



SYSCAN Technology Holdings Limited

矽感科技控股有限公司*

Stock code 股份代號 : 8083

2010 Annual Report
年報

* For identification purpose only
僅供識別

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of SYSCAN Technology Holdings Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief:— (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)特色

創業板之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之高風險及其他特色表示創業板較適合專業及其他經驗豐富投資者。

由於創業板上市公司之新興性質，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

香港交易及結算有限公司及聯交所對本年報之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本年報全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本年報乃遵照聯交所創業板證券上市規則之規定而提供有關矽感科技控股有限公司(「本公司」)之資料，本公司各董事(「董事」)願共同及個別對此負全責。董事經作出一切合理查詢後，確認就彼等所深知及確信：— (1)本年報所載資料在一切重要方面均屬準確及完整，且無誤導成份；(2)本年報並無遺漏任何其他事實致使本年報所載任何聲明產生誤導；及(3)本年報內表達之一切意見乃經審慎周詳考慮後方作出，並以公平合理之基準和假設為依據。

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Guan Gui Sen (Appointed on 28 February 2011)

Cheung Wai

Lei Chun Xiong (Appointed on 28 February 2011)

Frank Cheung (Resigned on 28 February 2011)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Fong Chi Wah

Wang Ruiping

He Zhiyi (Appointed on 19 July 2010)

Jin Qingjun (Resigned on 26 April 2010)

COMPANY SECRETARY

Fung Kwok Leung

COMPLIANCE OFFICER

Cheung Wai

AUTHORISED REPRESENTATIVES

Guan Gui Sen (Appointed on 28 February 2011)

Cheung Wai

Frank Cheung (Resigned on 28 February 2011)

AUDIT COMMITTEE

Fong Chi Wah

Wang Ruiping

He Zhiyi (Appointed on 19 July 2010)

Jin Qingjun (Resigned on 26 April 2010)

AUDITORS

RSM Nelson Wheeler Certified Public Accountants

29th Floor, Caroline Centre,

Lee Gardens Two,

28 Yun Ping Road, Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

執行董事

關貴森(在二零一一年二月二十八日獲委任)

張偉

雷純雄(在二零一一年二月二十八日獲委任)

Frank Cheung(在二零一一年二月二十八日辭任)

獨立非執行董事

方志華

王瑞平

何志毅(在二零一零年七月十九日獲委任)

靳慶軍(在二零一零年四月二十六日辭任)

公司秘書

馮國良

監察主任

張偉

法定代表

關貴森(在二零一一年二月二十八日獲委任)

張偉

Frank Cheung(在二零一一年二月二十八日辭任)

審計委員會

方志華

王瑞平

何志毅(在二零一零年七月十九日獲委任)

靳慶軍(在二零一零年四月二十六日辭任)

核數師

中瑞岳華(香港)會計師事務所

香港

恩平道二十八號

利園二期嘉蘭中心二十九樓

主要往來銀行

香港上海滙豐銀行有限公司

中國銀行(香港)有限公司

Corporate Information

公司資料

SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit C, 21st Floor
Seabright Plaza
9–23 Shell Street
North Point
Hong Kong

STOCK CODE

8083

股份過戶登記處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心
17樓1712–1716號舖

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

總辦事處及主要營業地點

香港
北角
蜆殼街9–23號
秀明中心
21樓C室

股份代號

8083

Five Year Financial Summary

五年財務概要

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below. Please refer to the auditors' reports of the respective years of annual reports regarding the audit opinions.

本集團過去五個財政年度業績、資產、負債及少數股東權益之概要(摘錄自己刊發之經審核財務報表,並於適當時重列/重新分類)載列如下。相關審計意見請參閱有關年度週年報告之核數師報告書。

		Year ended 31 December 截至十二月三十一日止年度				
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 Restated 重列
RESULT CONTINUING OPERATIONS REVENUE	業績 持續經營業務 收益	85,711	65,155	71,466	86,227	92,690
Cost of sales	銷售成本	(71,164)	(54,461)	(58,706)	(73,815)	(67,713)
Gross profit	毛利	14,547	10,694	12,760	12,412	24,977
Other income and gains	其他收入及收益	12,108	10,331	4,738	58	4,530
Selling and distribution costs	銷售及分銷開支	(8,866)	(7,499)	(8,520)	(3,826)	(5,953)
General and administrative expenses	一般及行政開支	(26,984)	(36,516)	(24,338)	(14,844)	(19,753)
Research and development expenses	研究及開發開支	(11,327)	(10,868)	(10,153)	(4,023)	(4,657)
Other operating expenses	其他經營開支	(17,092)	(762)	(1,131)	(789)	(21,959)
Impairment of interest in an associate	於一間聯營公司的 權益減值	-	(19,960)	-	-	-
Impairment loss on other receivables	其他應收款之 減值虧損	(85,164)	-	-	-	-
Equity-settled share option expense	股權結算購股權開支	(4,576)	(8,364)	-	-	-
Gain on disposal of subsidiaries	出售附屬公司收益	-	502	-	-	-
Gain on disposal of associates	出售聯營公司之收益	1,414	-	-	-	-
Gain on deemed disposal of subsidiaries	視作出售附屬公司 的收益	-	195	-	-	-
Loss on disposal of subsidiaries	出售附屬公司的虧損	(14,031)	-	-	-	(377)
Loss on disposal of an associate	出售一間聯營公司 的虧損	-	-	(529)	-	-
Loss on deemed disposal of a subsidiary	視作出售一間附屬公司 之虧損	(3,939)	-	-	-	-
Negative goodwill on acquisition of a subsidiary	收購一間附屬公司 產生的負商譽	-	-	-	-	-
Share of losses of:	分佔以下各方的虧損:					
Associates	聯營公司	(5,495)	(623)	(1,864)	-	(565)
Finance costs	融資成本	(617)	(146)	(12)	(398)	(5,120)
LOSS BEFORE TAX	除稅前虧損	(150,022)	(63,016)	(29,049)	(11,410)	(28,877)
Tax	稅項	(1)	-	-	-	(2)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務的 年內虧損	(150,023)	(63,016)	(29,049)	(11,410)	(28,879)

Five Year Financial Summary

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 Restated 重列
DISCONTINUED OPERATION	已終止經營業務					
Gain on deemed disposal of subsidiaries	視作出售附屬公司收益	-	-	-	98,442	-
Sales consideration forfeited	沒收之銷售代價	-	-	51,387	-	-
Profit/(loss) for the year from a discontinued operation	已終止經營業務之年內溢利/(虧損)	-	-	-	-	15,829
PROFIT/(LOSS) FOR THE YEAR	年內溢利/(虧損)	(150,023)	(63,016)	22,338	87,032	(13,050)
Attributable to:	以下人士應佔部分：					
Owners of the Company	本公司擁有人	(148,983)	(62,666)	22,338	87,032	(11,600)
Minority interests	少數股東權益	(1,040)	(350)	-	-	(1,450)
		(150,023)	(63,016)	22,338	87,032	(13,050)
ASSETS, LIABILITIES AND MINORITY INTERESTS	資產、負債及少數股東權益					
TOTAL ASSETS	總資產	296,250	172,917	183,192	208,594	265,916
TOTAL LIABILITIES	總負債	(202,401)	(88,706)	(49,952)	(114,582)	(250,381)
MINORITY INTERESTS	少數股東權益	(43,012)	(2,061)	-	-	-
		50,837	82,150	133,240	94,012	15,535

Chairman's Statement

主席報告書

I am pleased to present to the shareholders herewith the annual results of SYSCAN Technology Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2010.

In the year of 2010 the Group had put more resource on research and development as well as selling and marketing of the Group's products. Some of the research and development had been crystallized and contributed to the Group's performance in the year.

On 14 April 2010 and subsequently on 21 April 2010, the Company entered into the Placing Agreement and the supplemental Placing Agreement respectively, with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to 409,000,000 Placing Shares at a price of HK\$0.165 per Placing Share on a best effort basis. The Placing was completed on 4 May 2010 in accordance with the terms and conditions of the Placing Agreement that 409,000,000 Placing Shares were placed to not less than six individuals, corporate, institutional investors or other investors who are third parties independent of the Company and its connected persons (within the meaning of the GEM Listing Rules) of the Company, at the Placing Price of HK\$0.165 per Placing Share.

As disclosed in the Circular dated 24 January 2011, on 22 November 2010, the Company entered into the New Sale and Purchase Agreement with Mighty Advantage Enterprises Ltd. ("MAE") and Country Praise Enterprises Ltd. ("CPE") pursuant to which the parties agreed to acquire the entire equity interest in the CPE, at an initial consideration of HK\$150,000,000 (subject to adjustments), but in any event subject to a maximum consideration of HK\$850,000,000. The consideration shall be satisfied in a combination of cash, the Shares and Convertible Bonds. At the same time, the Company entered into the New Placing Agreement with the Placing Agent pursuant to which the Company conditionally agreed to place, through the Placing Agent, up to 625,000,000 Placing Shares at a price of HK\$0.32 per Placing Share on a best effort basis.

All the conditions precedent under the New Sale and Purchase Agreement have been fulfilled and that the Completion took place on 28 February 2011 (the "Completion Date"). The Company issued 218,750,000 Consideration Shares to the Vendor in accordance with the terms of the New Sale and Purchase Agreement on the Completion Date. The 218,750,000 Consideration Shares, representing approximately 6.28 % of the existing issued share capital of the Company, rank *pari passu* in all aspects amongst themselves and with the Shares in issue on the date of the issue and allotment of the Consideration Shares. Upon Completion, CPE becomes a wholly-owned subsidiary of the Company and the financial results of the CPE and its subsidiaries will be consolidated to that of the Group.

本人欣然提呈矽感科技控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)於截至二零一零年十二月三十一日止年度的全年業績報告。

二零一零年本集團投放更多資源進行研究，開發以及銷售本集團之產品，及為該等產品進行市場推廣，部份研究及開發已帶來成果，並為本集團之表現帶來貢獻。

於二零一零年四月十四日及其後在二零一零年四月二十一日，本公司與配售代理人分別訂立配售協議及補充配售協議，據此，本公司有條件同意透過配售代理人，按竭誠基準以每股配售股份0.165港元之價格配售最多409,000,000股配售股份。根據配售協議之條款及條件，配售事項已於二零一零年五月四日完成。本公司已向不少於六名獨立於本公司及其關連人士(定義見創業板上市規則)之第三方之個人、公司、機構投資者或其他投資者配售合共409,000,000股配售股份，配售價為每股配售股份0.165港元。

根據本公司日期為二零一一年一月二十四日之通函所披露，於二零一零年十一月二十二日，本公司與Mighty Advantage Enterprises Ltd. (「MAE」)及Country Praise Enterprises Ltd. (「CPE」)訂立新買賣協議，據此，訂約各方同意收購CPE之全部股本權益，初步代價為150,000,000港元(可予調整)，惟無論如何最高代價為850,000,000港元。代價將以結合現金、股份及可換股債券形式支付。同時，本公司與配售代理人訂立新配售協議，據此，本公司有條件地同意透過配售代理人，按竭誠基準以每股配售股份0.32港元之價格配售最多625,000,000股配售股份。

新買賣協議項下所有先決條件已達成，交易已於二零一一年二月二十八日(「交割日」)完成。本公司根據新買賣協議條款，於交割日向賣方發行218,750,000股代價股份。該等218,750,000股代價股份，佔本公司現有已發行股本約6.28%，該等股份在所有方面均享有同等權利，且與於發行及配發代價股份日期已發行股份享有同等權利。於交割後，CPE成為本公司全資附屬公司，而CPE及其屬下公司之財務業績將綜合計入本集團之財務業績。

Chairman's Statement

主席報告書

All conditions set out in the New Placing Agreement have been fulfilled and the Placing was completed on 9 March 2011 in accordance with the terms and conditions of the New Placing Agreement. An aggregate of 625,000,000 Placing Shares have been successfully placed by the Placing Agent to four (4) investors who are and whose ultimate beneficial owners are third parties independent of, not connected with and not acting in concert with any connected person of the Company. None of the placees has become a substantial Shareholder (as defined in the GEM Listing Rules) as a result of the Placing.

In 2011, the Group will remain market-oriented and maintain the advantages in new products R&D, efficiency and quality, cost control and management, enhancing production and marketing creativeness. Besides maintaining the competitiveness of its core business, the Group will make new attempts in order to accomplish sustainable development.

2010 is a very exciting year. Turnover for 2010 increased by 31.55% to HK\$85 million while the Group managed to push the gross profit margin a bit up by 0.5%. Unfortunately these positive trends were out-weighted by increase in expenses and impairment during the year.

The Group's manufacturing plant will be relocated from Shenzhen to Wuhan in the near future. The Wuhan manufacturing base is well planned and constructed that it is expected to reduce production costs and that production effectiveness and efficiency would be enhanced and hence contribute positively to the Group's overall performance in the future.

The Group acquired Country Praise Enterprise Limited and its subsidiary, which are principally engaged in the development and operation of electronic payment tool after year ended 31 December 2010.

Upon the completion of the said acquisition, the resulting integration of this new line of business together with our existing one, will enhance the deployment of the Group's application of self-developed 2D barcode technology to the fast growing electronic payment service industry in the PRC. The management considers this a very profitable business channel and provides tremendous opportunities available in the market in the foreseeable future.

Finally, I would like to express my greatest gratitude to the Board, management and staff for their strenuous contribution towards the Group. Furthermore, I would also like to take this opportunity to sincerely thank our business partners and shareholders for their continuous support and trust. I believe all members of the Group will dedicate their best effort to drive business growth and to deliver enhanced returns to shareholders.

Guan Gui Sen

Chairman

Hong Kong, 28 March 2011

新配售協議所載全部條件已經達成，配售事項已於二零一一年三月九日根據新配售協議之條款及條件完成。配售代理人成功向四(4)名投資者配售合共625,000,000股配售股份，該等投資者本身及其最終實益擁有人均為獨立於本公司任何關連人士且與彼等概無關連之第三方，亦並非與本公司任何關連人士一致行動之人士。概無承配人因配售事項成為主要股東(定義見創業板上市規則)。

展望二零一一年，本集團仍將以市場為中心在新產品技術研發、效率和品質、成本控制與管理、精益生產、行銷創新等方面，保持核心業務充分競爭力之時，實現新跨越，保持集團之可持續發展。

二零一零年是令人振奮的一年。本集團於二零一零年之營業額增加31.55%至85,000,000港元，同時將毛利率輕微提升0.5%。惟該等正面勢頭因年內開支及減值增加而抵銷。

本集團之生產廠房將於不久將來由深圳遷至武漢。武漢生產基地具良好規劃及建設，預期可減低生產成本，從而提升生產成效及效率，進而為本集團日後整體表現帶來正面貢獻。

本集團收購Country Praise Enterprise Limited及其附屬公司，彼等於截至二零一零年十二月三十一日止年度後主要從事開發及經營電子支付工具。

上述收購完成後，新業務與現有業務之整合將促進本集團開發二維條碼技術應用在中國快速增長之電子支付服務業的業務。管理層認為，此業務渠道具高度營利能力，並能於可見將來帶來龐大商機。

最後，本人衷心感謝全體董事會、管理人員及員工對本集團所作出的貢獻及努力。此外，本人藉此機會對業務夥伴及股東的長期支持與信賴致以衷心謝意。我相信本集團全體上下將竭盡股肱之力，推動業務增長，並為股東帶來更豐盛的回報。

主席

關貴森

香港，二零一一年三月二十八日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Overview

The Group's business is in the field of optical electronic industry, and is principally engaged in the design, research, development, manufacturing and sell the optical image capturing devices and related barcode reader equipment, and is gradually transforming into a 2D barcode reader and laser spectrum identification device provider and laser system equipment provider.

The Group's turnover of approximately HK\$85,711,000 for the year 2010 increased by approximately 31.55% as compared to the turnover of approximately HK\$65,155,000 in last year. The Group's gross profit margin had increased from the year 2009 of 16.41% to the year 2010 of 16.97%.

The Group recorded loss attributable to shareholders for the year 2010 of approximately HK\$150,022,000 comparing to a loss of approximately HK\$63,016,000 for the year for 2009.

Research and Development

In the year of 2010 the Group had put more resource on research and development as well as selling and marketing of the Group's products. Some of the research and development had been crystallized and contributed to the Group's performance in the year as compared to year 2009.

The Group continues to approach perfection the barcode and laser reader equipment in different fields of business. For instance, Auto Bank Card Issuer and Multi- functional ID Card Identification devices as well as Laser detection terminal used for food tracking and tracing system in the sourcing and tracking system for China's food and medical products.

The Group has its own proprietary CM and GM coding certified by PRC authorities. The Group will further deploy the application of self-developed 2D barcode technology to the fast growing electronic payment service industry.

業務回顧

概覽

本集團的業務範疇為光電產業，主要從事設計、研究、開發、製造及銷售光學影像攝取器材及相關條碼閱讀設備，並逐步轉型為二維條碼閱讀器及激光光譜識讀設備供應商以及激光系統設備供應商。

本集團於二零一零年度的營業額約為85,711,000港元，較去年的營業額約65,155,000港元減少約31.55%。本集團的毛利率由二零零九年的16.41%增至二零一零年的16.97%。

本集團於二零一零年度之股東應佔虧損約為150,022,000港元，而二零零九年之虧損則約為63,016,000港元。

研究及開發

與二零零九年相比，二零一零年本集團投放更多資源進行研究、開發以及銷售本集團之產品，及為該等產品進行市場推廣，部份研究及開發已帶來成果，並為本集團之表現帶來貢獻。

本集團繼續完善應用於不同業務範疇的條碼及激光識讀設備。例如，銀行自助發卡機及多功能身份證識別儀，以及採購及追蹤於中國食品及藥品的食品追蹤系統應用的激光檢測終端。

本集團擁有獲中國機關認可之自行開發專利CM及GM編碼技術。本集團將進一步將其自行開發二維條碼技術應用在快速增長之電子支付服務業。

Management Discussion and Analysis

管理層討論及分析

Sales and Marketing

We attended China International Exhibition on Financial Banking Technology & Equipment 2010 in Beijing China from 9 to 12 September 2010 and The 7th Optics Valley Of China International Optoelectronic Exhibition and Forum 2010 in Wuhan, China from 2 to 5 November 2010. In the exhibition we introduced products including Auto Bank Card Issuer, IDC – the passport and ID card scanner, bizcard nano, portable scanners, bar code scanners, contact image sensor and free scan. Many customers showed great interests at our products.

Acquisitions

As disclosed in the Circular dated 24 January 2011, on 22 November 2010, the Company entered into the New Sale and Purchase Agreement with Mighty Advantage Enterprises Ltd. ("MAE") and Country Praise Enterprises Ltd. ("CPE") pursuant to which the parties agreed to acquire the entire equity interest in the CPE at an initial consideration of HK\$150,000,000 (subject to adjustments), but in any event subject to a maximum consideration of HK\$850,000,000. The consideration shall be satisfied in a combination of cash, the Shares and Convertible Bonds.

All the conditions precedent under the New Sale and Purchase Agreement have been fulfilled and that the Completion took place on 28 February 2011 (the "**Completion Date**"). The Company issued 218,750,000 Consideration Shares to the Vendor in accordance with the terms of the New Sale and Purchase Agreement on the Completion Date. The 218,750,000 Consideration Shares, representing approximately 6.28% of the existing issued share capital of the Company, rank *pari passu* in all aspects amongst themselves and with the Shares in issue on the date of the issue and allotment of the Consideration Shares. Upon Completion, CPE becomes a wholly-owned subsidiary of the Company and the financial results of the CPE and its subsidiaries will be consolidated to that of the Group.

All conditions set out in the New Placing Agreement have been fulfilled and the Placing was completed on 9 March 2011 in accordance with the terms and conditions of the New Placing Agreement. An aggregate of 625,000,000 Placing Shares have been successfully placed by the Placing Agent to four (4) investors who are and whose ultimate beneficial owners are third parties independent of, not connected with and not acting in concert with any connected person of the Company. None of the placees has become a substantial Shareholder (as defined in the GEM Listing Rules) as a result of the Placing.

Details of the investment is set out in note (38) to the accounts. The Board believes that the investment would further strengthen the Group's competitive power in the industry .

銷售及市場推廣

為了推廣我們的產品，我們公司參加二零一零年九月九日到十二日在中國北京舉辦的二零一零年中國國際金融(銀行)技術暨設備展覽會和二零一零年十一月二日到五日在中國武漢舉行的第七屆中國光谷國際光電子博覽。在展覽中，我們展示產品包括銀行自助發卡機，新一代身份證、護照等證卡掃描儀、電子名片盒、便攜式掃描器、條碼掃描器、圖像傳感器及免費掃描 (free scan) 等等。許多客戶對我們的產品深感興趣。

收購

根據本公司日期為二零一一年一月二十四日之通函所披露，於二零一零年十一月二十二日，本公司與Mighty Advantage Enterprises Ltd. (「MAE」) 及Country Praise Enterprises Ltd. (「CPE」) 訂立新買賣協議，據此，訂約各方同意收購CPE之全部股本權益，初步代價為150,000,000港元(可予調整)，惟無論如何最高代價為850,000,000港元。代價將以結合現金、股份及可換股債券形式支付。

新買賣協議項下所有先決條件已達成，交易已於二零一一年二月二十八日(「交割日」)完成。本公司根據新買賣協議條款，於交割日向賣方發行218,750,000股代價股份。該等218,750,000股代價股份，佔本公司現有已發行股本約6.28%，該等股份在所有方面均享有同等權利，且與於發行及配發代價股份日期已發行股份享有同等權利。於交割後，CPE成為本公司全資附屬公司，而CPE及其附屬公司之財務業績將綜合計入本集團之財務業績。

新配售協議所載全部條件已獲達成，配售事項已於二零一一年三月九日根據新配售協議之條款及條件完成。配售代理人成功向四(4)名投資者配售合共625,000,000股配售股份，該等投資者本身及其最終實益擁有人均為獨立於本公司任何關連人士且與彼等概無關連之第三方，亦並非與本公司任何關連人士一致行動之人士。概無承配人因配售事項成為主要股東(定義見創業板上市規則)。

該投資之詳情載列於賬目之附註(38)。董事會相信，該等投資將進一步加強本集團於行內之競爭能力。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESOURCES AND LIQUIDITY

As of 31 December 2010, the Group had a cash and bank balances of approximately HK\$82,030,000 (2009: approximately HK\$37,754,000). As at the balance sheet date, the Group had HK\$38,444,000 bank loan or other borrowing.

CONTROL ENVIRONMENT

During the course of their audit for the year ended 31 December 2010, the auditor identified the following risk areas:

1. Investment / divestment in subsidiaries and associates,
2. Completeness of audit evidence available to auditors for their audit work done,
3. Inter-company balances were not properly reconciled, and
4. Timeliness of keeping statutory records up-to-date.

The Group disposed of two subsidiaries and one associated company during the year and on disposal had hand over the books and records to the purchaser on disposal dates. Therefore the auditors' was unable to ascertain the precised gain or loss on disposals. The Board of Independent Directors had instructed the Company to set up a series of standard procedures to be followed with in future in order to eliminate this potential risks.

As disclosed in the Company's announcements dated 22 February 2011 and 25 February 2011, the Group's office and manufacturing base in Shenzhen was being blocked and workers being harassed by gangs loitering around. At the material times, equipments (including computers) were packed and planned to be relocated to the new Wuhan manufacturing plant. The gangs blocked and searched all goods going out and accidentally damaged a computer containing old accounting data. This caused delay and incompleteness of data reproduction. As a result, some inter-company balances were not reconciled on time.

The management had instructed the relevant staff members to expedite in properly reconciling the inter-company balances and to set up regular reconciliation routine in future.

The management also noted that some clerical procedures in respect of corporate information were not followed up in a timely manner. This resulted in confusion and uncertainty as to the actual relationship between the Group and some of its business partners.

財務資源及流動資金

於二零一零年十二月三十一日，本集團的現金及銀行結餘約為82,030,000港元(二零零九年：約37,754,000港元)。截至結算日，本集團銀行貸款或其他借款共38,444,000港元。

控制環境

於截至二零一零年十二月三十一日止年度之審核過程當中，核數師指出下列風險範圍：

1. 投資/ 撤出投資於附屬公司及聯營公司；
2. 核數師就完成審核工作所得審核憑證的完整性；
3. 集團內公司間的結餘未獲適當對賬；及
4. 保持更新法定記錄的合時性。

年內，本集團出售兩間附屬公司及一間聯營公司，並於出售當日已將賬目及記錄轉交買方。因此，核數師未能確定出售之確實盈虧。獨立董事會已指示本公司建立一系列標準程序，以便日後遵從，從而排除此潛在風險。

誠如本公司日期為二零一一年二月二十二日及二零一一年二月二十五日之公告所披露，本集團位於深圳之辦事處及生產基地被堵塞，工人受到附近遊蕩的滋事者騷擾。在其時，本公司已收拾好設備(包括電腦)並計劃運送至新武漢生產廠房。滋事者堵塞及翻開所有運出貨品，並意外破壞一台載有舊會計數據的電腦，使數據未能及時及完全複製。因此，若干集團內公司間結餘未能適時對賬。

管理層已指示有關員工加快就集團內公司間結餘進行合適對賬，並於日後設立固有對賬程序。

管理層亦注意到有關公司資料之若干文書程序並無獲依時跟進，導致本集團與部分其業務夥伴之實際關係存在混亂及不確定性。

Management Discussion and Analysis

管理層討論及分析

The Audit Committee has instructed the Company to ensure all necessary statutory compliance be followed up immediately as and when such needs arises and that regular review of compliance be performed to avoid future reoccurrence of these errors.

The Audit Committee also recommended the Company to perform an all-rounded internal control review and to re-assess and re-engineer, where necessary, the system of internal controls of the Group and to ensure the effective implementation and regular update of the would-be system.

CAPITAL COMMITMENTS

As at 31 December 2010, the Group's outstanding capital commitment contracted but not provided for in the financial statements is approximately HK\$23,324,000 (2009: HK\$43,443,000).

As at 31 December 2010, the total current assets over the total current liabilities was 0.81 times (2009: 1.78 times). The ratio of all debts to total assets was 0.13 (2009: 0.02). As most sales are made in US dollar, no hedging arrangement is made to offset the exposures to fluctuations in exchange rates.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2010.

INTELLECTUAL PROPERTY

As at 31 December 2010, the Group had 61 trademarks registered in different countries and regions, of which 27 trademarks have been approved. At the same time, the Group had been granted 68 patents and have 102 patents filed in different countries and regions.

EMPLOYEES

As at 31 December 2010, the Group has 271 employees. The Directors believe that the quality of the employees is the most important factor in sustaining the Group's growth and improving its profitability. Employees are remunerated according to their performance and work experience. In addition to basic salaries and retirement scheme, staff benefits include share options and performance bonus.

LITIGATION

During 2008, the fellow shareholders of an associate took legal action against the Group for repayment of amount due to the said associate of approximately HK\$20,682,000. At the end of the reporting period, the directors and the fellow shareholders of the associate have reached a mutual agreement to resolve the case by out of court settlement.

審計委員會已指示本公司確認，必須於有需要時即時遵守一切所需法定規章，並定期審閱所履行規章，以免日後出現同樣錯誤。

審計委員會亦建議本公司聘請獨立專業人士進行全方位內部監控審閱，並在有需要時重新評估及建立本集團的內部監控系統，以確保有效實施及定期更新日後系統。

資本承擔

於二零一零年十二月三十一日，集團有約23,324,000港元之已訂約但尚未於財務報表內撥備之資本性承擔(二零零九年：43,443,000港元)。

於二零一零年十二月三十一日，流動資產總值對流動負債總額為0.81倍(二零零九年：1.78倍)。所有債項對資產總值的比率為0.13(二零零九年：0.02)。由於大部分銷售額均以美元計價，故並無作出對沖安排以抵銷匯率波動風險。

或然負債

本集團於二零一零年十二月三十一日並無或然負債。

知識產權

於二零一零年十二月三十一日，本集團已於不同國家及地區註冊61項商標，其中27項商標已獲批准。同時，本集團於不同國家及地區共獲授專利68項，正申請的專利為102項。

僱員

於二零一零年十二月三十一日，本集團共聘用271名僱員。董事相信，其僱員之質素實為本集團保持增長及提高溢利水平之最關鍵因素。僱員之酬金乃按表現及工作經驗為基準。除基本薪金及退休計劃外，僱員福利包括購股權及表現花紅。

訴訟

於二零零八年度，一間聯營公司之股東向本集團採取法律行動，要求本集團償付約20,682,000港元結欠上述聯營公司之款項。於報告期間結算日，董事與聯營公司之股東達成雙方協議致令事件得以庭外和解。

Management Discussion and Analysis

管理層討論及分析

FUTURE PLANS AND PROSPECTS

The Group is cautious towards its future business plan and will concentrate on the profitable businesses in order to establishing a stable revenue stream and making the Group result to be profitable.

The Group will simplify its corporate structure and laid off excess staffs in order to maintain stringent cost control.

The Group will also carefully assess and differentiate the performances of its various business lines. For those loss making or less profit making lines, the Group will review the situations and come up with appropriate remedial actions so as to strike for the most benefits to the shareholders.

The Group acquired Country Praise Enterprise Limited and its subsidiary, which are principally engaged in the development and operation of electronic payment tool after year ended 31 December 2010.

Upon the completion of the acquisition of Country Praise Enterprise Limited and its subsidiary, which are principally engaged in the development and operation of electronic payment tool, the resulting integration of this new line of business together with our existing one, will enhance the deployment of the Group's application of self-developed 2D barcode technology to the fast growing electronic payment service industry in the PRC. The management considers this a very profitable business channel and provides tremendous opportunities available in the market in the foreseeable future.

未來計劃及前景

本集團對未來的業務計劃抱持審慎態度，並將專注於有利可圖的業務，讓本集團建立穩定收入來源，從而獲得盈利。

同時，本集團會簡化其公司結構，減少冗員，以維持嚴格的成本控制。

本集團亦將審慎評估及區別各業務之表現。就該等錄得虧損或溢利甚少的業務而言，本集團將檢討其狀況並配以適當的改善措施，致力為股東爭取最佳利益。

本集團收購Country Praise Enterprise Limited及其附屬公司，彼等於截至二零一零年十二月三十一日止年度後主要從事開發及經營電子支付工具。

完成收購主要從事開發及經營電子支付工具之Country Praise Enterprise Limited及其附屬公司後，新業務與現有業務之整合將促進本集團開發二維條碼技術應用在中國快速增長之電子支付服務業的業務。管理層認為，此業務渠道具高度營利能力，並能於可見將來帶來龐大商機。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company has complied with the code provisions of the Code on Corporate Governance Practices ("CG Code") set out in Appendix 15 to the GEM Listing Rules, throughout the twelve months period ended 31 December 2010.

Below are the corporate governance practices adopted by the Group. On 30 June 2005, pursuant to a resolution in writing passed by the Directors, the corporate governance practices adopted by the Group are as follows:

- Code of ethics and securities transactions;
- Corporate governance practice manual;
- Term of reference for audit committee;
- Term of reference for board committee;
- Term of reference for remuneration committee; and
- Term of reference for nomination committee.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Code of Ethics and Securities Transactions is adopted by the Company to regulate securities dealings by directors, senior management and certain employees of the Group, and to provide guidelines and procedures on conflict of interests of Directors.

The first part of this Code of Ethics and Securities Transactions is based on the GEM listing rules 5.48 to 5.67 (the "required standard") against which Directors must measure their conduct regarding transactions in securities of their listed issuers, and the Securities Future Ordinance ("SFO").

The second part of this Code of Ethics and Securities Transactions establishes guidelines and procedures regarding conflict of interests of Directors in order to protect the best interests of the Company.

During the year ended 31 December 2010, all Directors have complied with the Code of Ethics and Securities Transaction.

企業管治常規

本公司致力維持高水平之企業管治，以保障本公司股東之權益。於截至二零一零年十二月三十一日止十二個月期間，本公司一直遵守創業板上市規則附錄15所載企業管治常規守則（「企業管治守則」）之守則條文。

以下為本集團所採納企業管治常規。於二零零五年六月三十日，根據董事通過之書面決議案，本集團採納之企業管治常規如下：

- 操守及證券交易守則；
- 企業管治常規手冊；
- 審計委員會之職權範圍；
- 董事委員會之職權範圍；
- 薪酬委員會之職權範圍；及
- 提名委員會之職權範圍。

董事進行證券交易之標準守則

本公司採納操守及證券交易守則，旨在規管本集團董事、高級管理人員及若干僱員之證券交易，並就董事之利益衝突提供指引及程序。

本操守及證券交易守則上半部乃按創業板上市規則第5.48至5.67條（「規定標準」）作出，董事必須就買賣上市發行人之證券評估其行為以及遵守證券及期貨條例（「證券及期貨條例」）。

本操守及證券交易守則下半部制訂有關董事利益衝突之指引及程序，以保障本公司最佳利益。

於截至二零一零年十二月三十一日止年度，全體董事均已遵守操守及證券交易守則。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Board is responsible for the oversight of the management of the Company's business and affairs of the organization with the objective of enhancing shareholder value.

The Board is responsible for monitoring of Group's overall strategies and policies, approval of business plans and the performance of the Company, and oversight of senior management.

As at 31 December 2010, the Board comprised three Executive Directors and three Independent Non-executive Directors. Biographical details of the Directors were referred to pages 21 to 24 of this annual report.

The Board is responsible for corporate strategy, annual and interim results, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the board of Directors to the management include the preparation of annual and interim accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the board of Directors, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

The Chairman of the Board and the Chief Executive Officer are held separately by two individuals to ensure their respective independence and accountability. The Chairman is responsible for chairing and convening the general meetings, chairing the board meetings, examining the implementation of the resolutions of the Board and formulating overall strategies and policies of the Company. The Chief Executive Officer is responsible for managing the Group's business and overall operations. The day-to-day running of the Company is delegated to the management with divisional heads responsible for different aspects of the business. During the period under review, the Company has complied with the requirement to separate the roles of Chairman and Chief Executive Officer as set out in Code provision A.2.1 of the Code. The roles of Chairman and Chief Executive Officer are separated and are not concurrently assumed by the same person so as to increase the transparency and independence of corporate governance. Executive directors are responsible for running the Group and executing the strategies adopted by the Board. They lead the Group's management team in accordance with the directions set by the Board and are responsible for ensuring that proper internal control system is in place and the Group's business conforms to applicable laws and regulations.

董事會

董事會負責監察本公司業務管理及組織事務，以提升股東價值為目標。

董事會監察本集團整體各項策略及政策、批准業務計劃及本公司表現，並監察高級管理人員。

於二零一零年十二月三十一日，董事會成員包括三名執行董事及三名獨立非執行董事。有關董事之簡歷資料載於本年報第21至24頁。

董事會負責公司策略、年度及中期業績、落實規劃、風險管理、主要收購、出售及資本交易以及其他重大營運及財務事宜。董事會特定授權管理層處理的主要公司事項包括編製年度及中期賬目，在公開報告前供董事會批准、執行董事會採納之商業策略及措施、執行充足之內部監控制度及風險管理程式，並遵守有關法定規定、規則及規例。

董事會主席與行政總裁由兩個別人士擔任，以確保各自的獨立性、問責性。主席負責主持股東大會和召集、主持董事會會議，檢查董事會決議的實施情況，並為本公司制定整體策略及政策。行政總裁則負責管理本集團業務及整體營運。本公司日常營運由管理層獲授權處理，各部門主管負責業務不同範疇。於回顧期內，本公司符合守則之守則條文第A.2.1條所載主席及行政總裁職位須獨立分開之規定，本公司已劃分主席與行政總裁之職務，且並非由同一人出任，以增加企業管治之透明度及獨立性。執行董事負責營運本集團及實行董事會採納之策略。按照董事會所訂方針領導本集團之管理隊伍，並負責確保設有適當之內部監控制度及本集團業務符合適用法例及規例。

Corporate Governance Report

企業管治報告

Independent non-executive directors serve the important function of advising the management on strategy development and ensure that the Board maintains high standards of financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding interests of shareholders and the Company as a whole.

The Board complies with the minimum requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors and one of them has the appropriate professional qualifications required under Rule 5.05 of the GEM Listing Rules.

For a Director to be considered independent, the Board must determine that the Director does not have any direct or indirect material relationship with the Group. In determining the independence of Directors, the Board follows the requirements set out in Rule 5.09 of the GEM Listing Rules.

The Board has adopted good corporate governance practices and procedures and taken appropriate steps to provide effective communication with shareholders.

Directors' Board meeting is held at least 4 times a year. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

獨立非執行董事負責就策略發展向管理層提供意見，並努力確保董事會財務及其它強制報告處於高透明水準，及就保障股東與公司整體間之利益進行充分檢討及平衡。

董事會符合創業板上市規則有關委任最少三名獨立非執行董事之最低規定，其中一人具備創業板上市規則第5.05條規定之合適專業資格。

董事如要被視為獨立人士，董事會必須可確定該董事與本集團並無任何直接或間接重大關係。就確定董事之獨立程度，董事會遵循創業板上市規則第5.09條所載規定。

董事會已採取良好企業管理常規及程序，並已採納適當程序以與股東維持有效通訊。

董事會會議每年最少舉行四次。此外，董事可全面取得本集團資料，並於董事視為必要時獲取獨立專業意見。

Corporate Governance Report

企業管治報告

The Board held four regular meetings in 2010 and one meeting in 2011. Attendance of the directors were as follows:

董事會於二零一零年曾舉行四次定期會議及於二零一一年曾舉行一次會議。全體董事出席會議記錄如下：

	Name of Directors 董事姓名	Attendance 出席次數
Executive Director 執行董事	Mr Cheung Wai 張偉先生	5/5
	Guan Gui Sen (Appointed on 28 February 2011) 關貴森(在二零一一年二月二十八日獲委任)	1/1
	Lei Chun Xiong (Appointed on 28 February 2011) 雷純雄(在二零一一年二月二十八日獲委任)	1/1
	Frank Cheung (Resigned on 28 February 2011) Frank Cheung(在二零一一年二月二十八日辭任)	4/4
Independent non-executive Directors 獨立非執行董事	Dr Fong Chi Wah 方志華博士	5/5
	Mr Jin Qingjun (Resigned on 26 April 2010) 靳慶軍先生(在二零一零年四月二十六日辭任)	1/1
	Mr Wang Ruiping 王瑞平先生	5/5
	Professor He Zhiyi (Appointed on 19 July 2010) 何志毅教授(在二零一零年七月十九日獲委任)	3/3

All Directors are subject to re-election by shareholders at the annual general meeting following their appointment. At each annual general meeting one-third of the Directors for the time being will retire from office provided that every Director shall be subjected to retirement by rotation at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire will be determined by lot. The retiring Director shall be eligible for re-election.

所有董事均須於彼等獲委任後之股東週年大會由股東重選連任。於每個股東週年大會上，當時三分之一之董事須任滿告退，惟各董事須至少每三年輪席退任。每年須退任之董事為自上次選舉後服務年期最長的董事，於同日成為董事之人士而言，則以抽籤決定。退任之董事符合資格可重選連任。

REMUNERATION OF DIRECTORS

The Remuneration Committee was established on 30 June 2005. The Remuneration Committee is chaired by an independent non-executive Director with the responsibility of approving the remuneration policy for all Directors and senior executives. The Remuneration Committee members include a majority of independent non-executive Directors as follows:

Dr Fong Chi Wah* – *Committee Chairman*
Mr Wang Ruiping*
Professor He Zhiyi* (Appointed on 19 July 2010)
Mr Jin Qingjun* (Resigned on 26 April 2010)
Mr Cheung Wai
Mr Frank Cheung (Resigned on 28 February 2011)

董事薪酬

薪酬委員會於二零零五年六月三十日成立。薪酬委員會主席為獨立非執行董事，負責批准全體董事及高級行政人員之薪酬政策。薪酬委員會成員包括大部分獨立非執行董事，如下：

方志華博士* – *委員會主席*
王瑞平先生*
何志毅教授* (在二零一零年七月十九日獲委任)
靳慶軍先生* (在二零一零年四月二十六日辭任)
張偉先生
Frank Cheung先生(在二零一一年二月二十八日辭任)

* Independent non-executive Director

* 獨立非執行董事

Corporate Governance Report

企業管治報告

All Remuneration Committee members met at the end of the year for the determination of the remuneration packages of Directors and senior management of the Group. In addition, the Remuneration Committee members also meet as and when required to consider remuneration related matters.

The works carried out by the Remuneration Committee are set out below:

- (a) to make recommendations to the Board on the Company's policy and structure of remuneration of Directors and the senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine the specific remuneration packages of all executive Directors and the senior management, including benefits in kind, provident/retirement benefits and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors;
- (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (d) to review and approve the compensation payable to executive Directors, senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and
- (e) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

所有薪酬委員會成員已於年底舉行會議，以確定董事及本集團高級管理人員之薪酬組合。此外，薪酬委員會成員亦定期及於需要考慮薪酬相關事宜時舉行會議。

薪酬委員會進行之工作載列如下：

- (a) 就本公司有關董事及高級管理人員之薪酬政策及結構以及制定有關該等薪酬政策成立正式具透明度之程序向董事會提供意見；
- (b) 釐定所有執行董事及高級管理人員之具體薪酬組合，包括實物利益、強積金／退休福利及補償付款，包括就失去或終止職務或委任時應付之任何補償，並就獨立非執行董事之薪酬向董事會提供意見；
- (c) 審閱及批准參考公司目標及目的後，董事會不時議決按表現發放之酬金；
- (d) 審閱及批准就失去或終止職務或委任時付予執行董事及高級管理人員之補償，以確保有關補償乃按相關合約條款釐定，且有關補償對本公司而言屬公平及不會過多；及
- (e) 審閱及批准有關因行為不當而撤換或罷免董事之補償安排，以確保有關安排乃按相關合約條款釐定，且任何補償款項均屬合理及恰當。

Corporate Governance Report

企業管治報告

NOMINATION OF DIRECTORS

The Nomination Committee was established on 30 June 2005. The Nomination Committee made recommendations to the Board on the appointment of Directors and the senior management personnel with reference to certain guidelines as endorsed by the Nomination Committee members. The Nomination Committee members include all directors as follows:

Mr Cheung Wai
Mr Frank Cheung (Resigned on 28 February 2011)

Dr Fong Chi Wah*
Mr Wang Ruiping*
Professor He Zhiyi* (Appointed on 19 July 2010)
Mr Jin Qingjun* (Resigned on 26 April 2010)

* *Independent non-executive Director*

All Nomination Committee members met at the end of the year.

The works carried out by the Nomination Committee members are set out below:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) and to make recommendations to the Board after such review;
- (b) to assess the independence of independent non-executive Directors, having regard to the requirements under the GEM Listing Rules; and
- (c) to make recommendations to the Board on relevant matters relating to the appointment of Directors and succession planning for Directors.

董事提名

提名委員會已於二零零五年六月三十日成立，於參考經提名委員會成員認可之若干指引後，就委任董事及高級管理人員向董事會提供意見。提名委員會成員包括之所有董事如下：

張偉先生
Frank Cheung先生(在二零一一年二月二十八日辭任)
方志華博士*
王瑞平先生*
何志毅教授*(在二零一零年七月十九日獲委任)
靳慶軍先生*(在二零一零年四月二十六日辭任)

* *獨立非執行董事*

全體提名委員會成員於年終時曾舉行會議。

提名委員會成員進行之工作如下：

- (a) 審閱董事會結構、規模及成員組成(包括專長、專業知識及經驗)，並於有關審閱後向董事會提供推薦意見；
- (b) 考慮到創業板上市規則之規定評估獨立非執行董事之獨立程度；及
- (c) 就委任董事及董事繼任安排相關事宜向董事會提供推薦意見。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors who possess the appropriate business and financial experience and skills to understand financial statements. The Committee is chaired by Dr Fong Chi Wah, and the other Audit Committee members are Mr Jin Qingjun and Mr Wang Ruiping. Under its terms of reference for audit committee passed under a directors' resolution dated 30 June 2005, is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's preliminary results, interim results and annual financial statements and to monitor compliance with statutory and listing requirements, to engage independent legal or other advisers as it determines is necessary and to perform any investigations.

The Audit Committee members held four meetings in 2010.

Name of member 成員姓名	Attendance 出席次數
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Dr Fong Chi Wah	方志華博士	4/4
Mr Jin Qingjun	靳慶軍先生	0/0
Mr Wang Ruiping (Resigned on 26 April 2010)	王瑞平先生(在二零一零年四月二十六日辭任)	4/4
Professor He Zhiyi (Appointed on 19 July 2010)	何志毅教授(在二零一零年七月十九日獲委任)	3/3

Financial Statements

The Audit Committee held the meetings to discuss the Group on the interim results, preliminary results announcement and Annual Report. The Audit Committee reviews and discusses the management's reports and representations with a view to ensuring that the Group's consolidated financial statements are prepared in accordance with Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards and compliance with the GEM Listing Rules and other legal requirements.

The Audit Committee in conjunction with the external auditors of the Company has reviewed the Company's financial statements for the year ended 31 December 2010 and has provided advice and comments thereon.

EXTERNAL AUDITOR AND REMUNERATION

The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditors. The Group only engaged RSM Nelson Wheeler Certified Public Accountants to audit services provided in connection with the audit of the consolidated financial statements. Auditor's remuneration for the year of 2010 was HK\$500,000.

審計委員會

審計委員會包括三名獨立非執行董事，彼等具備合適業務及財務經驗及技能以理解財務報表。委員會由方志華博士出任主席，其他審計委員會成員為靳慶軍先生及王瑞平先生。根據按日期為二零零五年六月三十日之董事決議案通過之審計委員會職權範圍，審計委員會須(其中包括)監察與外聘核數師之關係、審閱本集團初步業績、中期業績及全年財務報表、確保遵守法定及上市規定，並於其認為必要時委任獨立法律或其他顧問及進行調查。

審計委員會於二零一零年曾舉行四次會議。

財務報表

審計委員會舉行會議商討有關中期業績、初步業績公告以及年報。審計委員會審閱及討論管理層報告及陳述，以確保本集團綜合財務報表乃按香港會計準則及香港財務報告準則編製，且符合創業板上市規則及其他法定規定。

審計委員會已連同本公司之外聘核數師審閱本公司於截至二零一零年十二月三十一日止年度之財務報表，並就此提供意見及提議。

外聘核數師及薪酬

審計委員會亦就委任及續聘外聘核數師向董事會提出推薦意見。本集團委聘中瑞岳華(香港)會計師事務所就審核綜合財務報表所提供審核服務。於二零一零年，核數師酬金為500,000港元。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL

An internal control system, being an integral part of the Company's operations, is a process effected by the Board and management team to provide reasonable assurance regarding the effectiveness and efficiency of operations in achieving the established corporate objectives, safeguarding Company assets, providing reliable financial reporting, and complying with applicable laws and regulations.

The Board is responsible for making appropriate assertions on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. Through the Audit Committee, it regularly reviews the effectiveness of the system.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board is committed to providing clear and full information about the Company's performance to shareholders through the publication of quarterly reports and annual reports. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the websites of the Stock Exchange and the Company, which is updated regularly. The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 days' notice. The Chairman, Directors and external auditors are available to answer questions on the Company's businesses at the meeting. The Company values feedback from shareholders on its effort to promote transparencies and foster investor relationships.

By Order of the Board
Guan Gui Sen
Chairman

Hong Kong, 28 March 2011

內部監控

內部監控是本公司營運的必要一環，由董事會及管理隊伍執行，以合理確保營運的成效及效率可達成既定的企業目標、保障公司資產、提供可靠的財政報告及遵守適用的法律法規。

董事會負責確保對財政報告及披露監控與程序之成效進行充份的內部監控，透過審計委員會經常檢討有關系統的成效。

投資者關係及股東權利

董事會致力透過公布季度報告及年度報告向股東提供有關本公司業績的清楚完整資料，除向股東發布通函、通知及財政報告外，股東亦可在聯交所網站和本公司網站查閱更多資料，而有關資料會經常更新。股東週年大會為股東向董事會提議及交換意見的場合。本公司會給予至少二十一天的通知，鼓勵股東出席股東週年大會，主席、董事及外聘核數師會出席會議回答有關本公司業務的提問。本公司重視股東對促進透明度及加強與投資者關係之意見。

承董事會命
主席
關貴森

香港，二零一一年三月二十八日

Profiles of Directors and Senior Management

董事及高級管理層簡介

EXECUTIVE DIRECTORS

Mr. Guan Gui Sen, aged 47, joined the Company on 28 February 2011. Mr. Guan acts as an executive Director and Chairman of the Company. Mr. Guan obtained his bachelor degree from China Central University of Finance and Economics (中央財經大學) in 1984 and a master degree from Graduate School of the People's Bank of China (中國人民銀行研究生部) in 1987. Mr. Guan has over twenty years of senior management experience in finance, property development and investment in the PRC. Mr. Guan was a deputy president of Hainan Technology and Industry Group (海南科工集團) from 1990 to 1994, a deputy president of Thihe Holdings Co., Ltd. (太合控股有限公司) from 2001 to 2003 and a director of China Union Pay Data Services Co., Ltd. (銀聯數據有限公司) from 2002 to 2005. From August 2008, Mr. Guan became the chairman of Beijing Shangyin Investment Consultancy Co., Ltd. (商銀融通(北京)投資諮詢有限公司) and a director of China Union Loyalty Co., Ltd. (上海銀商資訊有限公司). Mr. Guan owns the entire equity interest in Beijing Dongsan Jinbi Investment Consultancy Co., Ltd. (北京東森金碧投資諮詢有限公司), an investment company, which in turns owned 15% equity interest in China Union Loyalty Co., Ltd. (上海銀商資訊有限公司).

Dr. Lei Chun Xiong, aged 45, joined the Company on 28 February 2011. Dr. Lei acts as an executive Director and Chief Executive Officer of the Company. He graduated from Hunan Binzhou Normal Institute (湖南郴州師專) in 1983 and obtained a master degree from Tianjin Normal University (天津師範大學) in 1991 and a doctoral degree from Graduate School of People's Bank of China (中國人民銀行研究生部) in 1996. Dr. Lei has over 20 years of experience in banking and electronic payment sectors. He worked as a deputy section head, section head and deputy department head of Bank of China, Hunan branch from 1991 to 1997. From February 1997 to July 2001, Dr. Lei worked for the head office of China Merchants Bank as an assistant general manager of treasury planning department, research department and an deputy general manager of individual banking department. He joined China Unionpay Co., Ltd. (中國銀聯股份有限公司) in August 2001 until March 2010 initially as its general manager of the strategic development department and later as its assistant president. In between his tenure with China Unionpay Co., Ltd. (中國銀聯股份有限公司), Dr. Lei was also an executive director of Unionpay Merchant Services Co., Ltd. (銀聯商務有限公司), a director of China Unionpay Data Services Co., Ltd. (銀聯數據有限公司), China Pay Co., Ltd. (上海銀聯電子支付有限公司), China Union Loyalty Co., Ltd. (上海銀商資訊有限公司), Guangzhou Unionpay Network Payment Co., Ltd. (廣州銀聯網絡支付有限公司) as well as a director and president of Shanghai Kayou Information Services Co., Ltd. (上海卡友資訊服務有限公司). In April 2010, Dr. Lei is the president of Beijing Shangyin Investment Consultancy Co., Ltd. (商銀融通(北京)投資諮詢有限公司). He is also a committee member of Shanghai Financial Arbitration Advising Committee (上海金融仲裁院諮詢委員會).

執行董事

關貴森先生，47歲，於二零一一年二月二十八日加盟本公司，任執行董事及本公司主席。彼於一九八四年取得中央財經大學之學士學位，後於一九八七年取得中國人民銀行研究生部之碩士學位。關先生於中國金融、物業發展及投資擁有超過二十年之高級管理經驗。自一九九零年至一九九四年，關先生為海南科工集團副總裁。其後自二零零一年至二零零三年為太合控股有限公司副總裁。彼自二零零二年至二零零五年為銀聯數據有限公司董事。自二零零八年八月起，關先生為商銀融通(北京)投資諮詢有限公司董事長及上海銀商資訊有限公司之董事。關先生擁有北京東森金碧投資諮詢有限公司之全部股本權益，而北京東森金碧投資諮詢有限公司為一擁有上海銀商資訊有限公司15%股本權益之投資公司。

雷純雄博士，45歲，於二零一一年二月二十八日加盟本公司，任執行董事及本公司行政總裁。彼於一九八三年畢業於湖南郴州師專，於一九九一年於天津師範大學取得碩士學位，並於一九九六年在中國人民銀行研究生部取得博士學位。雷博士於銀行及電子支付業務方面擁有超過二十年經驗。其自一九九一年至一九九七年先後出任中國銀行湖南分行之副科長、科長及副處長。自一九九七年二月至二零零一年七月，雷博士任職於招商銀行，出任計劃資金部助理總經理、個人銀行部及研究部副總經理。彼自二零零一年八月起至二零一零年三月加入中國銀聯股份有限公司擔任戰略發展部總經理，其後則擔任其助理總裁。於中國銀聯股份有限公司任職期間，雷博士亦為銀聯商務有限公司常務董事、銀聯數據有限公司、上海銀聯電子支付有限公司、上海銀商資訊有限公司及廣州銀聯網絡支付有限公司之董事以及上海卡友資訊服務有限公司之董事兼總裁。雷博士於二零一零年四月擔任商銀融通(北京)投資諮詢有限公司之總裁。彼亦為上海金融仲裁院諮詢委員會之委員。

Profiles of Directors and Senior Management

董事及高級管理層簡介

Mr Cheung Wai, aged 60, is responsible for the overall strategic planning for the Group's China business. He has over 30 years of extensive business and management experiences in the field of electronic and computer industry in the PRC and overseas. He joined the Group in 1998. He holds a bachelor's degree in Electronics Engineering from China Central Institute of Technology, Mainland China.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Fong Chi Wah, aged 49, is a Certified Practising Accountant (Australia), a Chartered Financial Analyst, a member of Hong Kong Institute of CPAs, a member of the Institute of Certified Management Accountants, Australia and a member of the Hong Kong Institute of Directors. Dr. Fong holds a bachelor's degree in management science (economics) from Lancaster University, United Kingdom, a master's degree in business administration from Warwick University, United Kingdom, a master's degree in investment management from the Hong Kong University of Science and Technology, a master's degree in practicing accounting from Monash University, Australia and a doctorate in business administration from the Hong Kong Polytechnic University. Dr. Fong has over 21 years of extensive experience in various sectors of financial industry, including direct investment, project and structured finance, and capital markets with focus on the PRC and Hong Kong. Dr. Fong was previously a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. Dr. Fong was also an executive director of Grant Investment International Limited, a company listed on the Stock Exchange. Dr. Fong is currently an executive director of National Investments Fund Limited and an independent non-executive director of Ruinian International Limited, and both companies are listed on the Stock Exchange.

Mr Wang Ruiping, aged 49, is a managing director of TDR Capital International Limited and had been an independent non-executive director of China Huali Holding Limited during March 2003 and March 2009, a company listed on Shenzhen Stock Exchange. He is currently acting as non-executive director of Vision Opportunity China Fund Ltd, listed on AIM, London Stock Exchange. He is also non-executive director of China High Enterprises Limited, the Hong Kong parent company of Borun based in Shangdong, PRC. Mr Wang has over 15 years of investment banking and investment management experience. He also has profound experience of investments in China via listings on domestic and foreign stock exchanges. He has previously worked as executive director of Softbank Investment International (Strategic) Limited and general manager of Softbank China Venture Investment Ltd, vice president of Greater China Investment banking of Deutsche Bank and assistant director of Standard Chartered (Asia) Limited in charge of investment banking business in mainland China. Mr Wang was working for China International Trust and Investment Corporation before joining Standard Chartered Asia Limited. Mr Wang holds a master degree in Economics from Nankai University of China.

張偉先生，60歲，負責本集團中國發展的整體策略規劃。彼在中國及海外的電子與電腦行業積逾30年廣泛的業務及管理經驗。彼於一九九八年加入本集團。彼持有中國大陸華中理工大學的電子工程學士學位。

獨立非執行董事

方志華博士，49歲，為澳洲執業會計師、特許金融分析師、香港會計師公會會員、澳洲註冊管理會計師協會會員及香港董事學會會員。方博士持有英國蘭卡斯特大學頒授之管理科學(經濟)學士學位、英國華威大學頒授之工商管理碩士學位、香港科技大學頒授之投資管理碩士學位、澳洲蒙納士大學頒授之執業會計學碩士學位及香港理工大學頒授之工商管理博士學位。方博士於金融業的不同範疇擁有逾21年豐富經驗，包括主要於中國及香港進行直接投資、項目及結構性融資以及資本市場。方博士曾任Baring Capital (China) Management Limited董事，並於荷蘭商業銀行擔任不同管理層職位。方博士亦曾任聯交所上市公司大唐投資國際有限公司之執行董事。方博士現為國盛投資基金有限公司之執行董事及瑞年國際有限公司之獨立非執行董事，上述兩間公司均於聯交所上市。

王瑞平先生，49歲，為大正元資本有限公司(TDR Capital International Limited)之董事總經理，自二零零三年三月至二零零九年三月出任深圳證券交易所上市公司中國華立控股集團有限公司之獨立非執行董事。彼目前任倫敦證券交易所AIM上市的Vision Opportunity China Fund Ltd的非執行董事，中國山東博潤實業有限公司的香港母公司香港華飛企業有限公司的非執行董事。王先生於投資銀行及投資管理方面積逾15年經驗。彼亦於透過在國內及海外證券交易所上市投資中國方面擁有豐富經驗。彼曾任軟庫發展有限公司之執行董事、軟庫中華風險投資基金總經理、德意志銀行大中華投資銀行部之副總裁及渣打(亞洲)有限公司之助理董事，負責中國內地之投資銀行業務。於加入渣打(亞洲)有限公司前，王先生曾任職中國國際信託投資公司。王先生持有中國南開大學頒授之經濟碩士學位。

Profiles of Directors and Senior Management

董事及高級管理層簡介

Professor He Zhiyi, aged 54, joined the Company on 19 July 2010. He holds a master degree in Economics from Xiamen University, a doctoral degree from School of Management, Fudan University and was a post-doctoral research fellow at Guanghua Management School, Peking University. He is currently the deputy dean of Antai College of Economics & Management, Shanghai Jiao Tong University, the deputy dean of the Institute on Poverty Research, Peking University and the executive officer of the Chinese Business Case Research Centre, Peking University. Professor He was a professor of Marketing, a doctoral adviser and the assistant dean of Guanghua Management School, Peking University. He also acted as the director of Management Case Studies Centre of Peking University. Professor He is currently an independent non-executive director of Shenzhen Accord Pharmaceutical Co., Ltd., a subsidiary of Sinopharm Group Co. Ltd (Stock code: 1099) and whose A shares and B shares are listed on the Shenzhen Stock Exchange.

SENIOR MANAGEMENT

Dr Ma Jun, aged 46, is the Chief Technology Officer of the Group. Dr Ma is responsible for 2D Barcode technology research and application development of the Group. Dr Ma holds more than ten of China patents in laser diodes production, testing, and applications. Dr Ma has much experience in optics research and technical management.

Dr Ma received his B.S., and Ph.D. degrees from NanKai University, Anhui Institute of Optics and Fine Mechanics, Academia Sinica, in 1984 and 1993, respectively. Dr Ma joined the Group in September 2009.

Mr Zhang Ming, aged 53, has been the executive director and authorised representative of the Company's PRC subsidiary since 2004, and is responsible for the business operations, production, sales and marketing performance in Mainland China. He was appointed executive director of the Company on 2 February 2007 and resigned the position of executive director of the Company on 25 August 2009. Mr Zhang holds a bachelor's degree in Engineering Management from China University of Petroleum. Mr Zhang has held management positions in a computing company and a petroleum facilities company. Mr Zhang has over 14 years' substantial experience in the fields of petroleum and natural gas and was working in The Earth Exploration Office of the Chinese Petroleum Department (中國石油部地球勘探局) and the Gas Head Corporation of China (中國石油天然氣總公司). Mr Zhang is the brother of Mr Cheung Wai, executive Director of the Group.

何志毅教授，54歲，何教授於二零一零年七月十九日加盟本公司。何教授持有廈門大學經濟學碩士學位及復旦大學管理學院頒授之博士學位，曾為北京大學光華管理學院博士後研究員。彼現為上海交通大學安泰經濟與管理學院副院長、北京大學貧困地區發展研究院副院長以及北京大學華人企業案例研究中心執行主任。何教授曾任北京大學光華管理學院市場學教授、博士顧問及院長助理。彼亦曾出任北京大學管理案例研究中心主任。何教授現為國藥控股股份有限公司(股份代號：1099)之附屬公司深圳一致藥業股份有限公司(其A股及B股於深圳證券交易所上市)之獨立非執行董事。

高級管理人員

馬軍博士，46歲，為本集團技術總監，負責本集團二維條碼技術研究與應用開發。馬博士擁有十多項光學產品發明專利，在光學研究和技術管理有豐富經驗。

馬博士於一九八四年獲南開大學物理系光學學士學位，及於一九九三年獲中國科學院安徽光學精密機械研究所光學博士學位。馬博士於二零零九年九月加入本集團。

張鳴先生，53歲，自二零零四年起出任本公司中國附屬公司之執行董事及法定代表，負責於中國大陸之業務營運、生產、銷售及市場推廣表現。彼於二零零七年二月二日獲委任為本公司執行董事，於二零零九年八月二十五日辭任本公司執行董事。張先生持有中國石油大學之工程管理學學士學位。張先生曾於一間電腦公司及石油設施公司出任管理層職位。彼於石油及天然氣業擁有逾14年之豐富經驗，並曾於中國石油部地球勘探局及中國石油天然氣總公司任職。張先生為本集團執行董事張偉先生之兄弟。

Profiles of Directors and Senior Management

董事及高級管理層簡介

Mr Alpha Hou Lan Chung, aged 57, is the Chief Technology Officer and is responsible for technology research and development of the Group. Mr Hou has over 25 years' imaging related product development and engineering management experience in analog and digital design, image capturing and display industry including Pro-Arch, Syscan, Microtek, Trident, Genoa, Grundig and RCA. He holds a bachelor's degree in Electronic Engineering from Northwestern Polytechnic University, USA. Mr Hou joined the Group in December 2007.

Mr Joseph Kung, aged 59, the Director of R&D Department, Responsible for R&D management and projects planning overall technical scheme. Mr Kung had nearly 20 years electronic circuit design plus 4 years engineering management experiences in Video, Telecommunications and Scanning industries including Syscan, Alphavision, AT&T Bell Labs, Grundig and Sylvania Philco. He held a degree of Master of Science in Electrical Engineering from New Mexico State University, New Mexico, USA. Mr Kung joined SYSCAN group in November 2008.

Mr Fung Kwok Leung, aged 45, is the qualified accountant and company secretary of the Company. Mr Fung holds an Honours Degree in Accountancy from the Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

侯蘭忠先生，57歲，技術總監，負責本集團之技術研究與開發。侯先生於類比及數碼設計、影像攝取及顯示行業(包括Pro-Arch、Syscan、Microtek、Trident、Genoa、Grundig及RCA)擁有圖像相關產品開發及工程管理逾25年經驗。彼持有美國西北工業大學電子工程學士學位。侯先生於二零零七年十二月加入本集團。

龔邦正先生，59歲，研發總監，負責研發團隊之管理、項目規劃、指導項目總技術方案。龔先生於影像、電訊、掃描工業(包括Syscan、Alphavision、AT&T貝爾實驗室、Grundig及Sylvania Philco等)擁有近20年電子電路設計加4年工程管理經驗。彼持有美國新墨西哥州立大學電機工程碩士學位。龔先生於二零零八年十一月加盟本集團。

馮國良先生，45歲，為本公司合資格會計師及公司秘書。馮先生持有香港理工大學頒授之會計學榮譽學士學位，為英國特許公認會計師公會及香港會計師公會資深會員。

Report of the Directors

董事會報告書

The Directors present their report together with the audited financial statements of SYSCAN Technology Holdings Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2010.

THE COMPANY

The Company was incorporated in Bermuda on 17 August 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). Its shares have been listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM") since 14 April 2000.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the design, research, development, optical image capturing devices and related components. Its subsidiaries also have minority interests in certain companies. Details of the investments of the Group are set out in Note 1 to the accompanying financial statements.

An analysis of the Group's turnover and segment result by product category and turnover and segment assets by geographical location for the year ended 31 December 2010 are set out in Note 6 to the accompanying financial statements.

CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2010, the five largest customers accounted for approximately 80.19% of the Group's total turnover, while the five largest suppliers of the Group accounted for approximately 47.23% of the Group's total purchases. The largest customer accounted for approximately 76.12% of the Group's total turnover while the largest supplier accounted for approximately 29.68% of the Group's total purchases.

As far as the Directors are aware, none of the Directors, their associates, or any shareholders (which, to the knowledge of the Directors, owned more than 5% of the Company's share capital) had a beneficial interest in the five largest customers and suppliers of the Group.

RESULTS AND APPROPRIATIONS

Details of the Group's results for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 46 of this annual report.

The Directors did not recommend the payment of any dividend.

董事會欣然提呈其報告書及矽感科技控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一零年十二月三十一日止年度的經審核財務報表。

本公司

本公司根據百慕達一九八一年公司法(經修訂)於一九九九年八月十七日在百慕達註冊成立為受豁免有限公司。本公司股份於二零零零年四月十四日起在香港聯合交易所有限公司創業板(「創業板」)上市。

主要業務

本公司是一間投資控股公司，其附屬公司主要從事設計、研究、開發光學影像攝取器材及相關部件。其附屬公司亦擁有若干公司的少數股東權益。有關本集團投資的詳情載於隨附的財務報表附註1。

截至二零一零年十二月三十一日止年度，本集團按產品類別分析的營業額及分類業績以及按地區分析的營業額及分類資產之詳情載於隨附的財務報表附註6。

客戶及供應商

截至二零一零年十二月三十一日止年度，五大客戶佔本集團總營業額約80.19%，而本集團五大供應商則佔本集團總採購額約47.23%。最大客戶佔本集團總營業額約76.12%，而最大供應商則佔本集團總採購額約29.68%。

就董事所察覺，概無董事、彼等的聯繫人士或任何據董事所知擁有本公司股本超過5%的股東於本集團五大客戶及供應商中擁有實益權益。

業績及撥款

本集團截至二零一零年十二月三十一日止年度的業績詳情載於本年報第46頁的綜合全面收益表。

董事不建議派付任何股息。

Report of the Directors

董事會報告書

SHARE CAPITAL

Details of movements share capital of the Company are set out in Note 30 to the accompanying financial statements.

RESERVES AND ACCUMULATED LOSSES

Movements in reserves of the Group and the Company during the year are set out in Note 31 to the accompanying financial statements. Movements in accumulated losses of the Group during the year are set out in the consolidated statement of changes in equity on page 51 of this annual report.

As at 31 December 2010, the Company had no reserves available for distribution to its shareholders. However, the Company's share premium account, in the amount of approximately HK\$Nil, may be distributed in the form of fully paid bonus shares.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and the laws in Bermuda in relation to the issue of new shares by the Company.

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and associates are set out in Notes 19 and 20 respectively to the accompanying financial statements.

PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Details of movements in property, plant and equipment and construction in progress during the year are set out in Notes 15 and 17 respectively to the accompanying financial statements.

EMPLOYEE RETIREMENT BENEFITS

Details of the Group's pension schemes are set out in Note 3(q)(ii) to the accompanying financial statements.

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in Note 37 to the accompanying financial statements.

股本

本公司股本變動詳情載於隨附財務報表附註30。

儲備及累計虧損

年內，本集團及本公司的儲備變動載於隨附財務報表附註31。本集團累計虧損於年內的變動載於本年報第51頁的綜合權益變動表。

於二零一零年十二月三十一日，本公司並無可分發予股東的儲備。然而，本公司金額約零港元之股份溢價賬可以繳足紅股之形式分派。

購買、出售或贖回股份

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

優先購買權

本公司的公司細則及百慕達法例並無有關本公司發行新股的優先購買權的任何條文。

附屬公司及聯營公司

本公司的附屬公司及聯營公司詳情分別載於隨附財務報表附註19及20。

物業、廠房及設備以及在建工程

年內，物業、廠房及設備以及在建工程的變動詳情分別載於隨附財務報表附註15及17。

僱員退休福利

本集團的退休金計劃詳情載於隨附財務報表附註3(q)(ii)。

關連人士交易

關連人士交易的詳情載於隨附財務報表附註37。

Report of the Directors

董事會報告書

DIRECTORS

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

Executive directors

Guan Gui Sen (Appointed on 28 February 2011)

Cheung Wai

Lei Chun Xiong (Appointed on 28 February 2011)

Frank Cheung (Resigned on 28 February 2011)

Independent non-executive directors

Fong Chi Wah

Wang Ruiping

He Zhiyi (Appointed on 19 July 2010)

Jin Qingjun (Resigned on 26 April 2010)

In accordance with Bye-law 99 and 102A of the Bye-Laws of the Company, Mr Guan Gui Sen, Mr Cheung Wai, Dr Lei Chun Xiong, Dr Fong Chi Wah and Professor He Zhiyi will retire from office by rotation at the forthcoming AGM, and being eligible, offer themselves for re-election at the forthcoming AGM besides Mr Cheung Wai.

DIRECTORS' SERVICE CONTRACTS

Mr Guan Gui Sen, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 28 February 2011.

Dr Lei Chun Xiong, the executive director, has entered into a service agreement with the Company for a term of three years commencing from 28 February 2011.

Dr Fong Chi Wah, Mr Wang Ruiping and Professor He Zhiyi, the independent non-executive directors, have entered the service agreements with the Company for a term of three years commencing from, in the case of Dr Fong Chi Wah, 19 December 2009, in the case of Mr Wang Ruiping, 30 September 2007 and in the case of Professor He Zhiyi, 19 July 2010.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming AGM has an unexpired service contract with the Company which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

於年內及截至本報告日期的在任董事如下：

執行董事

關貴森(在二零一一年二月二十八日獲委任)

張偉

雷純雄(在二零一一年二月二十八日獲委任)

Frank Cheung(在二零一一年二月二十八日辭任)

獨立非執行董事

方志華

王瑞平

何志毅(在二零一零年七月十九日獲委任)

靳慶軍(在二零一零年四月二十六日辭任)

按照本公司的公司細則第99及第102A條，關貴森先生、張偉先生、雷純雄博士、方志華博士及何志毅教授將於應屆股東週年大會輪席告退，彼等符合資格膺選連任，除張偉先生之外，彼等願意於應屆股東週年大會膺選連任。

董事的服務合約

執行董事關貴森先生與本公司訂立服務協議，自二零一一年二月二十八日開始為期三年。

執行董事雷純雄博士與本公司訂立服務協議，自二零一一年二月二十八日開始為期三年。

獨立非執行董事方志華博士、王瑞平先生及何志毅教授已與本公司簽定為期三年的服務協議，方志華博士乃自二零零九年十二月十九日開始，王瑞平先生自二零零七年九月三十日開始，及何志毅教授自二零一零年七月十九日開始。

除以上所披露者外，於應屆股東週年大會上建議重選連任的各董事並無與本公司訂立本集團不可於一年內免付賠償(法定賠償除外)而予以終止之尚未逾期服務合約。

Report of the Directors

董事會報告書

DIRECTORS' INTEREST IN SHARES

As at 31 December 2010, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the minimum standards of dealing by directors of the Company as referred to in Rule 5.40 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") were as follows:

Long Positions in shares of the Company

Name	Number of ordinary shares held				Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Other interests		
姓名	個人權益	家族權益	公司權益	其他權益	總數	百分比
Mr Cheung Wai 張偉先生	863,112,045	—	—	—	863,112,045	24.77%
Mr. Guan Gui Sen (Note 1) 關貴森先生(附註1)	—	—	218,750,000	—	218,750,000	6.28%
Mr. Frank Cheung (Note 2) Frank Cheung先生(附註2)	7,500,000	—	—	—	7,500,000	0.22%

Note 1: Mr. Guan Gui Sen appointed as an executive Director on 28 February 2011. 218,750,000 shares is held by Mighty Advantage Enterprises Limited which is incorporated in the British Virgin Islands and is beneficially owned by Mr Guan Gui Sen.

Note 2: Mr. Frank Cheung resigned as an executive Director on 28 February 2011.

Long Positions in Underlying Shares of the Company

On 2 March 2000, the Company adopted Share Option Scheme A and Scheme B under which share options to subscribe for shares of the Company may be granted under the terms and conditions stipulated in Scheme A and Scheme B.

董事於股份的權益

於二零一零年十二月三十一日，根據《證券及期貨條例》(「《證券及期貨條例》」)第352條須予備存的登記冊所記錄，或根據香港聯合交易所有限公司(「聯交所」)《創業板證券上市規則》(「《創業板上市規則》」)第5.40條所述有關本公司董事進行買賣的最低標準須知會本公司及聯交所有關本公司董事及主要行政人員於本公司或任何相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份及債權證中擁有的權益及淡倉如下：

於本公司股份中的好倉

Name	Number of ordinary shares held				Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests	Other interests		
姓名	個人權益	家族權益	公司權益	其他權益	總數	百分比
Mr Cheung Wai 張偉先生	863,112,045	—	—	—	863,112,045	24.77%
Mr. Guan Gui Sen (Note 1) 關貴森先生(附註1)	—	—	218,750,000	—	218,750,000	6.28%
Mr. Frank Cheung (Note 2) Frank Cheung先生(附註2)	7,500,000	—	—	—	7,500,000	0.22%

附註1：關貴森先生在二零一一年二月二十八日獲委任為執行董事。218,750,000股由Mighty Advantage Enterprises Limited持有，而該家公司為於英屬處女群島註冊成立並由關貴森先生實益擁有的公司。

附註2：Frank Cheung先生在二零一一年二月二十八日辭任執行董事。

於本公司相關股份中的好倉

於二零零零年三月二日，本公司採納購股權計劃A及計劃B，據此，可按計劃A及計劃B列明的條款與條件授出可認購本公司股份的購股權。

Report of the Directors

董事會報告書

Share Option Scheme A ceased to be effective (save for the options granted) upon the listing of the Company on 14 April 2000. At the annual general meeting of the Company held on 26 April 2002, shareholders of the Company approved the adoption of a new Share Option Scheme C and the termination of Share Option Scheme B.

Since its adoption and up to 31 December 2010, no options have been granted to the Directors of the Company under Share Option Scheme A.

Details of the options granted to the Directors of the Company under Share Option Scheme B and Share Option Scheme C since its adoption and up to 31 December 2009 were as follows:

Scheme B

Name	Date of grant	Exercise period	Subscription price per share	No. of	No. of	No. of	No. of
				underlying shares comprising the options granted	underlying shares comprising the options exercised	underlying shares comprising the options cancelled/lapsed	underlying shares comprising the options outstanding
姓名	授出日期	行使期限	每股認購價	已授出購股權所涉及相關股份數目	已行使購股權所涉及相關股份數目	已註銷/失效購股權所涉及相關股份數目	未行使購股權所涉及相關股份數目
Mr Cheung Wai	19/6/2000	19/6/2001 to 18/6/2010	HK\$0.44	3,750,000	-	3,750,000	0
張偉先生	二零零零年六月十九日	二零零一年六月十九日至二零一零年六月十八日	0.44港元				

購股權計劃A於本公司在二零零零年四月十四日上市後失效(已授出的購股權除外)。本公司於二零零二年四月二十六日舉行的股東週年大會上,獲本公司股東批准採納新購股權計劃C,並終止購股權計劃B。

自採納日期起至二零一零年十二月三十一日止,概無根據購股權計劃A向本公司董事授出任何購股權。

自採納日期起至二零零九年十二月三十一日止,本公司董事根據購股權計劃B及購股權計劃C獲授的購股權詳情如下:

計劃B

Report of the Directors

董事會報告書

Scheme C

計劃C

Name	Date of grant	Exercise period	Subscription price per share	No. of	No. of	No. of	No. of
				underlying shares comprising the options granted	underlying shares comprising the options exercised	underlying shares comprising the options cancelled/lapsed	underlying shares comprising the options outstanding
姓名	授出日期	行使期限	每股認購價	已授出購股權所涉及相關股份數目	已行使購股權所涉及相關股份數目	已註銷/失效購股權所涉及相關股份數目	未行使購股權所涉及相關股份數目
Mr Cheung Wai 張偉先生	13/8/2008 二零零八年八月十三日	13/8/2009 to 12/8/2018 二零零九年八月十三日至二零一八年八月十二日	HK\$0.06 0.06港元	15,000,000	15,000,000	-	0
Mr Frank Cheung (Note) Frank Cheung先生 (附註)	10/11/2009 二零零九年十一月十日	10/11/2010 to 9/11/2019 二零一零年十一月十日 至二零一九年十一月九日	HK\$0.1026 0.1026港元	15,000,000	7,500,000	-	7,500,000

Note: Mr Frank Cheung resigned as an Executive Director on 28 February 2011.

附註: Frank Cheung先生在二零一一年二月二十八日辭任執行董事。

Save as disclosed above, as at 31 December 2010, none of the directors had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors of the Company as referred to in Rule 5.40 of the GEM Listing Rules.

除上文所披露者外，於二零一零年十二月三十一日，董事概無於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）任何股份、相關股份或債權證中，擁有任何根據《證券及期貨條例》第352條須予備存的登記冊所記錄或根據《創業板上市規則》第5.40條所述有關本公司董事進行買賣的最低標準須知會本公司及聯交所之權益或淡倉。

Report of the Directors

董事會報告書

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 31 December 2010, there was no other person (other than a director or chief executive of the Company) who had any interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

根據《證券及期貨條例》須予披露的權益及主要股東

除下文所披露者外，於二零一零年十二月三十一日，按本公司根據《證券及期貨條例》第336條備存的登記冊所記錄，概無其他人士（本公司董事或主要行政人員除外）於本公司的股份及相關股份中擁有任何權益及淡倉。

Long Positions in Shares of the Company

於本公司股份中的好倉

Number of ordinary shares held

持有普通股數目

Name 姓名	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益	Total 總數	Percentage of issued share capital 佔已發行股本
						百分比
Mr Cheung Wai 張偉先生	863,112,045	–	–	–	863,112,045	24.77%
Mr. Guan Gui Sen (Note 1) 關貴森先生(附註1)	–	–	218,750,000	–	218,750,000	6.28%
Mr. Frank Cheung (Note 2) Frank Cheung先生(附註2)	7,500,000	–	–	–	7,500,000	0.22%

Note 1: Mr. Guan Gui Sen appointed as an executive Director on 28 February 2011. 218,750,000 shares is held by Mighty Advantage Enterprises Limited which is incorporated in the British Virgin Islands and is beneficially owned by Mr Guan Gui Sen.

附註1：關貴森先生在二零一一年二月二十八日獲委任為執行董事。218,750,000股由Mighty Advantage Enterprises Limited持有，而該家公司為於英屬處女群島註冊成立並由關貴森先生實益擁有的公司。

Note 2: Mr. Frank Cheung resigned as an executive Director on 28 February 2011.

附註2：Frank Cheung先生在二零一一年二月二十八日辭任執行董事。

Details of the interests of Mr Guan Gui Sen and Mr Cheung Wai is duplicated in the section "Directors' Interest in Shares" disclosed above.

關貴森先生和張偉先生之權益詳情已重複於上文「董事於股份的權益」一節中披露。

Report of the Directors

董事會報告書

EMPLOYEE SHARE OPTIONS

The Company has three employee share option schemes, namely Share Option Scheme A, Share Option Scheme B and Share Option Scheme C (collectively "the Schemes").

Share Option Scheme A ("Scheme A")

(I) *Summary of the terms of Scheme A*

The purpose of Scheme A is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and consultants of the Company and its subsidiaries and to promote the success of the Company's business.

The Company adopted Scheme A on 2 March 2000 and granted a maximum of 52,784,000 options to subscribe for 52,784,000 shares at exercise prices ranging from HK\$0.02422 to HK\$0.04844, which was resulted from the conversion of outstanding options under the stock option plan adopted and approved by SYSCAN, Inc., a wholly owned subsidiary of the Company, by virtue of a group reorganization scheme in preparation for the listing of the Company's shares on the GEM.

Save as aforesaid, no further shares may be granted under Scheme A and Scheme A ceased to be effective upon the listing of the Company on the GEM on 14 April 2000, but the options which have been granted during the life of Scheme A shall continue to be exercisable in accordance with their terms of issue and in all other respects the provisions of Scheme A shall remain in full force and effect.

Participants include any employee and consultant of the Company or any subsidiary, including any executive director of the Company or any subsidiary.

No participant shall be granted an option which, if exercised in full, would result in such participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued under all the options previously granted to him which have been exercised and issuable under all the options previously granted to him which are for the time being subsisting and unexercised, would exceed 25% of the aggregate number of shares for the time being issued and issuable under the Schemes.

(II) Up to 31 December 2010, no options have been granted to the option holders of the Company under Share Option Scheme A.

僱員購股權計劃

本公司設有三項僱員購股權計劃，分別為購股權計劃A、購股權計劃B及購股權計劃C(統稱「該等計劃」)。

購股權計劃A(「計劃A」)

(I) *計劃A的條款概要*

計劃A旨在吸引及留聘身兼重任的要員、提供額外獎勵予本公司及其附屬公司的僱員及顧問，以促使本公司成功經營業務。

本公司於二零零零年三月二日採納計劃A，授出最多達52,784,000份可按介乎0.02422港元至0.04844港元的行使價認購52,784,000股股份的購股權，此乃為籌備本公司股份在創業板上市進行集團重組計劃而根據本公司全資附屬公司SYSCAN, Inc.採納及批准的購股權計劃授出的未行使購股權獲兌換所致。

除上文所述者外，不得進一步根據計劃A授出股份，且計劃A已自本公司於二零零零年四月十四日在創業板上市後終生效，但於計劃A生效期間已授出的購股權可根據其發行條款繼續行使，計劃A在所有其他方面的條文仍全面生效及有效。

參與者包括本公司或任何附屬公司的任何僱員及顧問，包括本公司或任何附屬公司的任何執行董事。

倘參與者全面行使購股權將導致彼有權認購的股份數目，加上根據彼早前獲授並行使的所有購股權已予發行及根據彼早前獲授且當時仍屬有效而未行使的所有購股權可予發行的股份總數後，超過當時根據該等計劃已發行及可發行的股份總數25%，則概不得向彼授出購股權。

(II) 截至二零一零年十二月三十一日，概無根據購股權計劃A向本公司購股權持有人授出任何購股權。

Report of the Directors

董事會報告書

Share Option Scheme B ("Scheme B")

(i) Summary of the terms of Scheme B

The purpose of Scheme B is to advance the interests of the Company and its shareholders by providing to the executive directors and full-time employees of the Company and its subsidiaries a performance incentive for continued and improved service with the Company and its subsidiaries and by enhancing such persons' contribution to increase profits by encouraging capital accumulation and share ownership.

Scheme B was adopted by the Company on 2 March 2000 pursuant to which options may be granted to the employees of the Group to subscribe for ordinary shares of \$0.01 each, subject to, when aggregated with any shares subject to any other scheme of the Company, a maximum of 30% of the nominal value of the issued share capital of the Company from time to time. The subscription price will be determined by the Company's Board of Directors, and will not be less than the higher of (i) the nominal value of the ordinary shares, (ii) the average of the closing price of the ordinary shares quoted on the GEM on the five business days immediately preceding the date of grant, and (iii) the closing price of ordinary shares quoted on the GEM on the date of grant, which must be a business day. An offer of an option shall be deemed to have been granted and accepted when a duplicate letter comprising acceptance of the option duly signed by the participant, together with a remittance of HK\$1 by way of consideration for the grant thereof, is received by the Company with a period of 21 days from the date of offer.

Participants include any full-time employee of the Company or any subsidiary, including any executive director of the Company or any subsidiary.

No participant shall be granted an option which, if exercised in full, would result in such participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued under all the options previously granted to him which have been exercised and issuable under all the options previously granted to him which are for the time being subsisting and unexercised, would exceed 25% of the aggregate number of shares for the time being issued and issuable under Schemes.

At the annual general meeting of the Company held on 26 April 2002, shareholders of the Company have approved the termination of Scheme B (save for the options already granted but unexercised). Thereafter, no further shares may be granted under Scheme B and Scheme B ceased to be effective after 26 April 2002, but the options which have been granted during the life of Scheme B shall continue to be exercisable in accordance with their terms of issue and in all other respects the provisions of Scheme B shall remain in full force and effect.

購股權計劃B(「計劃B」)

(i) 計劃B的條款概要

計劃B旨在就本公司及其附屬公司的執行董事及全職僱員持續改善本公司及其附屬公司的服務作出獎勵，並藉著鼓勵資本累積及股份擁有權以提高該等人士對增加溢利所作貢獻，從而增進本公司及其股東的利益。

本公司於二零零零年三月二日採納計劃B，據此，本公司可授予本集團僱員購股權，以認購每股面值0.01元的普通股，惟限於該等普通股在加上根據本公司任何其他計劃可認購的任何股份後，最多佔本公司當時已發行股本面值30%。本公司董事會將釐定認購價，但不會低於以下各項的較高者：(i)普通股的面值；(ii)於緊接授出日期前五個營業日普通股在創業板所報的平均收市價；及(iii)於授出日期(必須為營業日)普通股在創業板所報的收市價。於參與者發出有關接納購股權並經正式簽署的函件副本，連同本公司就授出購股權於21日內收取1港元代價後，購股權將會被視作已授出及接納。

參與者包括本公司或任何附屬公司的任何全職僱員，當中包括本公司或任何附屬公司的任何執行董事。

倘參與者全面行使其購股權將導致該參與者有權認購的股份數目，加上根據彼早前獲授並行使的所有購股權已發行及根據彼早前獲授且當時仍屬有效而未行使的所有購股權可予發行的股份總數後，超過當時根據該等計劃已發行及可發行的股份總數25%，則概不得向彼授出購股權。

在本公司於二零零二年四月二十六日舉行之股東週年大會上，本公司股東已批准終止計劃B(但已授出而未獲行使的購股權除外)。計劃B於二零零二年四月二十六日後已經失效，其後，概無根據計劃B授出任何購股權，惟於計劃B生效期間已經授出的購股權可根據其發行條款繼續予以行使，計劃B在所有其他各方面的條文仍全面生效及有效。

Report of the Directors

董事會報告書

(III) Details of the movement of options under Scheme B during the year ended 31 December 2010 were as follows:

(III) 於截至二零一零年十二月三十一日止年度根據計劃B授出的購股權的變動詳情載述如下：

Date of grant	Exercise period	Subscription price per share	At 1 January 2010	Granted during the year	Cancelled/lapsed during the year	Exercised during the year	At 31 December 2010
授出日期	行使期	每股認購價	於二零一零年一月一日	年內授出	年內註銷/失效	年內行使	於二零一零年十二月三十一日
II. Share Option Scheme B							
購股權計劃B							
<i>Directors and Chief Executives</i>							
<i>董事及最高行政人員</i>							
19 June 2000	19 June 2001 to 18 June 2010	HK\$0.44	3,750,000	-	(3,750,000)	-	0
二零零零年六月十九日	二零零一年六月十九日至二零一零年六月十八日	0.44港元					
<i>Other employees</i>							
<i>其他僱員</i>							
12 July 2000	12 July 2001 to 11 July 2010	HK\$0.328	75,000	-	(75,000)	-	0
二零零零年七月十二日	二零零一年七月十二日至二零一零年七月十一日	0.328港元					
4 December 2000	4 December 2001 to 3 December 2010	HK\$0.1355	150,000	-	-	(150,000)	0
二零零零年十二月四日	二零零一年十二月四日至二零一零年十二月三日	0.1355港元					
17 January 2001	17 January 2002 to 16 January 2011	HK\$0.2747	600,000	-	-	(600,000)	0
二零零一年一月十七日	二零零二年一月十七日至二零一一年一月十六日	0.2747港元					
13 August 2001	13 August 2002 to 12 August 2011	HK\$0.368	225,000	-	(225,000)	-	0
二零零一年八月十三日	二零零二年八月十三日至二零一一年八月十二日	0.368港元					
Sub-total							
小計			4,800,000	-	(4,050,000)	(750,000)	0

Report of the Directors

董事會報告書

Share Option Scheme C ("Scheme C")

(i) Summary of the terms of Scheme C

The purpose of Scheme C is to provide incentives or rewards to participants hereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest.

Scheme C was adopted by the Company at the annual general meeting held on 26 April 2002 pursuant to which options may be granted to participants to subscribe for ordinary shares of \$0.01 each, subject to, when aggregated under this scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time. The subscription price will be determined by the Company's Board of Directors, and will not be less than the higher of (i) the nominal value of the ordinary shares, (ii) the average of the closing price of the ordinary shares quoted on the GEM on the five business days immediately preceding the date of grant, and (iii) the closing price of ordinary shares quoted on the GEM on the date of grant, which must be a business day. An offer of an option shall be deemed to have been granted and accepted when a duplicate letter comprising acceptance of the option duly signed by the participant, together with a remittance of HK\$1 by way of consideration for the grant thereof, is received by the Company within a period of 21 days from the date of offer.

The Directors may, at their absolute discretion, invite any person who has contributed to, or can contribute to the Group's business value and/or technology from product development, sales and marketing, manufacturing to enhancing efficiency of operation to take up options to subscribe for ordinary shares of the Company.

No participant shall be granted an option which would result in the total number of shares issued and to be issued upon exercise of all the options granted and to be granted to such person (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such grant representing in aggregate over 1 per cent. of the total number of shares in issue.

購股權計劃C(「計劃C」)

(i) 計劃C的條款概要

計劃C旨在向為本集團作出貢獻的參與者提供獎勵或獎賞及／或讓本集團招攬及延聘僱員人才，並吸引對本集團及其擁有任何股權的任何公司內有價值的人力資源。

本公司已於二零零二年四月二十六日舉行的股東週年大會上採納計劃C，據此，本公司可授予參與者購股權，以認購每股面值0.01元的普通股，惟限於該等普通股加上根據本計劃及本公司任何其他購股權計劃可認購的任何股份後，不得超過本公司當時已發行股份總數30%。本公司董事會將會釐定認購價，但不會低於以下各項的較高者：(i)普通股面值；(ii)於緊接授出日期前五個營業日普通股在創業板所報的平均收市價；及(iii)於授出日期(必須為營業日)普通股在創業板所報的收市價。於參與者發出有關接納購股權並經正式簽署的函件副本，連同本公司就授出購股權於21日內收取1港元代價後，購股權則會被視作已授出及接納。

董事可全權酌情邀請任何對本集團的業務價值及／或產品開發技術、銷售及市場推廣與製造有貢獻或可作出貢獻以加強營運效率的人士接納購股權，以認購本公司的普通股。

倘參與者根據行使其已獲授及將予獲授的所有購股權(包括已行使、已註銷及尚未行使的購股權)而已發行及可予發行的股份數目，自授出該等購股權之日(包括授出之日)起計任何12個月期間合共超逾已發行股份總數1%，則不得向該名人士授出購股權。

Report of the Directors

董事會報告書

Scheme C was refreshed at Annual General Meeting held on 30 April 2010.

The total number of shares available for issue under Scheme C is 204,728,654 (representing approximately 9.86% of the issued share capital of the Company as at the date of this report).

Scheme C shall remain valid and effective for a period of 10 years commencing on 26 April 2002, after which period no further options will be granted but the provisions of this scheme shall remain in full force and effect in all other respects.

(//) Details of the movement of options under Scheme C during the year ended 31 December 2010 were as follows:

Date of grant	Exercise period	Subscription price per share	At 1 January 2010	Granted during the year	Cancelled/lapsed during the year	Exercised during the year	At 31 December 2010
授出日期	行使期	每股認購價	於二零一零年一月一日	年內授出	年內註銷/失效	年內行使	於二零一零年十二月三十一日

計劃C於二零一零年四月三十日召開的股東週年大會更新。

根據計劃C可供發行的股份總數為204,728,654股(相當於本公司於本報告日期的已發行股本約9.86%)。

計劃C的有效及生效期自二零零二年四月二十六日起計為期10年，其後，概不會進一步授出購股權，惟本計劃在所有其他方面的條文仍全面生效及有效。

於截至二零一零年十二月三十一日止年度根據計劃C授出的購股權變動詳情載述如下：

III. Share Option Scheme C 購股權計劃C

Directors and chief executives
董事及最高行政人員

13 August 2008	13 August 2009 to 12 August 2018	HK\$0.06	47,000,000	-	-	(47,000,000)	0
二零零八年八月十三日	二零零九年八月十三日至二零一八年八月十二日	0.06港元					
10 November 2009	10 November 2010 to 9 November 2019	HK\$0.1026	15,000,000	-	-	(7,500,000)	7,500,000
二零零九年十一月十日	二零一零年十一月十日 二零一零九年十一月九日	0.1026港元					

Report of the Directors

董事會報告書

Date of grant	Exercise period	Subscription price per share	At 1 January 2010 於二零一零年一月一日	Granted during the year 年內授出	Cancelled/lapsed during the year 年內註銷/失效	Exercised during the year 年內行使	At 31 December 2010 於二零一零年十二月三十一日
<i>Other employees</i> 其他僱員							
14 May 2002 二零零二年五月十四日	14 May 2003 to 13 May 2012 二零零三年五月十四日至 二零一二年五月十三日	HK\$0.1883 0.1883港元	3,712,500	-	(375,000)	(2,587,500)	750,000
14 August 2002 二零零二年八月十四日	14 August 2003 to 13 August 2012 二零零三年八月十四日至 二零一二年八月十三日	HK\$0.1333 0.1333港元	2,587,500	-	(112,500)	(2,475,000)	0
26 March 2003 二零零三年三月二十六日	26 March 2004 to 25 March 2013 二零零四年三月二十六日至 二零一三年三月二十五日	HK\$0.1333 0.1333港元	2,017,500	-	-	(2,017,500)	0
13 August 2008 二零零八年八月十三日	13 August 2009 to 12 August 2018 二零零九年八月十三日至 二零一八年八月十二日	HK\$0.06 0.06港元	69,838,000	-	(4,212,500)	(63,910,917)	1,714,583
10 November 2009 二零零九年十一月十日	10 November 2010 to 9 November 2019 二零一零年十一月十日 二零一零九年十一月九日	HK\$0.1026 0.1026港元	60,000,000	-	-	(28,750,000)	31,250,000
Sub-total 小計			200,155,500	-	(4,700,000)	(154,240,917)	41,214,583
Total share options 購股權總數			204,955,500	-	(8,750,000)	(154,990,917)	41,214,583

Report of the Directors

董事會報告書

MANAGEMENT CONTRACTS

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

CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the standards of good practice concerning the general management responsibilities of the Board of Directors as set out in Rules 5.28 to 5.39 of the GEM Listing Rules throughout year ended 31 December 2010.

FINANCIAL SUMMARY

A summary of the consolidated statement of comprehensive income and consolidated statement of financial position of the Group is set out on pages 46 and 48 of this annual report.

AUDITORS

On 30 December 2010, SM Nelson Wheeler Certified Public Accountants ("RSM ") was appointed, which appointment will continue to be effective until the conclusion of the forthcoming annual general meeting of the Company.

The financial statements of the Group for the year ended 31 December 2010 have been audited by RSM. A resolution will be submitted to the forthcoming annual general meeting to re-appoint RSM as the auditor of the Company.

By Order of the Board
Guan Gui Sen
Chairman

Hong Kong, 28 March 2011

管理合約

年內，概無訂立或存有與本公司全部或任何主要業務管理及行政有關的合約。

最佳應用守則

董事認為，本公司於截至二零一零年十二月三十一日止整個年度一直遵守《創業板上市規則》第5.28至第5.39條所載有關董事會一般管理職責的良好應用標準。

財務概要

本集團的綜合全面收益表及綜合財務狀況表概要分別載於本年報第46及第48頁。

核數師

中瑞岳華(香港)會計師事務所(「中瑞岳華」)於二零一零年十二月三十日獲委任為核數師，任期將直至本公司應屆股東周年大會結束為止。

本集團截至二零一零年十二月三十一日止年度之財務報表已由中瑞岳華所審核。股東週年大會上將提呈決議案續聘中瑞岳華為本公司核數師。

承董事會命
主席
關貴森

香港，二零一一年三月二十八日

Independent Auditor's Report

獨立核數師報告書

RSM! Nelson Wheeler

中瑞岳華(香港)會計師事務所

Certified Public Accountants

TO THE SHAREHOLDERS OF SYSCAN TECHNOLOGY HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of SYSCAN Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 46 to 112, which comprise the consolidated and Company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the inability to obtain sufficient appropriate audit evidence as explained below, 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. Because of the matters as described in the basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

致：矽感科技控股有限公司各股東
(於百慕達註冊成立之有限公司)

我們獲受聘審核矽感科技控股有限公司(「貴公司」，連同其附屬公司稱「貴集團」)載於第46至第112頁之綜合財務報表，當中包括於二零一零年十二月三十一日之綜合及公司財務狀況表、截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量報表，以及主要會計政策概要及其他闡釋附註。

董事對綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，以及董事認為就編製綜合財務報表而言屬必須之內部監控，負責編製反映真實兼公平狀況之綜合財務報表。以確保綜合財務報表不存在重大錯誤陳述(不論其由欺詐或錯誤引起)。

核數師之責任

我們之責任是根據百慕達公司法第90節之規定，我們之審核結果對該等綜合財務報表表達意見，並僅向整體股東作出報告，本報告不作其他用途。我們不會就本報告內容向任何其他人士負上或承擔任何責任。我們乃根據香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求我們遵守操守規定以及計劃及進行審核以合理地確定該等綜合財務報表是否不存在任何重大錯誤陳述。由於在免責聲明基準數段所述事宜，我們無法取得足夠合適之審核憑據作為作出審核意見之依據。

Independent Auditor's Report

獨立核數師報告書

BASIS FOR DISCLAIMER OF OPINION

1. Prior year's limitation of scope affecting corresponding figures

The predecessor auditor qualified their audit opinion on the consolidated financial statements in respect of the year ended 31 December 2009 on the basis that they were unable to express their opinion as to whether the impairment of the interest in an associate of approximately HK\$19,960,000 and the share of losses of associates of approximately HK\$623,000 for the year ended 31 December 2009 were fairly stated.

There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the matters set out in the above paragraph. Any adjustments to the above figures might affect the Group's results, cash flows and the related disclosures in the notes to the financial statements for the year ended 31 December 2009.

2. Limitation of scope – consolidation adjustments brought forward from prior year

Included in opening consolidation adjustments as at 1 January 2010 and closing consolidation adjustments as at 31 December 2010 are entries with the following financial effects:

In relation to property, plant and equipment:

- increase in cost of property, plant and equipment by approximately HK\$13,791,000 as at 1 January 2010 and 31 December 2010; and
- increase in accumulated depreciation of property, plant and equipment by approximately HK\$20,434,000 as at 1 January 2010 and 31 December 2010.

In relation to prepayments, deposits and other receivables:

- decrease in the carrying amount of prepayments, deposits and other receivables as at 1 January 2010 and 31 December 2010 by approximately HK\$1,407,000.

免責意見之基礎

1. 影響比較數字之過往年度審核範圍限制

前任核數師由於無法就截至二零零九年十二月三十一日止年度之一間聯營公司權益減值約19,960,000港元及分佔聯營公司的虧損約623,000港元是否已獲公平呈列發表其意見，故就截至二零零九年十二月三十一日止年度之綜合財務報表發表其保留審核意見。

概無其他令人信納的審核程序可供我們採納，以使我們信納上一段所述事項。上述數據之任何調整可能對 貴集團截至二零零九年十二月三十一日止年度之業績、現金流量及財務報表附註之相關披露有所影響。

2. 審核範圍限制—結轉自上年度之綜合調整

於二零一零年一月一日之期初綜合調整及於二零一零年十二月三十一日之期末綜合調整內計入下列財務影響之項目：

就物業、廠房及設備而言：

- 於二零一零年一月一日及二零一零年十二月三十一日，物業、廠房及設備之成本增加約13,791,000港元；及
- 於二零一零年一月一日及二零一零年十二月三十一日，物業、廠房及設備之累計折舊增加約20,434,000港元。

就預付款項、按金及其他應收款而言：

- 於二零一零年一月一日及二零一零年十二月三十一日，預付款項、按金及其他應收款之賬面值減少約1,407,000港元。

Independent Auditor's Report

獨立核數師報告書

We were unable to obtain sufficient appropriate audit evidence relating to these consolidation adjustments and there were no other satisfactory audit procedures that we could adopt to satisfy ourselves whether the property, plant and equipment and prepayments, deposits and other receivables included in the consolidated statements of financial position as at 31 December 2010 and 2009 were fairly stated. Any adjustments to the above figures might have a significant consequential effect on the results and the related disclosures in notes to the financial statements for the years ended 31 December 2010 and 2009 and net assets as at 31 December 2010 and 2009.

3. Limitation of scope – other payables

Included in accruals and other payables in the consolidated statement of financial position as at 31 December 2010 are the following balances:

- (i) certain payable balances with aggregate amount of approximately HK\$58,856,000; and
- (ii) a net amount of payables of approximately HK\$31,505,000 which represents the net unreconciled intra-Group amounts on consolidation.

We were unable to obtain sufficient appropriate audit evidence relating to these payables and there were no other satisfactory audit procedures that we could adopt to satisfy ourselves whether these payables included in the consolidated statement of financial position as at 31 December 2010 were fairly stated. Any adjustments to the above figures might have a significant consequential effect on the results for the year ended 31 December 2010 and net assets as at 31 December 2010.

4. Limitation of scope – gain on disposal of associates

Assets classified as held for sale with carrying amount of approximately HK\$99,488,000 included in the consolidated statement of financial position as at 31 December 2009 represented the Group's 45% equity interest in a then associate, SYSCAN Manufacturing Limited, and its subsidiary (collectively referred to as "SML Group"). The Group's 45% equity interest in SML Group was disposed of during the year ended 31 December 2010 and the details of this transaction were disclosed in the Company's circular dated 8 February 2010. Gain on disposal of associates of approximately HK\$1,414,000 included in the consolidated profit or loss for the year ended 31 December 2010 was based on the net assets value of SML Group attributable to the Group as at the date of disposal of approximately HK\$99,488,000. The above-mentioned net assets value was calculated based on the management accounts of SML Group as at the date of disposal.

我們未能就該等綜合調整取得充分及適當之審核憑據，且概無其他令人信納的審核程序可供我們採納，以使我們信納於二零一零年及二零零九年十二月三十一日之綜合財務狀況表內包括之物業、廠房及設備以及預付款項、按金及其他應收款是否已獲公平呈列。上述數據之任何調整可能對截至二零一零年及二零零九年十二月三十一日止年度之業績及財務報表附註之相關披露以及於二零一零年及二零零九年十二月三十一日之資產淨值有重大影響。

3. 審核範圍限制 – 其他應付款項

於二零一零年十二月三十一日之綜合財務狀況表內之應計及其他應付款項包括下列結餘：

- (i) 若干應付款項結餘總額約 58,856,000 港元；及
- (ii) 應付款項淨額約 31,505,000 港元，為於綜合賬目時集團內公司間之未對賬款項淨額。

我們未能就該等應付款項取得充分及適當之審核憑據，且概無其他令人信納的審核程序可供我們採納，以使我們信納於二零一零年十二月三十一日之綜合財務狀況表內包括之該等應付款項是否已獲公平呈列。上述數據之任何調整可能對截至二零一零年十二月三十一日止年度之業績及於二零一零年十二月三十一日之資產淨值有重大影響。

4. 審核範圍限制 – 出售聯營公司之收益

於二零零九年十二月三十一日之綜合財務狀況表內計入賬面值約 99,488,000 港元之分類為持作出售資產指 貴集團於當時一間聯營公司矽感數碼科技製作有限公司及其附屬公司（統稱「矽感數碼集團」）之 45% 股本權益。 貴集團於矽感數碼集團之 45% 股本權益已於截至二零一零年十二月三十一日止年度出售，是項交易之詳情於 貴公司日期為二零一零年二月八日之通函披露。計入截至二零一零年十二月三十一日止年度之綜合損益內出售聯營公司之收益約 1,414,000 港元，乃根據於出售日期 貴集團應佔矽感數碼集團資產淨值約 99,488,000 港元計算。上述資產淨值乃根據於出售日期矽感數碼集團之管理賬目計算。

Independent Auditor's Report

獨立核數師報告書

As the Group was unable to access the books and records subsequent to the disposal of SML Group, we were unable to obtain sufficient appropriate audit evidence relating to the financial information of SML Group and there were no other satisfactory audit procedures that we could adopt to satisfy ourselves whether assets classified as held for sale of approximately HK\$99,488,000 as at 31 December 2009, the net assets value of SML Group attributable to the Group as at the date of disposal of approximately HK\$99,488,000, the Group's share of SML Group's profit or loss of HK\$Nil for the period up to the date of disposal and gain on disposal of associates of approximately HK\$1,414,000 for the year ended 31 December 2010 were fairly stated. Any adjustments to the above figures might have a significant consequential effect on the results for the years ended 31 December 2010 and 2009 and net assets as at 31 December 2010 and 2009.

5. Limitation on scope – losses on disposals of subsidiaries

There were two subsidiaries of the Company, 深圳市和浩源投資發展有限公司 (formerly known as 深圳市矽感數碼系統有限公司) and 深圳市旭感信息工程監理有限公司 disposed of during the year ended 31 December 2010. The above-mentioned disposals resulted in losses on disposals of subsidiaries amounted to approximately HK\$14,031,000. The aforesaid losses on disposals of subsidiaries were calculated based on the management accounts of the two disposed subsidiaries as at the respective dates of disposals.

As the Group was unable to access the books and records of the two then subsidiaries subsequent to their disposals, we were unable to obtain sufficient appropriate audit evidence relating to the financial information of these disposed subsidiaries and there were no other satisfactory audit procedures that we could adopt to satisfy ourselves whether the related equity attributable to these two subsidiaries was properly eliminated upon disposals and the losses on disposals of subsidiaries of approximately HK\$14,031,000 for the year ended 31 December 2010 was fairly stated. Any adjustments to the above figure might have a significant consequential effect on the results, movements in equity and the related disclosures in the notes to financial statements for the year ended 31 December 2010.

由於出售矽感數碼集團後 貴集團未能取得其賬冊及記錄，故我們未能就矽感數碼集團之財務資料取得充分及適當之審核憑據，且概無其他令人信納的審核程序可供我們採納，以使我們信納於二零零九年十二月三十一日分類為持作出售資產約99,488,000港元、於出售日期 貴集團應佔矽感數碼集團資產淨值約99,488,000港元、截至出售日期期間 貴集團應佔矽感數碼集團溢利或虧損零港元及截至二零一零年十二月三十一日止年度出售聯營公司收益約1,414,000港元是否已獲公平呈列。上述數據之任何調整可能對截至二零一零年及二零零九年十二月三十一日止年度之業績及於二零一零年及二零零九年十二月三十一日之資產淨值有重大影響。

5. 審核範圍限制－出售附屬公司之虧損

貴公司兩間附屬公司深圳市和浩源投資發展有限公司(前稱深圳市矽感數碼系統有限公司)及深圳市旭感信息工程監理有限公司於截至二零一零年十二月三十一日止年度出售。上述出售帶來出售附屬公司虧損約14,031,000港元。上述出售附屬公司虧損乃根據於相關出售日期兩間被出售附屬公司之管理賬目計算。

由於 貴集團於出售當時兩間附屬公司後無法取得其賬冊及記錄，故我們未能就該等被出售附屬公司之財務資料取得充分及適當之審核憑據，且概無其他令人信納的審核程序可供我們採納，以使我們信納應佔該兩間附屬公司之相關權益於出售時是否已妥為對銷以及截至二零一零年十二月三十一日止年度出售附屬公司之虧損約14,031,000港元是否已獲公平呈列。上述數據之任何調整可能對截至二零一零年十二月三十一日止年度之業績、權益變動及財務報表附註之相關披露有重大影響。

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6. Limitation on scope – loss on deemed disposal of a subsidiary

On 10 September 2010, 深圳市矽感高科技投資管理有限公司 transferred an intangible asset of RMB70,000,000 to the Company's wholly owned subsidiary, 乾元貝盟科技有限公司 ("GYB"), as capital contribution. The above-mentioned transfer led to the reduction of the Group's interest in GYB from 100% to 30% and GYB became an associate of the Group with carrying amount of approximately HK\$29,906,000. Pursuant to the above, a loss on deemed disposal of a subsidiary of approximately HK\$3,939,000 was recognised in the consolidated profit or loss for the year ended 31 December 2010.

We were unable to obtain sufficient appropriate audit evidence relating to the financial information of GYB and there were no other satisfactory audit procedures that we could adopt to satisfy ourselves whether any impairment for the Group's interest in GYB of approximately HK\$24,470,000 included in investments in associates in the consolidated statement of financial position as at 31 December 2010 should be made and the related equity attributable to GYB was properly eliminated upon deemed disposal, and whether the loss on deemed disposal of a subsidiary of approximately HK\$3,939,000 and the Group's share of GYB's loss of approximately HK\$5,436,000 for the year ended 31 December 2010 were fairly stated. Any adjustments to the above figures might have a significant consequential effect on the results, movements in equity and the related disclosures in notes to the financial statements for the year ended 31 December 2010 and net assets as at 31 December 2010.

7. Disclosure of transactions

(i) Transactions with 深圳市矽感高科技投資管理有限公司

During the year ended 31 December 2010, the Group entered into an agreement with 深圳市矽感高科技投資管理有限公司 ("Domestic Company I"), a former subsidiary, to dispose of its 93% equity interest in a subsidiary, 深圳市和浩源投資發展有限公司 (formerly known as 深圳市矽感數碼系統有限公司), at a cash consideration of approximately RMB186,000 (equivalent to HK\$214,000) to Domestic Company I.

6. 審核範圍限制—視作出售一間附屬公司之虧損

於二零一零年九月十日，深圳市矽感高科技投資管理有限公司向 貴公司全資附屬公司乾元貝盟科技有限公司(「GYB」)轉讓為數人民幣70,000,000元之無形資產作為注資。上述轉讓導致本集團於GYB之權益由100%削減至30%，GYB則成為 貴集團之聯營公司，賬面值約29,906,000港元。根據上文所述，視作出售一間附屬公司之虧損約3,939,000港元已於截至二零一零年十二月三十一日止年度之綜合損益確認。

我們未能就GYB之財務資料取得充分及適當之審核憑據，且概無其他令人信納的審核程序可供我們採納，以使我們信納於二零一零年十二月三十一日之綜合財務狀況表中計入於聯營公司之投資內 貴集團於GYB之權益約24,470,000港元是否出現任何減值、GYB應佔相關權益是否於視作出售後妥為對銷、視作出售一間附屬公司之虧損約3,939,000港元及截至二零一零年十二月三十一日止年度 貴集團應佔GYB之虧損約5,436,000港元是否已獲公平呈列。上述數據之任何調整可能對截至二零一零年十二月三十一日止年度之業績、權益變動及財務報表附註之相關披露以及截至二零一零年十二月三十一日之資產淨值有重大影響。

7. 交易披露

(i) 與深圳市矽感高科技投資管理有限公司之交易

截至二零一零年十二月三十一日止年度， 貴集團與前附屬公司深圳市矽感高科技投資管理有限公司(「國內公司I」)訂立協議，以向國內公司I出售一間附屬公司深圳市和浩源投資發展有限公司(前稱深圳市矽感數碼系統有限公司)之93%股本權益，現金代價約人民幣186,000元(相等於214,000港元)。

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Domestic Company I also advanced loans of RMB10,000,000 (equivalent to approximately HK\$11,838,000) to the Group during the years ended 31 December 2010 and 2009. Other loan included in the borrowings as at 31 December 2010 as set out in note 28 to the financial statements is an amount of approximately HK\$11,838,000 (2009: HK\$3,399,000) due to Domestic Company I. As at 31 December 2010, the loan is secured by the pledge of 75% equity interests in the Company's subsidiary, 深圳矽感科技有限公司, in favour of Domestic Company I. The loan bears interest at 6.5% per annum and is repayable within one year.

On 10 September 2010, Domestic Company I transferred an intangible asset of RMB70,000,000 to GYB as capital contribution. The above-mentioned transfer led to the reduction of the Group's interest in GYB from 100% to 30% and GYB became an associate of the Group with carrying amount of HK\$29,906,000. Pursuant to the above, a loss on deemed disposal of a subsidiary of HK\$3,939,000 was recognised in the consolidated profit or loss for the year ended 31 December 2010.

According to a company search dated 23 February 2011, as registered with 深圳市工商行政管理局, the executive director of the Company, Mr. Cheung Wai, has been the supervisor (監事) of Domestic Company I and a director of the Company's major operating subsidiary, Ms. Liu Huinian, has been a director of Domestic Company I since its establishment.

- (ii) *Transaction with 武漢矽感科技有限公司*
Amount due to non-controlling shareholder of a subsidiary of approximately HK\$37,659,000 (2009: HK\$319,000) in the consolidated statement of financial position as at 31 December 2010 represents the amount due to 武漢矽感科技有限公司 ("Domestic Company II"). The amount due is unsecured, interest-free and repayable on demand. During the year ended 31 December 2010, Domestic Company II injected a parcel of land to a subsidiary as capital contribution.

According to a company search dated 16 February 2011, as registered with 武漢市工商行政管理局東西湖分局, Domestic Company II has been a subsidiary of Domestic Company I since 30 October 2009.

國內公司I亦於截至二零一零年及二零零九年十二月三十一日止年度向 貴集團墊付貸款人民幣 10,000,000 元 (約相等於 11,838,000 港元)。誠如財務報表附註28所載，截至二零一零年十二月三十一日，包括在借款之其他貸款為應付國內公司I之款項約 11,838,000 港元 (二零零九年：3,399,000 港元)。截至二零一零年十二月三十一日，貸款由 貴公司附屬公司 深圳矽感科技有限公司 之 75% 股本權益之抵押 (受益人為國內公司I) 作擔保。貸款以年利率 6.5厘計息，須於一年內償還。

於二零一零年九月十日，國內公司I向 GYB 轉讓為數人民幣 70,000,000 元之無形資產作為注資。上述轉讓導致 貴集團於 GYB 之權益由 100% 削減至 30%，GYB 則成為 貴集團之聯營公司，賬面值約 29,906,000 港元。根據上文所述，視作出售一間附屬公司之虧損約 3,939,000 港元已於截至二零一零年十二月三十一日止年度之綜合損益賬確認。

根據深圳市工商行政管理局所登記日期為二零一一年二月二十三日之公司查冊，貴公司之執行董事張偉先生為國內公司I之監事，而本公司主要營運附屬公司董事劉慧年女士自國內公司I成立以來一直為其董事。

- (ii) *與武漢矽感科技有限公司之交易*
截至二零一零年十二月三十一日，於綜合財務狀況表之應付一間附屬公司一名非控股股東款項約 37,659,000 港元 (二零零九年：319,000 港元) 指應付武漢矽感科技有限公司 (「國內公司II」) 之款項。該款項為無抵押、免息及須按要求償還。截至二零一零年十二月三十一日止年度，國內公司II以土地注資一間附屬公司。

根據武漢市工商行政管理局東西湖分局所登記日期為二零一一年二月十六日之公司查冊，國內公司II自國內公司I於二零零九年十月三十日成立以來一直為其附屬公司。

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(iii) Transactions with 深圳市旭感和誠信息技術有限公司

During the year ended 31 December 2010, the Group entered into an agreement with 深圳市旭感和誠信息技術有限公司 ("Domestic Company III"), a former associate, to dispose of its 55.6% equity interest in a then subsidiary, 深圳市旭感信息工程監理有限公司, at a cash consideration of RMB1 (approximately HK\$1) to Domestic Company III.

Included in accruals and other payables in the consolidated statement of financial position as at 31 December 2010 is an amount of approximately HK\$1,906,000 due to Domestic Company III. The amount due is unsecured, interest-free and repayable on demand.

According to a company search dated 12 February 2011, as registered with 深圳市工商行政管理局, a director of the Company's major operating subsidiary, Ms Liu Huinian, has been a director of Domestic Company III since 7 September 2007.

The board of directors declared that Domestic Company I, Domestic Company II and Domestic Company III (collectively referred to as "Domestic Companies") are not related companies. In the absence of any other valid evidence, we are unable to assess the appropriateness of the classification of Domestic Companies as unrelated parties in accordance with Hong Kong Accounting Standard 24 "Related Party Disclosures" ("HKAS 24"). Should Domestic Companies be classified as related parties in accordance to HKAS 24, the transactions between the Group and Domestic Companies for the years ended 31 December 2010 and 2009 and the outstanding balances with Domestic Companies as at 31 December 2010 and 2009 mentioned above should be disclosed in the financial statements.

DISCLAIMER OF OPINION

Because of the significance of the matters as described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler

Certified Public Accountants

Hong Kong

28 March 2011

(iii) 與深圳市旭感和誠信息技術有限公司之交易

截至二零一零年十二月三十一日止年度，貴集團與前聯營公司深圳市旭感和誠信息技術有限公司（「國內公司III」）訂立協議，以向國內公司III出售其於當時附屬公司深圳市旭感信息工程監理有限公司之55.6%股本權益，現金代價為人民幣1元（約1港元）。

截至二零一零年十二月三十一日，包括在綜合財務狀況表之應計及其他應付款項為應付國內公司III之款項約1,906,000港元。該款項為無抵押、免息及須按要求償還。

根據深圳市工商行政管理局所登記日期為二零一一年二月十二日之公司查冊，貴公司主要營運附屬公司之董事劉慧年女士自國內公司III於二零零七年九月七日成立以來一直為其董事。

董事會宣佈，國內公司I、國內公司II及國內公司III（統稱「該等國內公司」）並非關連公司。在缺乏任何其他有效證據之情況下，我們無法根據香港會計準則第24號「有關連人士之披露」（「香港會計準則第24號」）評估將該等國內公司分類為非關連人士是否合適。倘該等國內公司根據香港會計準則第24號分類為有關連人士，上述貴集團與該等國內公司於截至二零一零年及二零零九年十二月三十一日止年度之交易及該等國內公司於二零一零年及二零零九年十二月三十一日未償還結餘須於財務報表披露。

免責意見

由於在免責意見基準數段所述事宜之重要性，我們無法取得足夠合適之審核憑據作為作出審核意見之依據。因此，我們並無就綜合財務報表發表意見。在其他各方面，我們認為，綜合財務報表已根據香港公司條例之披露規定妥善編製。

中瑞岳華(香港)會計師事務所

執業會計師

香港

二零一一年三月二十八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Note	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		附註		
Turnover	營業額	6	85,711	65,155
Cost of goods sold	銷貨成本		(71,164)	(54,461)
Gross profit	毛利		14,547	10,694
Other income	其他收入	7	12,108	10,331
Selling expenses	銷售開支		(8,866)	(7,499)
Administrative expenses	行政開支		(26,984)	(36,516)
Research and development expenses	研究及開發成本		(11,327)	(10,868)
Other operating expenses	其他經營開支		(17,092)	(762)
Equity-settled share-based payment	股權結算股份支付款項		(4,576)	(8,364)
Loss from operations	業務虧損		(42,190)	(42,984)
Finance costs	融資成本	8	(617)	(146)
Share of losses of associates	分佔聯營公司的虧損		(5,495)	(623)
Impairment loss on interest in an associate	一間聯營公司權益減值虧損		–	(19,960)
Impairment loss on other receivables	其他應收款之減值虧損		(85,164)	–
Gain on disposal of associates	出售一間聯營公司收益		1,414	–
(Loss)/gain on disposals of subsidiaries	出售附屬公司(虧損)/收益		(14,031)	502
(Loss)/gain on deemed disposal of a subsidiary	視作出售一間附屬公司之(虧損)/收益		(3,939)	195
Loss before tax	除稅前虧損		(150,022)	(63,016)
Income tax expense	所得稅開支	9	(1)	–
Loss for the year	本年度虧損	10	(150,023)	(63,016)
Other comprehensive income for the year, net of tax	年內其他全面收入，扣除稅項			
Exchange differences on translating foreign operations	換算海外業務之匯兌差額		3,471	1,435
Exchange differences reclassified to income statement on disposals of subsidiaries	出售附屬公司時重新歸類至收益表之匯兌差額		(326)	–
Exchange differences reclassified to income statement on deemed disposal of a subsidiary	視作出售一間附屬公司時重新歸類至收益表之匯兌差額		(714)	–
Other comprehensive income for the year, net of tax	年內其他全面收入，扣除稅項		2,431	1,435
Total comprehensive income for the year	年內全面收入總額		(147,592)	(61,581)

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Note	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		附註		
Loss for the year attributable to:	年內以下人士應佔虧損：			
Owners of the Company	本公司擁有人		(148,983)	(62,666)
Non-controlling interests	非控股權益		(1,040)	(350)
			(150,023)	(63,016)
Total comprehensive income for the year attributable to:	年內以下人士應佔全面收入總額：			
Owners of the Company	本公司擁有人		(146,552)	(61,231)
Non-controlling interests	非控股權益		(1,040)	(350)
			(147,592)	(61,581)
LOSS PER SHARE	每股虧損			
Basic	基本	14	HK(6.32) cents	HK(3.05) cents
Diluted	攤薄		N/A	N/A

Consolidated Statement of Financial Position

綜合財務狀況表

As 31 December 2010

於二零一零年十二月三十一日

		Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	10,384	10,857
Prepaid land lease payments	預付土地租賃款項	16	45,631	–
Construction in progress	在建工程	17	57,160	3,536
Intangible assets	無形資產	18	–	–
Investments in associates	於聯營公司之投資	20	24,555	495
Deposit paid	已付按金	21	–	226
			137,730	15,114
Current assets	流動資產			
Inventories	存貨	22	24,083	3,217
Trade receivables	應收賬款	23	10,887	7,830
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		13,855	9,514
Due from an associate	應收一間聯營公司款項	20	599	–
Pledged bank deposits	已抵押銀行存款	24	27,066	–
Bank and cash balances	銀行及現金結餘	24	82,030	37,754
			158,520	58,315
Assets classified as held for sale	分類為持作出售之資產	25	–	99,488
			158,520	157,803
Current liabilities	流動負債			
Trade payables	應付賬款	26	12,580	8,154
Accruals and other payables	應計及其他應付款項		113,718	56,073
Due to an associate	應付一間聯營公司款項	20	–	20,761
Due to a non-controlling shareholder of a subsidiary	應付一間附屬公司 一名非控股股東款項	27	37,659	319
Borrowings	借款	28	38,444	3,399
			202,401	88,706
Net current (liabilities)/assets	流動(負債)/資產淨值		(43,881)	69,097
NET ASSETS	資產淨值		93,849	84,211

Consolidated Statement of Financial Position

綜合財務狀況表

As 31 December 2010

於二零一零年十二月三十一日

		Note	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		附註		
Capital and reserves	資本及儲備			
Share capital	股本	30	26,409	20,769
Reserves	儲備		24,428	61,381
Equity attributable to owners of the Company	本公司擁有人應佔權益		50,837	82,150
Non-controlling interests	非控股權益		43,012	2,061
TOTAL EQUITY	權益總額		93,849	84,211

Approved by the Board of Directors on 28 March 2011

於二零一一年三月二十八日經董事會批准

GUAN GUI SEN

關貴森

Director

董事

CHEUNG WAI

張偉

Director

董事

Statement of Financial Position

財務狀況表

As 31 December 2010

於二零一零年十二月三十一日

		Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment in a subsidiary	於一間附屬公司之投資	19	–	74,698
Due from subsidiaries	應收附屬公司款項	19	–	30,486
			–	105,184
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款、按金及其他應收款		529	718
Bank and cash balances	銀行及現金結餘		46,254	16,818
			46,783	17,536
Current liabilities	流動負債			
Accruals and other payables	應計及其他應付款項		562	38,509
Net current assets/(liabilities)	流動資產/(負債)淨額		46,221	(20,973)
NET ASSETS	資產淨值		46,221	84,211
Capital and reserves	資本及儲備			
Share capital	股本	30	26,409	20,769
Reserves	儲備	31	19,812	63,442
TOTAL EQUITY	權益總額		46,221	84,211

Approved by the Board of Directors on 28 March 2011

於二零一一年三月二十八日經董事會批准

GUAN GUI SEN

關貴森

Director

董事

CHEUNG WAI

張偉

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium account	Capital reserves	Statutory reserves fund	Exchange reserve	Share option reserve	Accu- mulated losses	Total	Non- controlling interests	Total equity
		股本	股份溢價賬	資本儲備	法定儲備金	匯兌儲備	購股權儲備	累計虧損	總數	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於二零零九年一月一日	20,473	6,141	191,973	439	811	-	(86,597)	133,240	-	133,240
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	1,435	-	(62,666)	(61,231)	(350)	(61,581)
Share-based payments	以股份支付款項	-	-	-	-	-	8,364	-	8,364	-	8,364
Exercise of share options	行使購股權	296	2,893	-	-	-	(1,412)	-	1,777	-	1,777
Capital contributions from a non-controlling shareholder of a subsidiary	一間子公司之一名非控股股東注資	-	-	-	-	-	-	-	-	2,606	2,606
Deemed disposal of a subsidiary	視作出售一間附屬公司	-	-	-	-	-	-	-	-	(195)	(195)
At 31 December 2009	於二零零九年十二月三十一日	20,769	9,034	191,973	439	2,246	6,952	(149,263)	82,150	2,061	84,211
At 1 January 2010	於二零一零年一月一日	20,769	9,034	191,973	439	2,246	6,952	(149,263)	82,150	2,061	84,211
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	3,471	-	(150,023)	(146,552)	(1,040)	(147,592)
Share issued from placing (note 30)	配售事項發行股份(附註30)	4,090	63,395	-	-	-	-	-	67,485	-	67,485
Share-based payments	以股份支付款項	-	-	-	-	-	4,576	-	4,576	-	4,576
Exercise of share options (note 30)	行使購股權(附註30)	1,550	18,218	-	-	-	(8,169)	-	11,599	-	11,599
Release upon lapse of share options	於購股權失效時解除	-	-	-	-	-	(201)	201	-	-	-
Disposals of subsidiaries	出售附屬公司	-	-	692	-	(326)	-	14,774	15,140	-	15,140
Capital contributions from a non-controlling shareholder of a subsidiary	一間附屬公司之一名非控股股東注資	-	-	-	-	-	-	-	-	44,456	44,456
Deemed disposal of a subsidiary	視作出售一間附屬公司	-	-	-	-	(714)	-	17,153	16,439	(2,465)	13,974
At 31 December 2010	於二零一零年十二月三十一日	26,409	90,647	192,665	439	4,677	3,158	(267,158)	50,837	43,012	93,849

Consolidated Statement of Cash Flows

綜合現金流量報表

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

	Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量		
Loss before tax	除稅前虧損	(150,022)	(63,016)
Adjustments for:	就以下各項調整：		
Amortisation of prepaid land lease payments	攤銷預付土地租賃款項	946	-
Finance costs	融資成本	617	146
Share of losses of associates	分佔聯營公司溢利及虧損	5,495	623
Interest income	利息收入	(44)	(41)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(125)	(5,550)
Write off of property, plant and equipment	物業、廠房及設備撇銷	-	1,270
Impairment loss on interest in an associate	一間聯營公司之權益減值虧損	-	19,960
Gain on disposal of an associate	出售一間聯營公司之收益	(1,414)	-
Impairment loss on other receivable	其他應收款項減值虧損	85,164	-
Loss/(gain) on disposals of subsidiaries	出售附屬公司之虧損/(收益)	14,031	(502)
Loss/(gain) on deemed disposal of a subsidiary	視作出售一間附屬公司之虧損/(收益)	3,939	(195)
Reversal of impairment loss on other receivables	撥回其他應收款之減值虧損	(2,885)	-
Reversal of write-down of inventories to net realisable value	撥回撇減存貨至可變現淨值	-	(1,988)
Reversal of impairment loss on trade receivables	撥回應收賬款之減值虧損	-	(1,396)
Derecognitions of financial liabilities	終止確認財務負債	(8,443)	-
Equity-settled share-based payments	股權結算股份支付款項	4,576	8,364
Depreciation	折舊	2,906	4,643
Operating loss before working capital changes	營運資金變動前之經營虧損	(45,259)	(37,682)
(Increase)/decrease in inventories	存貨(增加)/減少	(21,019)	1,844
Increase in trade receivables	應收賬款增加	(3,132)	(3,073)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應付款增加	(114,771)	(548)
Decrease in financial assets at fair value through profit or loss	按公平值計入損益之財務資產減少	-	1,139
Increase in trade payables	應付賬款增加	4,461	2,033
Increase in other payables and accruals	其他應付賬款及預提費用增加	113,279	3,137
Cash flows used in operations	經營所耗現金流量	(66,441)	(33,150)
Interest received	已收利息	7	41
Interest paid	已付利息	(617)	(146)
Net cash used in operating activities	經營活動所耗現金淨值	(67,051)	(33,255)

Consolidated Statement of Cash Flows

綜合現金流量報表

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

	Note	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	附註		
CASH FLOWS FROM INVESTING ACTIVITIES			
		投資活動現金流量	
Purchases of property, plant and equipment		(7,188)	(4,430)
Proceeds from disposal of property, plant and equipment		—	7,071
Additions to construction in progress		(53,505)	(2,470)
Advance from a purchaser		—	34,053
Deposit for investment in an associate		—	(226)
Investment in associates		—	(567)
Increase in pledged bank deposits		(27,066)	—
Advance from associates		410	1,663
Repayment to an associate		(24,400)	—
Deemed disposal of a subsidiary, net of cash disposal of		(480)	—
Proceeds from disposal of an associate		68,574	—
Proceeds from disposal of subsidiaries	33	168	(39)
Net cash flows (used in)/generated from investing activities		(43,487)	35,055
		投資活動(所用)/所得現金流量淨額	
CASH FLOWS FROM FINANCING ACTIVITIES			
		融資活動現金流量	
Increase in other loans		8,439	—
Proceeds from exercise of share options		11,645	—
Proceeds from placement		67,485	1,777
New bank loans raised		26,606	—
Advance from a non-controlling shareholder		37,471	—
Capital contributions from a non-controlling shareholder		—	2,606
Net cash flows generated from financing activities		151,646	4,383
		融資活動所得現金流量淨額	
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		現金及現金等值物增加淨額	
Effect of foreign exchange rate changes, net		3,168	1,341
CASH AND CASH EQUIVALENTS AT 1 JANUARY		37,754	30,230
		於一月一日之現金及現金等值物	
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		82,030	37,754
		於十二月三十一日之現金及現金等值物	
ANALYSIS OF THE CASH AND CASH EQUIVALENTS			
		現金及現金等值物分析	
Bank and cash balances		82,030	37,754
		銀行及現金結餘	

Notes to Financial Statements

財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its principal place of business is Unit C, 21st Floor, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong.

The Company's shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in the design, research, development, manufacture and distribution of optical image capturing devices, chips and other optoelectronic products.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

1. 一般資料

本公司為於百慕達註冊成立之有限公司。其註冊辦事處位於Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda，而其主要營業地點則位於香港北角蜆殼街9-23號秀明中心21樓C室。

本公司股份在香港聯合交易所有限公司創業板上市。

本公司為投資控股公司，其附屬公司主要從事設計、研究、開發、製造及分銷光學影像攝取器材、芯片及其他光電產品。

2. 採納新訂及經修訂香港財務報告準則

近年，本集團採納香港會計師公會（「香港會計師公會」）頒佈與其業務相關並於二零一零年一月一日開始之會計年度生效之所有新訂及經修訂香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新訂及經修訂香港財務報告準則並無導致本集團會計政策及本年度及過往年度之報告金額造成重大變動。

本集團並無應用已頒佈但尚未生效之新香港財務報告準則。本集團已著手評估該等新香港財務報告準則之影響，惟現階段未能指出該等新香港財務報告準則會否對其經營業績及財務狀況構成重大影響。

Notes to Financial Statements

財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements are disclosed in note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated exchange reserve.

3. 重大會計政策

此等財務報表乃根據香港會計師公會所頒佈香港財務報告準則、香港公認會計準則以及香港聯合交易所有限公司創業板證券上市規則及香港公司條例之適用披露規定編製。

該等財務報表乃根據歷史成本基準編製。

編製符合香港財務報告準則之財務報表須使用若干主要假設及估計，亦需要董事於應用會計政策之過程中作出判斷。涉及關鍵判斷之範疇與對此等財務報表屬重大之假設及估計之範疇，於財務資料附註4披露。

編製此等財務報表時應用之主要會計政策載列如下。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團擁有控制權之實體。控制權指有權支配一間實體之財務及經營政策，以從其業務中獲取利益。於評估本集團是否擁有控制權時，會考慮現時是否存在可行使或可轉換之潛在表決權及其影響。

附屬公司在控制權轉移至本集團之日起綜合入賬，並在控制權終止之日起停止綜合入賬。

出售一間附屬公司導致失去控制權之收益或虧損指(i)出售代價之公平值加該附屬公司留有任何投資之公平值與(ii)本公司應佔該附屬公司資產淨額加有關該附屬公司之任何餘下商譽及任何有關匯兌儲備間之差額。

Notes to Financial Statements

財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Consolidation (Cont'd)

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. 重大會計政策(續)

(a) 綜合賬目(續)

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要調整，以確保符合本集團採納之會計政策。

非控股權益指並非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合全面收益表呈列為本公司非控股股東與擁有人應佔溢利或虧損及年內全面收入總額之分配。

儘管會導致非控股權益出現虧絀結餘，其他全面收入各部分之損益應計入本公司擁有人及非控股股東。

本公司於不會導致失去控制權之附屬公司之擁有權權益變動計入股權交易(即以擁有人身分與擁有人進行之交易)。控股權益及非控股權益之賬面值已作調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認，並由本公司擁有人分佔。

於本公司之財務狀況表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。附屬公司之業績由本公司按已收及應收股息之基準入賬。

Notes to Financial Statements

財務報表附註

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截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

3. 重大會計政策(續)

(b) 聯營公司

聯營公司為本集團對其有重大影響之實體。重大影響指有權參與實體財政及經營政策但不控制或聯合控制該等政策。於評估本集團是否擁有重大影響力時，會考慮現時是否存在可行使或可轉換之潛在表決權及其影響。

於聯營公司之投資以權益法於綜合財務報表列賬，且初步按成本確認。於收購中，聯營公司之可識別資產及負債於收購日期按公平值計量。收購成本超出本集團應佔聯營公司可識別資產及負債之公平淨值差額列為商譽。商譽計入投資之賬面值，且倘有任何客觀證據顯示投資已減值，則於各報告期間結算日連同投資進行減值測試。本集團應佔可識別資產及負債公平值淨值超出收購成本之任何差額於綜合損益賬確認。

本集團應佔聯營公司之收購後溢利或虧損於綜合損益賬確認，而其應佔之收購後儲備變動則於綜合儲備確認。累計收購後變動根據投資之賬面值作出調整。當本集團應佔聯營公司之虧損相當於或超過其於聯營公司之權益(包括任何其他無抵押應收款)時，本集團不會確認進一步虧損，惟其須代表聯營公司承擔責任或付款除外。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利與未確認之應佔虧損相等後，方會重新確認其應佔溢利。

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財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Associates (Cont'd)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related exchange reserve.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

3. 重大會計政策(續)

(b) 聯營公司(續)

出售一間聯營公司導致失去重大影響力之收益或虧損指(i)出售代價之公平值加該聯營公司保留任何投資之公平值與(ii)本集團應佔該聯營公司資產淨額加有關該聯營公司之任何餘下商譽及任何有關匯兌儲備間之差額。

本集團與其聯營公司進行交易之未變現溢利以本集團於聯營公司之權益對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產已出現減值。聯營公司之會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

(c) 外幣換算

(i) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以該實體營運主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表乃以本公司之功能貨幣及呈列貨幣港元呈列。

(ii) 各實體財務報表中之交易及結餘

外幣交易按交易日期之現行匯率於初步確認時換算為功能貨幣。以外幣呈列之貨幣資產及負債按各報告期間結算日之匯率換算。此換算政策所產生收益及虧損於損益確認。

以外幣公平值計量之非貨幣項目按釐定公平值日期之匯率換算。

Notes to Financial Statements

財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Foreign currency translation (Cont'd)

(ii) *Transactions and balances in each entity's financial statements (Cont'd)*

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the exchange reserve.

3. 重大會計政策(續)

(c) 外幣換算(續)

(ii) *各實體財務報表中之交易及結餘(續)*

倘非貨幣項目之損益於其他全面收入確認，該損益之任何匯兌部分於其他全面收入確認。倘非貨幣項目之損益於損益確認，該損益之任何匯兌部分亦於損益確認。

(iii) *綜合賬目換算*

本集團所有實體之功能貨幣倘有別於本公司之呈列貨幣，則其業績及財務狀況須按以下方式換算為本公司之呈列貨幣：

- 各財務狀況表之資產及負債均按照該財務狀況表日期之收市匯率換算；
- 各全面收益表之收入及開支均按平均匯率換算(若此平均匯率未能合理反映交易日匯率所帶來之累計影響，在此情況下，收入及開支則按交易當日之匯率換算)；及
- 所有產生之匯兌差額均於外匯換算儲備中確認。

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財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Foreign currency translation (Cont'd)

(iii) Translation on consolidation (Cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange reserve. When a foreign operation is sold, such exchange differences are recognised in combined profit or loss as part of the gain or loss on disposal.

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

(d) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives and annual rates are as follows:

Leasehold land and buildings	Over the shorter of the unexpired term of lease and estimated useful lives, being no more than 50 years after the date of completion
Leasehold improvements	5%
Furniture and office equipment	20% – 33%
Machinery and equipment	10% – 20%
Motor vehicles	20%

3. 重大會計政策(續)

(c) 外幣換算(續)

(iii) 綜合賬目換算(續)

於綜合賬目時，因換算於海外實體投資淨額及借款產生之匯兌差額乃於匯兌儲備確認。當出售海外業務時，該等匯兌差額於合併損益確認為出售盈虧其中部分。

收購海外實體產生之商譽及公平值調整被視作該海外實體之資產及負債處理，並按收市匯率換算。

(d) 物業、廠房及設備

物業、廠房及設備以成本減累計折舊及減值虧損列賬。

僅在與項目相關之日後經濟效益有可能流入本集團及能可靠計算項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產(視適用情況而定)。所有其他維修及保養成本於其產生期間在損益支銷。

物業、廠房及設備以直線法按足以撇銷其成本減剩餘價值之比率，於估計可使用年期計算折舊。主要可使用年期及年率如下：

租賃土地及樓宇	按未屆滿租賃期及其估計可使用年期(以較短年期為準)折舊，惟自完成日期後不超過50年
租賃物業裝修	5%
傢具及辦公室設備	20%至33%
機器及設備	10%至20%
汽車	20%

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截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Property, plant and equipment (Cont'd)

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(f) Research and development expenditure

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

(g) Non-current assets held for sale

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets or disposal group are available for immediate sale in their present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of the assets' or disposal group's previous carrying amount and fair value less costs to sell.

3. 重大會計政策(續)

(d) 物業、廠房及設備(續)

剩餘價值、可使用年期和折舊方法最少於每個報告期間結算日進行檢討和調整(如適用)。

在建工程指興建中樓宇以及待安裝之機器及機械，按成本減任何減值虧損列賬。折舊乃於有關資產可供使用時開始計算。

出售物業、廠房及設備之盈虧指銷售所得款項淨額與有關資產賬面值之間之差額，並於損益確認。

(e) 租約

並無實質上將資產擁有權之一切風險及回報轉讓予本集團之租約列為經營租約。租賃款項(扣除出租人收取之任何優惠)已按租賃期以直線法確認為開支。

(f) 研究及開發開支

研究活動之開支於其產生期間確認為開支。

(g) 持作出售之非流動資產

倘非流動資產或出售組別之賬面值大體上能透過銷售交易(而非持續使用)收回，則分類為持作出售。該條件僅在出售極有可能達成及資產或出售組別可即時以現況出售時方視為達成。本集團必須致力於出售，該等出售須計劃於分類日期起一年內合資格確認為完成銷售。

分類為持作出售之非流動資產或出售組別按其過往賬面值及公平值減銷售成本兩者之較低者計量。

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財務報表附註

For the year ended 31 December 2010
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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

3. 重大會計政策(續)

(h) 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本乃按加權平均基準釐定，而就製成品及在製品而言，則包括直接原料、直接人工及全部生產成本開支之適當比例成本及(於適當情況下)分包費用。可變現淨值按一般業務過程之估計售價，減完成之估計成本及進行銷售所需之估計成本計算。

(i) 確認及終止確認金融工具

財務資產及財務負債於本集團成為工具合約條文之訂約方時，於財務狀況表確認。

倘從資產收取現金流量之合約權利已屆滿，或本集團已將其資產擁有權之絕大部分風險及回報轉移，或本集團並無轉移及保留其於資產擁有權之絕大部分風險及回報但保留對資產之控制權，則財務資產將被終止確認。於終止確認財務資產時，資產賬面值與已收代價及已於其他全面收入確認之累計盈虧兩者總和之差額，將於損益確認。

倘於有關合約之特定責任獲解除、取消或到期，則財務負債將被終止確認。終止確認之財務負債賬面值與已付代價之差額於損益確認。

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截至二零一零年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

3. 重大會計政策(續)

(j) 應收賬款及其他應收款

應收賬款及其他應收款為固定或可釐定付款之非衍生財務資產，其並無於交投活躍之市場中報價，初步按公平值確認，其後採用實際利率法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法根據應收款之最初條款收回所有結欠金額，即可確定應收賬款及其他應收款之減值撥備。撥備金額為應收款之賬面值與估計未來現金流現值兩者間之差額，於初步確認時按實際利率折現。撥備金額於損益確認。

當應收款之可收回金額增加可客觀地與於確認減值後發生之事件聯繫，減值虧損於日後期間撥回，並於損益確認，所須遵守之限制為應收款於撥回減值當日之賬面值不得超過倘並無確認減值而應出現之攤銷成本。

(k) 現金及現金等值物

就現金流量表而言，現金及現金等值物代表銀行及手頭現金、銀行及其他財務機構之活期存款及短期流動性極高之投資項目(該等項目可兌換為已知金額的現金，且價值變動風險不高)。須應要求償還及為本集團現金管理之重要組成部分之銀行透支，亦列入現金及現金等值物。

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財務報表附註

For the year ended 31 December 2010
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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out in notes (m) to (o) below.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Equity instruments

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

3. 重大會計政策(續)

(l) 財務負債及股本工具

財務負債及股本工具根據契約安排之內容及香港財務報告準則項下之財務負債及一項股本工具之釋義進行分類。股本工具為任何證明本集團扣除非其所有負債後之剩餘資產權益之合約。以下附註(m)至(o)所載為就特定財務負債及股本工具所採納之會計政策：

(m) 借款

借款初步按公平值(扣除所產生交易成本)確認，其後採用實際利率法按攤銷成本計量。

借款歸類為流動負債，除非本集團享有無條件權利可將償還負債之期限推遲至報告期間後至少十二個月。

(n) 應付賬款及其他應付款

應付賬款及其他應付款初步按用公平值確認，其後採用實際利率法按攤銷成本計量，除非貼現影響微不足道，在此情況下，則按成本列賬。

(o) 股本工具

由本集團發行之股本工具按收訖之所得款項(扣除直接發行成本)入賬。

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For the year ended 31 December 2010
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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

(i) Sales of goods

Revenues from the sales of manufactured goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

(ii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

3. 重大會計政策(續)

(p) 收益確認

當經濟利益有可能流入本集團，且能可靠計量收入金額時，收入按已收或應收代價之公平值計量。

(i) 銷售貨品

銷售製造貨品之收益於擁有權之大部分風險及回報轉移予買方時確認入賬，一般與貨物交付及所有權轉移至客戶之時間一致。

(ii) 利息收入

利息收入採用實際利率法按時間比例確認。

(q) 僱員福利

(i) 僱員享有之休假

僱員年假及長期服務假於員工享有休假時確認，並已就僱員截至報告期間結算日之服務年期所享有年假及長期服務假期估計須承擔之負債作出撥備。

僱員病假及產假於實際休假時始予確認。

(ii) 退休金責任

本集團向為所有僱員提供之定額供款退休計劃供款。本集團及僱員之計劃供款根據僱員基本薪金之百分比計算。自損益扣除退休福利計劃成本代表本集團須向基金支付之供款。

(iii) 終止福利

在(僅限於此情況下)本集團已具備詳細正式計劃且不可能撤回計劃，顯見本集團決意終止僱用或因自願裁員而提供福利之情況下，終止福利始予確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

(s) Borrowing costs

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

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

(t) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate.

3. 重大會計政策(續)

(r) 股份付款

本集團向若干僱員發出股權結算股份支付款項。股權結算股份支付款項乃按授出當日股本工具之公平值(不計非市場為基礎之歸屬條件影響)計量。股權結算股份支付款項於授出當日釐定之公平值，乃依據本集團對其最終歸屬之股份估計及就非市場為基礎之歸屬條件影響所作調整，以直線法於歸屬期間支銷。

(s) 借款成本

與收購、建造或生產合資格資產(即必需花上一段長時間方能作其擬定用途或出售之資產)直接相關之借款成本均撥充資本，作為此等資產成本之一部分，直至此等資產大體上已可作其擬定用途或出售為止。指定用途借款在用作合資格資產之開支前作短暫投資所賺取投資收入，自合資格資本化之借款成本中扣除。

如借款之一般目的及用途為獲取合資格資產，合資格資本化之借款成本金額則採用資本化率計算該項資產開支之方法釐定。資本化率為適用於本集團該期間未償還借款之借款成本加權平均值，但為獲得合資格資產之特別借款除外。

所有其他借款成本於產生期間在損益確認。

(t) 政府補助金

如有合理保證本集團將收取政府補助，且所有附帶條件將獲遵守，則確認政府補助。與收入有關之政府補助就其與擬補償成本配對之所需期間於損益遞延並確認。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(u) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

3. 重大會計政策(續)

(u) 稅項

所得稅指即期稅項及遞延稅項之總和。

應繳即期稅項按年內應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅收入或開支，並且不包括從不課稅或不可扣稅項目，故與於損益中確認之溢利不同。本集團之即期稅項負債按報告期間結算日已頒佈或實際上頒佈之稅率計算。

遞延稅項就財務報表內資產及負債賬面值金額與計算應課稅溢利所用相應稅基兩者間之差異確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額、未動用稅項虧損或未動用稅項抵免可予動用時確認。倘因商譽或因初步確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中其他資產或負債引致之暫時差額，則不會確認該等資產及負債。

遞延稅項負債就於附屬公司及聯營公司之投資產生之應課稅暫時差額確認，惟倘本集團能夠控制暫時差額之撥回且暫時差額不會於可見將來撥回則作別論。

遞延稅項資產賬面值於各報告期間結算日檢討，並於不再可能有足夠應課稅溢利以供收回全部或部分資產時調減。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(u) Taxation (Cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(v) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3. 重大會計政策(續)

(u) 稅項(續)

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算，以報告期間結束時已頒佈或實際上頒佈之稅率為依據。遞延稅項於損益中確認，惟遞延稅項與於其他全面收入中確認或直接計入權益之項目有關則除外，在此情況下，遞延稅項亦在其他全面收入中確認或直接計入權益中。

遞延稅項資產及負債於可依法以即期稅項資產與即期稅項負債抵銷時，及於該等遞延稅項資產及負債與同一稅務機關徵收之所得稅相關且本集團擬以淨額結清其即期稅項資產及負債時抵銷。

(v) 關連人士

任何一方如屬以下情況，即視為本集團之關連人士：

- (i) 透過一家或多家中介公司，直接或間接控制本集團、受本集團控制或與本集團受同一方控制；於本集團擁有權益，並可藉著該權益對本集團行使重大影響力；或共同控制本集團；
- (ii) 為聯營公司；
- (iii) 為合營公司；
- (iv) 為本公司或其母公司之主要管理人員之一；
- (v) 為(i)或(iv)所述任何人士之近親；
- (vi) 為直接或間接受(iv)或(v)所述任何人士控制或共同控制，或(iv)或(v)所述任何人士直接或間接對其行使重大影響力或擁有重大表決權之實體；或
- (vii) 為本集團或屬於其有關連人士之任何實體之僱員福利而設之終止僱用後福利計劃。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(w) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets except inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior year. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. 重大會計政策(續)

(w) 資產減值

於各報告期間結算日，本集團均會審閱其有形(庫存及應收款除外)之賬面值金額，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘出現任何減值跡象，則會估計資產之可收回金額，以釐定減值虧損之程度。如不可能估計個別資產之可收回金額，則本集團將估計資產所屬現金產生單位之可收回金額。

可收回金額乃指公平值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量採用足以反映市場現時對金錢時值及資產特定風險評估之稅前貼現率貼現至現值。

倘資產或現金產生單位之可收回金額估計將少於其賬面值金額，則資產或現金產生單位之賬面值金額減至其可收回金額。減值虧損即時於損益中確認，惟有關資產按重估數額列賬除外，於此情況下，減值虧損會被視為重估減值。

倘其後撥回減值虧損，資產或現金產生單位之賬面值增加至經修訂之估計可收回金額，惟已增加賬面值並不超過如過往年度並無就資產或現金產生單位確認減值虧損而釐定之賬面值(扣除攤銷或折舊)。減值虧損撥回即時於損益確認，惟相關資產以重估金額列賬，於此情況下，減值虧損撥回則按重估增值處理。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(x) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow is remote.

(y) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. 重大會計政策(續)

(x) 撥備及或然負債

當本集團因過往事件須承擔現有法律或推定責任，而履行責任時有可能導致經濟利益流出時，並能可靠估計責任金額之情況下，須對產生時間或金額皆不明確之負債確認撥備。倘貨幣時值重大，則撥備按預期用於履行該責任之支出現值列賬。

倘不大可能導致經濟利益流出，或責任金額無法可靠估計，則有關責任披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，其是否存在將僅取決於日後是否會發生一宗或多宗事件，亦披露為或然負債，除非經濟利益流出之可能性極低。

(y) 報告期間後事項

提供有關本集團於報告期間結算日狀況之額外資料或顯示持續經營假設並不適用之報告期間後事項均屬於調整事項，並於財務報表內反映。並非調整事項之重大報告期間後事項則於財務報表附註中披露。

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財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

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

(a) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) *Impairment loss for bad and doubtful debts*

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(c) *Allowance for slow-moving inventories*

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

4. 重大判斷及主要估計

估計不確定因素之主要來源

下文討論有關未來之主要假設及報告期間結算日不確定因素估計之其他主要來源，而該等假設及來源具有重大風險足以導致須對下一個財政年度資產及負債之賬面值作出重大調整。

(a) *物業、廠房及設備及折舊*

本集團釐定其物業、廠房及設備之估計可使用年期及相關折舊開支。該估計乃以性質及功能相若之物業、廠房及設備實際可使用年期之過往經驗為基準。倘可使用年期與先前估計不同，本集團將修訂折舊開支，或撤銷或撤減已棄置或出售之技術過時或非策略資產。

(b) *呆壞賬減值虧損*

本集團根據應收賬款及其他應收款之可收回性作出之評估，包括每個債務方之現時信貸及過往收賬記錄，就呆壞賬作出減值。倘事件或情況變動顯示餘款或會無法收回，則予以確認減值。確認呆壞賬要求使用判斷及估計。倘實際結果與原有估計存在差異，相關差異將影響相關估計變動所在年度之應收賬款及其他應收款賬面值及呆賬開支。

(c) *滯銷存貨撥備*

滯銷存貨撥備根據存貨賬齡及估計存貨可變現淨值作出。評估撥備金額涉及判斷及估計。倘日後之實際結果不同於原來估計，則有關差額將影響上述估計出現變動期間存貨之賬面值及撥備開支／撥回。

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財務報表附註

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4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

(Cont'd)

Key sources of estimation uncertainty (Cont'd)

(d) *Share-based payment expenses*

The fair value of the share options granted to the directors and employees determined at the date of grant of the respective share options is expensed over the vesting period, with a corresponding adjustment to the Group's share-based payment reserve. In assessing the fair value of the share options, the Black-Scholes option pricing model (the "Black-Scholes Model") was used. The Black-Scholes Model is one of the generally accepted methodologies used to calculate the fair value of the share options. The Black-Scholes Model requires the input of subjective assumptions, including the expected dividend yield and expected life of options. Any changes in these assumptions can significantly affect the estimate of the fair value of the share options.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) **Foreign currency risk**

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in United States dollars ("US\$") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2010, if the US\$ had weakened 5% (2009: 5%) against the RMB with all other variables held constant, consolidated loss after tax for the year would have been HK\$458,000 higher (2009: HK\$297,000 lower), arising mainly as a result of the foreign exchange loss on bank borrowings denominated in US dollar.

4. 重大判斷及主要估計(續)

估計不確定因素之主要來源(續)

(d) *股份支付款項開支*

於有關購股權授出當日所釐定授予董事及僱員之購股權公平值會於歸屬期內支銷，而本集團之股份支付款項儲備會作出相應調整。評估購股權之公平值時使用柏力克-舒爾斯期權定價模式(「柏力克-舒爾斯模式」)。柏力克-舒爾斯模式是被普遍採納用以計算購股權公平值之其中一種方法。柏力克-舒爾斯模式需輸入主觀假設，包括預期股息率及購股權之預計年期。此等假設如有任何變動均會對購股權之公平值估計構成重大影響。

5. 財務風險管理

本集團業務活動需承受多項財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團之總體風險管理項目專注於金融市場之不可預測性及尋求降低本集團財務表現之潛在不利影響。

(a) **外幣風險**

由於本集團大部分業務交易、資產及負債主要以美元(「美元」)及人民幣(「人民幣」)計值，故本集團有若干外幣風險。本集團現時並無就外幣交易、資產及負債制訂外幣對沖政策。本集團將密切留意外幣風險，並將於有需要時考慮對沖重大外幣風險。

於二零一零年十二月三十一日，倘美元兌人民幣下跌5%(二零零九年：5%)而所有其他變數均保持不變，則年度綜合除稅後虧損將增加458,000港元(二零零九年：減少297,000港元)，主要由於以美元計值之銀行借款匯兌虧損所致。

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5. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk

The carrying amounts of cash and bank balances, trade and other receivables and amount due from an associate included in the statement of financial position represent the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2010 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade receivables. The largest trade receivable represents approximately 84.75% (2009: 88.44%) of total trade receivables. In order to minimise credit risk, the directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

5. 財務風險管理(續)

(b) 信貸風險

財務狀況表中之現金及銀行結餘、應收賬款及其他應收款與應收一間聯營公司款項之賬面值指本集團財務資產相關之最高信貸風險。

現金及銀行結餘之信貸風險有限，乃因對手方均為獲國際信貸評級機構認定之高信貸評級銀行。

倘對手方於二零一零年十二月三十一日仍無法就獲認可之財務資產每一級別履行其義務，本集團所面臨之最大信貸風險將為綜合財務狀況表所列該等資產之賬面值。本集團之信貸風險主要來自其應收賬款。最大應收賬款佔總應收賬款約84.75% (二零零九年：88.44%)。為盡可能減低信貸風險，董事已委任一組人員，負責釐定信貸額度、信貸審批及其他監察程序。此外，董事會定期監控各個別貿易債務之可收回款項，確保就不可收回之債項確認充裕之減值虧損。於此情況下，董事認為本集團之信貸風險已大幅降低。

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5. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

	Less than 1 year
	少於一年
	HK\$'000
	千港元
<hr/>	
At 31 December 2010	於二零一零年十二月三十一日
Trade payables	12,580
Accruals and other payables	107,146
Due to a non controlling shareholder of a subsidiary	37,659
Borrowings	39,708
	197,093
At 31 December 2009	於二零零九年十二月三十一日
Trade payables	8,154
Accruals and other payables	56,073
Due to an associate	20,761
Due to a non controlling shareholder of a subsidiary	319
Borrowings	3,528
	88,735

(d) Interest rate risk

The Group's exposure to interest-rate risk arises from its bank deposits and bank borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

At 31 December 2010, if interest rates at that date had been 100 basis points lower with all other variables held constant, consolidated loss after tax for the year would have been HK\$9,000 higher (2009: HK\$153,000 lower), arising mainly as a result of lower interest expense on bank and other borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated loss after tax for the year would have been HK\$9,000 lower (2009: HK\$153,000 higher), arising mainly as a result of higher interest expense on bank and other borrowings.

5. 財務風險管理(續)

(c) 流動資金風險

本集團之政策為定期監控現有及預期流動資金需求，確保其擁有充裕現金儲備以滿足短期及長期流動資金需求。

本集團之財務負債按到期日分析如下：

	Less than 1 year
	少於一年
	HK\$'000
	千港元
<hr/>	
At 31 December 2010	於二零一零年十二月三十一日
應付賬款	12,580
應計費用及其他應付款	107,146
應付一間附屬公司一名非控股股東款項	37,659
借款	39,708
	197,093
At 31 December 2009	於二零零九年十二月三十一日
應付賬款	8,154
應計費用及其他應付款	56,073
應付一間聯營公司款項	20,761
應付一間附屬公司一名非控股股東款項	319
借款	3,528
	88,735

(d) 利率風險

本集團面對之利率風險來自其銀行存款及銀行借款。該等存款及借款乃按當時市況變動之浮動息率計算。

於二零一零年十二月三十一日，倘當日之利率降低100個基點而所有其他變數均保持不變，則年度綜合除稅後虧損將增加9,000港元(二零零九年：減少153,000港元)，主要是由於銀行及其他借款產生之較低利息開支所致。倘利率高出100個基點而所有其他變數均保持不變，則年度綜合除稅後虧損將減少約9,000港元(二零零九年：增加153,000港元)，主要是由於銀行及其他借款產生較高利息開支所致。

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5. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Categories of financial instruments at 31 December 2010

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets: 財務資產：		
Loans and receivables (including cash and cash equivalents) 貸款及應收款 (包括現金及現金等值物)	148,609	56,209
Financial liabilities: 財務負債：		
Financial liabilities measured at amortised cost 按攤銷成本計量之財務負債	202,401	88,706

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

5. 財務風險管理(續)

(e) 於二零一零年十二月三十一日之金融工具類別

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Financial assets: 財務資產：		
Loans and receivables (including cash and cash equivalents) 貸款及應收款 (包括現金及現金等值物)	148,609	56,209
Financial liabilities: 財務負債：		
Financial liabilities measured at amortised cost 按攤銷成本計量之財務負債	202,401	88,706

(f) 公平值

本集團於財務狀況表反映之財務資產及財務負債賬面值與其各自之公平值相若。

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財務報表附註

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6. TURNOVER AND SEGMENT INFORMATION

(a) Turnover

The Group's turnover represents sales of goods to customers.

(b) Segment information

The Group has one reportable segment which is manufacture and sale of optical image capturing devices, chips and other optoelectronic products in the People's Republic of China (the "PRC").

(i) Geographical information:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue	收益		
The PRC except Hong Kong	中國(香港除外)	13,347	11,612
USA	美國	65,243	49,205
Others	其他	7,121	4,338
Consolidated total revenue	綜合收益總額	85,711	65,155

In presenting the geographical information, revenue is based on the locations of the customers.

The Group's non-current assets are all located in the PRC.

(iii) Revenue from one customer of the Group represents approximately HK\$65,243,000 (2009: HK\$49,205,000) of the Group's total revenue.

6. 營業額及分類資料

(a) 營業額

本集團之營業額指本集團向客戶之商品銷售。

(b) 分類資料

本集團有一個可呈報分類，即於中華人民共和國(「中國」)製造及銷售光學影像攝取器材、芯片及其他光電產品。

(i) 地區資料

於呈列地區資料時，收益乃基於客戶所在地區。

本集團之非流動資產全部位於中國。

(iii) 來自本集團一名客戶之收益佔本集團總收益約65,243,000港元(二零零九年：49,205,000港元)。

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財務報表附註

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7. OTHER INCOME

7. 其他收入

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Gain on disposal of property, plant and equipment	125	5,550
Reversal of impairment loss on other receivables	2,885	-
Reversal of impairment loss on trade receivables	-	1,396
Reversal of write-down of inventories to net realisable value	-	1,988
Derecognition of financial liabilities	8,443	-
Interest income	44	41
Exchange gain, net	212	-
Government grant	51	913
Others	348	443
	12,108	10,331

8. FINANCE COSTS

8. 融資成本

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interest on bank loans	104	-
Interest on other loan	513	146
	617	146

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財務報表附註

For the year ended 31 December 2010
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9. INCOME TAX EXPENSE

- (a) No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The new PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007 introduces various changes which include the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law become effective from 1 January 2008.

- (b) The reconciliation between the income tax expense and the product of loss before tax multiplied by the weighted average tax rate of the consolidated companies is as follows:

9. 所得稅開支

- (a) 由於本集團年內並無產生應課稅溢利，故並無作出香港利得稅撥備。

其他地區應課稅溢利之稅項支出按本集團所經營國家之現行稅率並根據有關現有法律、詮釋及慣例計算。

第十屆全國人民代表大會於二零零七年三月十六日通過之新中國企業所得稅法引入多項變動，包括將內資及外資企業之企業所得稅稅率統一為25%。該新稅法將自二零零八年一月一日起生效。

- (b) 所得稅開支與除稅前虧損乘以集團內公司加權平均稅率之對賬如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Loss before tax	除稅前虧損	(150,022)	(63,016)
Tax at the domestic income tax rate of 25% (2009: 21.9%)	按國內所得稅率25% (二零零九年：21.9%) 計算之稅項	(37,506)	(13,770)
Tax effect of income that is not taxable	毋須課稅收入之稅務影響	(129)	(175)
Tax effect of expenses that are not deductible	不可扣稅開支之稅務影響	4,234	10,955
Tax effect of unused tax losses not recognised	未確認之未動用稅項虧損 之稅務影響	13,955	2,990
Tax effect of temporary differences not recognised	未確認暫時差額之稅務影響	17,632	-
Effect of different tax rates of subsidiaries	附屬公司稅率有別之影響	1,815	-
Income tax expense	所得稅開支	1	-

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10. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

10. 本年度虧損

本集團於本年度之虧損乃扣除／(計入)以下各項後列出：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Depreciation	折舊	2,906	4,643
Directors' emoluments	董事酬金		
– As directors	– 作為董事	273	300
– For management	– 作為管理層	3,950	8,082
		4,223	8,382
Operating leases charges	經營租賃支出	2,504	4,576
Auditor's remuneration	核數師酬金	500	390
Cost of inventories sold	銷售存貨成本	71,164	54,461
Impairment loss on interest in an associate	一間聯營公司權益減值虧損	–	19,960
Loss/(gain) on deemed disposal of a subsidiary	視作出售一間附屬公司 之虧損／(收益)	3,939	(195)
Loss/(gain) on disposals of subsidiaries	出售附屬公司之虧損／(收益)	14,031	(502)
Gain on disposal of associates	出售聯營公司之收益	(1,414)	–
Impairment loss on other receivables	其他應收款項之減值虧損	85,164	–
Staff costs including directors' remuneration	員工成本(包括董事薪酬)		
Salaries, bonus and allowances	工資、花紅及津貼	30,424	21,755
Equity-settled share-based payments	股權結算股份支付款項	4,576	8,364
Contribution to retirement benefit schemes	退休福利計劃供款	1,762	120
		36,762	30,239

Cost of inventories sold includes staff costs, depreciation and operating charge of approximately HK\$12,875,000 (2009: HK\$11,135,000) which are included in the amounts disclosed separately above.

銷售存貨成本包括員工成本、折舊及經營租賃支出約12,875,000港元(二零零九年：11,135,000港元)，已計入以上獨立披露之款額。

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11. DIRECTORS AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments of each of the director were as follows:

Name of director	Fees	Salaries and allowances	Performance related bonuses	Equity-settled share option benefits	Pension scheme contributions	Total remuneration	
董事姓名	袍金	工資及津貼	與表現掛鉤花紅	股權結算購股福利	退休計劃供款	總薪酬	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Year ended 31 December 2010							
截至二零一零年十二月三十一日止年度							
Executive directors	執行董事						
Cheung Wai	張偉	-	2,847	-	-	12	2,859
Cheung Frank	Cheung Frank	-	568	-	512	11	1,091
		-	3,415	-	512	23	3,950
Independent non-executive directors	獨立非執行董事						
Fong Chi Wah	方志華	120	-	-	-	-	120
Jin Qingjun (i)	靳慶軍 (i)	39	-	-	-	-	39
Wang Ruiqing	王瑞平	60	-	-	-	-	60
He Zhiyi (ii)	何志毅 (ii)	54	-	-	-	-	54
		273	3,415	-	512	23	4,223

Year ended 31 December 2009							
截至二零零九年十二月三十一日止年度							
Executive directors	執行董事						
Cheung Wai	張偉	-	2,847	1,340	954	12	5,153
Zhang Ming	張鳴	-	251	1,340	954	-	2,545
Cheung Frank	Cheung Frank	-	186	-	198	-	384
		-	3,284	2,680	2,106	12	8,082
Independent non-executive directors	獨立非執行董事						
Fong Chi Wah	方志華	120	-	-	-	-	120
Jin Qingjun	靳慶軍	120	-	-	-	-	120
Wang Ruiqing	王瑞平	60	-	-	-	-	60
		300	3,284	2,680	2,106	12	8,382

(i) Resigned on 26 April 2010

(ii) Appointed on 19 July 2010

11. 董事及僱員酬金

(a) 董事酬金

各董事酬金如下：

Name of director	Fees	Salaries and allowances	Performance related bonuses	Equity-settled share option benefits	Pension scheme contributions	Total remuneration	
董事姓名	袍金	工資及津貼	與表現掛鉤花紅	股權結算購股福利	退休計劃供款	總薪酬	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Year ended 31 December 2010							
截至二零一零年十二月三十一日止年度							
Executive directors	執行董事						
Cheung Wai	張偉	-	2,847	-	-	12	2,859
Cheung Frank	Cheung Frank	-	568	-	512	11	1,091
		-	3,415	-	512	23	3,950
Independent non-executive directors	獨立非執行董事						
Fong Chi Wah	方志華	120	-	-	-	-	120
Jin Qingjun (i)	靳慶軍 (i)	39	-	-	-	-	39
Wang Ruiqing	王瑞平	60	-	-	-	-	60
He Zhiyi (ii)	何志毅 (ii)	54	-	-	-	-	54
		273	3,415	-	512	23	4,223

Year ended 31 December 2009							
截至二零零九年十二月三十一日止年度							
Executive directors	執行董事						
Cheung Wai	張偉	-	2,847	1,340	954	12	5,153
Zhang Ming	張鳴	-	251	1,340	954	-	2,545
Cheung Frank	Cheung Frank	-	186	-	198	-	384
		-	3,284	2,680	2,106	12	8,082
Independent non-executive directors	獨立非執行董事						
Fong Chi Wah	方志華	120	-	-	-	-	120
Jin Qingjun	靳慶軍	120	-	-	-	-	120
Wang Ruiqing	王瑞平	60	-	-	-	-	60
		300	3,284	2,680	2,106	12	8,382

(i) 於二零一零年四月二十六日辭任

(ii) 於二零一零年七月十九日獲委任

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11. DIRECTORS AND EMPLOYEES' EMOLUMENTS

(Cont'd)

(b) Five highest paid individuals' emoluments

The five highest paid individuals in the Group during the year included 2 (2009: 2) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 3 (2009: 3) individuals are set out below:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Basic salaries and allowances	基本工資及津貼	3,501	1,846
Equity-settled share option benefits	股權結算購股權福利	—	1,433
Retirement benefit scheme contributions	退休福利計劃供款	31	21
		3,532	3,300

The remuneration fell within the following band:

		2010 二零一零年	2009 二零零九年
Nil to HK\$1,000,000	零至1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	1

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

11. 董事及僱員酬金(續)

(b) 五位最高薪酬人士

年內本集團之五位最高薪酬人士包括兩名(二零零九年: 兩名)董事, 其酬金載於上文所列之分析內。餘下三名(二零零九年: 三名)士之酬金載列如下:

介乎下列範圍之薪酬:

年內, 本集團概無向任何董事或最高薪酬人士支付酬金以作為加入或加盟本集團之獎勵或離職補償。

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12. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary established in the PRC are members of a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of this subsidiary. The only obligation of this subsidiary with respect to the central pension scheme is to meet the required contributions under the scheme.

13. LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss for the year attributable to owners of the Company included a loss of approximately HK\$121,650,000 (2009: loss of HK\$59,170,000) which has been dealt with in the financial statements of the Company.

14. LOSS PER SHARE

The calculation of the basic loss per share attributable to equity owners of the Company is based on the loss attributable to equity owners of approximately HK\$148,983,000 (2009: HK\$62,666,000) and the weighted average number of ordinary shares of 2,359,180,000 (2009: 2,051,333,000) in issue during the year.

12. 退休福利計劃

本集團根據香港強制性公積金計劃條例設立強制性公積金計劃(「強積金計劃」)供所有合資格香港僱員參與。本集團向強積金計劃之供款額乃按工資及薪金之5%計算，每名僱員每月供款額最高為1,000港元，並於根據強積金計劃供款時全數歸於僱員。

在中國成立之本集團附屬公司僱員參與當地市政府經營之中央退休計劃。該附屬公司須根據僱員基本工資及薪金之某個百分比，向中央退休計劃供款以撥付退休福利。當地市政府承諾會承擔該附屬公司所有現已及即將退休之僱員之退休福利責任。該附屬公司有關該中央退休計劃之唯一責任為根據計劃作出所需供款。

13. 本公司擁有人應佔年內虧損

本公司擁有人應佔年內虧損包括已計入本公司財務報表之虧損約121,650,000港元(二零零九年：虧損59,170,000港元)。

14. 每股虧損

本公司權益擁有人應佔每股基本虧損乃按權益擁有人應佔虧損約148,983,000港元(二零零九年：62,666,000港元)及年內已發行普通股加權平均數2,359,180,000股(二零零九年：2,051,333,000股)計算。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Group 集團					
		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture and office equipment 傢具及 辦公室設備 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost	成本						
At 1 January 2009	於二零零九年一月一日	3,544	5,061	10,484	38,399	5,587	63,075
Additions	添置	-	-	2,482	1,800	148	4,430
Disposals/written off	出售/撇銷	(3,364)	-	(3,331)	(4,557)	(833)	(12,085)
Disposal of a subsidiary	出售一間附屬公司	-	-	(8)	-	-	(8)
Exchange differences	匯兌差額	(180)	7	29	115	22	(7)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	-	5,068	9,656	35,757	4,924	55,405
Additions	添置	-	-	1,185	5,392	611	7,188
Disposals/written off	出售/撇銷	-	-	(4,154)	(20,309)	(1,161)	(25,624)
Disposal of subsidiaries	出售附屬公司	-	(5,146)	-	-	-	(5,146)
Exchange differences	匯兌差額	-	78	(987)	1,116	713	920
At 31 December 2010	於二零一零年十二月三十一日	-	-	5,700	21,956	5,087	32,743
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2009	於二零零九年一月一日	1,435	3,346	5,511	36,655	2,353	49,300
Charge for the year	本年度開支	39	861	688	2,605	450	4,643
Disposals/written off	出售/撇銷	(1,274)	-	(2,849)	(4,555)	(616)	(9,294)
Exchange differences	匯兌差額	(200)	-	20	69	10	(101)
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日 及二零一零年一月一日	-	4,207	3,370	34,774	2,197	44,548
Charge for the year	本年度開支	-	-	226	2,286	394	2,906
Disposals/written off	出售/撇銷	-	(4,246)	(640)	(13,585)	(937)	(19,408)
Disposal of subsidiaries	出售附屬公司	-	-	-	(5,788)	-	(5,788)
Exchange differences	匯兌差額	-	39	(641)	657	46	101
At 31 December 2010	於二零一零年十二月三十一日	-	-	2,315	18,344	1,700	22,359
Carrying amount	賬面值						
At 31 December 2010	於二零一零年十二月三十一日	-	-	3,385	3,612	3,387	10,384
At 31 December 2009	於二零零九年十二月三十一日	-	861	6,286	983	2,727	10,857

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16. PREPAID LAND LEASE PAYMENTS

The Group's prepaid land lease payments represent payments for land use rights outside Hong Kong under medium term leases.

The Group's prepaid land lease payments are analysed as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Outside Hong Kong:	香港以外：		
Medium-term leases	中期租賃	45,631	-

16. 預付土地租賃款項

本集團之預付土地租賃款項指就香港以外中期租約項下土地使用權之付款。

本集團之預付土地租賃款項分析如下：

17. CONSTRUCTION IN PROGRESS

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	3,536	1,066
Additions	添置	53,505	2,470
Exchange difference	匯兌差額	119	-
At 31 December	於十二月三十一日	57,160	3,536

The Group's construction in progress comprises costs incurred on buildings under construction.

本集團之在建工程包括建造樓宇時產生之成本。

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18. INTANGIBLE ASSETS

18. 無形資產

		Group 本集團 Intellectual property 知識產權 HK\$'000 千港元
Cost	成本	
At 1 January 2009	於二零零九年一月一日	823
Written off during the year	本年度撇銷	(823)
At 31 December 2009 and 31 December 2010	於二零零九年十二月三十一日 及二零一零年十二月三十一日	—
Accumulated amortisation	累計攤銷	
At 1 January 2009	於二零零九年一月一日	823
Written off during the year	本年度撇銷	(823)
At 31 December 2009 and 31 December 2010	於二零零九年十二月三十一日 及二零一零年十二月三十一日	—
Carrying amount	賬面值	
At 31 December 2010	於二零一零年十二月三十一日	—
At 31 December 2009	於二零零九年十二月三十一日	—

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19. INVESTMENT IN A SUBSIDIARY

19. 於一間附屬公司之投資

		Company 本公司	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，按成本值	74,698	74,698
Less: Impairment losses	減：減值虧損	(74,698)	-
		-	74,698
Due from subsidiaries	應收附屬公司款項	105,184	137,119
Less: Impairment losses	減：減值虧損	(105,184)	(106,633)
		-	30,486

The amounts due from subsidiaries are unsecured and interest-free. The Company has agreed not to demand for repayment of the amounts due from the subsidiaries until the subsidiaries are financially capable to do so.

應收附屬公司款項乃無抵押及免息。本公司同意於該等附屬公司有財政能力償還前，不向該等附屬公司要求償還應收附屬公司款項。

Particulars of the subsidiaries as at 31 December 2010 are as follows:

附屬公司於二零一零年十二月三十一日之詳情如下：

Name 名稱	Place of incorporation/ registration and operation 註冊成立／註冊 及營業地點	Issued and paid up capital 已發行 及實繳股本	Percentage of ownership interest 擁有權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
SYSCAN Holdings Limited	British Virgin Islands/Hong Kong 英屬處女群島／香港	US\$3 3美元	100%	-	Investment holding 投資控股
SYSCAN Digital Systems Co. Limited	British Virgin Islands/Hong Kong 英屬處女群島／香港	US\$24,500 24,500美元	-	100%	Investment holding 投資控股
SYSCAN InterVision Limited 矽感數碼科技有限公司	Hong Kong/PRC 香港／中國	HK\$15,000,000 15,000,000港元	-	100%	Trading of optical image capturing devices and modules 買賣光學影像攝取器材 及模組
SYSCAN Lab., Limited	Hong Kong/PRC 香港／中國	HK\$10,000 10,000港元	-	100%	Design and development of image sensor modules 設計及開發影像感應器模組

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19. INVESTMENT IN A SUBSIDIARY (Cont'd)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/註冊 及營業地點	Issued and paid up capital 已發行 及實繳股本	Percentage of ownership interest 擁有權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
SYSCAN Optoelectronics Technology (Shenzhen) Co., Ltd.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	-	100%	Investment holding 投資控股
深圳矽感科技有限公司 (i) (Shenzhen SYSCAN Technology Co., Ltd.) (i)	PRC 中國	US\$13,500,000 13,500,000美元	-	100%	Design, development, manufacture and sales of optoelectronic product 設計、開發、製造 及銷售光電產品
深圳矽感識別技術有限公司 (Shenzhen SYSCAN Identification Technology Co., Ltd.)	PRC 中國	RMB35,000,000 人民幣 35,000,000元	-	91.43%	Design and development of bar code related hardware and software 設計及開發條碼相關硬件 及軟件
武漢矽感數碼有限公司 (ii) (Wuhan SYSCAN Ltd.) (ii)	PRC 中國	US\$12,677,461 12,677,461美元	-	56.78%	Design and development of bar code related hardware and software 設計及開發條碼相關硬件 及軟件
(i) The company is a wholly-owned foreign enterprise established in the PRC.			(i)		該公司為於中國成立之外商獨資企業。
(ii) The company is a sino foreign equity joint venture established in the PRC.			(ii)		該公司為於中國成立之中外合營企業。

19. 於一間附屬公司之投資(續)

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20. INVESTMENTS IN ASSOCIATES

20. 於聯營公司之投資

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted investments in PRC:	於中國之非上市投資：		
Share of net assets	分佔資產淨值	44,515	119,943
Impairment losses	減值虧損	(19,960)	(19,960)
Reclassified as assets held for sale	重新分類為持作出售之資產	-	(99,488)
		24,555	495
Due from an associate	應收一間聯營公司款項	599	-
Due to an associate	應付一間聯營公司款項	-	(20,761)

Details of the Group's associates at 31 December 2010 are as follows:

本集團之聯營公司於二零一零年十二月三十一日之詳情如下：

Name	Place of incorporation/ registration and operations 註冊成立／註冊 及營業地點	Issued/ paid up capital 已發行／ 實繳股本	Percentage of equity interest attributable to the Group 本集團應 佔股權百分比	Principal activities 主要業務
浙江矽感科技有限公司 (Zhejiang SYSCAN Technology Co., Ltd.)	PRC 中國	RMB50,000,000 人民幣50,000,000元	40%	Development of computer products 開發電腦產品
新疆矽感科技有限公司 (Xinjiang SYSCAN Technology Co. Limited)	PRC 中國	RMB1,000,000 人民幣1,000,000元	20%	Development of computer products 開發電腦產品
乾元見盟科技有限公司	PRC 中國	RMB100,000,000 人民幣100,000,000元	30%	Provide third-party payment and settlement services and payment product 提供第三方付款及結算服務以 及付款產品

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20. INVESTMENTS IN ASSOCIATES (Cont'd)

Summarised financial information in respect of the Group's associates is set out below:

20. 於聯營公司之投資(續)

聯營公司之財務資料概要載列如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 31 December	於十二月三十一日		
Total assets	總資產	50,806	57,914
Total liabilities	總負債	(724)	(41)
Net assets	資產淨值	50,082	57,873
Group's share of associates' net assets	本集團分佔聯營公司之資產淨值	24,555	495
Year ended 31 December	截至十二月三十一日止年度		
Total revenue	總收益	664	—
Total loss for the year	年內總虧損	(24,820)	(358)
Group's share of associates' losses for the year	年內本集團分佔聯營公司之虧損	(5,495)	(623)

21. DEPOSIT PAID

Deposit paid represented the capital contribution to an associate. As at 31 December 2009, the associate was in the process of application for the approval for establishment and business licenses.

21. 已付按金

已付按金指向一間聯營公司作出之注資。於二零零九年十二月三十一日，該聯營公司正就成立及商業牌照提出審批申請。

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22. INVENTORIES

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Raw materials	原料	5,507	1,480
Work in progress	半製品	10,891	202
Finished goods	製成品	7,685	1,535
		24,083	3,217

23. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 60 days. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of the Group's trade receivables, based on the invoice date, and net of allowance, is as follows:

23. 應收賬款

本集團與客戶之貿易條款主要為信貸。信貸期一般介乎30至60日。對於新客戶而言，一般須預付款項。本集團對未收回之應收款維持嚴格控制。董事定期審視逾期結餘。

本集團之應收賬款(按發票日期計算，並已扣除撥備)之賬齡分析如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Up to 30 days	30日之內	9,998	7,627
31 to 60 days	31日至60日	479	-
61 to 90 days	61日至90日	410	203
		10,887	7,830

As at 31 December 2010, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$325,000 (2009: HK\$325,000).

於二零一零年十二月三十一日，預期不可收回應收賬款之撥備約為325,000港元(二零零九年：325,000港元)。

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23. TRADE RECEIVABLES (Cont'd)

Reconciliation of allowance for trade receivables:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	325	1,721
Reversed of allowance for the year	年內撥回撥備	-	(1,396)
At 31 December	於十二月三十一日	325	325

As of 31 December 2010, trade receivables of HK\$889,000 (2009: HK\$203,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Up to 30 days	30日之內	479	-
31 to 60 days	31至60日	410	203
		889	203

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
RMB	人民幣	918	426
US\$	美元	9,969	7,404
Total	合計	10,887	7,830

23. 應收賬款(續)

應收賬款撥備之對賬載列如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January	於一月一日	325	1,721
Reversed of allowance for the year	年內撥回撥備	-	(1,396)
At 31 December	於十二月三十一日	325	325

於二零一零年十二月三十一日，應收賬款889,000港元(二零零九年：203,000港元)已逾期但未減值。該等款項與多名近期無拖欠記錄之獨立客戶有關。該等應收賬款之賬齡分析如下：

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Up to 30 days	30日之內	479	-
31 to 60 days	31至60日	410	203
		889	203

本集團應收賬款之賬面值以下列貨幣列值：

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
RMB	人民幣	918	426
US\$	美元	9,969	7,404
Total	合計	10,887	7,830

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24. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

The Group's pledged bank deposits represented deposits pledged to bank to secure banking facilities granted to the Group as set out in note 28 to the financial statements. The deposits are in HK\$ and RMB and at fixed interest rate ranged from 0.02% to 0.7% p.a. and therefore are subject to fair value interest rate risk.

As at 31 December 2010, the bank and cash balances of the Group denominated in RMB amounted to HK\$25,144,000 (2009 : HK\$6,691,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

25. NON-CURRENT ASSETS HELD FOR SALE

On 8 December 2009, a wholly-owned subsidiary of the Company entered into a share transfer agreement with an independent third party in relation to the disposal (the "Disposal") of its 45% equity interests in SYSCAN Manufacturing Limited ("SML", an associate of the Group) at a consideration of RMB90,000,000 (equivalent to approximately HK\$102,159,000). As part of the Disposal arrangements, the independent third party has advanced a loan of RMB30,000,000 (approximately HK\$34,053,000) to the Company. As at 31 December 2009, the disposal of SML were in progress and accordingly, the interest in SML was reclassified from interests in associates to an asset held for disposal. Further details of the Disposal was set out in a circular of the Company dated 8 February 2010 and the Disposal was approved by the shareholders of the Company in an extraordinary general meeting on 12 March 2010.

24. 已抵押銀行存款以及銀行及現金結餘

本集團之已抵押銀行存款指向銀行抵押以取得財務報表附註28所載銀行授予本集團之銀行融資額。有關存款以港元及人民幣計值，並以年利率介乎0.02厘至0.7厘之固定息率計息，故須面對公平值利率風險。

於二零一零年十二月三十一日，本集團以人民幣計值之銀行及現金結餘達25,144,000港元(二零零九年：6,691,000港元)。人民幣兌換外幣須遵循《中國外匯管理條例》及《結匯、售匯及付匯管理規定》。

25. 持作出售之非流動資產

於二零零九年十二月八日，本公司全資附屬公司與一名獨立第三方就以代價人民幣90,000,000元(約相當於102,159,000港元)出售其於矽感數碼科技製作有限公司(「矽感製作」，為本集團之聯營公司)之45%股本權益(「出售」)訂立股份轉讓協議。作為出售安排之一部分，獨立第三方已向本公司墊付貸款人民幣30,000,000元(約34,053,000港元)。於二零零九年十二月三十一日，出售矽感製作仍在進行，因此，於矽感製作之權益自於聯營公司之權益重新分類為持作出售之資產。出售之進一步詳情載於本公司日期為二零一零年二月八日之通函，而出售已於二零一零年三月十二日舉行之股東特別大會獲本公司股東批准。

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26. TRADE PAYABLES

The aging analysis of the Group's trade payables, based on the date of receipt of goods, is as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0 to 90 days	0至90日	11,721	8,011
91 to 180 days	91日至180日	768	99
181 to 365 days	181日至365日	37	10
Over 12 months	12個月以上	54	34
		12,580	8,154

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
HK\$	港元	1,574	1,464
RMB	人民幣	10,825	5,761
US\$	美元	181	929
		12,580	8,154

27. DUE TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The amount is unsecured, interest-free and repayable on demand.

26. 應付賬款

本集團之應付賬款(按收到貨品當日計算)之賬齡分析如下:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
0 to 90 days	0至90日	11,721	8,011
91 to 180 days	91日至180日	768	99
181 to 365 days	181日至365日	37	10
Over 12 months	12個月以上	54	34
		12,580	8,154

本集團應付賬款及應付票據之賬面值以下列貨幣列值:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
HK\$	港元	1,574	1,464
RMB	人民幣	10,825	5,761
US\$	美元	181	929
		12,580	8,154

27. 應付一間附屬公司一名非控股股東款項

有關金額為無抵押、免息且按要求償還。

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28. BORROWINGS

The borrowings are repayable within one year.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

28. 借款

借款應於一年內償還。

本集團借款之賬面值以下列貨幣列值：

		Group		Total
		RMB	US dollars	
		人民幣	美元	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
2010	二零一零年			
Bank loans	銀行貸款	14,679	11,927	26,606
Other loan	其他貸款	11,838	-	11,838
		26,517	11,927	38,444
2009	二零零九年			
Other loan	其他貸款	3,399	-	3,399

The average interest rates at 31 December were as follows:

於十二月三十一日之平均利率如下：

		2010	2009
		二零一零年	二零零九年
Bank loans	銀行貸款	4.16%	N/A
Other loan	其他貸款	6.5%	6.5%

Bank loans of HK\$26,606,000 (2009: HK\$ Nil) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk and foreign currency risk. Other loan of HK\$11,838,000 (2009:HK\$ 3,399,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk.

銀行貸款26,606,000港元(二零零九年：零港元)乃按淨浮動利率安排，故令本集團面對現金流利率風險及外匯風險。其他貸款11,838,000港元(二零零九年：3,399,000港元)乃按固定利率安排，本集團因而面對公平值利率風險。

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28. BORROWINGS (Cont'd)

The directors estimate the fair value of the Group's borrowings, by discounting their future cash flows at the market rate, to be as follows:

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Bank loans	銀行貸款	26,606	—
Other loans	其他貸款	11,838	3,399
		38,444	3,399

Bank loans of HK\$26,606,000 (2009: HK\$ Nil) are secured by a charge over the Group's bank deposits.

Other loans of HK\$11,838,000 (2009: HK\$ 3,399,000) are pledged by 75% equity interests of a wholly-owned subsidiary.

29. DEFERRED TAX

At the end of the reporting period the Group has unused tax losses of HK\$62,842,000 (2009: HK\$62,935,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Other tax losses may be carried forward indefinitely. The tax losses arising in PRC will be expired in 2015

28. 借款(續)

董事按市場利率折現未來現金流所估計之本集團借款公平值如下：

銀行透支26,606,000港元(二零零九年：零港元)由本集團之銀行存款作抵押。

其他貸款11,838,000港元(二零零九年：3,399,000港元)由一間全資附屬公司75%股本權益作抵押。

29. 遞延稅項

於報告期間結束時，本集團擁有未動用稅務虧損62,842,000港元(二零零九年：62,935,000港元)可用以抵銷未來溢利。由於無法預測未來溢利來源，故並未確認遞延稅項資產。其他稅務虧損可無限期結轉。於中國產生之稅項虧損將於二零一五年屆滿。

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30. SHARE CAPITAL

30. 股本

			Number of Shares 股份數目	Amount 金額
		Note 附註	'000 千股	HK\$000 千港元
Authorised:	法定：			
Ordinary shares of HK\$0.01 (2009: HK\$0.01) each	每股面值0.01港元 (二零零九年：0.01港元) 之普通股			
At 1 January 2010 and 31 December 2010	於二零一零年一月一日及 二零一零年十二月三十一日		20,000,000	200,000
Issued and fully paid:	已發行及繳足：			
Ordinary shares of HK\$0.01 (2009: HK\$0.01) each	每股面值0.01港元 (二零零九年：0.01港元) 之普通股			
At 1 January 2009	於二零零九年一月一日		2,076,898	20,769
Issue of shares on placement	於配售時發行股份	(a)	409,000	4,090
Exercise of share options	行使購股權	(b)	154,991	1,550
At 31 December 2010	於二零一零年十二月三十一日		2,640,889	26,409

(a) On 21 April 2010, the Company and Oriental Patron Asia Limited entered into a placing agreement in respect of the placement of 409,000,000 ordinary shares of HK\$0.01 each to independent investors at a price of HK\$0.165 per share. The placement was completed on 4 May 2010 and the premium on the issue of shares, amounting to approximately HK\$63,395,000, net of share issue expenses, was credited to the Company's share premium account.

(a) 於二零一零年四月二十一日，本公司與東英亞洲有限公司訂立配售協議，內容有關按每股0.165港元之配售價向各獨立投資者配售409,000,000股每股面值0.01港元之普通股。配售於二零一零年五月四日完成，發行股份時之溢價約63,395,000港元(扣除股份發行開支)已計入本公司之股份溢價賬。

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30. SHARE CAPITAL (Cont'd)

- (b) During the year, the subscription rights attaching to the 154,990,917 share options were exercised in cash at the various subscription prices ranged from HK\$0.06 to HK\$0.44 per share (note 32), resulting in the issue of 154,990,917 shares of HK\$0.01 each for a total consideration before expenses of approximately HK\$11,645,000.

In 2009, the subscription rights attaching to the 29,612,000 share options were exercised in cash at the subscription price of HK\$0.06 per share, resulting in the issue of 29,612,000 share of HK\$0.01 each for a total consideration before expenses of HK\$1,776,000.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, if any, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the year ended 31 December 2010.

The Company is not subject to any externally imposed capital requirements.

30. 股本(續)

- (b) 年內，154,990,917份購股權所附認購權已按介乎每股0.06港元至0.44港元之多個認購價以現金行使(附註32)，因而發行154,990,917股每股面值0.01港元之股份，扣除開支前之總代價為約11,645,000港元。

於二零零九年，29,612,000份購股權所附認購權按每股0.06港元之認購價以現金行使，因而發行29,612,000股每股面值0.01港元之股份，扣除開支前之總代價為1,776,000港元。

本集團資本管理之目標是維護本集團之持續經營能力，本集團因而可繼續為股東帶來回報及為其他股益持有人帶來利益，並為股東帶來豐厚回報。

本集團根據經濟環境之變化及相關資產之風險特徵，管理資本架構並加以調整。為維持或調整資本架構，本集團可調整派付予股東之股息款額(如有)、向股東退回資本、發行新股或出售資產以減輕債務。於截至二零一零年十二月三十一日止年度，該等目標、政策及程序並無出現變動。

本公司不受任何外部施加之資本要求所限。

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31. RESERVES Company

31. 儲備 本公司

		Share premium	Contributed surplus	Share-based payment reserve	Retained profits/ (Accumulated losses)	Total
		股份溢價 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元	股份支付 款項儲備 HK\$'000 千港元	保留溢利/ (累計虧損) HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	6,141	70,121	-	36,505	112,767
Total comprehensive income for the year	年內全面收入總額	-	-	-	(59,170)	(59,170)
Issue of shares	發行股份	2,893	-	(1,412)	-	1,481
Recognition of share-based payments	確認股份支付款項	-	-	8,364	-	8,364
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	9,034	70,121	6,952	(22,665)	63,442
Total comprehensive income for the year	年內全面收入總額	-	-	-	(121,650)	(121,650)
Issue of shares on placement	於配售時發行股份	63,395	-	-	-	63,395
Release upon lapse of share option	於購股權失效時解除	-	-	(201)	201	-
Share premium arising from exercise of share options	行使購股權產生之股份溢價	18,218	-	(8,169)	-	10,049
Recognition of share-based payments	確認股份支付款項	-	-	4,576	-	4,576
At 31 December 2010	於二零一零年十二月三十一日	90,647	70,121	3,158	(144,114)	19,812

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.

本集團儲備金額及其變動於綜合全面收益表及綜合權益變動表呈列。

Nature and purpose of reserves

- (i) *Share premium account*
Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

儲備性質及目的

- (i) *股份溢價賬*
股份溢價指因按超過每股面值之價格發行股份所產生之溢價。該等溢價不可予以分派，惟本公司可動用該等溢價，以繳付本公司未發行股份並作為繳足紅股發行予本公司股東或作為就購回股份應付溢價之撥備。

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31. RESERVES (Cont'd)

Nature and purpose of reserves (cont'd)

- (ii) *Contributed surplus*
The contributed surplus of the Company arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares in 2000 and represented the excess of the then consolidated net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefore.
- (iii) *Share-option reserve*
The share-option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(q) to the financial statements.
- (iv) *Capital reserve*
The capital reserve represents the excess of the fair value of the Group's share of net assets over the purchase price. The amount is retained in the consolidated statement of financial position until the disposal of the subsidiaries.
- (v) *Statutory reserve*
The statutory reserve, which is non-distributable, is appropriated from the profit after taxation of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.
- (vi) *Exchange reserve*
The exchange reserve comprises all foreign exchange difference arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with accounting policies set out in note 3(x) to the financial statements.

31. 儲備(續)

儲備性質及目的(續)

- (ii) *繳入盈餘*
本公司之繳入盈餘於二零零零年因籌備本公司股份上市而進行之集團重組所產生，指所收購附屬公司當時之綜合資產淨值超出本公司就交換該綜合資產淨值所發行股本面值之超額。
- (iii) *購股權儲備*
股份支付款項儲備指實際或估計授予本集團僱員及顧問之未行使購股權數目並根據根據財務報表附註3(q)以股權結算股份支付款項所採納之會計政策而確認之公平值。
- (iv) *資本儲備*
資本儲備指本集團應佔資產淨值之公平值超過購買價。金額將保留於綜合財務狀況表直至附屬公司被出售。
- (v) *法定儲備*
法定儲備為不可分派，乃產生自本集團中國附屬公司根據中國適用法例及法規計算之除稅後溢利。
- (vi) *匯兌儲備*
匯兌儲備包括產生自換算海外業務財務報表之所有外匯差額。該儲備乃根據財務報表附註3(x)所載會計政策處理。

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財務報表附註

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

32. SHARE-BASED PAYMENTS

The Company has three employee share option schemes, namely Share Option Scheme B and Share Option Scheme C.

On 2 March 2000, the Company adopted Share Option and Scheme B under which share options to subscribe for shares of the Company may be granted under the terms and conditions stipulated in Scheme B.

At the annual general meeting of the Company held on 26 April 2002, shareholders of the Company approved the adoption of a new Share Option Scheme C and the termination of Share Option B (save for the options already granted but unexercised).

Under Share Option Scheme B, the Company might have granted options to employees of the Group (including directors of the Company) to subscribe for ordinary shares of HK\$0.01 each, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Company's Board of Directors, and will not be less than the higher of (i) the nominal value of the ordinary shares, (ii) the average of the closing price of the ordinary shares quoted on the GEM on the five business days immediately preceding the date of grant, and (iii) the closing price of ordinary shares quoted on the GEM on the date of grant, which must be a business day.

Under Share Option Scheme C, the Company may grant options to employees of the Group (including directors of the Company) or at the absolute discretion of the directors to invite any person who has contributed to the Group's business to take up options to subscribe for ordinary shares of HK\$0.01 each, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Company's Board of Directors, and will not be less than the higher of (i) the nominal value of the ordinary shares, (ii) the average of the closing price of the ordinary shares quoted on the GEM on the five business days immediately preceding the date of grant, and (iii) the closing price of ordinary shares quoted on the GEM on the date of grant, which must be a business day.

32. 以股份支付款項

本公司設有三項僱員購股權計劃，分別為購股權計劃B及購股權計劃C。

本公司於二零零零年三月二日採納購股權計劃B，據此，可按計劃B內訂明的條款及條件授出購股權以認購本公司的股份。

除了就已授出但未行使的購股權外，於二零零二年四月二十六日舉行的本公司股東週年大會上，本公司股東批准採納新購股權計劃C及終止購股權計劃B（已授出但未行使的購股權除外）。

根據購股權計劃B，本公司可向本集團僱員（包括本公司董事）授出購股權以認購每股面值0.01港元的普通股，惟最多可認購本公司不時已發行股本面值的30%，就此而言不包括行使購股權而發行的股份。認購價將由本公司董事會釐定，並不會低於以下各項的較高者：(i)普通股的面值、(ii)緊接於授出當日前五個營業日普通股在創業板所報的平均收市價，及(iii)於授出當日（必須為營業日）普通股在創業板所報的收市價。

根據購股權計劃C，本公司可向本集團僱員（包括本公司董事）授出購股權，或董事可全權酌情邀請任何曾對本集團業務作出貢獻的人士接受購股權，以認購每股面值0.01港元的普通股，惟最多可認購本公司不時已發行股本面值的30%，就此而言不包括行使購股權而發行的股份。認購價將由本公司董事會釐定，並不會低於以下各項的較高者：(i)普通股的面值、(ii)緊接於授出當日前五個營業日普通股在創業板所報的平均收市價，及(iii)於授出當日（必須為營業日）普通股在創業板所報的收市價。

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32. SHARE-BASED PAYMENTS (Cont'd)

The following table disclosed details of the Company's share options under Share Option Scheme B and Share Option Scheme C and the movements during the year ended 31 December 2010:

Date of grant	Exercise period	Subscription price per share	At 1 January 2010	Cancelled/lapsed during the year	Exercised during the year	At 31 December 2010
授出日期	行使期	每股認購價	於二零一零年一月一日	年內註銷/失效	年內行使	於二零一零年十二月三十一日
I. Share Option Scheme B						
I. 購股權計劃B						
Directors and Chief Executives						
董事及最高行政人員						
19 June 2000	19 June 2001 to 18 June 2010	HK\$0.44	3,750,000	(3,750,000)	-	-
二零零零年六月十九日	二零零一年六月十九日至二零一零年六月十八日	0.44港元				
Other employees						
其他僱員						
12 July 2000	12 July 2001 to 11 July 2010	HK\$0.328	75,000	(75,000)	-	-
二零零零年七月十二日	二零零一年七月十二日至二零一零年七月十一日	0.328港元				
4 December 2000	4 December 2001 to 3 December 2010	HK\$0.1355	150,000	-	(150,000)	-
二零零零年十二月四日	二零零一年十二月四日至二零一零年十二月三日	0.1355港元				
17 January 2001	17 January 2002 to 16 January 2011	HK\$0.2747	600,000	-	(600,000)	-
二零零一年一月十七日	二零零二年一月十七日至二零一一年一月十六日	0.2747港元				
13 August 2001	13 August 2002 to 12 August 2011	HK\$0.3868	225,000	(225,000)	-	-
二零零一年八月十三日	二零零二年八月十三日至二零一一年八月十二日	0.3868港元				
Sub-Total	小計		4,800,000	(4,050,000)	(750,000)	-

32. 以股份支付款項(續)

下表載列購股權計劃B及購股權計劃C項下本公司購股權之詳情，以及其於截至二零一零年十二月三十一日止年度之變動：

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

32. SHARE-BASED PAYMENTS (Cont'd)

32. 以股份支付款項(續)

Date of grant	Exercise period	Subscription price per share	At 1 January 2010	Cancelled/ lapsed during the year	Exercised during the year	At 31 December 2010
授出日期	行使期	每股認購價	於二零一零年一月一日	年內註銷/失效	年內行使	於二零一零年十二月三十一日
II. Share Option Scheme C						
II. 購股權計劃C						
Directors and Chief Executives						
董事及最高行政人員						
13 August 2008	13 August 2009 to 12 August 2018	HK\$0.06	47,000,000	-	(47,000,000)	-
二零零八年八月十三日	二零零九年八月十三日至二零一八年八月十二日	0.06港元				
10 November 2009	10 November 2010 to 9 November 2019	HK\$0.1026	15,000,000	-	(7,500,000)	7,500,000
二零零九年十一月十日	二零一零年十一月十日 至二零一九年十一月九日	0.1026港元				
Other employees						
其他僱員						
14 May 2002	14 May 2003 to 13 May 2012	HK\$0.1883	3,712,500	(375,000)	(2,587,500)	750,000
二零零二年五月十四日	二零零三年五月十四日 至二零一二年五月十三日	0.1883港元				
14 August 2002	14 August 2003 to 13 August 2012	HK\$0.1333	2,587,500	(112,500)	(2,475,000)	-
二零零二年八月十四日	二零零三年八月十四日 至二零一二年八月十三日	0.1333港元				
26 March 2003	26 March 2004 to 25 March 2013	HK\$0.1333	2,017,500	-	(2,017,500)	-
二零零三年三月二十六日	二零零四年三月二十六日 至二零一三年三月二十五日	0.1333港元				
13 August 2008	13 August 2009 to 12 August 2018	HK\$0.06	69,838,000	(4,212,500)	(63,910,917)	1,714,583
二零零八年八月十三日	二零零九年八月十三日 至二零一八年八月十二日	0.06港元				
10 November 2009	10 November 2010 to 9 November 2019	HK\$0.1026	60,000,000	-	(28,750,000)	31,250,000
二零零九年十一月十日	二零一零年十一月十日 至二零一九年十一月九日	0.1026港元				
Sub-total	小計		200,155,500	(4,700,000)	(154,240,917)	41,214,583
Total share options	購股權總數		204,955,500	(8,750,000)	(154,990,917)	41,214,583

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.075 (2009: HK\$0.095).

年內行使之購股權於行使日期之加權平均股價為0.075港元(二零零九年: 0.095港元)。

The expected life of the options is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

購股權之估計年期並非作為可能出現之行使模式之指標。預期波幅反映過往波幅為日後趨勢之指標之假設，但亦不一定為實際結果。

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財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

32. SHARE-BASED PAYMENTS (Cont'd)

No other feature of the options granted was incorporated into the measurement of fair value.

The 154,990,917 share options exercised during the year resulted in the issue of 154,990,917 ordinary shares of the Company and new share capital of HK\$1,549,909 and share premium of HK\$18,263,918 (before issue expenses), as further detailed in note 30 to the financial statements.

At the end of the reporting period, the Company had 41,214,583 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 41,214,583 additional ordinary shares of the Company and additional share capital of HK\$412,146 and share premium of HK\$6,966,240 (before issue expenses).

The fair value of the share options granted were determined by the company based on the Blacks-Scholes valuation model with the following assumptions:

32. 以股份支付款項(續)

獲授之購股權並無其他特徵被納入公平值之計算中。

年內內行之154,990,917份購股權導致發行154,990,917股本公司普通股，以及產生1,549,909港元之新股本及18,263,918港元之股份溢價(扣除發行開支前)，進一步詳情載於財務報表附註30。

於報告期間結算日，本公司於計劃項下有41,214,583份尚未行使購股權。根據本公司現時股本結構，悉數行使尚未行使購股權會導致發行41,214,583股本公司額外普通股，以及產生412,146港元額外股本及6,966,240港元股份溢價(扣除發行開支前)。

已授購股權公平值乃由本公司按柏力克－舒爾斯估值模式以下列假設釐定：

13 August 2009

二零零九年

八月十三日

Exercise price per share	每股行使價	\$0.0794
Value per option	每份購股權價值	\$0.098
Price per share at the date of grant	於授出日期每股價格	\$0.1026
Expected volatility of underlying share	相關股份預期波幅	110.53%
Annual risk free interest rate	無風險年利率	1.7827%
Life of option	購股權年期	5.5 years年
Vesting period	歸屬期	1 year年

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財務報表附註

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Disposal of subsidiaries

- (i) On 9 September 2010, the Group entered into an agreement with 深圳市矽感高科投資管理有限公司 and an individual to dispose its 94% equity interest in a then subsidiary, 深圳市和浩源投資發展有限公司 (formerly known as 深圳市矽感數碼系統有限公司), at a cash consideration of approximately RMB188,000 (equivalent to HK\$216,000).

Net assets at the date of disposal were as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	320
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	270
Bank and cash balances	銀行及現金結餘	20
Accruals and other payables	預提費用及其他應付款	(47)
Due to related companies	應付關連公司	(3,059)
Net assets disposed of	已出售資產淨值	(2,496)
Release of foreign currency translation reserves	解除外匯換算儲備	13,718
Loss on disposal of subsidiaries	出售附屬公司虧損	(11,006)
Total consideration – satisfied by cash	總代價—以現金償付	216
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration received	已收現金代價	216
Cash and cash equivalents disposed of	出售現金及現金等值物	(20)
		196

33. 綜合現金流量表附註

(a) 出售附屬公司

- (i) 於二零一零年九月九日，本集團與深圳市矽感高科投資管理有限公司及一名個別人士訂立協議，以按現金代價約人民幣188,000元(相當於216,000港元)出售其於當時附屬公司深圳市和浩源科技有限公司(前稱深圳市矽感數碼系統有限公司)之94%股本權益。

於出售日期之資產淨值如下：

Notes to Financial Statements

財務報表附註

For the year ended 31 December 2010

截至二零一零年十二月三十一日止年度

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(a) Disposal of subsidiaries (Cont'd)

- (ii) On 22 July 2010, the Group entered into an agreement with 深圳市旭感和誠信息技術有限公司 and an individual to dispose its 56.6% equity interest in a then subsidiary, 深圳市旭感信息工程監理有限公司, at a cash consideration of RMB2 (approximately HK\$2).

Net assets at the date of disposal were as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	20
Inventories	存貨	12
Trade receivables	應收賬款	75
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	28
Due from related companies	應收關連公司款項	2,232
Due from a non-controlling shareholder	應收非控股股東款項	3,281
Bank and cash balances	銀行及現金結餘	28
Trade payables	應付賬款	(35)
Accruals and other payables	預提費用及其他應付款	(58)
Net assets disposed of	已出售資產淨值	5,583
Non-controlling interests	非控股權益	(2,465)
Release of foreign currency translation reserves	解除外匯換算儲備	(93)
Loss on disposal of subsidiaries	出售附屬公司收益	(3,025)
Total consideration – satisfied by cash	總代價－以現金償付	–
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash consideration received	已收現金代價	–
Cash and cash equivalents disposed of	出售現金及現金等值物	(28)
		(28)

33. 綜合現金流量表附註(續)

(a) 出售附屬公司(續)

- (ii) 於二零一零年七月二十二日，本集團與深圳市旭感和誠信息技術有限公司及一名個別人士訂立協議，以按現金代價人民幣2元（約相當於2港元）出售其於當時附屬公司深圳市旭感信息工程監理有限公司之56.6%股本權益。

於出售日期之資產淨值如下：

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財務報表附註

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(iii) Disposal of subsidiaries (Cont'd)

33. 綜合現金流量表附註(續)

(iii) 出售附屬公司(續)

		2009 二零零九年 HK\$'000 千港元
Net assets disposed of:	所出售的資產淨值：	
Property, plant and equipment	物業、廠房及設備	8
Cash and bank balances	現金及銀行結餘	839
Accruals and other payables	預提費用及其他應付款	(548)
Other tax payables	其他應付稅項	(1)
		298
Gain on disposal of a subsidiary	出售一間附屬公司的收益	502
		800
Satisfied by:	以下列方式支付：	
Cash	現金	800

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

出售一間附屬公司的現金及現金等值物流出淨額分析如下：

		2009 二零零九年 HK\$'000 千港元
Cash consideration	現金代價	800
Cash and bank balances disposed of	所出售的現金及銀行結餘	(839)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	出售一間附屬公司的現金及現金等值物流出淨額	(39)

(b) Deemed disposal of a subsidiary

On 10 September 2010, 深圳市矽感高科技投資管理有限公司 transferred an intangible assets of RMB70,000,000 to a wholly owned subsidiary, 乾元貝盟科技有限公司 ("GYB") as capital contribution. The transaction lead to the reduction of the Group's interest in GYB from 100% to 30% and GYB became an associate of the Group with carrying amount of HK\$29,906,000. The loss on deemed disposal of HK\$3,939,000 in GYB was recognised in consolidated profit of loss for the year ended 31 December 2010.

(b) 視作出售附屬公司

於二零一零年九月十日，深圳市矽感高科技投資管理有限公司向一間全資附屬公司乾元貝盟科技有限公司("GYB")轉讓無形資產人民幣70,000,000元作為注資。該項交易令本集團於GYB之權益由100%減至30%，故GYB成為本集團賬面值為29,906,000港元之聯營公司。本集團於截至二零一零年十二月三十一日止年度之綜合損益賬確認視作出售GYB之虧損為3,939,000港元。

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財務報表附註

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(b) Deemed disposal major non-cash transaction of subsidiaries (Cont'd)

Net assets at the date of disposal were as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	5,838
Intangible assets	無形資產	-
Inventories	存貨	141
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	23,627
Bank and cash balances	銀行及現金結餘	480
Accruals and other payables	預提費用及其他應付款	(11,947)
Income tax liabilities	所得稅負債	(17)
Net assets disposed of	已出售資產淨值	18,122
Release of reserves	儲備解除	15,723
Gain on deemed disposal of subsidiaries	視作出售附屬公司收益	(3,939)
30% share of net assets of associates after deemed disposal	於視作出售後應佔聯營公司資產淨值30%	29,906
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash and cash equivalents disposed of	出售現金及現金等值物	(480)
		(480)

(c) Significant non-cash transaction is as follow:

Investing activities:	投資活動：
A parcel of Land Injected by a non-controlling shareholder as capital contribution	非控股股東以土地注資

33. 綜合現金流量表附註(續)

(b) 視作出售附屬公司之主要非現金交易(續)

於出售日期之資產淨值如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net cash outflow arising on disposal:		
Cash and cash equivalents disposed of	(480)	-
	(480)	-

(c) 重大非現金交易如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Investing activities:		
A parcel of Land Injected by a non-controlling shareholder as capital contribution	45,631	-

34. CONTINGENT LIABILITIES

As at 31 December 2010, the Group and the Company did not have any significant contingent liabilities (2009: Nil).

34. 或然負債

於二零一零年十二月三十一日，本集團及本公司概無任何重大或然負債(二零零九：無)。

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35. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備		
Property, plant and equipment	物業、廠房及設備	4,578	–
Construction in progress	在建工程	25,572	43,050
Leasehold improvements	租賃物業裝修	–	280
Capital contribution to an associate	向一家聯營公司之注資	–	113
		30,150	43,443

36. LEASE COMMITMENTS

At 31 December 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	2,731	2,674
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	6,098	7,287
		8,829	9,961

Operating lease payments represent rental payable by the Group for certain of its offices and factories. Leases are negotiated for an average term of one to two year and rentals are fixed over the lease terms and do not include contingent rentals.

35. 資本承擔

本集團於報告期間結束時之資本承擔如下：

36. 租約承擔

於二零一零年十二月三十一日，根據不可撤銷經營租約應付之未來最低租賃款項總額如下：

經營租賃款項指本集團就其若干辦公室及廠房應付之租金。租約按平均一至兩年期商議，租金以租期釐定，且不計入或然租金。

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37. RELATED PARTIES TRANSACTIONS

(a) The Company granted 75,000,000 share options to the directors in 2009 which are exercisable from 10 November 2010 to 9 November 2019 at an exercise price of HK\$0.1026 each.

(b) Compensation to key management

		Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Salaries and allowance	薪金及津貼	7,295	5,964
Equity-settled share option benefits	股權結算購股權福利	591	3,099
Retirement benefit scheme contributions	退休福利計劃供款	74	—
		7,960	9,063

38. EVENTS AFTER THE REPORTING PERIOD

(a) On 11 November 2010, the Company entered into a placing agreement with Oriental Patron Asia Limited (the "Placing Agent") pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to 625,000,000 placing shares at a price of HK\$0.32 per placing share on a best effort basis.

On 22 November 2010, the Company entered into the new placing agreement with the Placing Agent pursuant to which (i) the existing placing agreement was terminated upon signing of the new placing agreement; and (ii) the Company has conditionally agreed to place, through the Placing Agent, up to 625,000,000 placing shares at a price of HK\$0.32 per placing share on a best effort basis.

37. 有關連人士交易

(a) 本公司於二零零九年向董事授出75,000,000份購股權，可於二零一零年十一月十日至二零一零年十一月九日期間按0.1026港元之行使價行使。

(b) 向主要管理層作出補償

38. 報告期間結算後事項

(a) 於二零一零年十一月十一日，本公司與東英亞洲有限公司（「配售代理人」）訂立配售協議，據此，本公司有條件地同意透過配售代理人，按竭誠基準以每股配售股份0.32港元之價格配售最多625,000,000股配售股份。

於二零一零年十一月二十二日，現有買賣協議及現有配售協議終止後，本公司與配售代理人訂立新配售協議，據此，(i)現有配售協議於簽訂新配售協議時終止；及(ii)本公司有條件地同意透過配售代理人，按竭誠基準以每股配售股份0.32港元之價格配售最多625,000,000股配售股份。

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38. EVENTS AFTER THE REPORTING PERIOD (Cont'd)

(a) (Cont'd)

The placing was completed on 9 March 2011 in accordance with the terms and conditions of the new placing agreement. An aggregate of 625,000,000 placing shares have been successfully placed by the Placing Agent to 4 investors who are and whose ultimate beneficial owners are third parties independent of, not connected with and not acting in concert with any connected person of the Company. None of the placees has become a substantial shareholder (as defined in the GEM Listing Rules) as a result of the placing. An aggregate of 625,000,000 placing shares represents approximately 17.93% of the issued share capital of 3,484,639,457 shares as at the date of completion of the placing.

The net proceeds from the placing of approximately HK\$191 million are intended for financing part of the consideration for the acquisition of 100% of the issued share capital of Country Praise Enterprises Limited (the "Target Company") and its subsidiaries (collectively referred to as the "Target Group") the Target Group and as working capital for the future development of the Target Group. Details of the placing were disclosed in the announcement of the Company dated 11 November 2010, 23 November 2010, 26 November 2010 and 9 March 2011.

(b) On 21 January 2011, the Company entered into the convertible bonds subscription agreement with the Mighty Advantage Enterprises Limited (the "Vendor", the ultimate holding company of the Target Group) pursuant to which the Company will issue certain convertible bonds to the Vendor upon the satisfaction of certain conditions as adjustment to the consideration of the acquisition of the entire interest of the Target Group. The convertible bonds will be issued in various tranches and the issue of each tranche is subject to the satisfaction by the Target Group of each of the adjusted consideration scenarios. Failure by the Target Group to achieve the targets set out in all of the adjusted consideration scenarios will result in the Vendor not being entitled to any Convertible Bond. Details of the transaction were disclosed in the circular dated 24 January 2011.

38. 報告期間結算後事項(續)

(a) (續)

配售事項已於二零一一年三月九日根據新配售協議之條款及條件完成。配售代理人成功向4名投資者配售合共625,000,000股配售股份，該等投資者本身及其最終實益擁有人均為獨立於本公司任何關連人士且與彼等概無關連之第三方，亦並非與本公司任何關連人士一致行動之人士。概無承配人因配售事項成為主要股東(定義見創業板上市規則)。合共625,000,000股配售股份相當於配售事項完成日期已發行股本3,484,639,457股股份約17.93%。

配售事項所得款項淨額約191,000,000港元擬用作撥付收購Country Praise Enterprises Limited(「目標公司」)及其附屬公司(統稱「目標集團」)全部已發行股本之部分代價及作為目標集團日後發展所需之營運資金。配售事項之詳情於本公司日期為二零一零年十一月十一日、二零一零年十一月二十三日、二零一零年十一月二十六日及二零一一年三月九日之公告披露。

(b) 於二零一一年一月二十一日，本公司與Mighty Advantage Enterprises Limited(「賣方」，目標集團之最終控股公司)訂立可換股債券認購協議，據此，本公司將於達成若干條件後向賣方發行可換股債券作為收購目標集團全部股本權益代價之調整。可換股債券將分多批次發行，而各批次發行須待目標集團達致各經調整代價情況後，方告完成。目標集團未能達致所有經調整代價情況所載目標將令賣方無權獲發任何可換股債券。交易詳情於日期為二零一一年一月二十四日之通函披露。

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38. EVENTS AFTER THE REPORTING PERIOD (Cont'd)

- (c) On 28 February 2011, the Group obtained control of the Target Group by acquiring 100% of the issued share capital of the Target Company for a maximum consideration of HK\$850,000,000. The Target Company was principally engaged in the development and operation of electronic payment tools. The acquisition is for the purpose of deployment of the Group's application of self-developed 2D barcode technology to the fast growing electronic payment service industry in the PRC.

The fair value of the identifiable assets and liabilities of the Target Group acquired as at its date of acquisition is as follows:

38. 報告期間結算後事項(續)

- (c) 於二零一一年二月二十八日，本集團透過以最高代價850,000,000港元收購目標公司全部已發行股本，取得目標集團之控制權。目標公司之主要業務為開發及經營電子支付工具。收購事項之目的乃本集團將其自行開發之二維條碼技術應用在中國快速增長之電子支付服務業。

於收購日期所收購目標集團之可識別資產及負債之公平值如下：

		HK\$'000 (unaudited) 千港元 (未經審核)
Net liabilities acquired:	收購之負債淨額	
Property, plant and equipment	物業、廠房及設備	4,165
Goodwill	商譽	30,696
Investment in jointly controlled entities	於共同控制實體之投資	1,740
Trade and other receivables	應收賬款及其他應收款	68,658
Held-to-maturity financial assets	持至到期財務資產	5,919
Time deposits with original maturities over three months	原到期日超過三個月之定期存款	17,758
Due from a related company	應收一間關連公司款項	283,079
Due from a jointly controlled entities	應收一間共同控制實體款項	30
Bank and cash balances	銀行及現金結餘	39,546
Settlement obligations	償付責任	(414,929)
Accruals and other payables	預提費用及其他應付款	(38,013)
Due to a jointly controlled entity	應付一間共同控制實體款項	(30)
Due to ultimate holding company	應付最終控股公司款項	(5,716)
		(7,097)
Goodwill	商譽	911,328
Satisfied by:	以下列方式償付：	
Cash	現金	80,000
Consideration Shares	代價股份	45,938
Convertible bonds	可換股債券	778,293
		904,231
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	80,000
Cash and cash equivalents acquired	收購現金及現金等值物	(57,304)
		22,696

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38. EVENTS AFTER THE REPORTING PERIOD (Cont'd)

(c) (Cont'd)

The goodwill arising on the acquisition of the Target Group is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

The Company has paid cash consideration of HK\$80,000,000 and issued 218,750,000 consideration shares to the Vendor in accordance with the terms of the new sale and purchase agreement on the completion date. The 218,750,000 consideration shares, representing approximately 7.65% of the issued share capital of the Company at 28 March 2011, rank pari passu in all aspects amongst themselves and with the shares in issue on the date of the issue and allotment of the consideration shares.

39. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of other loans of HK\$3,399,000 from accruals and other payables to borrowings, and reclassification of amount due from a non-controlling shareholder of HK\$319,000 to and accruals and other payables. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2011.

38. 報告期間結算後事項(續)

(c) (續)

收購目標集團所產生商譽乃歸因於預期本集團在新市場分銷產品具盈利能力以及預期自合併產生未來經營協同效應。

本公司於交割日期根據新買賣協議之條款向賣方支付現金代價80,000,000港元及發行218,750,000股代價股份。218,750,000股代價股份(相當於二零一一年三月二十八日本公司已發行股本約7.65%)彼此之間及與於代價股份發行及配發當日已發行股份各方面享有同等權益。

39. 比較數字

若干比較數字已重新分類，以符合本年度之呈列方式。變動包括將3,399,000港元之其他貸款由預提費用及其他應付款重新分類至借款，以及將319,000港元之應收一名非控股股東款項重新分類至預提費用及其他應收款。本集團認為，會計項目之新分類為本集團事務狀況提供更適合呈列方式。

40. 批准財務報表

財務報表已獲董事會於二零一一年三月二十八日批准及授權刊發。

