corporate assets	未分配公司 資產				1,365,315
Consolidated total assets	合併總資產				1,951,619
Liabilities	負債				
Segment liabilities	分類負債	–	109,301	–	109,301
Liabilities attributable to business segment other than sale of LCD modules	除銷售液晶顯示模塊 以外之業務分類 應佔之負債				544,802
Unallocated corporate liabilities	未分配公司負債				31,179
Consolidated total liabilities	合併總負債				685,282

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)**8. 業務及地區分類(續)****Business segments (CONTINUED)***Other information**For the year ended 31 December 2007***業務分類(續)***其他資料**截至二零零七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 銷售液晶 顯示模塊 HK\$'000 千港元	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Others 其他 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	2,759	19,825	680	33,137	56,401
Additions of intangible assets	添置無形資產	116,577	-	41,060	-	157,637
Depreciation of property, plant and equipment	物業、廠房及 設備之折舊	6,525	18,279	1,231	9	26,044
Amortisation of intangible assets	無形資產攤銷	113,775	-	38,953	-	152,728
Reversal of bad and doubtful debts	呆壞賬撥回	(383)	(1,396)	-	-	(1,779)
Write-down of inventories	撇銷存貨	20,041	12,496	7,120	-	39,657

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

8. 業務及地區分類(續)

Business segments (CONTINUED)

Income statement

For the year ended 31 December 2006

業務分類(續)

收益表

截至二零零六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 銷售液晶 顯示模塊 HK\$'000 千港元	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	收入						
External sales	對外銷售	2,161,682	690,422	550,227	16,533	-	3,418,864
Inter-segment sales	分類之間銷售	-	4,551	-	-	(4,551)	-
		2,161,682	694,973	550,227	16,533	(4,551)	3,418,864
Result	業績						
Segment result	分類業績	273,204	23,031	110,765	1,453	-	408,453
Interest income	利息收入						10,658
Unallocated corporate expenses	未分配公司 開支						(27,230)
Finance costs	融資成本						(313)
Profit before taxation	除稅前溢利						391,568
Taxation	稅項						(18,695)
Profit for the year	本年度溢利						372,873

Inter-segment sales are charged at prevailing market prices.

分類之間銷售按當時市價計算。

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

8. 業務及地區分類(續)

Business segments (CONTINUED)

Balance sheet

At 31 December 2006

業務分類(續)

資產負債表

截至二零零六年十二月三十一日

		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 module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產					
Segment assets	分類資產	426,609	379,361	55,654	268	861,892
Unallocated corporate assets	未分配公司 資產					968,990
Consolidated total assets	合併總資產					1,830,882
Liabilities	負債					
Segment liabilities	分類負債	-	179,578	-	-	179,578
Liabilities attributable to business segment other than sale of LCD modules	除銷售液晶顯示模 塊以外之業務 分類應佔之負債					508,710
Unallocated corporate liabilities	未分配公司負債					7,510
Consolidated total liabilities	合併總負債					695,798

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

Business segments (CONTINUED)

Other information

For the year ended 31 December 2006

	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 module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Elimination 對銷 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	19,681	30,363	21,142	4	71,190
Additions of intangible assets	添置無形資產	120,842	-	21,127	-	141,969
Depreciation of property, plant and equipment	物業、廠房及 設備之折舊	1,826	10,488	2,816	2	15,132
Amortisation of intangible assets	無形資產攤銷	69,092	1,306	5,437	-	75,835
(Reversal of) allowances for bad and doubtful debts	呆壞賬(撥回)撥備	1,025	(108)	-	-	917
Write-down of inventories	存貨撇減	6,885	2,326	1,752	53	11,016
Loss on disposal of property, plant and equipment	出售物業、廠房 及設備虧損	1,961	44	677	5	2,687

Geographical segment

The Group's operations and assets are substantially located in the PRC. Accordingly, no analysis of the carrying amount of segment assets, additions to property, plant and equipment and intangible assets is presented.

8. 業務及地區分類(續)

業務分類(續)

其他資料

截至二零零六年十二月三十一日止年度

	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions of property, plant and equipment	21,142	4	-	71,190
Additions of intangible assets	21,127	-	-	141,969
Depreciation of property, plant and equipment	2,816	2	-	15,132
Amortisation of intangible assets	5,437	-	-	75,835
(Reversal of) allowances for bad and doubtful debts	-	-	-	917
Write-down of inventories	1,752	53	-	11,016
Loss on disposal of property, plant and equipment	677	5	-	2,687

地區分類

本集團主要經營業務及資產在中國。因此，並無就所呈列之分類資產、添置物業、廠房及設備以及無形資產之賬面值作出分析。

9. OTHER INCOME**9. 其他收入**

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Refund of VAT (<i>Note</i>)	退回增值稅(附註)	42,594	56,452
Government subsidies	政府撥款	4,842	5,129
Interest income earned on loans and receivable (including bank balances)	貸款及應收賬款賺取之利息收入(包括銀行結餘)	8,315	10,658
Net foreign exchange gain	淨滙率收益	46,518	18,805
		102,269	91,044

Note: Shanghai Simcom Limited ("Shanghai Simcom") and Shanghai Speedcomm Technology Limited ("Shanghai Speedcomm") are engaged in the business of distribution of self-developed and produced software. Under the current PRC tax regulation, it is entitled to a refund of VAT paid for sales of self-developed software in the PRC.

附註: 希姆通信息技術(上海)有限公司(「上海希姆通」)及上海思必得通訊技術有限公司(「上海思必得」)均從事分銷自行開發及生產之軟件。根據現行中國稅務規例,其有權獲退還於中國銷售自行開發軟件之增值稅。

10. FINANCE COSTS**10. 融資成本**

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interests on borrowings wholly repayable within five years	須於五年內全數償還之借貸利息	576	313

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 2007
截至二零零七年十二月三十一日止年度

		Directors' fees	Salaries and allowances	Bonus	Share-based contributions payments	Retirement benefits schemes	Total emoluments
		董事袍金	薪酬及津貼	花紅 (Note) (附註)	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
		千港元	千港元	千港元	千港元	千港元	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 Tsang Hen Loon, Raymond	曾憲龍先生	-	2,080	980	361	96	3,517
Mr Zhang Jianping	張劍平先生	-	498	249	361	38	1,146
Mr Wong Hei, Simon	王曦先生	-	498	249	-	-	747
Mr Wong Sun	王晨先生	-	-	-	-	-	-
Ms Tang Rongrong	唐融融女士	-	224	174	90	38	526
Non-executive Directors	非執行董事						
Mr Heng Kwo Seng	邢詒春先生	156	-	-	-	-	156
Mr Wang Chengwei	汪誠蔚先生	156	-	-	-	-	156
Mr Zhuang Xingfang	庄行方先生	156	-	-	-	-	156
		468	3,300	1,652	812	172	6,404

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 2006
截至二零零六年十二月三十一日止年度

		Directors' fees		Salaries and allowances	Bonus	Share-based contributions	Retirement benefits schemes	Total emoluments
		董事袍金	董事袍金	薪酬及津貼	花紅	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
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 Tsang Hen Loon, Raymond	曾憲龍先生	-	2,080	1,150	579	96	3,905	
Mr Zhang Jianping	張劍平先生	-	470	235	579	34	1,318	
Mr Wong Hei, Simon	王曦先生	-	470	235	-	-	705	
Mr Wong Sun	王晨先生	-	-	-	-	-	-	
Ms Tang Rongrong	唐融融女士	-	211	164	145	34	554	
Non-executive Directors	非執行董事							
Mr Heng Kwo Seng	邢詒春先生	156	-	-	-	-	156	
Mr Wang Chengwei	汪誠蔚先生	156	-	-	-	-	156	
Mr Zhuang Xingfang	庄行方先生	156	-	-	-	-	156	
		468	3,231	1,784	1,303	164	6,950	

Note: Incentive performance bonus for the year ended 31 December 2007 and 2006 were determined by the remuneration committee having regard to the performance of directors and the Group's operating results.

附註：截至二零零七年及二零零六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。

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Employees' emoluments

The five highest paid individuals included two (2006: two) directors for the year ended 31 December 2007, whose emoluments are included in the above. The emoluments of the remaining three (2006: three) individuals are as follows:

Salaries and allowances	薪金及津貼
Bonus	花紅
Share-based payments	股份付款
Retirement benefits schemes 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)

僱員酬金

截至二零零七年十二月三十一日止年度，五名最高薪酬僱員包括兩名(二零零六年：兩名)董事，其酬金已載於上文。餘下三名(二零零六年：三名)最高薪酬人士之酬金如下：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
2,512	2,209
797	1,071
257	647
112	115
3,678	4,042

彼等之酬金在以下所列範圍：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1	–
2	2
–	1

本年度，本集團並未向任何董事或五名最高薪酬僱員支付任何酬金，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。

12. TAXATION

12. 稅項

PRC Enterprise Income Tax	中國企業所得稅
Deferred tax (credit) charge (note 19)	遞延稅項(收入)開支(附註19)
Income tax expense for the year	年內所得稅開支

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
18,025	14,764
(2,117)	3,931
15,908	18,695

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.

Pursuant to relevant laws and regulations in the PRC, the Company's PRC subsidiaries, Shanghai Simcom and Shanghai Speedcomm are entitled to an exemption 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. No provision for PRC income tax has been made for Shanghai Speedcomm for the two years ended 31 December 2007 as fiscal year ended 31 December 2006 was its first profit making year. Shanghai Simcom is classified as Key Production Enterprise and is entitled to use an applicable tax rate of 10% for the two years ended 31 December 2007. Two other 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 15% because they were registered in the area of Shanghai Wai Gao Qiao Free Trade Zone 上海外高橋保稅區. Pursuant to permits issued by Shanghai Tax Authority dated 21 April 2006 and 22 October 2007, Shanghai Sunrise Electronic Technology Co. Ltd. ("Shanghai Sunrise") is entitled to adopt a tax rate of 18% for the fiscal years 2006 and 2007 because it is classified as foreign investment enterprise engaged in technology and knowledge intensive business. The tax charge provided has been made after taking into account these tax incentives.

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。

根據中國之相關法律及法規，本公司之中國附屬公司上海希姆通及上海思必得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。由於截至二零零六年十二月三十一日止財政年度乃首個獲利年度，因此上海思必得截至二零零七年十二月三十一日止兩個年度並無就中國企業所得稅作出撥備。截至二零零七年十二月三十一日止兩個年度，上海希姆通被評為「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(「上海羅捷斯迪」)及麥維訊貿易(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15%稅率繳納企業所得稅。根據上海稅務局於二零零六年四月二十一日及二零零七年十月二十二日頒授之許可，上海晨興電子科技有限公司(「上海晨興」)可於二零零六年及二零零七年之財政年度使用18%之稅率，因為該公司被歸類為參與科技及知識密集業務之外資企業。稅項開支撥備已計及該等稅務優惠。

12. TAXATION (CONTINUED)

PRC income tax is calculated at 27% of estimated assessable profit of the Company's other PRC subsidiaries, which is the tax rate applicable to enterprises engaged in technology and knowledge intensive business for both years.

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations changes the PRC Enterprise Income Tax rate to 25% and will affect the PRC subsidiaries of the Company from 1 January 2008. The directors consider that the effect on the deferred tax balance is insignificant.

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

12. 稅項(續)

本公司其他中國附屬公司於兩年期間按估計應課稅溢利之27%計算中國企業所得稅，該稅率適用於從事科技及知識密集型業務的企業。

於二零零七年三月十六日，中華人民共和國頒布了中華人民共和國主席令第六十三號《中華人民共和國企業所得稅法》(「新稅法」)。於二零零七年十二月六日，中國國務院頒布了新稅法的實施細則。新稅法及實施細則導致由二零零八年一月一日起中國企業所得稅改為25%，並將影響本公司的中國附屬公司。董事認為，對遞延稅項結算的影響並不重大。

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：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before taxation	除稅前溢利	256,623	391,568
Taxation at the PRC income tax rate of 27% (2006: 27%)	按中國企業所得稅稅率27%計算之稅項(二零零六年：27%)	69,288	105,723
Tax effect of expenses not deductible for tax purpose	不可扣稅之開支之稅務影響	8,512	8,308
Tax effect of income not taxable for tax purpose	毋須課稅之收入之稅務影響	(16,053)	(17,789)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	4,653	3,617
Income tax on concessionary rate	按優惠稅率計算之所得稅	(1,547)	(3,845)
Effect of tax exemption granted	獲授稅項豁免之影響	(48,945)	(77,319)
Taxation for the year	本年度稅項	15,908	18,695

13. PROFIT FOR THE YEAR

13. 本年度溢利

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit for the year is arrived at after charging (crediting):	本年度溢利乃經扣除(計入)下列各項：		
Auditor's remuneration	核數師酬金	1,920	1,700
Amortisation of intangible assets	無形資產攤銷	152,728	75,835
Amortisation of land use right	土地使用權攤銷	1,195	282
Depreciation of property, plant and equipment	物業、廠房及設備折舊	26,044	19,971
Less: Amount capitalised in development costs	減：已於開發成本中資本化金額	(3,262)	(4,839)
		22,782	15,132
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(112)	2,687
Allowances for bad and doubtful debts	呆壞賬撥備	747	917
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回	(2,526)	-
Write-down of inventories (included in cost of sales)	撇減存貨(計入銷售成本)	39,657	11,016
Costs of inventories recognised as expenses	已確認為開支之存貨成本	2,307,945	2,827,101
Staff costs:	員工成本：		
Directors' emoluments (note 11)	董事酬金(附註11)	6,404	6,950
Other staff costs	其他員工成本		
-Salaries and other benefits	- 薪資及其他福利	184,238	153,664
-Retirement benefits schemes contributions	- 退休福利計劃供款	28,618	20,134
		219,260	180,748
Less: Amount capitalised in development costs	減：已於開發成本中資本化金額	(76,355)	(70,345)
		142,905	110,403

14. DIVIDENDS

14. 股息

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Dividends recognised as distribution during the year:	本年度確認為分派之股息：		
2006 Final dividend, paid - HK10.5 cents per share	二零零六年已付末期股息 - 每股 10.5 港仙	158,906	-
2005 Final dividend, paid - HK14.0 cents per share	二零零五年已付末期股息 - 每股 14.0 港仙	-	210,501
Interim dividend, paid - HK3.0 cents per share (2006: HK6.8 cents)	已付中期股息 - 每股 3.0 港仙 (二零零六年：6.8 港仙)	45,469	102,488
		204,375	312,989
Final dividend, proposed - HK2.5 cents per share (2006: HK10.5 cents) (Note)	建議末期股息 - 每股 2.5 港仙 (二零零六年：每股 10.5 港仙) (附註)	37,897	158,374

Note: The final dividend of HK2.5 cents (2006: HK10.5 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：董事建議支付末期股息每股 2.5 港仙(二零零六年：每股 10.5 港仙)，惟須經股東於應屆股東週年大會批准，方可作實。

15. EARNINGS PER SHARE

15. 每股盈利

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

母公司普通股股東應佔每股基本及攤薄盈利乃按以下數據計算：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Earnings	盈利		
Earnings for the purposes of basic and diluted earnings per share (profit for the year)	計算每股基本及攤薄盈利之盈利(本年度溢利)	240,715	372,873
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	1,514,190	1,504,923
Share options	購股權	9,276	33,358
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	1,523,466	1,538,281

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

所使用之份母與上文每股基本及攤薄盈利所使用者相同。

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		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
COST	成本							
At 1 January 2006	於二零零六年一月一日	10,300	39,409	2,841	61,062	18,813	4,346	136,771
Exchange differences	滙率差額	362	1,385	85	2,129	661	133	4,755
Additions	添置	17,318	-	436	46,592	5,894	950	71,190
Transfer	轉撥	(27,154)	27,154	-	-	-	-	-
Disposals	出售	-	-	-	(434)	(2,908)	(528)	(3,870)
At 31 December 2006	於二零零六年 十二月三十一日	826	67,948	3,362	109,349	22,460	4,901	208,846
Exchange differences	滙率差額	63	5,097	212	8,180	1,685	326	15,563
Additions	添置	33,079	2,567	163	16,176	3,994	184	56,163
Acquisition of subsidiaries	收購附屬公司	-	-	-	238	-	-	238
Disposals	出售	-	-	-	(241)	-	(1,238)	(1,479)
At 31 December 2007	於二零零七年 十二月三十一日	33,968	75,612	3,737	133,702	28,139	4,173	279,331
DEPRECIATION	折舊							
At 1 January 2006	於二零零六年一月一日	-	1,615	1,370	23,833	2,535	1,989	31,342
Exchange differences	滙率差額	-	112	60	1,068	113	79	1,432
Charge for the year	本年度折舊	-	3,121	1,323	13,382	1,360	785	19,971
Eliminated on disposals	於出售時對銷	-	-	-	(332)	(323)	(475)	(1,130)
At 31 December 2006	於二零零六年 十二月三十一日	-	4,848	2,753	37,951	3,685	2,378	51,615
Exchange differences	滙率差額	-	465	190	3,417	342	152	4,566
Charge for the year	本年度折舊	-	3,289	473	19,340	2,141	801	26,044
Eliminated on disposals	於出售時對銷	-	-	-	(199)	-	(1,081)	(1,280)
At 31 December 2007	於二零零七年 十二月三十一日	-	8,602	3,416	60,509	6,168	2,250	80,945
CARRYING VALUES	賬面值							
At 31 December 2007	於二零零七年 十二月三十一日	33,968	67,010	321	73,193	21,971	1,923	198,386
At 31 December 2006	於二零零六年 十二月三十一日	826	63,100	609	71,398	18,775	2,523	157,231

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment 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 right under medium-term lease. The construction in progress represented buildings under construction which are situated in the PRC.

16. 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%

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

17. LAND USE RIGHTS

17. 土地使用權

		HK\$'000 千港元
COST	成本	
At 1 January 2006	於二零零六年一月一日	10,334
Charge for the year	本年度折舊	(282)
Exchange differences	滙率差額	432
		<hr/>
At 31 December 2006	於二零零六年十二月三十一日	10,484
Additions	添置	66,864
Charge for the year	本年度折舊	(1,195)
Exchange differences	滙率差額	750
		<hr/>
At 31 December 2007	於二零零七年十二月三十一日	<u>76,903</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.

本集團之土地使用權乃根據中國之中期租約持有，並按50年租約年期攤銷。

18. INTANGIBLE ASSETS

18. 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	Total 總計 HK\$'000 千港元
COST					
At 1 January 2006	於二零零六年一月一日	15,016	119,632	–	134,648
Additions	添置	26,533	115,436	–	141,969
Exchange differences	匯率差額	–	4,203	–	4,203
At 31 December 2006	於二零零六年十二月三十一日	41,549	239,271	–	280,820
Additions	添置	15,311	130,507	–	145,818
Acquisition of subsidiaries	收購附屬公司	–	–	11,819	11,819
Exchange differences	匯率差額	1,991	18,545	–	20,536
Write-off	撇銷	–	(57,654)	–	(57,654)
At 31 December 2007	於二零零七年十二月三十一日	58,851	330,669	11,819	401,339
AMORTISATION					
At 1 January 2006	於二零零六年一月一日	12,163	75,527	–	87,690
Charge for the year	本年度攤銷	7,000	68,835	–	75,835
Exchange differences	匯率差額	76	3,863	–	3,939
At 31 December 2006	於二零零六年十二月三十一日	19,239	148,225	–	167,464
Charge for the year	本年度攤銷	10,881	141,155	692	152,728
Exchange differences	匯率差額	643	15,495	–	16,138
Write-off	撇銷	–	(57,654)	–	(57,654)
At 31 December 2007	於二零零七年十二月三十一日	30,763	247,221	692	278,676
CARRYING AMOUNT					
At 31 December 2007	於二零零七年十二月三十一日	28,088	83,448	11,127	122,663
At 31 December 2006	於二零零六年十二月三十一日	22,310	91,046	–	113,356

Development costs are internally generated. Technical know-how of the Group was purchased as part of a business combination in current year. The Group's license fee was acquired from third parties.

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

發展成本由內部產生。本年度，本集團購買專有技術作為業務合併之一部分。本集團許可證費用來自第三方。

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：

18. INTANGIBLE ASSETS(CONTINUED)

Licence fee	1 - 5 years
Development costs	9 months - 2 years
Technical know-how	5 years

18. 無形資產(續)

許可證費	1至5年
開發成本	9個月至2年
專有技術	5年

19. 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.

19. 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 已資本化開發成本 HK\$'000 千港元	Write-down of inventories and trade receivables 存貨及應收貿易賬款撇減 HK\$'000 千港元
At 1 January 2006 (Charge) credit to consolidated income statement	於二零零六年一月一日 (扣除自) 計入 綜合收益表	(3,308) (4,376)	2,586 445
At 31 December 2006 Exchange differences Credit to consolidated income statement	於二零零六年十二月三十一日 滙率差額 計入綜合收益表	(7,684) (577) 1,783	3,031 227 334
At 31 December 2007	於二零零七年十二月三十一日	(6,478)	3,592

At 31 December 2007, other than the deferred tax assets and liabilities mentioned above, subsidiaries of the Group had unused tax losses of approximately HK\$50,473,000 (2006: HK\$33,240,000) available for offset against future profit. No deferred tax asset has been recognised due to the unpredictability of future profit streams of that subsidiary. The estimated tax losses as at 31 December 2007 may be carried forward indefinitely.

於二零零七年十二月三十一日，除上述遞延稅項資產及負債外，本集團之附屬公司有可供抵消未來溢利之未用稅項虧損約50,473,000港元(二零零六年：33,240,000港元)。因該附屬公司之未來溢利流之不可預見性，故並未確認任何遞延稅項資產。於二零零七年十二月三十一日，預期稅項虧損可無限期結轉。

20. AVAILABLE-FOR-SALE INVESTMENTS**20. 可供銷售投資**

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Available-for-sale investments comprise:	可供銷售投資包括:		
Listed equity securities investments listed in the PRC	中國上市股本證券投資	86,911	–

21. GOODWILL**21. 商譽**

		HK\$'000 千港元
At 1 January 2006 and 1 January 2007	於二零零六年一月一日及 於二零零七年一月一日	–
Arising on acquisition of subsidiaries (note 28)	收購附屬公司產生(附註28)	58,928
At 31 December 2007	於二零零七年十二月三十一日	58,928

Particulars regarding impairment testing on goodwill are disclosed in note 22. 有關商譽之減值測試之詳情載於附註22。

22. IMPAIRMENT TESTING ON GOODWILL**22. 商譽減值測試**

As explained in note 8, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill set out in note 21 has been allocated to the following cash generating unit ("CGU"). The carrying amounts of goodwill as at 31 December 2007 allocated to this unit is as follows:

誠如附註8所詳述，本集團以業務分類作為呈報分類資料之主要分類。為進行減值測試，附註21所載的商譽已分配至以下的賺取現金單位。於二零零七年十二月三十一日商譽之賬面值分配至此一現金單位之情況如下：

		Goodwill 商譽 HK\$'000 千港元
Mobile handset solutions	移動手機解決方案	49,500
Wireless communication module solutions	無線通訊模塊解決方案	9,428
		58,928

22. IMPAIRMENT TESTING ON GOODWILL (CONTINUED)

Management of the Group considers cashflow projections which was prepared based on financial budgets covering respective period of goodwill and determined that there was no impairment of any of its CGUs containing goodwill as at 31 December 2007.

The recoverable amounts of the CGU of mobile handset design solutions and wireless communication module solutions have 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 22.36%. A key assumption for the value in use calculations is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of the assumption would not cause the aggregate carrying amount of the above CGU to exceed the aggregate recoverable amount of the above CGU.

22. 商譽減值測試(續)

本集團管理層認為，現金流量預測乃以涵蓋各有關的商譽期間的財務預算為基準編製，並釐定於二零零七年十二月三十一日並無任何包含商譽的賺取現金單位出現減值。

移動手機設計方案及無線通訊模塊解決方案之賺取現金單位之可收回數額乃按使用價值計算方法釐定。有關之計算運用管理層批核之五年期財務預算為基礎編製的現金流量預測以折現率22.36%計算。使用價值計算方法之另一主要假設為預算增長率，乃按過往表現及管理層對市場發展之預期而釐定。管理層相信任何此等假設之任何可能變動不會令以上賺取現金單位之賬面總值超出以上賺取現金單位的可收回金額的總額。

23. INVENTORIES

23. 存貨

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

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
461,680	308,575
17,291	78,095
41,281	76,066
520,252	462,736

24. OTHER CURRENT FINANCIAL ASSETS**24. 其他流動金融資產**

The normal credit period taken on sales of goods is 0-60 days.

銷售貨品的一般信貸期為零至60日。

The following is an aged analysis of trade receivables, notes and bills receivable at the balance sheet date:

以下為於結算日應收貿易款項、應收票據及賬單之賬齡分析：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0-30 days	零至30天	42,724	89,423
31-60 days	31至60天	3,449	17,110
61-90 days	61至90天	2,341	2,743
91-180 days	91至180天	2,059	4,027
Over 180 days	超過180天	5,116	4,795
Less: Accumulated allowances	減：累計撥備	55,689 (6,542)	118,098 (7,791)
Trade receivables	應收貿易賬款	49,147	110,307
0-30 days	零至30天	41,105	17,518
31-60 days	31至60天	1,926	1,269
61-90 days	61至90天	2,140	-
Notes and bills receivable (Note)	應收票據及賬單(附註)	45,171	18,787

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

附註：應收票據及賬單為收取客戶由銀行發出之承兌票據。

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. 80% of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by the Group.

於接納任何新客戶前，本集團採用外部信貸評分系統評估潛在客戶之信貸質素及釐定客戶之信貸限額。給予客戶之信貸限額及評分每年檢討兩次。根據本集團採用之外部信貸評分系統，應收貿易賬款中80%既無過期亦無減值，擁有最高信貸評分。

24. OTHER CURRENT FINANCIAL ASSETS (CONTINUED)

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$3,700,000 (2006: HK\$5,286,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 91 days (2006: 118 days).

Ageing of trade receivables which are past due but not impaired

61-90 days	61至90天
91-180 days	91至180天
Over 180 days	超過180天
Total	總計

The Group has provided fully for all receivables over 1 year because historical experience is such that receivables that are past due beyond 1 year are generally not recoverable.

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
Amounts written off as uncollectible	撇銷之不可收回金額
Exchange differences	滙兌差額
Impairment losses reversed	減值虧損撥回
Balance at end of the year	年末結餘

24. 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3,700,000港元(二零零六年:5,286,000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。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91天(二零零六年:118天)。

已過期但未減值的應收貿易賬款的賬齡

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1,919	1,991
1,428	2,642
353	653
3,700	5,286

本集團對所有超過一年之應收賬款全額計提撥備,因為過往經驗顯示超過一年之應收賬款一般無法收回。

呆賬撥備之變動

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
7,791	7,364
747	917
-	(750)
530	260
(2,526)	-
6,542	7,791

24. OTHER CURRENT FINANCIAL ASSETS (CONTINUED)

Movement in the allowance for doubtful debts (CONTINUED)

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$1,739,000 (2006: HK\$2,589,000) 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 2007, included in the trade receivables, HK\$6,016,000 (2006: HK\$23,789,000) are denominated in USD, which are not denominated in the functional currency of the respective group entities.

25. 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 1.7% (2006: 1.7%). Included in the bank balances and cash was amounts in RMB of HK\$448,515,000 (2006: HK\$643,006,000), which is not freely convertible into other currencies.

At 31 December 2007, HK\$131,022,000 (2006: HK\$174,716,000) are denominated in USD, which are not denominated in the functional currency of the respective group entities.

24. 其他流動金融資產(續)

呆賬撥備之變動(續)

呆賬撥備中包括個別減值的應收貿易賬款合計餘額1,739,000港元(二零零六年:2,589,000港元),該等賬款的債務人正處於清盤或陷入嚴重財困。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。

於二零零七年十二月三十一日,應收貿易賬款中,包括以美元計值之款項為6,016,000港元(二零零六年:23,789,000港元),有關款項並非以集團公司各自的功能貨幣計值。

25. 銀行結餘及現金

本集團之銀行結餘及現金主要以人民幣、港元及美元列值。銀行結餘按平均年利率1.7%(二零零六年:1.7%)計息。銀行結餘及現金內包括一項人民幣款項448,515,000港元(二零零六年:643,006,000港元),該等款項不可自由轉換為其他貨幣。

於二零零七年十二月三十一日,以美元計值的款項為131,022,000港元(二零零六年:174,716,000港元),有關款項並非以集團公司各自的功能貨幣計值。

26. CURRENT FINANCIAL LIABILITIES

Trade and payables, other payables, deposits 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 respective balance sheet dates 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 2007, included in the trade payables, HK\$337,175,000 (2006: HK\$326,792,000) are denominated in USD, which are not denominated in the functional currency of the respective group entities.

26. 流動金融負債

應付貿易款項、其他應付款項、已收按金及應計款項主要包括未償還的貿易款項以及持續成本。

應付貿易賬款主要包括未償還之貿易採購。貿易採購之一般信貸期為30至60日。本集團之應付貿易賬款於各結算日之賬齡分析如下：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
304,937	499,105
104,602	45,542
51,147	2,938
23,406	28,864
484,092	576,449

於二零零七年十二月三十一日，應付貿易款項內包括以美元計值之款項337,175,000港元(二零零六年：326,792,000港元)，有關款項並非以集團公司各自的功能貨幣計值。

27. SHARE CAPITAL

27. 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 2006, 31 December 2006 and 31 December 2007	於二零零六年一月一日、 二零零六年十二月三十一日及 二零零七年十二月三十一日	3,000,000	300,000
Issued:	已發行：		
At 1 January 2006	於二零零六年一月一日	1,500,000	150,000
Exercise of share options (Note)	行使購股權(附註)	8,326	833
At 31 December 2006	於二零零六年十二月三十一日	1,508,326	150,833
Exercise of share options (Note)	行使購股權(附註)	7,554	755
At 31 December 2007	於二零零七年十二月三十一日	1,515,880	151,588

Note: During the year, the Company issued a total 7,554,000 (2006: 8,326,000) new shares of HK\$0.10 (2006: HK\$0.10) each at price of HK\$1.02 (2006: HK\$1.02) per share to eligible employees upon exercise of share options.

附註：年內，本公司以每股1.02港元(二零零六年：1.02港元)之價格向行使購股權之合資格僱員發行共7,554,000股(二零零六年：8,326,000股)每股面值0.10港元(二零零六年：0.10港元)之新股份。

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。

28. ACQUISITION OF SUBSIDIARIES

Acquisition in 2007

On 20 July 2007, the Group acquired 100% equity interest of Sino Team Investments Limited and its subsidiary, Shanghai Basecom Limited for a consideration of HK\$70,000,000. The transactions have been accounted for using the purchase method of accounting.

The net assets acquired in the transactions are as follows:

		Acquirees' carrying amount before combination and fair value	Fair value adjustment	Fair value
		被收購方於合併前之 賬面值及公平值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Property, plant and equipment	物業、廠房及設備	238	–	238
Other receivables	其他應收款項	314	–	314
Bank and cash balances	銀行結餘及現金	1,810	–	1,810
Other payables, deposits received and accruals	其他應付賬款、已收 按金及應計款項	(3,109)	–	(3,109)
Intangible assets	無形資產	–	11,819	11,819
		(747)	11,819	11,072
Goodwill	商譽			58,928
Consideration satisfied by cash	以現金支付之代價			70,000
NET CASH OUTFLOW ARISING ON ACQUISITION:	收購所產生之 現金流出淨額：			
Cash paid	已付現金			(70,000)
Bank and cash balances acquired	獲得銀行及現金結餘			1,810
				(68,190)

The subsidiaries acquired contributed approximately HK\$3,322,000 to the Group's revenue and loss of approximately HK\$2,143,000 from operating activities for the period between the date of acquisition and the balance sheet.

28. 收購附屬公司

於二零零七年進行之收購

於二零零七年七月二十日，本集團收購Sino Team Investments Limited及其附屬公司基信康信息技術(上海)有限公司的100%股權，代價為70,000,000港元。是項交易乃使用收購會計法入賬。

交易中收購之淨資產如下：

	Acquirees' carrying amount before combination and fair value	Fair value adjustment	Fair value
	被收購方於合併前之 賬面值及公平值	公平值調整	公平值
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Property, plant and equipment	238	–	238
Other receivables	314	–	314
Bank and cash balances	1,810	–	1,810
Other payables, deposits received and accruals	(3,109)	–	(3,109)
Intangible assets	–	11,819	11,819
	(747)	11,819	11,072
Goodwill			58,928
Consideration satisfied by cash			70,000
NET CASH OUTFLOW ARISING ON ACQUISITION:			
Cash paid			(70,000)
Bank and cash balances acquired			1,810
			(68,190)

已收購之附屬公司於收購日期至結算日之期間之經營活動為本集團帶來約3,322,000港元之收入及約2,143,000港元之虧損。

**28. ACQUISITION OF SUBSIDIARIES
(CONTINUED)****Acquisition in 2007 (CONTINUED)**

As the revenue and results of the acquired subsidiaries before the acquisition were not significant to the Group, the total group revenue and result, as if the acquisition had been completed on 1 January 2007, are not disclosed as the information does not give additional value.

In the opinion of management, the carrying amounts approximated the fair values on the date of acquisition.

Acquisition in 2006

On 24 January 2006, the Group acquired 100% equity interests in Max Vision Limited and its wholly-owned subsidiary for a consideration of HK\$2. The transactions have been accounted for using the purchase method of accounting.

The net assets acquired in the transactions are as follows:

28. 收購附屬公司(續)**於二零零七年進行之收購(續)**

由於所收購附屬公司於收購前之收入及業績對本集團並無重大影響，總集團收入及業績的資料並無假設收購已於二零零七年一月一日完成而予以披露，因為該等資料並未能提供額外價值。

管理層認為，有關之賬面值與其於收購日之公平值相若。

於二零零六年進行之收購

於二零零六年一月二十四日，本集團收購天景有限公司及其全資附屬公司之100%股權，代價為2港元。是項交易乃使用收購會計法入賬。

交易中收購之淨資產如下：

		Acquirees' carrying amount before combination and fair value
		被收購方於合併前之 賬面值及公平值
		HK\$'000
		千港元
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	241
Bank balances and cash	銀行結餘及現金	2,110
Other payables, deposits received and accruals	其他應付賬款、已收按金及應計款項	(2,351)
		<hr/>
Total consideration satisfied by cash	以現金支付之總代價	-
		<hr/>
Net cash inflow arising on acquisition of subsidiaries	收購附屬公司所產生之現金流入淨額	2,110
		<hr/>

28. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Acquisition in 2006 (CONTINUED)

The subsidiaries acquired contributed approximately HK\$577,647,000 to the Group's revenue and profit of approximately HK\$5,569,000 from operating activities for the period between the date of acquisition and 31 December 2006.

As the revenue and results of the acquired subsidiaries before acquisition were not significant to the Group, the total group revenue and result, as if the acquisition had been completed on 1 January 2006, are not disclosed as the information does not give additional value.

In the opinion of management, the carrying amounts approximated the fair values on the date of acquisition.

28. 收購附屬公司(續)

於二零零六年進行之收購(續)

所收購之附屬公司於收購日期至二零零六年十二月三十一日之期間之經營活動為本集團帶來約577,647,000港元之收入及約5,569,000港元之溢利。

由於所收購之附屬公司於收購前之收入及業績對本集團並無重大影響，總集團收入及業績的資料並無假設收購已於二零零六年一月一日完成而予以披露，因為該等資料並未能提供額外價值。

管理層認為，有關之賬面值與其於收購日之公平值相若。

29. OPERATING LEASE ARRANGEMENT**29. 經營租約安排****The Group as lessee**

The Group made minimum lease payments under operating leases in respect of office premises of approximately HK\$10,750,000 (2006: HK\$8,467,000), in which approximately HK\$4,931,000 (2006: HK\$3,507,000) were capitalised in development cost.

At the balance sheet date, 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.

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10,750,000港元(二零零六年: 8,467,000港元), 其中約4,931,000港元(二零零六年: 3,507,000港元)已於開發成本中資本化。

於結算日, 本集團根據不可撤銷經營租賃付之最低租金款項承擔之到期日期如下:

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
5,706	8,194
-	4,417
5,706	12,611

租賃之平均年期商定為二年, 而租金則固定為平均二年期。

30. COMMITMENTS

30. 承擔

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Capital commitments	資本承擔		
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	25,113	–
– plant and machinery	- 廠房及設備	2,200	–
Other commitment	其他承擔		
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：		
– land use right	- 土地使用權	–	42,301

31. RETIREMENT BENEFITS SCHEMES

31. 退休福利計劃

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 2007 and 2006.

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。於二零零七年及二零零六年十二月三十一日，並無被沒收之供款以供來年扣減應付供款。

31. RETIREMENT BENEFITS SCHEMES (CONTINUED)

The Group's subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated 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 represents contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

31. 退休福利計劃(續)

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。

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，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。

32. 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 scheme options scheme (the "Post-IPO Options"). Both the 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.
- (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.

32. 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。
- (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。

32. SHARE OPTION SCHEMES (CONTINUED)

(A) Pre-IPO Options (CONTINUED)

- (v) Subject to the vesting period set out on page 111 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 per share 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.
- (iii) 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 the listing date (30 June 2005) 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.

32. 購股權計劃(續)

(A) 首次公開發售前購股權計劃(續)

- (v) 根據第111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) 目的是為向參與者提供激勵。
- (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。
- (iii) 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，不得超過於上市日期(二零零五年六月三十日)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%。

32. SHARE OPTION SCHEMES (CONTINUED)

(B) Post-IPO Options (CONTINUED)

- (iv) The number of shares of the Company for issue under the Post-IPO Options is 23,875,000 shares, which represents 1.57% of the share capital as at date of this annual report.
- (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.

32. 購股權計劃(續)

(B) 首次公開發售後購股權計劃(續)

- (iv) 根據首次公開發售後購股權計劃可發行之本公司股份數目為23,875,000股，相當於本年報日期之股本之1.57%。
- (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。

32. SHARE OPTION SCHEMES (CONTINUED)

The following table disclose details of the options under Pre-IPO Options and Post-IPO Options held by the grantee and movements in such holdings:

32. 購股權計劃(續)

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 at 1 January 2006			Exercised during the year	Forfeited during the year	Outstanding at 1 January 2007			Exercised during the year	Forfeited during the year	Outstanding at 31 December 2007
					at 1 January 2006	Granted during the year	at 1 January 2007			at 1 January 2007	Granted during the year	at 1 January 2007			
參與者類別	計劃名稱	授出日期	行使期	每股行使價	尚未行使	本年度授出	本年度行使	本年度失效	尚未行使	本年度授出	本年度行使	本年度失效	尚未行使		
		(附註 i)	(Note i)	HK\$	(附註 ii)	(Note ii)	(附註 iv)	(Note iii)	(附註 ii)	(附註 iv)	(Note iii)	(附註 iii)	(附註 ii)	(附註 iv)	(附註 iii)
				港元											
Directors															
董事															
Tsang Hen Loon, Raymond 曾憲龍	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	30.5.2005-29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	3,000,000	-	(750,000)	-	2,250,000	-	(750,000)	-	1,500,000		
Zhang Jianping 張劍平	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	30.5.2005-29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	3,000,000	-	(750,000)	-	2,250,000	-	(750,000)	-	1,500,000		
Tang Rongrong 唐融融	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	30.5.2005-29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	750,000	-	(186,000)	-	564,000	-	(100,000)	-	464,000		
					6,750,000	-	(1,686,000)	-	5,064,000	-	(1,600,000)	-	3,464,000		
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	30.5.2005-29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	33,600,000	-	(6,640,000)	(5,225,000)	21,735,000	-	(5,954,000)	(2,625,000)	13,156,000		
	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	12.5.2006-29.5.2015 二零零六年五月十二日至 二零一五年五月二十九日	3.675	-	12,000,000	-	(2,730,000)	9,270,000	-	-	(1,395,000)	7,875,000		
	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	13.11.2007-29.5.2015 二零零七年十一月十三日至 二零一五年五月二十九日	1.64	-	-	-	-	-	16,000,000	-	-	16,000,000		
Total 總計					40,350,000	12,000,000	(8,326,000)	(7,955,000)	36,069,000	16,000,000	(7,554,000)	(4,020,000)	40,495,000		
Exercisable at the end of the year 於年末可予行使															6,324,000
Weighted average exercise price (HK\$) 加權平均行使價(港元)					1.020	3.675	1.020	1.599	1.599	1.640	1.020	1.940	1.780		

32. SHARE OPTION SCHEMES (CONTINUED)

Notes:

- (i) In relation to each grantee of the options granted under the Pre-IPO Options, 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.

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 calendar years from 1 April 2008.

- (ii) On 12 May 2006 and 13 November 2007, the Company granted 12,000,000 and 16,000,000 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 2007, 2,625,000 (2006: 5,225,000) options granted under the Pre-IPO Options and 1,395,000 (2006: 2,730,000) options granted under Post-IPO Options were forfeited upon the resignation of employees. The market price immediate before the date of grant of the Post-IPO Options, 12 May 2006 and 13 November 2007 were HK\$3.8 and HK\$1.51 per share respectively. No market price is available immediate before the date of grant of the Pre-IPO Options as the options were granted before listing.
- (iv) During the year ended 31 December 2007, 7,554,000 (2006: 8,326,000) Pre-IPO options have exercised at the exercise price of HK\$1.02 per share. The weighted average share price on exercise dates and the weighted average share price immediately before exercise dates are HK\$2.9 (2006: HK\$3.755) per share.

32. 購股權計劃(續)

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，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。

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年曆年每年將獲歸屬25%之購股權。

- (ii) 於二零零六年五月十二日及二零零七年十一月十三日，本公司分別根據首次公開發售後購股權計劃授出12,000,000份購股權及16,000,000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) 於二零零七年十二月三十一日止年度內，有根據首次公開發售前購股權計劃授出2,625,000份(二零零六年：5,225,000份)購股權，另有根據首次公開發售後購股權計劃授出之1,395,000份購股權(二零零六年：2,730,000)於僱員辭任後失效。緊接於二零零六年五月十二日及二零零七年十一月十三日授出首次公開發售後購股權前每股之市價為每股3.8港元及1.51港元。由於首次公開發售前購股權乃於上市前授出，故並無緊接授出首次公開發售前購股權日期前之市價。
- (iv) 截至二零零七年十二月三十一日止年度，有7,554,000份(二零零六年：8,326,000份)首次公開發售前購股權按每股1.02港元之行使價獲行使。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2.9港元(二零零六年：3.755港元)。

32. 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. In the current year, an amount of share option expense of approximately HK\$8,036,000 (2006: HK\$9,170,000) has been recognised with a corresponding adjustment recognised in the Group's share option reserve.

The fair values of the share options granted on 13 November 2007 ("Post-IPO Options 2007"), on 12 May 2006 ("Post-IPO Options 2006") and Pre-IPO Options determined at the date of grant using the Black-Scholes option pricing model was approximately HK\$8,554,000, HK\$18,465,000 and HK\$28,012,000 respectively.

The following assumptions were used to calculate the fair values of share options:

	Post-IPO Options 2007	Post-IPO Options 2006	Pre-IPO Options
Share price (Note i)	HK\$1.49	HK\$3.65	HK\$1.70
Exercise price	HK\$1.64	HK\$3.675	HK\$1.02
Expected life of options (Note ii)	5 years	6 years	10 years
Expected volatility (Note iii)	58.1%	68.0%	33.3%
Expected dividend yield	6.6%	6.4%	3.9%
Risk free rate	3.9%	3.8%	3.8%

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.

32. 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。於本年度，購股權支出金額約8,036,000港元(二零零六年：9,170,000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於二零零七年十一月十三日(「首次公開發售後二零零七年購股權計劃」)於二零零六年五月十二日(「首次公開發售後二零零六年購股權計劃」)及根據首次公開發售前購股權計劃授出的購股權的公平值，分別約為8,554,000港元、18,465,000港元及28,012,000港元。

採用下列假設計算購股權之公平值如下：

	首次公開發售後 二零零七年 購股權計劃	首次公開發售後 二零零六年 購股權計劃	首次 公開發售前 購股權計劃
股價(附註i)	1.49港元	3.65港元	1.70港元
行使價	1.64港元	3.675港元	1.02港元
購股權預計有效 年期(附註ii)	5年	6年	10年
預計波幅(附註iii)	58.1%	68.0%	33.3%
預計股息率	6.6%	6.4%	3.9%
無風險利率	3.9%	3.8%	3.8%

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。

32. SHARE OPTION SCHEMES (CONTINUED)

Notes:

- (i) The share price represented the Company's share price at the date of grant of the Post-IPO Options 2006 and Post-IPO Options 2007. The share price of the Company's shares at the date of grant of Pre-IPO Options was estimated to be HK\$1.7 per share, which is equal to the offer price of the listing shares.
- (ii) The expected options life is 10 years, 6 years and 5 years from the date of grant for Pre-IPO Options and Post-IPO Options 2006 and Post-IPO Options 2007 respectively.
- (iii) The expected volatility was determined by calculating the historical volatility of the Company's share price over 90 trade days immediately before the date of grant for Post-IPO Options 2006 and Post-IPO Options 2007. The expected volatility for Pre-IPO Options was determined by calculating the historical volatility of the price of listed companies with similar business as the Group, due to lack of historical data.

32. 購股權計劃(續)

附註：

- (i) 股價指於首次公開發售後二零零六年購股權計劃及首次公開發售後二零零七年購股權計劃授出日期本公司之股份價格。於首次公開發售前購股權計劃授出日期，本公司股份之股價估計為每股1.7港元，與上市股份之發售價相等。
- (ii) 預期購股權年期為分別自首次公開發售前購股權計劃、首次公開發售後二零零六年購股權計劃及首次公開發售後二零零七年購股權計劃授出日期起計之10年、6年及5年。
- (iii) 預期波幅乃經計算與本公司股價於緊接首次公開發售後二零零六年購股權計劃及首次公開發售後二零零七年購股權計劃授出日期之前90個交易日之股價歷史波動釐定。由於缺乏歷史資料，首次公開發售前的預期波幅乃經計算與本集團經營相類業務之上市公司之股價歷史波幅釐定。

33. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of key management other than the directors' remuneration as disclosed in note 11 during the year was as follows:

Short term benefits	短期福利
Post employment benefits	受僱後福利
Share based payments	股份為基礎付款

The remuneration of directors and key executives is determined by the remuneration committee having regard to the Group's operating results, responsibilities and performance of individuals and market trends.

33. 關連人士交易

主要管理人員之報酬

除於附註11內披露之董事酬金外，本年度主要管理層之酬金如下：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
7,334	5,034
234	191
1,062	1,159
8,630	6,384

董事及主要行政人員之酬金由薪酬委員會經考慮因素包括本集團經營業績、個人所承擔之責任及其表現及市場趨勢釐定。

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES

34. 主要附屬公司之詳情

Particulars of the subsidiaries of the Company at 31 December 2007 are as follows:

於二零零七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	
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%	–	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%	Investment holding 投資控股
Shanghai Sunrise* 上海晨興	9 November 1993 The PRC 一九九三年 十一月九日 中國	Registered and contributed capital RMB200,000,000 註冊及實繳資本 人民幣 200,000,000 元	–	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* 上海希姆通	5 December 2002 The PRC 二零零二年 十二月五日 中國	Registered and contributed capital US\$1,500,000 註冊及實繳資本 1,500,000 美元	–	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解決方案

34. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (CONTINUED)

34. 主要附屬公司之詳情(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	
Suncom Logistics* 上海羅捷斯迪	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%	Procurement, outsourcing, sales and marketing of the Group's products and logistics services in the PRC 於中國採購、 外包、銷售及推廣 本集團產品及 從事物流服務
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%	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%	Investment holding 投資控股
SIM Technology HK Limited 晨訊科技香港有限公司	21 April 2004 Hong Kong 二零零四年 四月二十一日 香港	Ordinary share HK\$1 普通股 1 港元	–	100%	Provision of administrative services 提供行政服務

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

34. 主要附屬公司之詳情(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	
Shanghai Speedcomm* 上海思必得	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%	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 模塊解決方案
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%	Investment holding 投資控股
Shanghai Max Vision* 上海麥維訊	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%	Procurement, outsourcing, sales and marketing of the Group's products and logistics services in the PRC 在中國採購、外包、 銷售及推廣本集團 產品及從事物流服務

34. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (CONTINUED)

34. 主要附屬公司之詳情(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	
Shanghai Simcom Wireless Solutions Limited* 芯訊通無線科技(上海)有限公司	31 October 2006 The PRC 二零零六年 十月三十一日 中國	Registered and contributed capital US\$200,000 註冊及實繳資本 200,000美元	–	100%	Design and development of wireless communication module solutions in PRC 在中國從事設計及開發 無線通訊模塊 解決方案
Shanghai SIM Technology Limited* 晨訊科技(上海)有限公司	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%	Investment holding of land use right 土地使用權之投資控股
Shanghai Simcom Electronic Limited* 上海芯通電子有限公司	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%	Not yet commence business 尚未營業
Sino Team Investments Limited	3 January 2007 Samoa 二零零七年 一月三日 薩摩亞	Ordinary shares US\$1 普通股1美元	–	100%	Investment holding 投資控股

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

34. 主要附屬公司之詳情(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	
Shanghai Basecom Limited* 基信康信息技術(上海)有限公司	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%	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 模塊解決方案
Shenyang SIM Technology Limited* 晨訊科技(沈陽)有限公司	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%	Not yet commence business 尚未營業

* Wholly foreign owned enterprises registered in the PRC.

* 在中國註冊之外商獨資企業。

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。

Financial Summary

財務摘要

For the year ended 31 December

截至十二月三十一日止年度

		2003 二零零三年 HK\$'000 千港元 (Note 2) (附註2)	2004 二零零四年 HK\$'000 千港元 (Note 2) (附註2)	2005 二零零五年 HK\$'000 千港元 (Note 1) (附註1)	2006 二零零六年 HK\$'000 千港元 (Note 1) (附註1)	2007 二零零七年 HK\$'000 千港元 (Note 1) (附註1)
RESULTS	業績					
Revenue	收入	466,802	1,567,074	2,719,585	3,418,864	2,896,996
Profit before taxation	除稅前溢利	40,731	212,697	308,485	391,568	256,623
Income tax expense	所得稅開支	(9,306)	(13,475)	(13,424)	(18,695)	(15,908)
Profit for the year	本年度溢利	31,425	199,222	295,061	372,873	240,715
Attributable to:	以下人士應佔：					
Equity holders of the parent	母公司股東	29,376	155,534	290,662	372,873	240,715
Minority interests	少數股東權益	2,049	43,688	4,399	-	-
		31,425	199,222	295,061	372,873	240,715

As at 31 December

於十二月三十一日

		2005 二零零五年 HK\$'000 千港元 (Note 1) (附註1)	2006 二零零六年 HK\$'000 千港元 (Note 1) (附註1)	2007 二零零七年 HK\$'000 千港元 (Note 1) (附註1)
ASSETS AND LIABILITIES	資產與負債			
Total assets	總資產	1,461,917	1,833,913	1,955,211
Total liabilities	總負債	(442,045)	(713,766)	(710,210)
		1,019,872	1,120,147	1,245,001
Equity attributable to equity holders of the parent	母公司股東應佔權益	1,019,872	1,120,147	1,245,001

Notes:

- (1) The Company was incorporated in Bermuda on 27 October 2004 and became the holding company of the Group with effect from 3 June 2005 as a result of a reorganisation as set out in the prospectus dated 21 June 2005 issued by the Company (the "Prospectus"). Accordingly, only consolidated balance sheets as at 31 December 2005, 2006 and 2007 have been prepared and set out as per above.
- (2) The results of the Group for each of the two years ended 31 December 2004 have been prepared on a combined basis as if the then group structure had been in existence throughout the years concerned and have been extracted from the Prospectus.
- (3) The results of the Group for the year ended 31 December 2007 have been extracted from the consolidated income statement which are set out on page 50 of the consolidated financial statements.

附註：

- (1) 本公司於二零零四年十月二十七日在百慕達註冊成立，並於二零零五年六月三日因重組成為本集團之控股公司，詳情載於本公司於二零零五年六月二十一日刊發之招股章程(「招股章程」)內。因此，本集團只編製於二零零五年、二零零六年及二零零七年十二月三十一日之綜合資產負債表並已載於上文。
- (2) 本集團截至二零零四年十二月三十一日止兩個年度之業績已按合併基準編製，猶如當時之集團架構於有關之年度內一直存在，該等業績乃摘錄自招股章程。
- (3) 本集團截至二零零七年十二月三十一日止年度之業績乃摘錄自綜合收益表，該報表載於綜合財務報表第50頁。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Ms YEUNG Man Ying (*Chairman*)
Mr WONG Cho Tung
Mr TSANG Hen Loon, Raymond
Mr ZHANG Jianping
Mr WONG Hei, Simon
Mr WONG Sun
Ms TANG Rongrong

Independent

non-executive Directors:

Mr HENG Kwoo Seng
Mr WANG Chengwei
Mr ZHUANG Xingfang

COMPANY SECRETARY

Ms WONG Tik

QUALIFIED ACCOUNTANT

Mr CHAN Tat Wing, Richard *CGA*

AUDIT COMMITTEE

Mr HENG Kwoo Seng (*Chairman*)
Mr WANG Chengwei
Mr ZHUANG Xingfang

REMUNERATION COMMITTEE

Mr ZHUANG Xingfang (*Chairman*)
Mr WANG Chengwei
Mr WONG Cho Tung

AUDITORS

Deloitte Touche Tohmatsu

LEGAL ADVISER

Norton Rose

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Communications
Shanghai Pudong Development Bank

COMPLIANCE ADVISER

CLSA Equity Capital
Markets Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 5005-5006, 50th Floor
Central Plaza
No. 18 Harbour Road
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
曾憲龍先生
張劍平先生
王曦先生
王晨先生
唐融融女士

獨立非執行董事

邢詒春先生
汪誠蔚先生
庄行方先生

公司秘書

黃荻女士

合資格會計師

陳達榮先生 *CGA*

審核委員會

邢詒春先生 (*主席*)
汪誠蔚先生
庄行方先生

薪酬委員會

庄行方先生 (*主席*)
汪誠蔚先生
王祖同先生

核數師

德勤•關黃陳方會計師行

本公司法律顧問

諾頓羅氏

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

合規顧問

里昂證券資本市場有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港總辦事處及 主要營業地點

香港
灣仔
港灣道18號
中環廣場
50樓
5005-5006室

股份過戶登記總處

Butterfield Fund Services
(Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
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
灣仔
皇后大道東183號
合和中心
17樓1712-16室

網址

<http://www.sim.com>

股份編號

2000

SIM Technology Group Limited
晨訊科技集團有限公司

Suites 5005-5006, 50th Floor, Central Plaza
No. 18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場50樓5005-5006室
Tel.: +852 2368 6824 Fax: +852 2367 6724
www.sim.com