星辰通信国际控股有限公司
Centron Telecom International Holding Limited

(incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立之有限公司）
(Stock Code: 1155)
（股份代號：1155）

2013
ANNUAL REPORT
年度報告

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dai Guoliang *(Chairman and Chief Executive Officer)*
Guo Zeli
Dai Guoyu
Yi Zhangtao (resigned on 31 March 2014)
Ng Wai-kee (appointment with effect from 1 April 2013)
Yang Weimin (appointment with effect from 31 March 2014)

Independent non-executive Directors

Lin Yuanfang
Li Hongbin
Hung Ee Tek

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1606, 16/F,
Tai Tung Building
8 Fleming Road, Wanchai
Hong Kong

COMPANY SECRETARY

Ng Wai-kee, FHKICPA, FCCA

AUTHORIZED REPRESENTATIVES

Dai Guoliang
Ng Wai-kee

MEMBERS OF AUDIT COMMITTEE

Hung Ee Tek *(Chairman)*
Lin Yuanfang
Li Hongbin

MEMBERS OF REMUNERATION COMMITTEE

Lin Yuanfang *(Chairman)*
Yi Zhangtao (resigned on 31 March 2014)
Hung Ee Tek
Li Hongbin
Yang Weimin (appointment with effect from 31 March 2014)

MEMBERS OF NOMINATION COMMITTEE

Dai Guoliang *(Chairman)*
Lin Yuanfang
Li Hongbin

LEGAL ADVISERS

As to Hong Kong Law
Cheung & Lee
In association with Locke Lord (HK) LLP

AUDITORS

Ernst & Young
Certified Public Accountants

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road, Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

http://www.centron.com.hk

Dear Shareholders,

On behalf of Centron Telecom International Holding Limited (the "Company"), I hereby report to you the status of the business development of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2013 (the "Year"). In 2013, the Group recorded a revenue of RMB1,462.6 million, representing a decrease of 1.1% as compared with the revenue recorded for the corresponding period in 2012. We have basically maintained our existing business and sales scale. With regard to profit for the Year, the Group returned to a profit of RMB6.9 million since mid-2013.

Market and Business Overview

In recent years, many suppliers in the network coverage and optimization industry showed a substantial decline in their performance or even a substantial loss as affected by the change in market trend and market demand. However, when compare with other industry players, such impact on the Group is less substantial. Under the Group's sound operating strategy and operational capability, and with the implementation of the Group's cost control measures, the Group has successfully reverted the state of loss recorded in the first half of the year, and has recorded a profit of RMB6.9 million for the year. During the Year, the Group has been persisting in the strategy of meticulously selecting projects and not making investments unrealistically. This has enabled the Group to ensure long-term profits and returns while promoting its business under adverse conditions. Although mobile communication operators took a conservative wait-and-see and prudent investment attitude, the Group was able to leverage its strengths. On one hand, the Group is preparing for the upcoming launch of the 4G and wireless internet services and has been actively developed and introduced prevalent products suitable for the current market while developing its existing businesses, so as to ensure the Group's sales scale and market share in the industry as well as maintaining its profitability. On the other hand, by leveraging its existing technological reserve advantage, the Group is developing the new digital private network communications business with a view to increasing sources of income and improving the income structure.

With the official arrival of the 4G era, for the traditional business of network coverage and optimization, the Group developed and launched several kinds of 4G compatible multi-system + all-in-one digital network distribution products and in-building signal distribution solutions, and won the bids for TDLTE (Time-division Long-Term Evolution) network building and coverage works in several provinces and cities in the PRC such as Shandong, Fujian, Hebei, Shanxi, Guangdong and Beijing and obtained a series of product and service orders. During the Year, the Group took the lead to participate in the craze of 4G network building of telecom operators by carried out trial projects for operators in a number of provinces and cities. In 2013, the Group not only accomplished the operation target but also managed to change the loss recorded in the first half of the Year to profit in the second half of the Year. This demonstrates the Group's sound operating strategy and operational capability, and the effectiveness of cost control measures implemented by the Group.

For digital interphones, by leveraging its substantial technological reserves in the early stage, the Group succeeded in launching more than 10 digital interphone private network systems and products and total solutions at the end of the Year and managed to obtain a series of orders, which laid a strategic foundation for further commercialized promotion and large-scale sales in the future. In recent years, the PRC government has promulgated a series of policies relating to industry digitalization and has commenced the establishment of digital and intelligent cities with enormous efforts. At the same time, it has paid increasing attention to national security, anti-terrorism, rescue, disaster relief and emergency communications.

However, being confronted with such problems as the state's limited frequency spectrum resources, the limitations of the technical performance of the existing analog facilities and users' ever increasing demand for performance and confidentiality of products, driven by market demand and government policies, the major direction of the analogue-to-digital transition for private network communications has been identified. The Ministry of Industry and Information Technology of the PRC also released the [2009] No.666 Circular. According to the schedule set out in the document, the deadline for the analogue-to-digital transition for private network communications to take place in the PRC will arrive in less than two years from now. Being faced with this huge market, whose domestic and international scales could reach tens of billions of renminbi and nearly 100-billion renminbi respectively, the Group is ready for taking action. Through the R&D reserves generated by cooperation among industrial alliances, universities and scientific research institutions and the investment of substantial resources over the past few years, the Group has organized and participated in drafting the relevant digital standards for private network communications and has possessed various advantageous core technologies in the aspects of private network communication standard formulation and system networking. Meanwhile, the Group is also equipped with the edge to first seize the digital private network communications market of the PRC.

As for Digital Television Terrestrial Broadcasting (DTTB) business, sales revenue of the Group recorded in the Year shrunk substantially as compared to that revenue recorded in 2012, given that the establishment of and investment in the broadcast television network were reduced on a temporary basis due to various industry and policy reasons. In view of the effects caused by impairment provisions for receivables and inventories of the relevant business in recent years, the Group has implemented strategic adjustment and conducted the relevant business in a highly cautious manner in order to reduce risks and optimize its resources allocation. During the Year, the Group was active in recovering outstanding payments and retained our industry-leading resources and advantages in digital television terrestrial broadcasting with the minimum cost. Meanwhile, the Group also tapped into new operations such as national standard Digital Terrestrial Multimedia Broadcasting (DTMB) and satellite television receiving businesses with prudent involvement.

Profit

Over the Year, the communication industry was in the doldrums as a whole. However, through the relentless efforts of the management, the Group managed to change from an interim net loss of RMB13.9 million to a profit that accomplished the target for the full year amidst the adverse conditions by adopting a series of effective cost control measures. During the Year, the Group recorded a net profit of approximately RMB6.9 million as compared with the net profit of approximately RMB60 million recorded by the Group for the corresponding period in 2012. Such decrease in net profit was mainly attributable to (1) the decline in gross profit owing to the drop in selling price; and (2) the increase in impairment provision of trade receivables, impairment provision of inventories and write-off of inventories. If the impairment provisions and write off are eliminated, the net profit of the Group will increase to RMB81.7 million. Despite a decline as compared with the same period in 2012, the Group outperformed some other net-loss competitors with reference to the situation of the industry.

Business outlook

Looking ahead, although competition in the industry remains intense, the Group believes it will face more opportunities than challenges in the future.

With the change of times, the operation and growth model of the Group would have to be transformed for the purpose to adapt to the development needs of the market. In the new year, being confronted with the 4G craze in the mobile communication industry and the inevitable trend of the analogue-digital transition for private network communication, the Group will make progress while maintaining stability, make stable transformation and exploration and innovation as its target. By firmly grasping the golden opportunity of 4G and the analogue-digital transition for the digital private network, the Group will constantly adjust and optimize its business structure and product mix, consolidate its traditional advantageous position, develop the market in an intensive and meticulous manner and endeavor to explore different kinds of potential market opportunities. Besides, the Group will strive to control costs and meticulously select projects so as to increase the Company's overall operating efficiency and profitability.

In the new year, based on the Group's current business and operation strategic direction and under the growth drivers such as 4G, user experience, network optimization, all-in-one network construction and reform, analogue-to-digital transition, public security and industry digitalization, the Group believes the worst period of the industry has elapsed and will usher in a bottoming out period in the future. The Group will treasure limited opportunities to strive to create an unlimited future. By way of making progress while maintaining stability, working in a down-to-earth manner, constantly increasing the overall competitiveness of the Group, the Group will achieve the healthy development of its results and create value to reward our shareholders and the society.

APPRECIATION

On behalf of the board of directors of the Company, I would like to take this opportunity to extend our sincere gratitude to the shareholders, clients and suppliers for their long term confidence and support of the Group. I also express our gratitude to the management team and all staff for their dedication and contribution in the past year.

Dai Guoliang
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

1. Operating results

For the year ended 31 December 2013, the Group realised revenue of RMB1,462.5 million, representing a decrease of RMB16.2 million or 1.1% as compared with RMB1,478.7 million in last year.

By customers

During the year, revenue from China Mobile Communications Corporation and its subsidiaries (collectively "China Mobile Group"); China United Network Communications Group Company Limited and its subsidiaries (collectively "China Unicom Group"); China Telecommunications Corporation and its subsidiaries (collectively "China Telecom Group"); and other customers were as follows:

	Year ended 31 December			
	2013		2012	
	RMB (in million)	*%*	*RMB (in million)*	*%*
By customers				
China Mobile Group	**613.8**	**42.0**	573.3	38.8
China Unicom Group	**465.2**	**31.8**	498.5	33.7
China Telecom Group	**268.6**	**18.4**	328.2	22.2
	1,347.6		1,400.0	
Others	**114.9**	**7.8**	78.7	5.3
	1,462.5	**100.0**	1,478.7	100.0
By business category				
Mobile Communications Network Coverage & Optimisation Solutions ("Mobile Communications")	**1,403.6**	**96.0**	1,424.0	96.3
Digital Terrestrial Television Broadcasting ("DTTB")	**13.2**	**0.9**	54.7	3.7
Digital Interphones	**45.7**	**3.1**	—	—
	1,462.5	**100.0**	1,478.7	100.0

During the year, revenue from mobile communications network coverage & optimisation solutions was approximately RMB1,403.6 million, representing approximately 96.0% of the Group's total revenue.

During the year, revenue from digital interphones was approximately RMB45.7 million, representing approximately 3.1% of the Group's total revenue.

During the year, revenue from digital terrestrial television broadcasting was approximately RMB13.2 million, representing approximately 0.9% of the Group's total revenue.

Mobile Communications Network Coverage & Optimizing Solutions

In 2013, mobile communications network coverage solution business remained the largest source of revenue for the Group and contributed revenue of approximately RMB1,403.6 million, representing approximately 96.0% of the total revenue of the Group. Its revenue represented a decrease of approximately 1.4% as compared to the same period of last year.

The whole industry was excited to see the release of 4G license in December of the year. During the first half of 2013, a wait-and-see attitude hung over the telecommunication industry and capital expenditure of the big three telecom operators in Mainland China slowed down notably. Although capital expenditure for network construction was basically achieved as budgeted by the end of 2013, due to the sequence of the network coverage and optimisation is at the mid-to-end of the industrial chain in the whole network building and orders generated from 4G construction are not evident yet when compared with the total sales recorded in prior corresponding periods. Under these circumstances, the Group endeavoured to basically maintain the scale of sales in the corresponding period of last year and the existing market share of our business by seeking balance between expansion of sales and maintenance of profits.

With the actual release of 4G license and official launching of other related construction at the end of 2013, orders for multi-mode digital signal distribution system, high performance Radio Frequency ("RF") devices, multi-mode and multi-frequency in-building signal distribution solutions of the Group increased significantly. With the continuance of Time-Division Long-Term Evolution ("TDLTE") network construction heat wave as well as the expectation for release of Frequency-Division Duplexing Long-Term Evolution ("FDDLTE") license in the future, the Group will pay close attention to industrial trends and maintain the competitive edges of hot products while maintaining its industry-leading position, in order to lead the development of the industry and further expand its market share.

Digital Interphones

In 2013, the Group recorded revenue from the digital interphones for the first time, which was RMB45.7 million, representing approximately 3.1% of the Group's total revenue.

During the second half of 2013, the Group launched a series of products and solutions, including terminals, systems and accessories that were designed and manufactured specially for commercial private network and industrial private network customers, which were commercialised smoothly. With the progress of analog communications to digital communications of private network and the construction of industry informationalisation, market demand for digital private network communications will continue to grow. In addition, the digital private network industry has a wide variety of applications and deep solution extension. The Group believes that there will be great room for development in domestic and foreign markets in the industry.

During the year, the Group also completed the construction of and successfully opened trial network for several projects and is constructing other cross-city trial networks which are of large scale. The Group believes that these completed projects and trial networks which are currently under construction will play a demonstrating and strategic role in the promotion of the Group's business in the future and pave the way for large-scale sales.

Digital Terrestrial Television Broadcasting (DTTB)

In 2013, revenue from the digital terrestrial television broadcasting business was RMB13.2 million, representing a decrease of approximately 75.9% as compared to the same period of last year. Considering the uncertainties over the development of DTTB, in order to reduce risks and optimise resources allocation, the Group implemented an adjusted strategy by highly cautious on any investment of such business and related expenses, and starting to pursue recovery of the indebtedness actively.

The impairment provision of trade receivables for digital TV for the year was RMB44.6 million, and the impairment provision of inventories amounted to RMB24.6 million. Through years of efforts, the Group has accumulated various technologies and resources in digital terrestrial television broadcasting business. The Group will closely monitor the development of the related business opportunities, and will consider the degree of involvement depending on the situation.

2. Gross profit

During the year, the Group realised gross profit of RMB358.1 million, a decrease of RMB37.5 million or 9.5% over RMB395.6 million in last year.

During the year, gross profit margin was approximately 24.5%, decreased 2.3% from 26.8% in last year.

3. Research and development expenditure

During the year, research and development expenditure of the Group was approximately RMB65.9 million, a decrease of approximately RMB4.0 million or 5.7% over RMB69.9 million in last year.

In 2013, the Group continues to incur investment in research and development expenses as scheduled and accelerates products and applications research and development for various business, including products and applications of 3G, 4G, WLAN and multi-network integration business.

4. Selling and distribution expenses

During the year, selling and distribution expenses of the Group of RMB77.4 million was approximately the same of RMB77.3 million in last year.

5. General and administrative expenses

During the year, administrative expenses were approximately RMB218.6 million, an increase of RMB9.9 million or 4.7% over RMB208.7 million in last year.

The increase was mainly attributable to (1) impairment provision of trade receivables; and (2) impairment provision of prepayment.

6. Finance costs

During the year, finance costs were approximately RMB19.0 million, a decrease of approximately 5.0% over RMB20.0 million in last year.

During the year, the Group was financed by interest-bearing bank loans of total outstanding amount of RMB358.1 million (31 December 2012: RMB353.2 million) as at 31 December 2013, of which RMB308.1 million are secured bank borrowings and RMB50.0 million are unsecured bank borrowings. Except for the bank loans of RMB55.4 million which bore a fixed interest rate, all the bank loans bore a floating interest rate.

The decrease in finance costs was mainly attributable to the decrease in interest rate of bank loan.

The management is prudent to manage the credit risk and monitors closely the latest development of financial market in order to control and minimise finance costs. The management plans and arranges the most appropriate financing tools for the purpose of capital investment, R&D investment and working capital of the Group.

7. Taxation

During the year, the income tax expense of the Group was RMB43.4 million, an increase of approximately 1.2% from RMB42.9 million in last year. The increase was mainly due to the increase in chargable income of subsidiaries that were subject to the tax rate higher than the preferential tax rate.

As a High-New Technology Enterprises, Centron Communications Technologies Fujian Co., Ltd. ("Fujian Centron"), a wholly-owned subsidiary, is entitled to the preferential tax rate of 15% for the year ended 31 December 2013. Whilst the earnings generated from other subsidiaries established in Mainland China are subject to relevant income tax rate of 25%. In addition, the withholding taxes on dividends expected to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008, by making an assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future, was RMB2.6 million (2012: RMB3.4 million).

8. Net profit

During the year, net profit was RMB6.9 million, decreased by approximately 88.5% from RMB60.2 million in last year. The net profit margin accounted for 0.5% of the total revenue, representing a decrease of 3.6% as compared with 4.1% for last year.

The decrease in net profit during the year was mainly attributable to (1) the decline in gross profit owing to the drop in selling price; and (2) the increase in impairment provision of trade receivables and stock impairment provision.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

MOBILE COMMUNICATIONS NETWORK COVERAGE & OPTIMISATION SOLUTIONS

The Ministry of Industry and Information Technology of the PRC issued the TDLTE license in late 2013. During the year, the capital expenditure of the big three telecommunications operators was basically in line with their expense budgets and they have started to build the TDLTE network. Up to now, 4G network has been launched in some cities to provide users with TDLTE signal access service. As network coverage and optimisation are in the mid-to-end period of network building, relevant demand for signal distribution and network optimisation will be gradually reflected in tandem with the sequence and expansion of 4G network.

As the telecom operators' TDLTE network successively commence commercial operation, excellent user experience is becoming increasingly important. In order to allow users to enjoy more obvious 4G high-speed network experience, some operators have again emphasised on the importance and necessity of network optimisation by claiming that optimised network can significantly improve the user experience and greatly enhance the efficiency of base station networking, and expressly pointed out that the first all-network optimisation will be implemented after building the 4G network in 2014. The Group believes this will significantly drive the demand for network coverage and optimisation during the year of 2014 and in turn will bring numerous business opportunities to the Group.

On the other hand, since mobile communications network was initially developed in the PRC, the network building and expenditures of the big three operators have transformed from "extensive" to "accurate" to further enhance investment efficiency. Taking into account of the fierce market competition through the suppliers' continuous strategies of lower-price and higher technology, we believe that the pressures from strong bargaining power of buyers, and the fierce competition between suppliers are a long-term phenomenon.

Faced with both opportunities and competition, the Group will leverage on its experience and advantages in the network coverage optimisation industry accumulated over the past 10 years to concentrate on the development of multi-frequency, multi-mode and multi-network products and solutions which are more suitable for modern network environment, having regard to the increasing "integration" and "all-in-one" trend in the industry. Going forward, the Group is optimistic about the telecommunications market in 2014. In view of the continuing TDLTE networking tide and possibly releasing of FDDLTE licence in 2014, we believe that the benefits of network coverage and optimisation brought about by the 4G era will be gradually reflected in the coming year.

DIGITAL INTERPHONES

With the development of the digital communications technology, a wave of analog-to-digital reform has been spreading in all countries around the world. Ministry of Industry and Information Technology of the People's Republic of China ("MIIT") has issued the [2009] No. 666 Circular setting out a comprehensive plan on the analog-to-digital conversion. It has been less than two years before the beginning of 2016 when the analog radio frequency will be ceased in accordance with the PRC's analog-to-digital schedule. At the same time, with the issuance of the industry informationalisation related policies, the demand for building "digital city" and "intellectual city" as well as the increasing emphasis laid by the state on national security, anti-terrorism, rescue and relief work and emergency communication has increasingly reflected the importance and necessity of digital private network communications and its irreplaceability as compared with public networks communications. In recent years, the demand for replacement/purchase of digital private network communications has been growing. It is estimated that the market scale of digital private network communications in China has reached to tens of billion RMB. For international digital private network communications market, it is even larger in terms of market scale, which is nearly one hundred billion RMB.

Faced with such opportunity of a lifetime in 2014, while building on its launch of digital private network products such as digital interphone terminal, base station, relay station and trunked system in 2013, the Group will continue to strengthen its investment and further diversify and optimise its product lines by launching more medium and high-end digital private network products to make use of economies of scale.

In 2014, the Group will further expand its customer base and sales pipeline by leveraging on its development momentum of 2013, and continue to facilitate the construction of major trial network projects while increasing its sales volume and industry influence. The Group will further develop and launch private network communications system applicable to various industries such as public security, forestry, civilian, port and transportation use in various domestic and foreign regions, so as to match the range and efforts of sales. As a newly-launched business on which the Group focuses its research and development efforts, the Group expects to strive for greater achievements in this field.

DIGITAL TERRESTRIAL TELEVISION BROADCASTING (DTTB)

In such area, although the Group is of the view that there is market potential in national-standard digital terrestrial multimedia broadcast (DTMB) and satellite mobile receiving, it will consider the degree of involvement based on its previous experience and prudently participate in such opportunities in order to effectively control risk.

CONCLUSION

In respect of public network business, with the upgrade of technology and the use and dependence of users for data and video images, and the room of penetration of operators in use of mobile phones is gradually saturated, the competition among operators becomes more intense. The market will improve users' experience to an unprecedented height, who will have stricter requirements for the strength of the network coverage and transmission quality. This will bring about continuous and stable market demand for network coverage & optimisation industry. At the same time, the continue of the 4G network construction, the gradually commercialisation of 4G network and the increase of penetrating ratio of 4G users, along with the whole network and multi-network optimisation following 4G, will bring about a new round of growth cycle. With expectations for these stable and continuous demand and growth cycle, the Group expects that it will seek progress in stability, and continue to maintain its market share and leading position in the industry.

In respect of private network business. On the basis of the breakthrough it obtained last year, the Group will continue to seek further development in such area with its advantages accumulated in market resources for years and its technology reserves in research and development in recent years. It expects that it will reach the peak of the industry and bring about new stable and increasing revenue sources in the process of the analog-to-digital specific network communications in China.

MANAGEMENT DISCUSSION AND ANALYSIS

Treasure scarce opportunities and create endless possibilities. In the future, the Group will be market-oriented, optimise its structures of business, management and product mix, focus on market demands, treasure scarce market opportunities and create endless possibilities in the future.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2013, the Group had cash and cash equivalents of RMB134.7 million (2012: RMB364.1 million), most of which were denominated in US dollars, Hong Kong dollars and Renminbi.

As at 31 December 2013, the Group had pledged deposits of RMB14.2 million (2012: RMB15.7 million).

As at 31 December 2013, the Group had interest-bearing bank borrowings payables within one year of RMB228.4 million (2012: RMB49.5 million).

As at 31 December 2013, the Group had RMB129.7 million interest-bearing bank borrowings payables more than one year (2012: RMB303.7 million)

Average trade receivable turnover period was 354 days (2012: 301 days).

The Group's trading terms with its customers are mainly on credit. The credit period is generally nine months. A longer credit term of twelve months may be extended to customers with a long-term business relationship and a good payment history. The Group does not hold any collateral or other credit enhancements over these balances. The balances are non-interest-bearing and include retention money which is generally receivable after final verification of products by customers, performed within four to seven months after signing the sale and purchase contracts, or upon completion of the warranty period of one to two years granted to customers.

Average inventory turnover period was 127 days (2012: 132 days). Overall, the Group maintained a current ratio of 3.69 as at 31 December 2013 (2012: 6.39).

As at 31 December 2013, the gearing ratio (as defined as total interest-bearing bank borrowings divided by total equity) was 22.9% (2012: 22.7%).

TREASURY POLICIES

During the year ended 31 December 2013, the majority of the Group's transactions were denominated in Renminbi. There has not been any significant foreign exchange exposure. In addition, for the interest rates applicable to the Group, the management did not encounter any material rise in the lending rates in PRC during the year ended 31 December 2013. Accordingly, the Group did not enter into hedging instruments on foreign exchange and interest rate. However, the management closely monitors the Group's exposure to any potential foreign exchange and interest rate risks and will enter into appropriate financial instruments for hedging purpose when necessary.

CAPITAL EXPENDITURE

As at 31 December 2013, the Group incurred capital expenditure of approximately RMB9.4 million, which was financed by the Group's internal resources.

PLEDGE OF ASSETS

As at 31 December 2013, certain of the Group's interest-bearing bank borrowings were guaranteed/secured by:

(i) corporate guarantee of RMB75,000,000 (2012: RMB70,000,000) from Fujian Centron, a wholly-owned subsidiary;

(ii) corporate guarantee of US$50,000,000 (2012: US$50,000,000) jointly from Nice Group Resources Limited ("Nice Group"), Centron Telecom System (Asia) Limited and Centron Telecom Hong Kong Limited, wholly-owned subsidiaries;

(iii) share mortgage over the entire issued share capital of Nice Group;

(iv) pledge of the Group's equity interest in Fujian Centron;

(v) assignment of an amount due from Fujian Centron of RMB219,504,000 (2012: RMB234,282,000) as at 31 December 2013 to Nice Group;

(vi) pledge of the Group's certain trade receivables of RMB5,350,000 (2012: Nil); and

(vii) personal guarantee of RMB30,000,000 from Mr. Dai Guoliang, a director of the Company, as at 31 December 2012.

CONTINGENT LIABILITIES

As at 31 December 2013, the Group did not have any significant contingent liabilities.

EMPLOYEE INFORMATION

As at 31 December 2013, the Group had approximately 2,000 full-time employees. Salaries and wages are generally reviewed on an annual basis in accordance with individual qualifications and performance, the Group's results and market conditions. The Group provides discretionary bonus, medical insurance, provident fund, educational subsidy and training to its employees.

Remuneration band (RMB)	**Number of individuals**
0-100,000	1,842
100,001-150,000	27
Over 150,001	21

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The net proceeds from the Company's issue of new shares at the time of its listing on the Stock Exchange in July 2007, after deduction of related issuance expenses, amounted to approximately RMB554 million (HK$569 million). Proceeds of approximately RMB488.2 were utilised in accordance with the proposed applications set out in the prospectus of the Company dated 21 June 2007 (the "Prospectus"), as follows:

— approximately RMB110.6 million was used for the construction of new facility in Xunmei Industrial Park, Quanzhou, the Peoples Republic of China (the "PRC");

— approximately RMB136.3 million was used for the purchase of manufacturing and testing equipment;

— approximately RMB45.1 million was used for the long-term research and development;

— approximately RMB73.0 million was used for the expansion of domestic sales and marketing channels;

— approximately RMB48.5 million was used for the establishment of overseas sales and marketing channels; and

— approximately RMB74.7 million for general working capital purpose.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2013.

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investment as at 31 December 2013.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

For the year ended 31 December 2013, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies.

CHAIRMAN AND EXECUTIVE DIRECTOR

Dai Guoliang, aged 52, the Chairman and an executive director of the Company. He is also the director of 6 subsidiaries of the Company. Mr. Dai founded 福建先創電子有限公司 (Centron Communications Technologies Fujian Co., Ltd.) ("Fujian Centron"), a wholly-owned subsidiary of the Company on December 18, 1989 and has been in charge of general management of the Company. Mr. Dai is a director of Oriental City Profits Ltd., a shareholder of the Company. Mr. Dai is an experienced engineer and has almost 20 years of experience in management, research, production and sales within the telecommunications industry. Mr. Dai has completed the EMBA program in Hua Qiao University. Mr. Dai Guoliang is the brother of Mr. Dai Guoyu.

EXECUTIVE DIRECTORS

Guo Zeli, aged 59, the vice chairman and an executive director of the Company. He is also the director of 2 subsidiaries of the Company. Mr. Guo is involved from time to time with the strategic development and market planning of the Company and Fujian Centron. Mr. Guo is in charge of general management of 星辰先創通信系統(廈門)有限公司, a wholly-owned subsidiary of the Company. Mr. Guo has nearly 30 years of management experience. Mr. Guo joined the Company on July 25, 2004. Prior to 2006, Mr. Guo served as the vice general manager of Xiamen Economic Trading Company Limited (廈門經濟特區貿易有限公司) and as the chairman of Xiamen Overseas Chinese Electronic Company Limited (廈門華僑電子股份有限公司). Mr. Guo obtained a Master's degree in Business Administration from Xiamen University in January 1998. He has been a senior Economist and Senior Professor of International Business since 1993. He has been a part-time professor at the business management department of Xiamen University since 2000.

Dai Guoyu, aged 49, an executive director of the Company. He is also the director of 2 subsidiaries of the Company. Mr. Dai is mainly responsible for sales and marketing, development and implementation of the strategies of the wireless industry-specific business of the Company. Mr. Dai joined Fujian Centron on May 2, 1994. Mr. Dai is a director of Oriental City Profits Ltd., a shareholder of the Company. Mr. Dai has almost 20 years of sales and management experience within the telecommunications industry and therefore has accumulated extensive customer network. Mr. Dai obtained the title of engineer in 2006 and has completed the EMBA program in Hua Qiao University. Mr. Dai Guoyu is the brother of Mr. Dai Guoliang.

DIRECTORS AND SENIOR MANAGEMENT

Ng Wai-kee, aged 54, an executive director, the chief financial officer and the company secretary of the Company. Mr. Ng joined the Group on October 1, 2006. Mr. Ng has around 26 years of experience in accounting and auditing. Mr. Ng previously worked as company secretary of Global Bio-chem Technology Group Company Limited (a company listed on the Stock Exchange, Stock Code: 809) and Datasys Technology Holdings Limited (a company previously listed on the Stock Exchange, Stock Code: 8057). Mr. Ng now serves as a non-executive director of CDW Holding Limited (a company listed on the Singapore Stock Exchange, Stock Code: D38) and is currently the company secretary of Grand T G Gold Holdings Limited (a company listed on the Stock Exchange, Stock Code: 8299). Mr. Ng graduated from Hong Kong Shue Yan College in July 1985 with a diploma in accounting. Mr. Ng is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Yang Weimin, aged 45, an executive director of the Company. He is also a director of 3 subsidiaries of the Company. Mr. Yang joined the Group on February 1, 2005. Mr. Yang has over 10 years of experience in electronic technologies development as well as the state affairs and public relations. Prior to joining the Group, Mr. Yang was employed by Fujian Film Machinery Factory and was the chief engineer of Zhejiang Xinda Machinery Company Limited. Mr. Yang received a Bachelor's degree in engineering, majoring in physics in magnetic fields and devices, from University of Electronic Science and Technology of China in July 1991. Mr. Yang is qualified as an engineer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hung Ee Tek, aged 51, an independent non-executive director. Mr. Hung was appointed to the board of directors of the Company on December 31, 2009. Mr. Hung has more than 20 years of experience in finance, accounting and auditing. He had worked in local and international accounting firms, and had been finance manager and company secretary and financial controller of listed companies in Hong Kong. Mr. Hung holds a master's degree in arts (China Studies) from The Hong Kong University of Science & Technology and a master's degree in arts, majoring in international accounting, from The City University of Hong Kong.

Lin Yuanfang, aged 73, an independent non-executive director. Mr. Lin was appointed to the board of directors of the Company on April 1, 2007. Mr. Lin was previously an independent non-executive director of Xiamen Overseas Chinese Electronic Co., Limited (廈門華僑電子股份有限公司). Mr. Lin has been the vice chairman of China Electronic Imaging Industry Association (中國電子視像行業協會) since November 2001. Mr. Lin was the vice department head of the Economic System Reform and Operation Department of the PRC Ministry of Information Industry ("MII") from 1998 to 2000. Prior to that and from 1980, Mr. Lin held various official positions in the MII, and the Ministry of Electronic Industry (電子工業部). Mr. Lin graduated from Fudan University in 1964 majoring in physics.

Li Hongbin, aged 48, an independent non-executive director. Mr. Li was appointed to the board of directors of the Company on April 1, 2007. Mr. Li has been a professor in information technologies at Peking University in 2004. Prior to that, Mr. Li was employed by Xi'an Electronic Technology University (西安電子科技大學) from 1989 to 2002. From 2002 to 2005, Mr. Li was a member of the expert panel for a national advanced technologies research and development project (Project 863). Mr. Li obtained a Master's degree in January 1989 from Xidian University (西安電子科技大學).

SENIOR MANAGEMENT PROFILE

Liu Qiongbin, aged 48, is the financial officer of Centron Communications Technologies Fujian Co., Ltd. (福建先創電子有限公司), a subsidiary of the Group, currently responsible for the financial management of Centron Communications Technologies Fujian Co., Ltd. Mr. Liu has 26 years of experience in finance and management. Mr. Liu graduated from Anhui University of Finance and Economics, obtained the China qualification of accountant in 1998 and a Master of Business Administration (MBA) degree in 2007 from the Open University of Hong Kong.

Cheng Lvbang, aged 40, currently general manager of the research and development center and chief engineer of the Company, mainly responsible for the research and development and product management of the Company. Mr. Cheng graduated from Beijing University of Posts and Telecommunications and received a PhD in signal and information processing. Mr. Cheng joined the Company since July 2011 and has over 13 years of working experience in research and development of mobile communication products and management. He had worked for DT Mobile Technologies Co., Ltd. and served as head of the physical research center of the terminal department, the deputy manager of terminal product lines and director of LTE products. He was also a core technician and main person-in-charge for the research and development and formulation of TD-SCDMA standards, as well as the development of TD-SCDMA terminal and base station products. Since 2007, Mr. Cheng has been participated in the research and development of China's major projects, "R&D of LTE TDD Key Technologies and Research Prototype of Base Station Equipment (LTE TDD 關鍵技術及基站設備科研樣機研發)" and other key projects such as "Development of Pre-commercial Equipment for TD-LTE Base Station (TD LTE 基站預商用設備開發)" and "R&D of TD LTE Commercial Base Station (TD-LTE 面向商用基站研發)". During the course of research and development, Mr. Cheng had applied for over 10 utility patents in respect of TD-SCDMA and TD-LTE, among which, "Multi-user Code Activation Detection and Device for Wireless Communication System(無線通信系統中多用戶碼道必激活檢測的方法和裝置)" was awarded the Second National Outstanding Patented Engineering Technology.

DIRECTORS AND SENIOR MANAGEMENT

Dai Guo Huang, aged 42, is currently responsible for the daily marketing work of the Group, including sales and marketing of the specific network business. Mr. Dai is the brother of Mr. Dai Guoliang, the Chairman of the Board. He has successively held positions such as head of the marketing department, manager of the Beijing branch and manager of the Tianjin branch of Fujian Centron. He has served as the general manager of 福建東電能源有限公司 and the general manager of Linktop Technologies, with a wealth of management and sales experience in the communications industry.

Qiu Xiaping, aged 45, general manager of the manufacturing centre of Fujian Centron, is responsible for production and procurement of Fujian Centron. Mr. Qiu joined the Fujian Centron in 2008. He had worked in Xiamen Overseas Chinese Electronic Co, Ltd. as production manager of television factory, manager of inventory department, product development officer and general manager of production centre. Mr. Qiu is a senior business administrator and has more than 17 years of experience in research, development, production and management in electronic sector. Mr. Qiu graduated from Fuzhou University and Xiamen University and majored in social work and business management respectively.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to ensure high standard of corporate governance with a view to enhancing management efficiency of the Group as well as preserve the interest of its shareholders. The directors of the Company (the "Directors") confirm, to the best of their knowledge, except for the requirements that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual (code provision A.2.1), the Group has complied with the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the financial year ended 31 December 2013 (the "Financial Year").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the provisions of the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the Financial Year.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board comprises five executive Directors and three independent non-executive Directors. The biographical details of all Directors are set out on pages 15 to 18 of this annual report. The composition of the Board is well balanced with Directors having sound knowledge and skill on different areas of the Group's business. Details of composition of the Board and the respective area of responsibilities of the Directors are set out in the table on page 2 of this annual report.

The Company has received, from each 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, who will provide independent views and share their knowledge and experience with other members of the Board.

FUNCTIONS OF THE BOARD

The Board is responsible for (i) the formulation of operational and strategic directions of the Group; (ii) monitoring the financial performance of the Group; (iii) overseeing the performance of management of the Company (the "Management"); and (iv) ensure that the business and operation of the Group are managed by properly authorized and competent management. The Management is responsible for the day-to-day operation of the Group under the leadership of the Board.

Moreover, the Board as a whole is responsible for performing the corporate governance duties set out in the Corporate Governance Code. The Board reviews at least annually the corporate governance practices of the Company to ensure its continuous compliance with the Corporate Governance Code, and make appropriate changes if considered necessary. During the Financial Year, the Board has performed the corporate governance duties set out in the Corporate Governance Code.

TRAINING FOR DIRECTORS

The Directors are committed to complying with Code Provision A.6.5 of the Corporate Governance Code on Directors' training. All Directors (excluding Mr. Yang Weimin who was appointed as an executive Director with effect from 31 March 2014) have participated in continuous professional development by attending seminars and/or studying materials relevant to Director's duties and responsibility and provided a record of training they received for the Financial Year to the Company.

MEETINGS OF THE BOARD

During the Financial year, the Board held 4 Board meetings. At least 7 days notice of regular Board meetings was given to all Directors and they can include matters for discussion in the agenda as they think fit. Minutes of every Board meeting are kept by the secretary of the Company at the registered office and the Directors are entitled to have full access to the minutes and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities. Details of individual attendance of Directors are set out in the attendance table on page 23 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the Corporate Governance Code, the roles of Chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Dai Guoliang has held the position of the Chairman and the Chief Executive Officer of the Company since Mr. Dai Guoyu resigned as Chief Executive Officer with effect from 23 April 2010 as Mr. Dai Guoliang is well acquainted with the business and operation of the Group. The Board has been in process of identifying a suitable candidate to take the office of Chief Executive Officer.

RELATIONSHIP OF THE BOARD MEMBERS

None of the Directors has any financial, business, family or other material or relevant relationships with other members of the Board except that Mr. Dai Guoliang and Mr. Dai Guoyu are brothers.

DIRECTORS' INTEREST IN CONTRACT

Before each Board meeting, the Directors have to declare their interests in the subject matter to be considered in the relevant Board meeting. Any Director who or whose associates have any material interest in any proposed Board resolutions will not be counted as a quorum in the relevant Board meeting nor vote for the Board resolutions. The independent non-executive Directors who and whose associates have no material interest in the matter will attend the meeting to deal with the matter if it is considered appropriate.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

In accordance with the Company's Articles of Association, all Directors (including independent non-executive Directors) are subject to retirement by rotation at least once every three years.

Each of the independent non-executive Directors was appointed for a specific term of three years.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance of the Corporate Governance Code. The remuneration committee consisted of four members, namely Mr. Lin Yuanfang, Mr. Li Hongbin, Mr. Hung Ee Tek and Mr. Yang Weimin. Mr. Lin Yuanfang, Mr. Li Hongbin and Mr. Hung Ee Tek are independent non-executive Directors. Mr. Yi Zhangtao had resigned as a member of the remuneration committee on 31 March 2014. Mr. Lin Yuanfang has been appointed as the chairman of the Remuneration Committee with effect from 26 March 2012. During the Financial Year, two meetings of the Remuneration Committee were held and the attendance of each member is set out in the attendance table on page 23 of this annual report.

The primary functions of the Remuneration Committee include making recommendations on the Company's policy and structure for all Directors' and senior management's remuneration and determining, with delegated responsibility, the specific remuneration package of all executive Directors and senior management and making recommendations to the Board on the remuneration of non-executive Directors.

During the Financial Year, the Remuneration Committee has, amongst other things, reviewed the remuneration of executive Directors, assessed performance of executive Directors and approved the terms of executive Directors' service contracts.

For the Financial Year, the annual remuneration of the members of the senior management who are not Directors are within the following bands:

Remuneration band (RMB)	**Number of individuals**
0 – 350,000	5

Details of the remuneration of each Director for the Financial Year are set out in note 8 to the financial statements contained in this annual report.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") consisted of the three independent non-executive Directors, namely Mr. Hung Ee Tek, Mr. Lin Yuanfang and Mr. Li Hongbin. The chairman of the Audit Committee is Mr. Hung Ee Tek. During the Financial Year, two meetings of the Audit Committee were held and the attendance of each member is set out in the attendance table on page 23 of this annual report.

The principle responsibilities of the Audit Committee include (i) reviewing the financial information of the Company; (ii) overseeing the Group's financial reporting system and internal control procedure; (iii) assisting the Board on the appointment, reappointment and removal of the external auditor, (iv) considering and approving the remuneration and terms of engagement of the external auditor; and (v) performing other duties as set out in the Corporate Governance Code.

During the Financial Year, the Audit Committee has, amongst other things, reviewed half-yearly and annual results of the Company and reviewed internal control matters of the Company.

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") has primary duties of reviewing the structure, size and composition of the Board on a regular basis and to recommend to the Board the suitable candidates for directors after consideration of the nominees' independence and qualification in order to ensure the fairness and transparency of all nominations. The Nomination Committee consisted of three members, namely, Mr. Dai Guoliang, the Group's chairman and two independent non-executive Directors, namely, Mr. Lin Yuanfang and Mr. Li Hongbin. Mr. Dai Guoliang is the chairman of the Nomination Committee.

One meetings of the Nomination Committee was held during the Financial Year and the attendance of each member is set out in the attendance table on page 23 of this annual report.

During the Financial Year, the Nomination Committee has, amongst other things, determined the policy for the nomination of directors and adopted the nomination procedures and the process and criteria to select and recommend candidates for directorship during the year.

Details of the appointment and resignation during the Financial Year are set out in the section of "Report of the Directors" of this annual report.

AUDITORS' REMUNERATION

An analysis of the remuneration of the Company's auditors, Ernst & Young, for the Financial Year is set out below:`

	Fee paid/payable Approximately RMB million
Services rendered	
Audit fee for 2013 annual audit	2.0
Non-audit service	0.4
Total	2.4

Attendance Table (Attendance out of numbers of meetings)

Name of Director	Position	Annual General meeting	Board meeting	Meeting of the Remuneration Committee	Meeting of the Audit Committee	Meeting of the Nomination Committee
Executive Directors						
Mr. Dai Guoliang	Chairman and CEO	1/1	4/4	N/A	N/A	1/1
Mr. Guo Zeli	Vice Chairman	0/1	4/4	N/A	N/A	N/A
Mr. Dai Guoyu		1/1	4/4	N/A	N/A	N/A
Mr. Yi Zhangtao (Note 1)		0/1	4/4	2/2	N/A	N/A
Mr. Ng Wai-kee (Note 2)		1/1	3/3	N/A	N/A	N/A
Mr. Yang Weimin (Note 3)		N/A	N/A	N/A	N/A	N/A
Independent non-executive Directors						
Mr. Hung Ee Tek		1/1	4/4	2/2	2/2	N/A
Mr. Lin Yuanfang		0/1	4/4	2/2	2/2	1/1
Mr. Li Hongbin		0/1	4/4	2/2	2/2	1/1

Note:

1 Mr. Yi Zhangtao has resigned as an executive Director on 31 March 2014.

2. Mr. Ng Wai-kee was appointed as an executive Director with effect from 1 April 2013.

3. Mr. Yang Weimin was appointed as an executive Director with effect from 31 March 2014.

ACCOUNTABILITY OF THE BOARD

The Directors acknowledge that it is their responsibilities for preparing the financial statements of the Group, so as to give a true and fair view of the financial position, results and cash flow of the Group and presenting the interim and annual reports and results announcements to shareholders. In preparing the financial statements for the Financial Year, the Directors have adopted suitable accounting policies and applied them consistently, made judgements and estimations that are prudent and reasonable and have prepared the financial statements on a going concern basis.

COMPANY SECRETARY

The position of Company Secretary is held by Mr. Ng Wai-kee. Mr. Ng is a full time employee of the Group and was appointed as an executive Director with effect from 1 April 2013. In compliance with Rule 3.29 of the Listing Rules, Mr. Ng has taken no less than 15 hours of relevant professional training during the Financial Year.

COMMUNICATION WITH SHAREHOLDERS

The Company endeavors to provide its shareholders accurate, clear, comprehensive and timely information of the Group via the publication of annual reports, interim reports, announcements, press releases and also the Company's website at http://www.centron.com.hk. The Board will maintain regular communication with institutional investors to address their enquiries on the Group's strategies, operations management and plans.

All the shareholders of the Company are to be given a formal notice at least 20 clear business days in advance of the Company's annual general meeting and 10 clear business days in advance of the Company's all others general meetings where the shareholders will have an opportunity to communicate directly with the Board.

SHAREHOLDERS' RIGHTS

Procedures for convening of an extraordinary general meeting and putting forward proposals at shareholders' meeting

Pursuant to Article 58 of the articles of association of the Company, shareholder(s) of the Company 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 may, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. In the event that the Board fails to proceed to convene such meeting within twenty-one days of the deposit of the requisition, the shareholder(s) of the Company who deposit such requisition may do so in the same manner, and all reasonable expenses incurred by such shareholder(s) of the Company as result of the failure of the Board shall be reimbursed to such shareholder(s) of the Company.

The said written requisition shall be deposited at the principal place of business of the Company in Hong Kong.

Procedures for Shareholders to Put Enquiries to the Board

Shareholders of the Company should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. In respect of other enquiries, the shareholders of the Company may put forward enquiries to the Board through the Company's principal place of business in Hong Kong which will direct the enquiries to the Board for handling.

INTERNAL CONTROL

The Board has established an on-going process for identifying, evaluating and managing the potential risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines.

The Board conducted a review of the effectiveness of the Group's internal control systems for the Financial Year and is of the view that the system of internal controls in place for the Financial Year and up to the date of this annual report and financial statements is sound and is sufficient to safeguard the interests of shareholders and employees, and the Group's assets.

CHANGES IN THE COMPANY'S CONSTITUTIONAL DOCUMENTS

There was no change in the Company's memorandum of association and the articles of association during the Financial Year.

REPORT OF THE DIRECTORS

The directors of the Company (the "Directors") present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries of the Company are set out in note 18 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2013 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 39 to 104.

The Directors do not recommend the payment of any dividend in respect of the year.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds from the Company's issue of new shares at the time of its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in July 2007, after deduction of related issuance expenses, amounted to approximately RMB554 million (HK$569 million). Proceeds of approximately RMB488.2 million were utilised in accordance with the proposed applications set out in the prospectus of the Company dated 21 June 2007 (the "Prospectus"), as follows:

— approximately RMB110.6 million was used for the construction of a new facility in the Xunmei Industrial Park, Quanzhou, the People's Republic of China (the "PRC");

— approximately RMB136.3 million was used for the purchase of manufacturing and testing equipment;

— approximately RMB45.1 million was used for the long-term research and development;

— approximately RMB73.0 million was used for the expansion of domestic sales and marketing channels;

— approximately RMB48.5 million was used for establishment of overseas sales and marketing channels; and

— approximately RMB74.7 million was used for general working capital purpose.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and prepared on the basis as set out herein, is set out below. This summary does not form a part of the audited financial statements.

RESULTS

	Year ended 31 December				
	2013	2012	2011	2010	2009
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE	**1,462,555**	1,478,743	1,599,522	1,533,863	1,141,615
PROFIT BEFORE TAX	**50,239**	103,044	234,644	221,151	190,894
Income tax expense	**(43,369)**	(42,874)	(56,662)	(38,811)	(25,870)
PROFIT FOR THE YEAR	**6,870**	60,170	177,982	182,340	165,024
Attributable to:					
Ordinary equity holders of the Company	**7,107**	59,530	175,458	180,651	165,024
Non-controlling interests	**(237)**	640	2,524	1,689	–
	6,870	60,170	177,982	182,340	165,024

	As at 31 December				
	2013	2012	2011	2010	2009
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	**2,264,080**	2,173,104	2,144,101	2,010,429	1,430,444
Total liabilities	**(701,531)**	(619,403)	(622,062)	(646,451)	(234,774)
Non-controlling interests	**(10,491)**	(10,728)	(10,088)	(7,564)	–
	1,552,058	1,542,973	1,511,951	1,356,414	1,195,670

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and share options during the year are set out in notes 28 and 29 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 30(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2013, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB441,791,000. The amount of RMB441,791,000 includes the Company's share premium account and capital reserve of RMB657,944,000 in aggregate as at 31 December 2013, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 93% of the total sales for the year and sales to the largest customer included therein accounted for 42%. Purchases from the Group's five largest suppliers accounted for 13% of the Group's total purchases for the year and purchases to the largest supplier accounted for 3%.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

DIRECTORS

The Directors during the year and up to the date of this report of the Directors were:

Executive Directors:

Mr. Dai Guoliang
Mr. Dai Guoyu
Mr. Yi Zhangtao
Mr. Guo Zeli
Mr. Ng Wai-kee (appointed on 1 April 2013)

Independent non-executive Directors:

Mr. Lin Yuanfang
Mr. Li Hongbin
Mr. Hung Ee Tek

In accordance with article 87(1) of the Company's articles of association, Messrs. Hung Ee Tek, Lin Yuanfang and Li Hongbin will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. The non-executive Directors and independent non-executive Directors are appointed for periods of three years.

The Company has received annual confirmations of independence from Messrs. Lin Yuanfang, Li Hongbin and Hung Ee Tek pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 15 to 18 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors (except Mr. Guo Zeli and Mr. Ng Wai-kee) has entered into a service agreement with the Company for a term of three years which commenced on 6 July 2013. Mr. Guo Zeli has entered into an appointment letter with the Company for a term of three years which commenced on 20 March 2013. Mr. Ng Wai-kee has entered into an appointment letter with the Company. Mr. Ng is not appointed for a specific term but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the articles of association of the Company. Each of the independent non-executive Directors (except Mr. Hung Ee Tek) has been appointed for a term of three years which commenced on 1 April 2013. Mr. Hung Ee Tek has entered into an appointment letter with the Company for a term of three years which commenced on 31 December 2012. Under the said service agreements and the said appointment letters, the remuneration payable to each of the executive Directors is subject to the discretion of the Company's board of directors.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENT POLICIES AND DIRECTORS' REMUNERATION

The Directors' remuneration is subject to shareholders' approval at general meetings with reference to the recommendation of the Group's remuneration committee. The Group's emolument policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability, the Group may also provide a discretionary bonus to its employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the executive Directors is to enable the Group to retain and motivate executive directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group's remuneration packages include basic salaries, discretionary bonuses, housing benefits and share option benefits.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2013, the interests and short positions of the Directors and the chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director	Note	Capacity and nature of interests	Number of shares	Percentage of the Company's issued share capital
Mr. Dai Guoliang	1	Through controlled corporation	169,092,668	21.70

Short positions in ordinary shares of the Company:

Name of director	Note	Capacity and nature of interests	Number of shares	Percentage of the Company's issued share capital
Mr. Dai Guoliang	1	Through controlled corporation	24,081,308	3.09

Note:

1. Oriental City Profits Ltd. ("Oriental City") held (i) 169,092,668 shares of the Company in long position, representing 21.70% of the entire issued share capital of the Company, and (ii) 24,081,308 shares of the Company in short position, representing 3.09% of the entire issued share capital of the Company as at 31 December 2013. As at 31 December 2013, the share capital of Oriental City was beneficially owned as to 87.53% by Mr. Dai Guoliang and as to 12.47% by Mr. Dai Guoyu. As mentioned above, Mr. Dai Guoliang's beneficial interest in Oriental City amounted to 87.53%. Accordingly, pursuant to the SFO, Mr. Dai Guoliang was deemed to be interested in the shares held by Oriental City as he was entitled to control one-third or more of the voting power at the general meetings of Oriental City.

Long positions in ordinary shares of an associated corporation:

Name of director	Name of associated corporation	Capacity and nature of interests	Relationship with the Company	Number of shares held	Approximate percentage of the associated corporation's issued share capital
Mr. Dai Guoliang	Oriental City	Beneficial and registered owner	(note 1)	323	87.53
Mr. Dai Guoyu	Oriental City	Beneficial owner	(note 2)	46	12.47

Notes:

1. Oriental City held (i) 169,092,668 shares of the Company in long position, representing 21.70% of the entire issued share capital of the Company, and (ii) 24,081,308 shares of the Company in short position, representing 3.09% of the entire issued share capital of the Company as at 31 December 2013. The share capital of Oriental City was beneficially owned as to 87.53% by Mr. Dai Guoliang and as to approximately 12.47% by Mr. Dai Guoyu.

2. Mr. Dai Guoyu was beneficially interested in approximately 12.47% of the issued share capital of Oriental City.

Save as disclosed above, as at 31 December 2013, none of the Directors or the chief executive of the Company had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Share option scheme" below, at no time during the year 2013 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the Share Option Scheme are disclosed in note 29 to the financial statements.

The following table discloses movements in the Company's share options outstanding during the year:

	Number of share options									
Name or category of participant	At 1 January 2013	Granted during the year	Exercised during the year	Expired during the year	Forfeited during the year	At 31 December 2013	Date of grant of share options	Exercise period of share options	Exercise price of share options HK$ per share	Closing price immediately before date of grant HK$ per share
Directors										
Mr. Guo Zeli	3,300,000	–	–	(3,300,000)	–	–	14-6-10	14-6-10 to 13-6-13	3.55	2.191
Mr. Dai Guoyu	3,300,000	–	–	(3,300,000)	–	–	14-6-10	14-6-10 to 13-6-13	3.55	2.191
Mr. Yi Zhangtao	1,100,000	–	–	(1,100,000)	–	–	14-6-10	14-6-10 to 13-6-13	3.55	2.191
Mr. Ng Wai-kee (appointed director on 1 April 2013)	5,500,000	–	–	(5,500,000)	–	–	14-6-10	14-6-10 to 13-6-13	3.55	2.191
Total	13,200,000	–	–	(13,200,000)	–	–				

Save as disclosed above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2013, the interests or short positions of the 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 required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Oriental City	(1)	Directly beneficially owned	169,092,668 (long position)	21.70
			24,081,308 (short position)	3.09
Mr. Dai Guoliang	(1)	Through a controlled corporation	169,092,668 (long position)	21.70
			24,081,308 (short position)	3.09
Cathay Mobile Communications Limited	(2)	Directly beneficially owned	105,000,000	13.48
Cathay Capital Holdings, L.P.	(2)	Through a controlled corporation	105,000,000	13.48
Molatis Limited	(3)	Directly beneficially owned	47,250,000	6.06
Mr. Sussman Selwyn Donald	(3)	Through a controlled corporation	47,250,000	6.06
Mr. Sussman Selwyn Donald	(3)	Directly beneficially owned	8,766,000	1.13

Notes:

(1) Oriental City held (i) 169,092,668 shares of the Company in long position, representing 21.70% of the entire issued share capital of the Company, and (ii) 24,081,308 shares of the Company in short position, representing 3.09% of the entire issued share capital of the Company as at 31 December 2013. The share capital of Oriental City was beneficially owned as to 87.53% by Mr. Dai Guoliang and as to approximately 12.47% by Mr. Dai Guoyu.

(2) The ordinary shares were held by Cathay Mobile Communications Limited, a direct wholly-owned subsidiary of Cathay Capital Holdings, L.P..

(3) The ordinary shares, in an aggregate number of 56,016,000, were beneficially held by Mr. Sussman Selwyn Donald, of which 47,250,000 shares were held through Molatis Limited.

Save as disclosed above, as at 31 December 2013, no person, other than the directors of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DISCLOSURES PURSUANT TO RULES 13.21 AND 13.22 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosures are included in respect of one of the Company's loan agreements, which contain covenants requiring performance obligations of the controlling shareholder of the Company.

Pursuant to a loan agreement dated 26 July 2012 between the Company, Bank of China (Hong Kong) Limited, Hang Seng Bank and CITIC Bank International Limited relating to a three-year loan facility of US$50,000,000, it shall be an event of default if: (i) Mr. Dai Guoliang is not or cease to be chairman of the Company; (ii) Mr. Dai Guoyu is not or cease to be executive director of the Company; (iii) Mr. Dai Guoliang and Mr. Dai Guoyu collectively do not or cease to maintain control over the management and business of the Group; (iv) Mr. Dai Guoliang does not or ceases to own, directly or indirectly, at least 20% of the beneficial shareholding carrying at least 20% of the voting rights in the Company, free from any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect (the "Security"); (v) Mr. Dai Guoliang does not or ceases to be the single largest controlling shareholder of the Company; or (vi) Mr. Dai Guoliang does not or ceases to own, directly or indirectly, at least 51% of the beneficial shareholding carrying at least 51% of the voting rights in Oriental City free from any Security.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holdings of the shares of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

REPORT OF THE DIRECTORS

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Dai Guoliang
Chairman

Hong Kong
28 March 2014

EY 安永

To the shareholders of Centron Telecom International Holding Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Centron Telecom International Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 39 to 104, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, 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 Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 auditors' judgement, 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 auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

INDEPENDENT AUDITORS' REPORT (continued)

To the shareholders of Centron Telecom International Holding Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
28 March 2014

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
Revenue	5	**1,462,555**	1,478,743
Cost of sales		**(1,104,452)**	(1,083,157)
Gross profit		**358,103**	395,586
Other income and gains	5	**7,217**	13,540
Selling and distribution expenses		**(77,389)**	(77,333)
General and administrative expenses		**(218,649)**	(208,735)
Finance costs	7	**(19,043)**	(20,014)
PROFIT BEFORE TAX	6	**50,239**	103,044
Income tax expense	10	**(43,369)**	(42,874)
PROFIT FOR THE YEAR		**6,870**	60,170
Attributable to:			
Ordinary equity holders of the Company	11	**7,107**	59,530
Non-controlling interests		**(237)**	640
		6,870	60,170
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	13		
Basic and diluted (RMB cents)		**0.91**	7.64

Details of the dividend are disclosed in note 12 to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Note	2013 RMB'000	2012 RMB'000
PROFIT FOR THE YEAR		**6,870**	60,170
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to income statement in subsequent periods:			
Exchange differences on translation of foreign operations		**1,978**	3,170
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,848**	63,340
Attributable to:			
Ordinary equity holders of the Company	11	**9,085**	62,700
Non-controlling interests		**(237)**	640
		8,848	63,340

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**179,617**	194,334
Prepaid land lease payments	15	**10,225**	10,466
Intangible assets	17	**—**	—
Deferred tax assets	27	**2,513**	2,213
Goodwill	16	**1,135**	1,135
Total non-current assets		**193,490**	208,148
CURRENT ASSETS			
Inventories	19	**323,407**	375,412
Trade and bills receivables	20	**1,549,077**	1,170,290
Prepayments, deposits and other receivables	21	**49,273**	26,994
Available-for-sale investment	22	**—**	12,500
Pledged deposits	23	**14,183**	15,703
Cash and cash equivalents	23	**134,650**	364,057
Total current assets		**2,070,590**	1,964,956
CURRENT LIABILITIES			
Trade and bills payables	24	**204,112**	153,772
Other payables and accruals	25	**91,616**	81,266
Bank advances for discounted bills	35(a)	**1,500**	—
Interest-bearing bank borrowings	26	**228,390**	49,500
Tax payable		**35,611**	23,129
Total current liabilities		**561,229**	307,667
NET CURRENT ASSETS		**1,509,361**	1,657,289
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,702,851**	1,865,437

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,702,851**	1,865,437
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	26	**129,702**	303,736
Deferred tax liabilities	27	**10,600**	8,000
Total non-current liabilities		**140,302**	311,736
Net assets		**1,562,549**	1,553,701
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued capital	28	**74,977**	74,977
Reserves	30(a)	**1,477,081**	1,467,996
		1,552,058	1,542,973
Non-controlling interests		**10,491**	10,728
Total equity		**1,562,549**	1,553,701

Director Director

		Attributable to ordinary equity holders of the Company									
			Reserves								
	Note	Issued capital RMB'000 (note 28)	Share premium account RMB'000 (note 30(b))	Share option reserve RMB'000 (note 29)	Capital reserve RMB'000 (note 30(a))	Enterprise expansion and statutory reserve funds RMB'000 (note 30(a))	Retained profits RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2013		74,977	499,014	6,377	85,106	194,985	699,820	(17,306)	1,542,973	10,728	1,553,701
Profit for the year		—	—	—	—	—	7,107	—	7,107	(237)	6,870
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations		—	—	—	—	—	—	1,978	1,978	—	1,978
Total comprehensive income for the year		—	—	—	—	—	7,107	1,978	9,085	(237)	8,848
Transfer to enterprise expansion and statutory reserve funds		—	—	—	—	18,223	(18,223)	—	—	—	—
Release of share option reserve upon expiry of share options		—	—	(6,377)	—	—	6,377	—	—	—	—
At 31 December 2013		74,977	499,014*	—*	85,106*	213,208*	695,081*	(15,328)*	1,552,058	10,491	1,562,549
At 1 January 2012		74,957	498,852	6,377	85,106	172,000	695,135	(20,476)	1,511,951	10,088	1,522,039
Profit for the year		—	—	—	—	—	59,530	—	59,530	640	60,170
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations		—	—	—	—	—	—	3,170	3,170	—	3,170
Total comprehensive income for the year		—	—	—	—	—	59,530	3,170	62,700	640	63,340
2011 final dividend declared		—	—	—	—	—	(31,860)	—	(31,860)	—	(31,860)
Issue of shares to settle 2011 final dividend	28	20	162	—	—	—	—	—	182	—	182
Transfer to enterprise expansion and statutory reserve funds		—	—	—	—	22,985	(22,985)	—	—	—	—
At 31 December 2012		74,977	499,014*	6,377*	85,106*	194,985*	699,820*	(17,306)*	1,542,973	10,728	1,553,701

* These reserve accounts comprise the consolidated reserves of RMB1,477,081,000 (2012: RMB1,467,996,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2013

	Notes	2013	2012
		RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		50,239	103,044
Adjustments for:			
Interest income	5	(2,580)	(5,949)
Interest expense	7	15,223	16,190
Amortisation of bank charges on a syndicated loan	7	3,820	3,824
Depreciation	6	24,102	25,891
Amortisation of prepaid land lease payments	6	241	241
Amortisation of intangible assets	6	—	1,761
Loss/(gain) on disposal of items of property, plant and equipment	6	(142)	1
Impairment of inventories	6	24,623	8,771
Write-off of inventories	6	4,189	77
Impairment of trade receivables	6	46,049	36,171
Impairment/(write-back of impairment) of prepayments, deposits and other receivables	6	5,522	(1,349)
		171,286	188,673
Decrease in inventories		23,193	8,639
Decrease/(increase) in trade and bills receivables		(424,836)	15,209
Decrease/(increase) in prepayments, deposits and other receivables		(27,801)	13,268
Increase/(decrease) in trade and bills payables		50,340	(46,053)
Increase in other payables and accruals		10,350	15,667
Exchange realignment		2,096	3,412
Cash generated from/(used in) operations		(195,372)	198,815
Interest received		2,580	5,949
PRC profits tax paid		(28,587)	(46,445)
Net cash flows from/(used in) operating activities		(221,379)	158,319

	Notes	2013 RMB'000	2012 RMB'000
Net cash flows from/(used in) operating activities		**(221,379)**	158,319
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(9,403)**	(8,694)
Proceeds from disposal of items of property, plant and equipment		**160**	1
Decrease in pledged deposits		**1,520**	11,115
Decrease in entrusted loan receivable		**—**	40,000
Decrease/(increase) in available-for-sale investment		**12,500**	(12,500)
Net cash flows from investing activities		**4,777**	29,922
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**67,950**	430,258
Repayment of bank loans		**(62,100)**	(400,845)
Increase in bank advances for discounted bills		**1,500**	—
Final dividend paid		**—**	(31,678)
Interest paid		**(15,223)**	(16,190)
Exchange realignment		**(4,814)**	(2,658)
Net cash flows used in financing activities		**(12,687)**	(21,113)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(229,289)**	167,128
Cash and cash equivalents at the beginning of year		**364,057**	197,171
Effect of foreign exchange rate changes, net		**(118)**	(242)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		**134,650**	364,057
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	**148,833**	370,534
Non-pledged time deposits with original maturity of less than three months when acquired	23	**—**	9,226
Less: Deposits pledged for bills payable facilities	23	**(14,183)**	(15,703)
		134,650	364,057

STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	2013	2012
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Investments in subsidiaries	18	220,558	224,086
CURRENT ASSETS			
Prepayments	21	35	37
Due from subsidiaries	18	458,927	598,204
Cash and cash equivalents	23	957	3,712
Total current assets		459,919	601,953
CURRENT LIABILITIES			
Other payables and accruals	25	4,288	5,278
Due to a subsidiary	18	920	—
Interest-bearing bank borrowings	26	173,040	—
Total current liabilities		178,248	5,278
NET CURRENT ASSETS		281,671	596,675
TOTAL ASSETS LESS CURRENT LIABILITIES		502,229	820,761
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	26	129,702	303,736
Net assets		372,527	517,025
EQUITY			
Issued capital	28	74,977	74,977
Reserves	30(b)	297,550	442,048
Total equity		372,527	517,025

Director   Director

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 6 March 2007 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 1606, 16th Floor, Tai Tung Building, 8 Fleming Road, Hong Kong. The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 18 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi (the "RMB") and all amounts are rounded to the nearest thousand except where otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10 and amendments to HKAS 1, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

(b) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to the income statement at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cashflow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[4]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to* HKFRS 9, HKFRS 7 and HKAS 39[4]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 No mandatory effective date yet determined but is available for adoption

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have significant impact on its results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the income statement as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Buildings	Over the shorter of lease terms and 20 years
Plant and machinery	5 - 10 years
Leasehold improvements	Over the shorter of lease terms and 10 years
Motor vehicles	3 - 5 years
Furniture, fixtures, office equipment and others	3 - 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents and licences

Purchased patents and licences are stated at cost, less any impairment losses, and are amortised on the straight-line basis over their estimated useful lives of five years.

Technical know-how

Purchased technical know-how is stated at cost, less any impairment losses, and is amortised on the straight-line basis over its estimated useful life of three years.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Computer software

Purchased computer software is stated at cost, less any impairment losses, and is amortised on the straight-line basis over its estimated useful life of three years.

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation and the loss arising from impairment are recognised in the income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the income statement. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the income statement as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the income statement.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, bank advances from discounted bills and interest-bearing bank borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowances for obsolete or slow-moving items. Cost is determined on a weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in the income statement.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Product warranty costs are recognised as expenses in the income statement in the period in which they are incurred.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods and rendering of services associated with goods sold, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and

(c) dividend income, when the shareholders' right to receive payment is established.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the 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.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Other benefits

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the People's Republic of China (the "PRC") government. The PRC government undertakes to assume the benefit obligations of all existing and retained employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for its qualified employees under these plans.

Foreign currencies

These financial statements are presented in RMB which is also the Company's presentation currency. The functional currency of the Company is Hong Kong dollars. Since the Company does not conduct any substantive operations of its own and conducts its primary business operations through its subsidiaries in the PRC, the Company adopts RMB as the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the income statement is also recognised in other comprehensive income or the income statement, respectively).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The functional currencies of certain subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates prevailing at the end of the reporting period and their income statements are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

Withholding taxes arising from the distributions of dividends

In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008, the directors have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty

Provision for product warranties

The Group generally provides one to two years' warranties to its customers on certain of its products, under which faulty products are repaired and replaced. The amount of the warranty provisions is estimated based on sales volume and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate. During the year ended 31 December 2013, the Group's product warranty cost amounted to RMB11,161,000 (2012: RMB10,283,000), which represented 0.8% (2012: 0.7%) of the Group's total revenue for the year. The Group considered the effect was not significant and provision for product warranties was not recognised for the reporting period.

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the estimated net realisable value of inventories. The assessment of the required write-down amount involves management's judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amounts of the inventories and the write-down charge/write-back amount in the period in which such estimate has been changed.

Impairment allowances for trade and other receivables

Impairment allowances for trade and other receivables are based on the assessment of the recoverability of trade and other receivables. The identification of impairment allowances requires management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying values of the receivables and impairment or its reversal in the period in which such estimate has been changed.

Accounting for intangible assets

The costs of all intangible assets are stated at cost, less any impairment losses, and are amortised on the straight-line basis over their estimated useful lives. Additional amortisation is made if estimated projected revenues and cost-savings are materially different from the previous estimation.

Management reviews and revises, when necessary, the estimated projected revenues and cost-savings at regular intervals. Such change in estimations may result in a change in the rate of amortisation and/or the write-down of the carrying values of the assets to fair value. This could have an impact on the Group's results of operations and financial position.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of wireless telecommunications coverage system equipment and the provision of related engineering services, the sale of digital television network coverage equipment and the provision of related engineering services, and the manufacture and sale of digital interphones. Almost all of the Group's products are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are attributable to a single reportable operating segment.

In addition, the Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, the PRC, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

For the year ended 31 December 2013, revenue from sales to three of the Group's customers amounting to RMB613,783,000, RMB465,247,000 and RMB268,583,000 individually accounted for over 10% of the Group's total revenue. For the year ended 31 December 2012, revenue from sales to three of the Group's customers amounting to RMB573,292,000, RMB498,473,000 and RMB328,204,000 individually accounted for over 10% of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

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

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

	2013 RMB'000	2012 RMB'000
Revenue		
Manufacture and sale of wireless telecommunications coverage system equipment and the provision of related engineering services	1,403,629	1,424,031
Sale of digital television network coverage equipment and the provision of related engineering services	13,206	54,712
Manufacture and sale of digital interphones	45,720	—
	1,462,555	1,478,743
Other income and gains		
Bank interest income	2,580	5,949
Foreign exchange differences, net	2,473	213
Subsidy income from the PRC government	—	4,634
Gain on disposal of items of property, plant and equipment	142	—
Others	2,022	2,744
	7,217	13,540

6. PROFIT BEFORE TAX

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

	Notes	2013 RMB'000	2012 RMB'000
Cost of inventories sold and services provided[1]		**1,104,452**	1,083,157
Depreciation	14	**24,102**	25,891
Amortisation of prepaid land lease payments	15	**241**	241
Amortisation of intangible assets[2]	17	**—**	1,761
Minimum lease payments under operating leases in respect of land and buildings		**2,839**	2,911
Loss/(gain) on disposal of items of property, plant and equipment		**(142)**	1
Employee benefit expense (including directors' remuneration – note 8):			
Wages and salaries		**110,142**	104,230
Fees		**663**	660
Staff welfare expenses		**10,532**	10,074
Pension scheme contributions (defined contribution schemes)[3]		**65**	74
		121,402	115,038
Auditors' remuneration		**2,449**	2,235
Research and development expenditure[4]		**65,863**	69,939
Product warranty cost[5]		**11,161**	10,283
Impairment of inventories		**24,623**	8,771
Write-off of inventories		**4,189**	77
Impairment of trade receivables[2]	20	**46,049**	36,171
Impairment/(write-back of impairment) of prepayments, deposits and other receivables[2]	21	**5,522**	(1,349)
Foreign exchange differences, net		**(2,473)**	(213)

1 The cost of inventories sold and services provided for the year includes RMB80,389,000 (2012: RMB61,482,000) relating to employee benefit expense, depreciation of manufacturing facilities, impairment of and write-off of inventories, which are also included in the total amounts disclosed above for each of these types of expenses.

2 The amortisation of intangible assets, the impairment/(write-back of impairment) of prepayments, deposits and other receivables, and impairment of trade receivables for the year are included in "General and administrative expenses" on the face of the consolidated income statement.

6. PROFIT BEFORE TAX (continued)

[3] As at 31 December 2013, the Group had no (2012: Nil) forfeited contributions available to reduce its contributions to the pension schemes in future years.

[4] The research and development expenditure for the year includes RMB23,949,000 (2012: RMB26,086,000) relating to operating lease rentals of land and buildings, depreciation of a research and development centre, amortisation of intangible assets and employee benefit expense for research and development activities, which are also included in the total amounts disclosed above for each of these types of expenses.

[5] The product warranty cost for the year is included in "Selling and distribution expenses" on the face of the consolidated income statement.

7. FINANCE COSTS

	Group	
	2013	2012
	RMB'000	RMB'000
Interest on bank loans wholly repayable within five years	**15,223**	16,190
Amortisation of bank charges on a syndicated loan	**3,820**	3,824
	19,043	20,014

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	2013	2012
	RMB'000	RMB'000
Fees:		
Executive directors	**315**	260
Non-executive director	**—**	42
Independent non-executive directors	**348**	358
	663	660
Other emoluments:		
Salaries and benefits in kind	**3,417**	2,761
Pension scheme contributions	**11**	—
	3,428	2,761
	4,091	3,421

8. DIRECTORS' REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2013 RMB'000	2012 RMB'000
Mr. Lin Yuanfang	95	98
Mr. Li Hongbin	95	98
Mr. Hung Ee Tek	158	162
	348	358

There were no other emoluments payable to the independent non-executive directors during the year (2012: Nil).

(b) Executive directors and a non-executive director

	Fees RMB'000	Salaries and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2013				
Executive directors:				
Mr. Dai Guoliang*	63	1,066	—	1,129
Mr. Dai Guoyu	63	778	—	841
Mr. Yi Zhangtao	63	392	—	455
Mr. Guo Zeli	63	531	—	594
Mr. Ng Wai-Kee**	63	650	11	724
	315	3,417	11	3,743

8. DIRECTORS' REMUNERATION (continued)

(b) Executive directors and a non-executive director (continued)

	Fees RMB'000	Salaries and benefits in kind RMB'000	Total remuneration RMB'000
2012			
Executive directors:			
Mr. Dai Guoliang*	65	1,064	1,129
Mr. Dai Guoyu	65	777	842
Mr. Yi Zhangtao	65	391	456
Mr. Guo Zeli	65	529	594
	260	2,761	3,021
Non-executive director:			
Mr. Paul Steven Wolansky	42	—	42
	302	2,761	3,063

* Mr. Dai Guoliang is also the chief executive officer of the Company.

** Mr. Ng Wai-Kee is appointed as an executive director of the Company on 1 April 2013.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2012: Nil).

There was no performance related bonus paid or payable to any director during the year (2012: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included five (2012: four) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the highest paid employee who is neither a director nor chief executive of the Company for the year ended 31 December 2012 are as follows:

	Group 2012 RMB'000
Salaries	634
Pension scheme contributions	11
	645

9. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees 2012
Nil to RMB1,000,000	1

During the year, no emoluments were paid by the Group to the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2012: Nil).

10. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2012: Nil). Taxes on profits assessable in the Mainland China have been calculated at the prevailing tax rates.

Group:	**2013**	2012
	RMB'000	RMB'000
Current tax – Mainland China		
Charge for the year	**41,069**	40,193
Deferred (note 27)	**2,300**	2,681
Total tax charge for the year	**43,369**	42,874

Pursuant to the income tax law of the PRC being effective on 1 January 2008, the PRC income tax rate is unified at 25% for all enterprises. During the years ended 31 December 2013 and 2012, Centron Communications Technologies Fujian Co., Ltd. ("Fujian Centron") is entitled to PRC corporate income tax rate for High-New Technology Enterprise of 15% (the "Tax Concession").

10. INCOME TAX (continued)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries operate to the tax expense at the effective tax rates is as follows:

Group – 2013

	Hong Kong	Mainland China	Total
	RMB'000	RMB'000	RMB'000
Profit/(loss) before tax	(26,427)	76,666	50,239
Tax expense/(credit) at the statutory tax rate	(4,360)	19,167	14,807
Lower tax rate due to the Tax Concession	—	(7,111)	(7,111)
Income not subject to tax	(1,386)	—	(1,386)
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	—	2,600	2,600
Expenses not deductible for tax	4,522	25,531	30,053
Tax losses not recognised	—	3,425	3,425
Others	11	970	981
Tax charge/(credit) at the Group's effective rate	(1,213)	44,582	43,369

Group – 2012

	Hong Kong	Mainland China	Total
	RMB'000	RMB'000	RMB'000
Profit/(loss) before tax	(17,040)	120,084	103,044
Tax expense/(credit) at the statutory tax rate	(2,812)	30,021	27,209
Lower tax rate due to the Tax Concession	—	(8,758)	(8,758)
Income not subject to tax	(1,204)	—	(1,204)
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	—	3,400	3,400
Expenses not deductible for tax	3,384	17,058	20,442
Tax losses not recognised	580	6,528	7,108
Others	52	(5,375)	(5,323)
Tax charge at the Group's effective rate	—	42,874	42,874

11. PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to ordinary equity holders of the Company for the year ended 31 December 2013 includes a loss of RMB21,749,000 (2012: RMB19,162,000) which has been dealt with in the financial statements of the Company (note 30(b)).

12. DIVIDEND

	2013 RMB'000	2012 RMB'000
Dividend paid during the year:		
Final in respect of the financial year ended 31 December 2012: Nil (year ended 31 December 2011: HK5 cents) per ordinary share	—	31,860
Proposed final dividend:		
Final – Nil (2012: Nil) per ordinary share	—	—

On 25 June 2012, the Company's shareholders approved at the annual general meeting a final dividend of HK5 cents payable in cash with a scrip dividend alternative (the "2011 Scrip Dividend Scheme") for the year ended 31 December 2011 (the "2011 Final Dividend"). On 31 August 2012, 243,248 new shares were issued by the Company at a deemed price of HK$0.914 per share, credited as fully paid, to shareholders of the Company who had elected to receive scrip shares in lieu of cash under the 2011 Scrip Dividend Scheme to settle HK$222,000 (approximately RMB182,000) of the 2011 Final Dividend. The remaining of the 2011 Final Dividend of HK$38,722,000 (approximately RMB31,678,000) was satisfied by cash.

Further details of the 2011 Scrip Dividend Scheme are set out in the Company's announcement dated 10 July 2012.

The directors do not recommend the payment of any dividend for the year ended 31 December 2013 (2012: Nil).

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of RMB7,107,000 (2012: RMB59,530,000) and the weighted average number of ordinary shares of 779,134,831 (2012: 779,134,831) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2013 and 2012 in respect of a dilution as the exercise price of the share options of the Company outstanding during the years was higher than the average market price of the Company's ordinary shares for the years and accordingly, there is no dilutive effect on the basic earnings per share.

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures, office equipment and others RMB'000	Total RMB'000
31 December 2013						
Cost:						
At 1 January 2013	117,935	127,381	34,864	7,898	24,912	312,990
Additions	—	9,051	—	—	352	9,403
Disposals	—	—	—	(1,077)	(398)	(1,475)
Exchange realignment	—	—	—	(14)	(6)	(20)
At 31 December 2013	117,935	136,432	34,864	6,807	24,860	320,898
Accumulated depreciation:						
At 1 January 2013	27,239	51,117	13,906	7,105	19,289	118,656
Charge for the year	5,740	12,652	3,364	292	2,054	24,102
Disposals	—	—	—	(1,077)	(380)	(1,457)
Exchange realignment	—	—	—	(14)	(6)	(20)
At 31 December 2013	32,979	63,769	17,270	6,306	20,957	141,281
Net book value:						
At 31 December 2013	84,956	72,663	17,594	501	3,903	179,617

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

	Buildings RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures, office equipment and others RMB'000	Total RMB'000
31 December 2012						
Cost:						
At 1 January 2012	117,935	120,657	34,368	7,911	23,481	304,352
Additions	—	6,724	496	—	1,474	8,694
Disposal	—	—	—	—	(39)	(39)
Exchange realignment	—	—	—	(13)	(4)	(17)
At 31 December 2012	117,935	127,381	34,864	7,898	24,912	312,990
Accumulated depreciation:						
At 1 January 2012	21,500	38,423	10,617	6,520	15,759	92,819
Charge for the year	5,739	12,694	3,289	598	3,571	25,891
Disposal	—	—	—	—	(37)	(37)
Exchange realignment	—	—	—	(13)	(4)	(17)
At 31 December 2012	27,239	51,117	13,906	7,105	19,289	118,656
Net book value:						
At 31 December 2012	90,696	76,264	20,958	793	5,623	194,334

The Group's buildings are held under the following lease terms:

	2013 RMB'000	2012 RMB'000
Medium-term leases:		
Outside Hong Kong	**84,956**	90,696

15. PREPAID LAND LEASE PAYMENTS

Group

	2013 RMB'000	2012 RMB'000
Carrying amount at 1 January	**10,707**	10,948
Amortised during the year	**(241)**	(241)
Carrying amount at 31 December	**10,466**	10,707
Current portion included in prepayments, deposits and other receivables	**(241)**	(241)
Non-current portion	**10,225**	10,466

The Group's prepaid land lease payments relate to land in Mainland China and are held under medium-term leases.

16. GOODWILL

Group

	RMB'000
Cost:	
At 1 January 2012, 31 December 2012, 1 January 2013 and 31 December 2013	1,135
Accumulated impairment:	
At 1 January 2012, 31 December 2012, 1 January 2013 and 31 December 2013	—
Net carrying amount:	
At 31 December 2013	1,135
At 31 December 2012	1,135

The Group's goodwill was wholly allocated to a cash-generating unit engaged in research, development, manufacture and sale of wireless telecommunications coverage system equipment (the "Unit"). Goodwill acquired through business combinations has been allocated to a subsidiary for impairment testing. The recoverable amount of the Unit is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period. The key assumptions for the value in use calculation include the expected growth rate and discount rate. The financial budgets are prepared reflecting actual and prior year performance and development expectations. The Group assumed no growth (2012: 0%) in extrapolating the cash flows projections. The discount rate applied to the cash flow projections is 3.6% (2012: 4.6%) which is before tax and reflects specific risks relating to the Unit.

17. INTANGIBLE ASSETS

Group

	Patents and licences RMB'000	Technical know-how RMB'000	Computer software RMB'000	Total RMB'000
31 December 2013				
Cost:				
At 1 January 2013 and 31 December 2013	**3,530**	**46,198**	**20,400**	**70,128**
Accumulated amortisation:				
At 1 January 2013 and 31 December 2013	**3,530**	**46,198**	**20,400**	**70,128**
Net carrying amount:				
At 31 December 2013	—	—	—	—
31 December 2012				
Cost:				
At 1 January 2012 and 31 December 2012	3,530	46,198	20,400	70,128
Accumulated amortisation:				
At 1 January 2012	3,529	46,198	18,640	68,367
Amortised during the year	1	—	1,760	1,761
At 31 December 2012	3,530	46,198	20,400	70,128
Net carrying amount:				
At 31 December 2012	—	—	—	—

18. INVESTMENTS IN SUBSIDIARIES

Company

	2013 RMB'000	2012 RMB'000
Unlisted investments, at cost	**220,558**	224,086

The amounts due from subsidiaries of RMB458,927,000 (2012: RMB598,204,000) and amount due to a subsidiary of RMB920,000 (2012: Nil) are unsecured, interest-free and have no fixed terms of repayment.

During the year, impairment of RMB114,786,000 was recognised for amounts due from certain subsidiaries, with a total gross carrying amount of RMB573,713,000. The impairment provision had taken into account the net assets values of these subsidiaries. No impairment was made for the prior years.

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation/ registration and operation	Nominal value of issued ordinary share/ paid-up capital	Percentage of equity attributable to the Group	Principal activities
Directly held:				
Nice Group Resources Limited ("Nice Group")*	British Virgin Islands (the "BVI")/ Hong Kong	US$1,000	100	Investment holding
Indirectly held:				
Fujian Centron*	PRC/Mainland China	RMB358,000,000 (note (i))	100	Manufacture and sale of wireless telecommunications coverage system equipment and provision of related engineering services
Centron Telecom System (Asia) Limited ("Centron Asia")	Hong Kong	HK$1	100	Sale of wireless telecommunications coverage system equipment and provision of related engineering services

18. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation/ registration and operation	Nominal value of issued ordinary share/ paid-up capital	Percentage of equity attributable to the Group	Principal activities
Indirectly held: (contiuned)				
星辰先創通信系統（廈門）有限公司 ("Centron Xiamen")*	PRC/Mainland China	HK$100,000,000 (note (ii))	100	Manufacture and development of digital television network coverage equipment, wireless telecommunications coverage system equipment and provision of related engineering services
福建先創通信有限公司 ("Fujian Telecommunications")*	PRC/Mainland China	RMB50,000,000 (note (iii))	100	Sale of wireless telecommunications coverage system equipment and provision of related engineering services
深圳澤惠通通信技術有限公司 ("ZHT")*	PRC/Mainland China	RMB12,890,600 (note (iv))	66.985	Research, development, manufacture and sale of wireless telecommunications coverage system equipment
Centron Telecom Hong Kong Limited ("Centron HK")	Hong Kong	HK$10,000	100	Dormant
福建先創系統集成有限公司 (「系統集成」)*	PRC/Mainland China	RMB20,000,000 (note (v))	100	Sale of digital interphones

* The statutory financial statements of these subsidiaries were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

18. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

(i) Fujian Centron was established as a collectively-owned enterprise in the PRC in 1989 and was converted into a limited liability company on 23 March 2001. Fujian Centron became a wholly-owned foreign enterprise with an operating period of 50 years commencing on 11 January 2006.

(ii) Centron Xiamen was registered as a wholly-foreign-owned enterprise under the PRC law.

(iii) Fujian Telecommunications is a limited liability company established in the PRC which was owned by Mr. Dai Guoliang, Mr. Dai Guoyu and Mr. Yi Zhangtao (collectively, the "Vendors"), who are also directors of the Company. Pursuant to the execution of certain contractual agreements, the entire equity interest in Fujian Telecommunications was transferred from the Vendors to two PRC individuals (the "PRC Shareholders") for a consideration of RMB15,000,000 during the year ended 31 December 2009. The consideration of RMB15,000,000 was determined by reference to the net asset value of Fujian Telecommunications at the completion date, which also approximated its fair value as of that date. The consideration was settled by Fujian Centron, a wholly-owned subsidiary of the Group, by assuming the liability (the "Liability") of the same amount due from the PRC Shareholders to Fujian Telecommunications. During the year ended 31 December 2010, the registered capital of Fujian Telecommunications was increased from RMB15,000,000 to RMB50,000,000, which was fully paid up as at 31 December 2010. The additional capital contribution of RMB35,000,000 (the "Capital Contribution") was injected by the PRC Shareholders, who entered into a loan agreement with Fujian Centron to borrow the same amount. In connection with taking up the Liability and funding of the Capital Contribution, the Group, through a series of contractual arrangements, established a 100% control of Fujian Telecommunications by way of controlling its voting rights, appointing or removing the members of its board of directors and governing its financial and operating policies so as to obtain benefits from its activities. Fujian Telecommunications is therefore considered a wholly-owned subsidiary of the Group.

(iv) ZHT was registered as a limited liability company under the PRC law.

(v) 系統集成 was registered as a limited liability company under the PRC law.

19. INVENTORIES

	Group	
	2013	2012
	RMB'000	RMB'000
Raw materials	**136,693**	190,106
Work in progress	**53,796**	40,532
Finished goods	**132,918**	144,774
	323,407	375,412

20. TRADE AND BILLS RECEIVABLES

	Group 2013 RMB'000	2012 RMB'000
Trade and bills receivables	**1,631,291**	1,206,539
Impairment	**(82,214)**	(36,249)
	1,549,077	1,170,290

The Group's trading terms with its customers are mainly on credit. The credit period is generally nine months (2012: nine months). A longer credit term of twelve months may be extended to customers with a long-term business relationship and a good payment history. The Group does not hold any collateral or other credit enhancements over these balances. The balances are non-interest-bearing and include retention money which is generally receivable after final verification of products by customers, performed within four to seven months after signing the sale and purchase contracts, or upon completion of the warranty period of one to two years granted to customers.

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

	Group 2013 RMB'000	2012 RMB'000
Within 3 months	**464,875**	439,106
3 to 6 months	**421,345**	352,057
6 to 12 months	**540,517**	286,775
Over 1 year	**122,340**	92,352
	1,549,077	1,170,290

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

	Group 2013 RMB'000	2012 RMB'000
At 1 January	**36,249**	78
Written-off during the year	**(84)**	—
Impairment losses recognised (note 6)	**46,049**	36,171
	82,214	36,249

20. TRADE AND BILLS RECEIVABLES (continued)

At 31 December 2013, the Group has an aggregate impairment provision of trade receivables of RMB82,214,000 (2012: RMB36,249,000), of which individual impairment provision and collective impairment provision amounted to RMB80,349,000 (2012: RMB15,165,000) and RMB1,865,000 (2012: RMB21,084,000), respectively.

Included in the above impairment allowance for trade receivables is an allowance for individually impaired trade receivables of RMB80,349,000 (2012: RMB15,165,000), with a carrying amount before provision of RMB80,349,000 (2012: RMB15,165,000). The individually impaired trade receivables relate to customers that have been overdue for a long time.

An aged analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	2013	2012
	RMB'000	RMB'000
Neither past due nor impaired	**1,231,607**	457,906
Less than 1 month past due	**114,642**	268,157
1 to 3 months past due	**87,300**	326,740
More than 3 months past due	**115,528**	117,487
	1,549,077	1,170,290

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good repayment record with the Group. Based on past experience, the directors of the Company are of the opinion that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

At 31 December 2013, the Group has pledged trade receivables of approximately RMB5,350,000 (2012: Nil) to secure certain bank loans granted to the Group (note 26).

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments and other receivables	45,639	26,925	35	37
Deposits paid	343	67	—	—
Value added tax receivables	3,291	2	—	—
	49,273	26,994	35	37

Impairment provision of RMB9,373,000 (2012: RMB3,851,000) has been made on prepayments, deposits and other receivables with an aggregate carrying amount before impairment provision of RMB9,373,000 (2012: RMB3,851,000), which are prepayments, deposits and other receivables for services and goods that have been outstanding for a long time. Other than the amount of RMB9,373,000, none of the above assets are either past due or impaired and relate to receivables for which there was no recent history of default. During the year, there was an impairment provision of RMB5,522,000 (2012: a write-back of impairment provision of RMB1,349,000).

22. AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2013	2012
	RMB'000	RMB'000
Unlisted investment, at cost	—	12,500

The above investment as at 31 December 2012 consists of investment in funds which was designated as available-for-sale investment and was stated at cost less impairment because the unlisted investment funds do not have quoted market price in an active market and the range of reasonable fair value estimates is so significant that the directors are of the opinion that its fair value cannot be measured reliably. The available-for-sale investment was fully redeemed during the year.

23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Group		Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash and bank balances	**148,833**	370,534	**957**	3,712
Time deposits with original maturity of less than three months when acquired	**—**	9,226	**—**	—
	148,833	379,760	**957**	3,712
Less: Deposits pledged for bills payable facilities	**(14,183)**	(15,703)	**—**	—
Cash and cash equivalents	**134,650**	364,057	**957**	3,712

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB127,340,000 (2012: RMB357,892,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

24. TRADE AND BILLS PAYABLES

An aged analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2013	2012
	RMB'000	RMB'000
Within 3 months	**151,663**	120,666
3 to 6 months	**43,928**	24,250
6 to 12 months	**1,384**	2,356
Over 1 year	**7,137**	6,500
	204,112	153,772

The trade payables are non-interest-bearing and are normally settled in two to three months' terms.

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Other payables	**20,742**	22,347	**2**	2
Value added tax payables	**3,007**	5,074	**—**	—
Accruals	**25,495**	29,397	**4,286**	5,276
Deposits received from customers	**42,372**	24,448	**—**	—
	91,616	81,266	**4,288**	5,278

All these balances are non-interest-bearing and other payables have an average term of four months.

26. INTEREST-BEARING BANK BORROWINGS

	Group		Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Current				
Bank loans – secured	**178,390**	49,500	**173,040**	—
Bank loans – unsecured	**50,000**	—	**—**	—
	228,390	49,500	**173,040**	—
Non-current				
Bank loans – secured	**129,702**	303,736	**129,702**	303,736
	358,092	353,236	**302,742**	303,736
Analysed into:				
Bank loans repayable				
Within one year	**228,390**	49,500	**173,040**	—
In the second year	**129,702**	171,287	**129,702**	171,287
In the third to fifth years, inclusive	**—**	132,449	**—**	132,449
	358,092	353,236	**302,742**	303,736

26. INTEREST-BEARING BANK BORROWINGS (continued)

(a) Except for a secured bank loan of RMB302,742,000 (2012: RMB303,736,000) which is denominated in United States dollars ("US$"), all borrowings are in RMB.

(b) The bank loans denominated in RMB bore interest at 6.6% or 6.9% (2012: 6.9% or 7.2565%) per annum.

(c) The bank loans denominated in US$ bore interest at LIBOR plus 3.45% (2012: LIBOR plus 3.45%) per annum.

(d) Certain of the Group's interest-bearing bank borrowings were guaranteed/secured by:

(i) corporate guarantee of RMB75,000,000 (2012: RMB70,000,000) from Fujian Centron;

(ii) corporate guarantee of US$50,000,000 (2012: US$50,000,000) jointly from Nice Group, Centron Asia and Centron HK;

(iii) share mortgage over the entire issued share capital of Nice Group;

(iv) pledge of the Group's equity interest in Fujian Centron;

(v) assignment of an amount due from Fujian Centron of RMB219,504,000 (2012: RMB234,282,000) as at 31 December 2013 to Nice Group;

(vi) pledge of the Group's certain trade receivables of RMB5,350,000 (2012: Nil); and

(vii) personal guarantee of RMB30,000,000 from Mr. Dai Guoliang, a director of the Company, as at 31 December 2012.

(e) During the year ended 31 December 2013, the Group was technically in breach of a covenant under a loan agreement with certain banks, as the ratio of the consolidated profits before interest, taxes, depreciation and amortisation to the consolidated finance charges (the "Financial Ratio") was less than the required ratio by these banks. Subsequent to the technical breach, the Group has successfully obtained a written consent from these banks, to waive the rights entitling them to declare the relevant outstanding loan balance immediately due and payable due to the breach of the loan covenant on the Financial Ratio. Accordingly, there was no impact on the classification of these loans as at 31 December 2013.

(f) As at 31 December 2013, the Group had unutilised banking facilities of RMB350,000,000 with a bank.

Subsequent to the year end, the Group was granted by a bank an eighteen-month term loan facility up to US$20,000,000.

27. DEFERRED TAX

The movements in deferred tax assets and deferred tax liabilities during the year are as follows:

Group

Deferred tax assets

	Unrealised profit of inventories RMB'000
2013	
At 1 January 2013	**2,213**
Deferred tax credited to the income statement during the year (note 10)	**300**
At 31 December 2013	**2,513**
2012	
At 1 January 2012	1,494
Deferred tax credited to the income statement during the year (note 10)	719
At 31 December 2012	2,213

Deferred tax liabilities

	Withholding tax RMB'000
2013	
At 1 January 2013	**(8,000)**
Deferred tax charged to the income statement during the year (note 10)	**(2,600)**
At 31 December 2013	**(10,600)**

27. DEFERRED TAX (continued)

The movements in deferred tax assets and deferred tax liabilities during the year are as follows: (continued)

Group (continued)

Deferred tax liabilities (continued)

	Withholding tax RMB'000
2012	
At 1 January 2012	(4,600)
Deferred tax charged to the income statement during the year (note 10)	(3,400)
At 31 December 2012	(8,000)

The Group has tax losses arising in Hong Kong of RMB42,518,000 (2012: RMB42,518,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of RMB47,478,000 (2012: RMB50,091,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in companies that have been loss-making for some time and/or the future income stream to recoup such losses is unpredictable.

Pursuant to the PRC Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate for the withholding tax is 10%. In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008, the directors have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future.

28. SHARE CAPITAL

	2013		2012	
	HK$'000	RMB'000	HK$'000	RMB'000
Authorised:				
1,000,000,000 (2012: 1,000,000,000) ordinary shares of HK$0.1 (2012: HK$0.1) each	100,000	97,337	100,000	97,337
Issued and fully paid:				
779,134,831 (2012: 779,134,831) ordinary shares of HK$0.1 (2012: HK$0.1) each	77,913	74,977	77,913	74,977

The following changes in the Company's authorised and issued share capital took place during the period from 1 January 2012 to 31 December 2013:

	Number of ordinary shares of HK$0.1 each	Nominal value of ordinary shares HK$'000	Nominal value of ordinary shares RMB'000
Authorised:			
At 1 January 2012, 31 December 2012 and 31 December 2013	1,000,000,000	100,000	97,337
Issued:			
At 1 January 2012	778,891,583	77,889	74,957
Issue of shares pursuant to 2011 Scrip Dividend Scheme*	243,248	24	20
At 31 December 2012, 1 January 2013 and 31 December 2013	779,134,831	77,913	74,977

* On 31 August 2012, 243,248 new shares were issued by the Company at a deemed price of HK$0.914 per share to settle HK$222,000 (approximately RMB182,000) of the 2011 Final Dividend (note 12). Accordingly, the issued share capital of the Company increased from approximately HK$77,889,000 (approximately RMB74,957,000) to approximately HK$77,913,000 (approximately RMB74,977,000), and the share premium account of the Company increased from approximately HK$513,955,000 (approximately RMB498,852,000) to HK$514,153,000 (approximately RMB499,014,000).

29. SHARE OPTION SCHEME

The Company adopted a share option scheme on 3 June 2007 (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the Scheme include (i) any employee (whether full-time or part-time, including directors) of the Company, its subsidiaries or invested entity; (ii) any directors or proposed directors (including independent non-executive directors) of the Company, its subsidiaries or invested entity; (iii) any advisor (professional or otherwise), consultant, individual or entity who, in the opinion of the directors of the Company, has contributed or will contribute to the growth and development of the Group and the listing of the shares of the Company on the Stock Exchange of Hong Kong Limited ("the Stock Exchange"); and (iv) any company wholly owned by one or more eligible participants as referred to in (i) to (iii) above.

The Scheme became effective on 3 June 2007, and unless otherwise cancelled or amended, will remain in force for 10 years from that day (the "Scheme Period"). The board of directors may from time to time during the Scheme Period offer to grant to eligible participants a right to subscribe for shares of the Company (the "Share Options"). The offer of grant of share options may be accepted not later than 21 days from the date of offer.

Upon the subscription of the Share Options, the grantee can exercise the option within the period of not less than one year and not exceeding 10 years from the date of grant. The exercise price shall be determined as the highest of the following:

(i) the closing price of each share on the Stock Exchange as stated in the Stock Exchange's daily quotation sheets on the date of grant;

(ii) the average closing price of the shares on the Stock Exchange as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a share of the Company (HK$0.1).

The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not, in the absence of shareholders' approval, in aggregate exceed 70,000,000, being 10% in nominal amount of the aggregate of shares in issue on 5 July 2007, the date of the Company's listing on the Main Board of the Stock Exchange.

The Company may renew the maximum number of options limit at any time subject to the prior shareholders' approval but in any event, the total number of shares which may be issued upon exercise of all options to be granted under the Scheme, must not exceed 10% of the shares in issue as at the date of shareholders' approval of the renewed limit. In addition, any options granted in a 12-month period shall not exceed 1% of the shares in issue for the time being.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

29. SHARE OPTION SCHEME (continued)

The movements of outstanding share options under the Scheme during the year are as follows:

	Number of options '000	Exercise price HK$ per share
At 1 January 2012 and 31 December 2012	13,200	3.55
Expired during the year	(13,200)	3.55
At 31 December 2013	—	

No share options were exercised during the years ended 31 December 2013 and 2012.

The exercise period for the 13,200,000 share options was from 14 June 2010 to 13 June 2013. All of the 13,200,000 share options expired during the year and the corresponding share option reserve of RMB6,377,000 was transferred to the retained profits upon the expiry of the share options.

30. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

The capital reserve of the Group represents the difference between the aggregate of (i) the nominal value of the shares of the subsidiaries acquired after deducting the distribution to the original existing shareholders of Nice Group and (ii) the nominal value of the convertible bonds issued by Cathay Mobile Communications Limited (a substantial shareholder of the Company) which was transferred as equity in Nice Group when the repayment obligation of the convertible bonds was terminated on 9 March 2007, over the nominal value of the Company's shares issued pursuant to the Group Reorganisation.

In accordance with the relevant regulations applicable in the PRC, subsidiaries of the Company established in the PRC are required to transfer a certain percentage of their profit after tax, if any, to the enterprise expansion and statutory reserve funds which are non-distributable, before profit distributions to shareholders. These transfers continue until the amount of the reserve funds equals 50% of the registered capital of the subsidiaries. The amounts of transfers are subject to the approval of the board of directors of the subsidiaries.

30. RESERVES (continued)

(b) Company

	Share premium account RMB'000	Capital reserve RMB'000	Exchange fluctuation reserve RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2012	498,852	190,790	(131,930)	6,377	(66,833)	497,256
Loss for the year	—	—	—	—	(19,162)	(19,162)
Exchange realignment	—	—	(4,348)	—	—	(4,348)
Total comprehensive expense for the year	—	—	(4,348)	—	(19,162)	(23,510)
Issue of shares pursuant to 2011 Scrip Dividend Scheme	162	—	—	—	—	162
Final 2011 dividend declared	—	(31,860)	—	—	—	(31,860)
At 31 December 2012 and at 1 January 2013	499,014	158,930	(136,278)	6,377	(85,995)	442,048
Loss for the year	—	—	—	—	(136,535)	(136,535)
Exchange realignment	—	—	(7,963)	—	—	(7,963)
Total comprehensive expense for the year	—	—	(7,963)	—	(136,535)	(144,498)
Release of share option reserve upon lapse of share options	—	—	—	(6,377)	6,377	—
At 31 December 2013	499,014	158,930	(144,241)	—	(216,153)	297,550

The loss of RMB136,535,000 (2012: RMB19,162,000) for the year ended 31 December 2013 included an impairment on amounts due from subsidiaries of RMB114,786,000 (2012: Nil).

31. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

During the year ended 31 December 2012, HK$222,000 (approximately RMB182,000) of the 2011 Final Dividend was satisfied by way of scrip shares in lieu of cash. Further details are set out in notes 12 and 28 to the financial statements.

32. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office premises, warehouses and staff quarters under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to five years.

At 31 December 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2013	2012
	RMB'000	RMB'000
Within one year	**2,031**	1,514
In the second to fifth years, inclusive	**3,657**	4,005
	5,688	5,519

The Company had no operating lease commitments at 31 December 2013 (2012: Nil).

33. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	2013	2012
	RMB'000	RMB'000
Short-term employee benefits	**3,417**	2,761
Post-employment benefits	**11**	—
	3,428	2,761

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

The directors are of the opinion that the above transaction was conducted in the ordinary course of business of the Group.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Group 2013 RMB'000	Group 2012 RMB'000
Available-for-sale financial asset:		
Available-for-sale investment	—	12,500
Loans and receivables:		
Trade and bills receivables	1,549,077	1,170,290
Financial assets included in prepayments, deposits and other receivables	2,130	8,900
Pledged deposits	14,183	15,703
Cash and cash equivalents	134,650	364,057
	1,700,040	1,558,950
	1,700,040	1,571,450

Financial liabilities

Financial liabilities at amortised cost

	Group 2013 RMB'000	Group 2012 RMB'000
Trade and bills payables	204,112	153,772
Financial liabilities included in other payables and accruals	20,862	25,891
Bank advances for discounted bills	1,500	—
Interest-bearing bank borrowings	358,092	353,236
	584,566	532,899

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial assets

Loans and receivables

	Company 2013 RMB'000	2012 RMB'000
Due from subsidiaries	**458,927**	598,204
Cash and cash equivalents	**957**	3,712
	459,884	601,916

Financial liabilities

Financial liabilities at amortised cost

	Company 2013 RMB'000	2012 RMB'000
Financial liabilities included in other payables and accruals	**4,037**	5,074
Due to a subsidiary	**920**	—
Interest-bearing bank borrowings	**302,742**	303,736
	307,699	308,810

35. TRANSFERRED FINANCIAL ASSETS

(a) Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

	Notes	Bills receivables 2013 RMB'000	Bills receivables 2012 RMB'000
Carrying amount of assets that continued to be recognised:			
Discounting of bills receivables	(i)	**1,500**	—
Bills endorsement	(ii)	**34,091**	—
		35,591	—
Carrying amount of associated liabilities:			
Discounting of bills receivables	(i)	**1,500**	—
Bills endorsement	(ii)	**34,091**	—
		35,591	—

Notes:

(i) Discounting of bills receivables

At 31 December 2013, the Group discounted certain bills receivables (the "Discounted Bills") with a total carrying amount of RMB1,500,000 to certain local banks in the PRC for cash. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the respective bank loans. Subsequent to the discounting, the Group did not retain any rights on the use of the Discounted Bills, including sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate carrying amount of the bank loans recognised due to the Discounted Bills was RMB1,500,000 as at 31 December 2013.

(ii) Bills endorsement

At 31 December 2013, the Group endorsed certain bills receivables accepted by certain local banks in the PRC (the "Endorsed Bills") with a total carrying amount of RMB34,091,000 to certain of its suppliers in order to settle the trade payables due to those suppliers. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB34,091,000 as at 31 December 2013.

35. TRANSFERRED FINANCIAL ASSETS (continued)

(b) Transferred financial assets that are derecognised in their entirety

Discounting of bills receivables

At 31 December 2013, the Group discounted certain bills receivables (the "Derecognised Discounted Bills") with a total carrying amount of RMB3,000,000 (2012: Nil) to certain reputable banks in the PRC. All Derecognised Discounted Bills have maturity periods from three to six months. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Discounted Bills have a right of recourse against the Group if the bills default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Discounted Bills. Accordingly, the Group has derecognised the full carrying amounts of the Derecognised Discounted Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Discounted Bills and the undiscounted cash flows to repurchase these Derecognised Discounted Bills equal to their carrying amounts. In the opinion of the directors, the fair value of the Group's Continuing Involvement in the Derecognised Discounted Bills is not significant.

During the year, the Group has not recognised any gain or loss (2012: Nil) on the date of transfer of the Derecognised Discounted Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The discounting of bills receivables has been made evenly throughout the year.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise time deposits, cash and bank balances and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group is also influenced by commodity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to certain of the Group's bank loans with floating interest rates. The management considers there is no significant interest rate risk for the Group. The Group currently does not have an interest rate hedging policy. However, the management monitors the Group's interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The Group mainly operates in Mainland China with most of its transactions settled in RMB. The Group's assets and liabilities, and transactions arising from its operations are mainly denominated in RMB. The Group's exposure arises from a substantial portion of the Group's interest-bearing bank borrowings denominated in US$.

Management closely monitors foreign exchange exposure in transactions denominated in US$ and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in US$ exchange rate, with all other variables held constant, of the Group's profit before tax.

	Group	
	Increase/ (decrease) in foreign currency rate (%)	Increase/ (decrease) in profit before tax RMB'000
2013		
If RMB weakens against US$	**(5%)**	**(15,137)**
If RMB strengthens against US$	**5%**	**15,137**
2012		
If RMB weakens against US$	(5%)	(15,187)
If RMB strengthens against US$	5%	15,187

Credit risk

The Group trades only with recognised and creditworthy customers. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise other receivables, time deposits and cash and bank balances, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds by considering the maturity of both its financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings to meet its working capital requirements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

Group

	Less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
2013			
Trade and bills payables	**204,112**	**—**	**204,112**
Financial liabilities included in other payables and accruals	**20,862**	**—**	**20,862**
Bank advances for discounted bills	**1,500**	**—**	**1,500**
Interest-bearing bank borrowings	**241,538**	**133,392**	**374,930**
	468,012	**133,392**	**601,404**
2012			
Trade and bills payables	153,772	—	153,772
Financial liabilities included in other payables and accruals	25,891	—	25,891
Interest-bearing bank borrowings	51,615	311,552	363,167
	231,278	311,552	542,830

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

Company

	Less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
2013			
Financial liabilities included in other payables and accruals	4,037	—	4,037
Due to a subsidiary	920	—	920
Interest-bearing bank borrowings	183,402	133,392	316,794
	188,359	133,392	321,751
2012			
Financial liabilities included in other payables and accruals	5,074	—	5,074
Interest-bearing bank borrowings	—	311,552	311,552
	5,074	311,552	316,626

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders or issue new shares. No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2013 and 2012.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is total debt divided by the total capital plus total debt. Total debt includes trade and bills payables, other payables and accruals, bank advances for discounted bills and interest-bearing bank borrowings. Total capital includes equity attributable to ordinary equity holders of the Company.

The Group's gearing ratios as at the end of the reporting periods were as follows:

	2013 RMB'000	2012 RMB'000
Trade and bills payables	204,112	153,772
Other payables and accruals	91,616	81,266
Bank advances for discounted bills	1,500	—
Interest-bearing bank borrowings	358,092	353,236
Total debt	655,320	588,274
Equity attributable to ordinary equity holders of the Company	1,552,058	1,542,973
Total capital plus total debt	2,207,378	2,131,247
Gearing ratio	29.7%	27.6%

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2014.

星辰通信国际控股有限公司
Centron Telecom International Holding Limited