



HENGXIN
恒芯中國

Heng Xin China Holdings Limited 恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 8046)

HX

2010/2011

Annual Report
年報

* For identification purpose only 僅供識別

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Xiao Yan (*Chief Executive Officer*)
Mr. Feng Yongming
Mr. Li Tao

Non-executive director

Mr. Xu Lei

Independent non-executive directors

Mr. Leung Wo Ping *JP*
Mr. Dong Shi
Mr. Hu Dingdong

COMPANY SECRETARY

Ms. Cheng Kit Sum Clara, *CPA, ACCA*

AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

Mr. Leung Wo Ping *JP* (*Chairman*)
Mr. Dong Shi
Mr. Hu Dingdong

COMPLIANCE OFFICER

Mr. Feng Yongming

AUTHORISED REPRESENTATIVES

Mr. Feng Yongming
Ms. Cheng Kit Sum Clara

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Heng Xin China Holdings Limited
Annual Report 2010/2011

董事會

執行董事

肖彥先生 (*行政總裁*)
馮永明先生
李濤先生

非執行董事

徐雷先生

獨立非執行董事

梁和平先生，*太平紳士*
董石先生
胡定東先生

公司秘書

鄭潔心女士，*CPA, ACCA*

審核委員會、提名委員會及薪酬委員會

梁和平先生，*太平紳士* (*主席*)
董石先生
胡定東先生

法規主任

馮永明先生

授權代表

馮永明先生
鄭潔心女士

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2, 24/F, Harcourt House
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STOCK CODE

8046

COMPANY INTERNET HOMEPAGE

<http://www.hengxinchina.com.hk>

BERMUDA PRINCIPAL SHARE REGISTRAR

HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
18/F, Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
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PRINCIPAL BANKER

Wing Hang Bank Limited
161 Queen's Road Central, Hong Kong

AUDITORS

Messrs. Morison Heng
Certified Public Accountants
7/F., Allied Kajima Building,
138 Gloucester Road, Wanchai, Hong Kong

香港總辦事處暨主要營業地點

香港灣仔告士打道39號
夏慤大廈24樓2室

股份代號

8046

公司網頁

<http://www.hengxinchina.com.hk>

百慕達主要股份登記處

HSBC Securities Services (Bermuda) Limited
6 Front Street
Hamilton HM 11
Bermuda

香港股份登記分處

聯合證券登記有限公司
香港灣仔
駱克道33號中央廣場
福利商業中心18樓

主要往來銀行

永亨銀行有限公司
香港皇后大道中161號

核數師

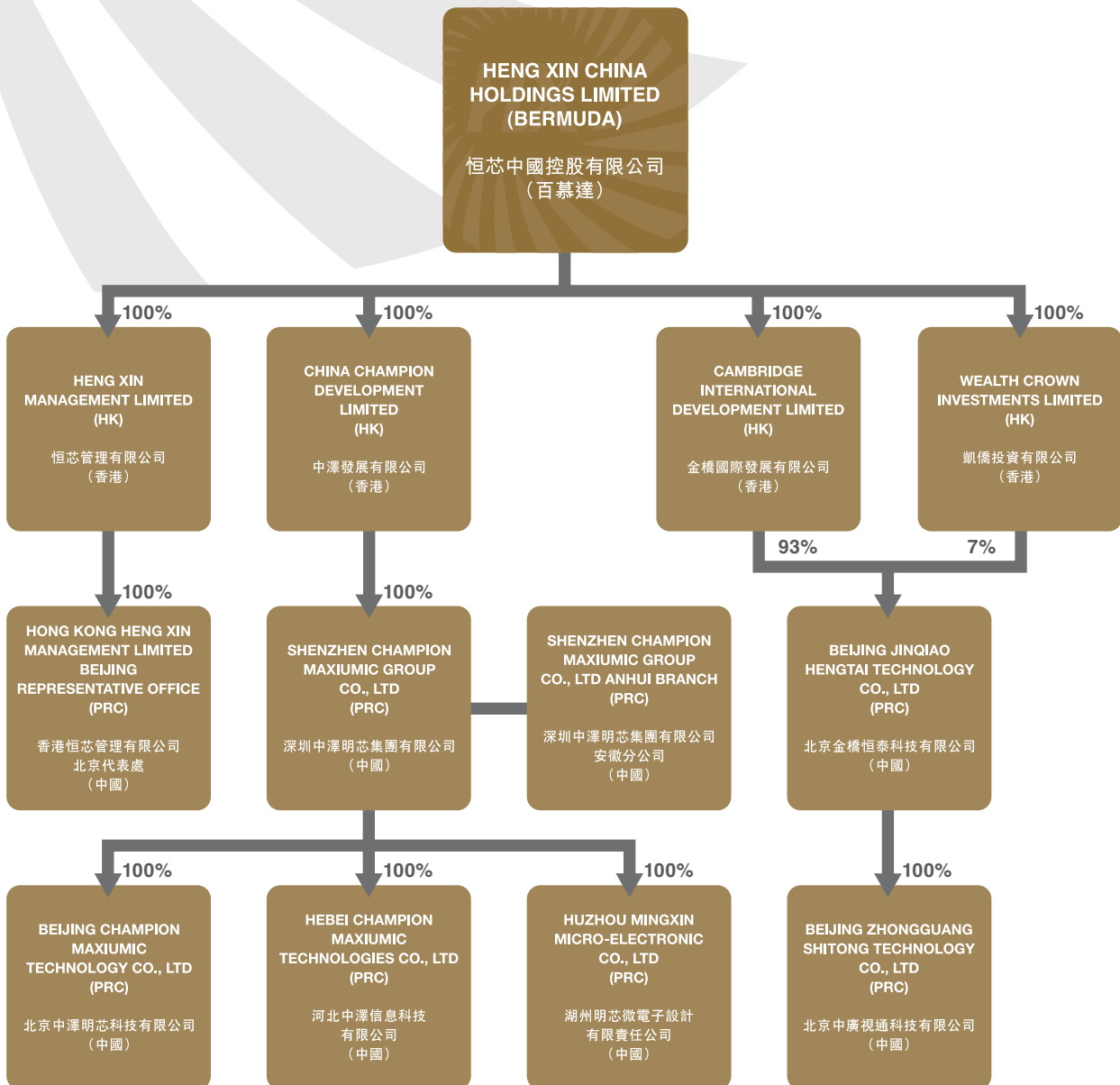
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CORPORATE CHART

公司架構圖

Heng Xin China Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Companies Act 1981 of Bermuda (as amended). The Company's shares were listed on GEM on 16 April 2003. The following is a corporate chart of the Company and its principal subsidiaries up to the date of this report.

恒芯中國控股有限公司(「本公司」)於二零零二年九月九日根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為受豁免有限公司。本公司股份於二零零三年四月十六日於創業板上市。下圖為本公司及其主要附屬公司截至本報告日期之公司架構圖。



STATEMENT FROM CHIEF EXECUTIVE OFFICER 行政總裁報告書

STATEMENT FROM CHIEF EXECUTIVE OFFICER

On behalf of the board of Directors (the “Board”) of Heng Xin China Holdings Limited (the “Company”), I am pleased to present the annual report of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 30 June 2011.

FINANCIAL PERFORMANCE

For the financial year ended 30 June 2011, the Group recorded a consolidated turnover of approximately HK\$676.6 million (2010: HK\$653.3 million) and a profit attributable to equity holders of the Company of approximately HK\$201.9 million (2010: HK\$181.0 million). The basic earnings per share was approximately HK9.50 cents, compared to approximately HK11.50 cents of the last financial year. The directors do not recommend the payment of a final dividend in respect of the year ended 30 June 2011.

BUSINESS REVIEW AND FUTURE PROSPECTS

During this financial year, the Group continued to devote its effort to strengthen the growth of, and optimize the development plan for, our core and newly developed businesses. The Group increased resources on market exploration, and increased investment and enhanced operation in digital television broadcast industry in the PRC, in particular the three networks integration business in cable digital television. Although revenue will come more significantly in future years judging from the business contracts the Group has entered into, it has achieved remarkable results.

行政總裁報告書

本人謹代表恒芯中國控股有限公司(「本公司」)董事會(「董事會」)欣然呈列本公司及其附屬公司(統稱為「本集團」)截至二零一一年六月三十日止財政年度之年報。

財務業績

於截至二零一一年六月三十日止財政年度，本集團錄得的綜合營業額約為676,600,000港元(二零一零年：653,300,000港元)，本公司股權持有人應佔溢利約為201,900,000港元(二零一零年：181,000,000港元)。每股基本盈利約為9.50港仙，而上一財政年度則約為11.50港仙。董事不建議派付截至二零一一年六月三十日止年度之末期股息。

業務回顧及未來前景

本集團於本財政年度繼續致力於鞏固和優化核心業務和新興業務的發展計劃和規模。本集團加大對中國廣播數字電視產業領域特別是有線數字電視三網融合業務的市場開發和資金及業務投入。雖然收益大部份來自未來年度，但根據本集團所訂立之業務合約，該業務已取得了突出的表現。

STATEMENT FROM CHIEF EXECUTIVE OFFICER 行政總裁報告書

As for the cable digital television industry, in response to the three networks integration policy in digital television broadcast industry in the PRC and huge market demand, the Group continued to strengthen the growth of its business in contracted regions during this financial year, while putting great effort in exploring new markets, improving the service quality of our cable digital television business, exploring and developing products with our own core technology, fully carrying out the role as business operator, adding more value added services in operation, and establishing our customer base and strategic partnership in the industrial chain of such segment. The Group has achieved remarkable results in terms of business scale and service quality of the segment, realized impressive economic efficiency and laid a solid foundation for the sustainable growth of this new business.

As for the wireless digital television industry, the Group has continued to strengthen its system and equipment integration business in contracted regions, further increasing the scale of its integration business in transmission ends and terminal equipment in the wireless digital television market of the regions, improving our current business operation model, consolidating and enhancing our partnerships with other operators and in the industry chain, thereby creating favourable conditions for continuous growth of our business operation in this segment.

As a reputable and large-scale designer and supplier for wireless audio basebands and information security technology products, during this financial year the Group continued to consolidate its existing customer base and advantages in products and technology, put great effort in exploring new markets, enhance our market share, strengthen further the research and development of our own core technology products, and their application and promotion in the fields concerned. We caught up with market development, and provided advanced products and quality services to the users, thereby creating a solid and established customer base, and favourable conditions for sustainable growth.

在有線數字電視產業領域，為適應中國廣播數字電視產業三網合一的政策和巨大的市場需求，本集團在本財政年度繼續鞏固已簽約地區業務發展的同時，大力推動在新區域的市場拓展工作，優化有線數字電視業務的服務品質，探索和開發自主核心技術產品，完善了業務運營商的角色，拓展了運營增值服務的內涵，並建立了該領域產業鏈上的基本客戶群及戰略合作夥伴關係。本集團在該產業領域的業務規模和業務品質取得了顯著成果，實現了可觀的經濟效益，為此新業務的可持續發展奠定了優勢基礎。

在無線數字電視產業領域，本集團繼續加強在已簽約地區的系統設備集成業務，進一步拓展了在該等地區無線數字電視市場的發射端和終端設備集成業務規模，完善了已有的商業運營模式，鞏固和強化了與其他運營商和產業鏈上合作夥伴的關係，為在該領域的業務運營持續發展創造了有利條件。

作為知名大型無線音頻基帶晶片和資訊安全技術產品設計及供應商，本集團於本財政年度繼續鞏固原有的客戶群及產品和技術的優勢，大力開發新的客戶市場，提高市場份額，進一步強化自主核心技術產品的研發及在相關產業領域的應用推廣，適應市場的發展需要，為使用者提供先進的技術產品和優質的服務，建立了穩定規模的客戶基礎和可持續發展的有利條件。

STATEMENT FROM CHIEF EXECUTIVE OFFICER 行政總裁報告書

The Group has been following and adapting to the development and demand of the market in Mainland China. We have grasped the huge business opportunities, and adhered to the philosophy of market, customer, technology, service and earnings-oriented development. We aim to grow bigger, stronger, and better in our principal businesses, maintain and enhance the Group's core competitiveness, build up the strength and solid base for the sustainable growth of the Group.

By paying attention to and coping with the domestic development and demand of the broadcasting digital television industry on an ongoing basis, the Group is able to further grab a foothold and penetrate in the markets of wireless digital television and digital cable television, in particular the business in three network integration, improve the digital television business in the contracted regions, expand into new markets, strengthen further the research and development and promotion of the application of the technology and products in this field, upgrade the overall service quality and the scale of operation of the digital television business, in particular the three network integration of the digital cable television, and achieve a greater and better economies of scale in order to maintain the Group's competitive advantage in the digital television broadcasting industry.

The Group will continue to maintain and enhance its technological advantages and leading position in the areas of wireless audio baseband integrated circuits and multimedia transmission as well as information security technology products, identify new markets and increase its market share and bring in new sources of growth in revenue.

Capitalizing on the vast domestic business opportunities in the PRC, the Group's clear market positioning, aggressive market expansion, effective business operation model, sophisticated experience in business development and long-term established partners relationship and customer base, will enable the Group to achieve a more sustainable competitive edges for the business development with the greatest economic benefits, which the Board expects will bring about long-term and greater benefits to the Group.

本集團一直跟隨和適應中國內地市場的發展和需求，抓住巨大的商機，堅持以市場為導向、以客戶為中心、以技術為基礎、以服務為手段、以盈利為目標的發展宗旨，做大、做強和做優主營業務，保持和提升本集團的核心競爭力，打造本集團可持續發展的能力和堅實基礎。

本集團持續關注和跟隨國內廣播數字電視產業的發展和需求，進一步鞏固和拓展無線數字電視和有線數字電視特別是三網融合業務市場，做好已簽約地區的數字電視業務，大力拓展新的市場空間，進一步深化該領域應用技術及產品的研發和推廣，提升數字電視業務特別是有線數字電視三網融合業務運營綜合服務品質和規模，創造更大更優的規模經濟效益，使本集團保持在廣播數字電視產業的競爭優勢地位。

本集團將繼續保持並提升在無線音頻基帶芯片和多媒體傳輸以及資訊安全技術產品領域的技術優勢和領先地位，拓展新的市場領域，擴大市場份額，帶來新的收益增長點。

中國內地巨大的市場商機、本集團明確的市場定位、大力的市場拓展、有效的業務運營模式、積累成熟的業務發展經驗，以及長期鞏固的合作夥伴關係和客戶基礎，將使本集團的業務發展更具持續競爭力，更具最大的經濟效益。董事會預期這些將為本集團帶來長遠更大的利益。

STATEMENT FROM CHIEF EXECUTIVE OFFICER 行政總裁報告書

Finally, on behalf of the Board, I would like to take this opportunity to extend our sincere gratitude to our customers, business partners and shareholders for their continuous and valuable support to the Group. I would also like to express my heartfelt appreciation to all our dedicated staff for their hard work and efforts that have contributed to the sustained growth of the Group over the year.

Xiao Yan

Chief Executive Officer

27 September 2011

最後，本人謹藉此機會代表董事會就客戶、業務夥伴及股東一如既往地鼎力支持本集團致以衷心謝意。本人亦謹此感謝全體員工於年內努力不懈，使本集團業績穩步向前。

行政總裁

肖彥

二零一一年九月二十七日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

I. THE GROUP

The Group saw a big step forward in overall development and business transformation for this financial year as compared with that for last financial year. Thanks to the contribution of all members of the Group, the Group has not only reached the business target but also maintained technological reserve.

II. BUSINESS REVIEW

During the year under review, the Group has been focusing on the following core technologies and/or business areas:

Digital cable television two-way conversion equipment and services, and value added services

With the experience in the of wireless digital television business and riding on the national “three networks integration” policies introduced by the State Council in January 2010, the Group aggressively extended solutions on the conversion of digital cable television projects and has achieved a great leap in research and development, design, production and sales. This new business began in April 2010. Since then a number of breakthrough has been achieved. In April 2010, the Group and 江西南昌廣播電視網絡傳輸中心 (Nanchangxian Radio and Television Network Transmission Centre) in Jiangxi province, entered into a cooperation agreement for network construction in Jiangxi province with Nanchang county, the most economically booming county in Jiangxi province, as a pilot city. It also entered into an agreement with 安徽廣電信息網絡股份有限公司 (Anhui Radio and Television Information Network Co., Ltd) for the similar network construction in Anhui province. The first phase of the two-way network construction in four cities of Anhui, namely Huainan, Huaibei, Bozhou and Suzhou, has already commenced. In August of the same year, through technology planning and a tender for the equipment selection, the two-way network construction of “three networks integration” in pilot cities has also kicked off.

I. 本集團

與上一財政年度比較，本集團本財政年度整體發展及業務轉型向前邁進一大步，在本集團整個團隊的共同努力下，本集團不僅達成了業務目標，同時也維持了技術儲備。

II. 業務回顧

於回顧年度，本集團已專注於下列核心技术及／或業務範疇：

有線數字電視雙向改造設備及服務及增值服務

本集團憑藉在無線數字電視業務的經驗，瞄準國務院於二零一零年一月出台之國家「三網融合」的政策契機，積極延伸至有線數字電視改造計劃提供解決方案，在研發、設計、生產及銷售方面實現了重大進展。該新業務於二零一零年四月開始，自此，本集團已取得不少突破。於二零一零年四月，本集團與江西省江西南昌廣播電視網絡傳輸中心簽訂了以該省經濟增長最蓬勃的南昌縣作為江西省網路建設的試點合作協定。此外，亦與安徽廣電信息網絡股份有限公司簽訂了在安徽省進行相類的網路建設的協定，雙向網路建設第一期在安徽的淮南、淮北、亳州、宿州四城市率先啟動，經過技術規劃和設備選型招標，同年八月開始了試點城市「三網融合」雙向網路的建設。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Following the introduction of the “Twelfth Five-Year Development Plan” in the PRC, the construction of new rural area and the development of culture industry will become the prime mission and backbone industry of the country respectively. As a response to the national policy and to adapt to the social and economic development in the PRC, the Group entered into a cooperation agreement with 河北廣電信息網絡集團股份有限公司 (Hebei Television Broadcasts and Information Network Group Co., Ltd “HBTN”) for the progressive development of 3 million rural subscribers in 3 years following the progress of the construction of new rural area in Hebei province. During the cooperation period of 15 years, for each successful solicitation by the HBTN of a digital television subscriber with the basic monthly fee per subscriber not lower than RMB15, the Group will contribute equipment worthy of RMB550 per subscriber and share 50% to 80% of the revenues from basic subscription fees and the future income from value-added services. The signing of this cooperation agreement would lead the Group to become a comprehensive television operator with revenue from basic subscription fees and the value-added business. Since early 2011, due to the realisation of revenue from basic subscription fees of television broadcasting, the Group began to record a stable cash inflow and will also record higher income from the value-added business of television broadcasting.

Thus the Group has already obtained the operation rights on the development and basic business of the 3 million cable digital television subscribers in Hebei, and 5.5 million two-way value-added business of digital television subscribers in Jiangxi and Anhui. For the financial year 2010/2011, the Group has transformed remarkably to new business recording good results. Since the beginning of 2011, the Group has indulged in network construction for nearly half a year, and now completed the two-way network conversion for the first 200,000 subscribers, basic network construction for 500,000 subscribers, and installation of 6,000 public display panels.

隨著中國「十二五發展計劃」的出台，新農村建設以及文化產業的發展將成為國家的首要任務和支柱產業，為回應國家政策以及配合中國社會及經濟的發展，本集團與河北廣電信息網絡集團股份有限公司（「河北廣電」）簽訂了因應河北省新農村建設的進展，三年內逐步發展至3,000,000戶農村用戶的合作協定，河北廣電每完成建設一戶數字電視用戶，本集團便投入每戶價值人民幣550元的設備，合作期限為15年，每戶每月基礎收視費不低於人民幣15元，本集團的分佔收益為基礎收視費和未來增值服務收入的50%至80%。此合作協定的簽訂，預示本集團成為一家綜合廣電運營商，從基礎收視費以至增值業務收費取得收益。從二零一一年年初起，由於錄得電視廣播基礎收視費收益，本集團開始錄得穩定的現金流收益，從而獲得更高電視廣播增值業務的收入。

故此，本集團已經獲得河北3,000,000戶有線數字電視用戶的發展和基礎業務運營權，以及江西、安徽5,500,000戶數字電視用戶的雙向增值業務。於二零一零年／二零一一年財政年度，本集團因轉型到新業務而錄得亮麗的業績。自二零一一年年初開始，本集團經過大約半年的網路建設，目前已經完成首200,000戶用戶的雙向網路改造、500,000戶用戶的基礎網路建設以及6,000塊公共顯示屏的建設。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The business cooperation model of the two-way network construction of “three networks integration” is that while contributing in the equipment for the two-way network construction, the Group works with the local television broadcast operators on the operation of the “three networks integration” business during a period ranging from 12 to 15 years, and shares approximately 40% to 70% of the revenues. Through this unique way of cooperation between both parties, the Group has become the only overseas-listed operator in PRC television broadcast. With the support of the “three networks integration” policy and the progress of the business, the television broadcast network will ultimately become the fourth largest integrated operator in the PRC, after China Unicom, China Telecom and China Mobile, gaining substantial revenue in the future. According to the requirement of the national policy, the construction period of “three networks integration” by television broadcast will end by 2013. The specific details of implementation and business requirements of the businesses of television broadcast and telecommunication will gradually be introduced. Hence the mature period (period of high revenue) of the “three networks integration” business will be the years after 2013.

Upon the completion of the first phase of the two-way network construction in Anhui province ten months after its commencement, the Group saw its initial achievement to have solicited 200,000 subscribers for the network construction of “three networks integration”. Consequently, the Group entered into a series of cooperation agreements with the value-added service providers for electronic payment, distance health care, distance education and advertising, indicating the full operation of its value-added business.

「三網融合」雙向網路建設的業務合作方式是，本集團一方面投入雙向網路建設的設備，亦與當地的廣電運營商合作進行「三網融合」業務的運營，合作期限為12至15年，並分佔收益約40%至70%。通過雙方合作的獨特模式，本集團成為唯一海外上市的中國廣電運營商。在「三網融合」的政策支持和業務推進下，廣電網路將最終成為中國聯通、中國電信、中國移動以外的中國第四大綜合運營商，日後將獲得龐大收益。按照國家的政策要求，廣電「三網融合」的建設期將於二零一三年終結，廣電和電信運營業務的各項具體實施細節和業務要求將逐步出台。因此「三網融合」業務運營的成熟期（即高收益期）將於二零一三年後達到。

經過10個月，安徽省等一期雙向網路建設已完成，「三網融合」網路的建設已完成200,000戶用戶，本集團取得初步成果。為此，本集團簽訂了一系列增值服務供應商的合作協定，包括電子支付、遠端醫療、遠端教育及廣告，意味全面啟動其增值業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Following the establishment of an operation team for the Group's value-added business and the commencement of operation of its business, the Group also entered into a cooperation agreement with 河北廣電移動數字電視有限責任公司 (Hebei Digital Mobile Television Broadcasting Co., Ltd "HDMTV") in Hebei province in July 2011, pursuant to which all of its mobile television broadcasting businesses is contracted to the Group for a period of 15 years, including the operation of advertising display panels on buses, in train stations, airports and outdoors on the condition that Hebei mobile television company will share 20% of the revenue. The Group currently owns 6,000 display panels and will own tens of thousands of outdoor advertising display panels covering 11 cities in the entire Hebei province in the future, contributing a considerable income for the Group's value-added business such as advertising. In August 2011, the Group entered in to a cooperation agreement with Beijing Huaxia Innomedia Technology Co., Ltd. ("Beijing Huaxia") to jointly operate and develop the advertising business and value-added services of the digital mobile television project and 60,000 electronic display panels in Hebei province for a period of 10 years. For the cooperation business, Beijing Huaxia will contribute a cooperation development fee of RMB200 million to accelerate the development of the project and will share 50% gross revenue from the Group out of its profit portion after sharing with HDMTV.

The Group's existing operation right on value-added business covers areas such as Anhui and Nanchang of Jaingxi provinces. The Group has signed contracts on establishment and operation of value-added business for 550 million cable television subscribers. As in Hebei province and Datong of Shanxi province, the Group has signed contracts on establishment and operation of basic television business for 370 million cable television subscribers. In addition, the Group also signed contracts on wireless mobile digital television operation in Hebei province, which includes operation for value-added businesses such as 60,000 advertising display panels in public areas.

隨著本集團增值業務運營團隊的建立以及業務運營的啟動，本集團亦在二零一一年七月與河北省河北廣電移動數字電視有限責任公司（「河北廣電移動數字電視」）簽訂為期15年的合作協定，以分配20%收益予河北移動電視公司為條件，承包其所有的移動電視廣播業務，包括公車、火車站、飛機場和戶外的廣告顯示屏經營等等。本集團目前擁有6,000塊顯示屏，日後將擁有覆蓋河北全省11個城市數以萬計的戶外廣告顯示屏，將為本集團的廣告等增值業務帶來可觀收入。於二零一一年八月，本集團與北京華夏力通傳媒科技有限公司（「北京華夏」）訂立為期10年的合作協議，雙方共同營運及發展於河北省之移動數字電視項目以及河北省60,000塊電子顯示屏之廣告業務及增值服務。北京華夏就合作業務支付合作開發費用人民幣200,000,000元，以加快項目開發進度並分佔本集團與河北廣電移動數字電視分成後利潤部份之總收入50%。

本集團目前的增值業務運營權覆蓋安徽及江西省南昌等地，已簽約了建設運營550,000,000戶有線廣電用戶的增值業務。在河北省以及山西省大同方面，本集團已簽約建設運營370,000,000戶有線廣電用戶的廣電基礎業務。此外，本集團亦在河北省簽約無線移動數字電視運營協定，包含60,000塊公共位置廣告顯示屏等增值業務的經營。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's core business direction is to become an integrated operator in television broadcasting business, mainly as an integrated network business operator. As in Hebei province, the Group provides equipment worthy of RMB550 to each subscriber for a term of partnership of 15 years and share the gross revenues based on the proportion of 80% for the first 5-years, 60% for the next 5-years and 50% for the third 5-years.

On top of the above, other value-added revenues, such as revenues from advertising and broadband services, are also shared in proportion to net revenues. In areas such as Anhui and Nanchang of Jiangxi, based on the investment for equipment of approximately RMB500 per household, upon the completion of the network construction of "three networks integration", revenues will mainly come from the revenues allocated through value-added business segment excluding basic subscription fees, such as electronic payment, home online games, broadband service, HD television, pay-television and videophone. For instance, in Anhui province, the term of partnership is 12 years, and the Group shares the revenues based on the proportion of 70% for the first three-years, 50% for the next three-years, and 40% for the last six-years. In addition to the above, the Group also shares a portion of revenues from basic subscription fees. The basic subscription fee for the second television set for all household in Anhui province is approximately RMB3 per month for each household, and such income will solely be allocated to the Group. With reference to the financial information and data of other television operators, the Group's value-added revenues will be twice of the basic revenues. As such, through the operation model mentioned above, the Group is able to maintain sufficient cash flow, and will reap the benefit of the huge revenues from value-added business in the future.

本集團的主要業務方向是成為綜合廣電運營商，主要作為綜合業務網路運營商。比如河北省，本集團為每個用戶投入價值人民幣550元的設備，合作期為15年，並根據比例分配總收入：首五年為80%、第二個五年為60%以及第三個五年為50%。

此外，廣告、寬頻服務等其他增值收益亦均按比例分配淨收益。在安徽和江西南昌等地區則按照大約每戶人民幣500元的設備投資標準。完成「三網融合」的網路建設後，收益將主要來自基礎收視費以外的增值業務部份的收入分配，包括電子支付、家用網路遊戲、寬頻服務、高清電視、付費電視及視像電話等等。以安徽省為例，合作期限為12年，本集團按照首三年70%，第二個三年50%以及最後六年40%的比例分配收益。此外，本集團亦兼顧基礎收視費的收益部份。安徽省所有家庭的第二台電視機的基礎收視費約為每戶每月人民幣3元，有關收入將僅分配予本集團。經參考其他廣電運營商的財務資料及數據，本集團的增值收益將是基礎收益的兩倍。因此，通過上述的運營模式，本集團可維持充裕的現金流，並於日後收取來自增值業務的龐大收益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

With the growth of the Group's business, the Group has established its operation model as a television operator with the construction of television network and the sharing of revenue from basic subscription fees as its principal activities together with profit sharing from network construction of "three networks integration" and revenues from value-added business. At the same time, the Group will also maintain its current cash inflow from the basic subscription fees and consider the profit potential from the future value-added business. Under the direction for this type of business, the Group actively expands into new markets while carrying out network construction in contracted regions. In May 2011, it entered into cooperation agreements with Tianzhen and Yanggao counties of Datong, Shanxi province for pilot sites construction for basic television network, which further expanded the coverage of the construction and operation of television broadcast network.

In summary, the Group's television operation model has the following characteristics:

- By way of project collaboration, the Group contributes the equipment for the collaboration projects but does not hold any equity interest in the television broadcast operators, not involved in the broadcasting contents and the management and operation of the network companies. As such, the Group avoids the restrictions imposed by national policies on foreign investment in equity interests of television operation
- By adopting direct profit sharing, the Group and the local television operators bear the operation costs on their own and directly share the revenues received instead of sharing of net profit to avoid the existing liabilities and financial burdens of these television network companies. The Group is able to achieve sound cash flow and high investment return, as the Group only needs to bear the depreciation expenses of investment in equipment and its own operating costs. Meanwhile, the local network companies are able to achieve the greatest return on equity.

隨著本集團的業務進展，其作為廣電運營商的運營模式已經確立，廣電運營的主要業務為廣電網路的建設和基礎收視費收益分配為主，輔以「三網融合」的網路建設和增值業務收益溢利分配。同時，本集團將兼顧現時從基礎收視費得來的現金流收入，並考慮未來增值業務的潛在溢利。按照此業務類型的方向，本集團在進行已簽約地區的網路建設同時，積極開拓新市場。於二零一一年五月，本集團與山西省大同市的天鎮縣和陽高縣簽訂了進行基礎廣電網路建設試點的合作協定，有關協定進一步擴大廣電網路建設運營的覆蓋範圍。

總括而言，本集團的廣電運營模式的特點如下：

- 採取項目合作的方式，本集團投入合作項目的設備，惟不會持有廣電運營商的股權、不涉及播放內容和網路公司的經營及管理。因此，本集團避免了國家對外投資廣電運營股權所施加的政策限制。
- 採取收益直接分配的方式，本集團和當地的廣電運營商自行承擔其運營成本，直接分配收取的收益，而非分配淨利潤，從而避免承擔該等廣電網路公司的原有債務和財務負擔。本集團可獲得穩健的現金流及高投資回報，原因是本集團僅需承擔投資設備的折舊成本和自身的運營成本。與此同時，當地網路公司可以獲得最大的股本回報，各得其所。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- There are a number of characteristics for the Group's selected areas of collaboration. Firstly, the local network companies have rather high liabilities and are eager to lessen their liabilities through business growth. Secondly, the areas where the television network covers have such characteristics as high population density, low proportion of subscription fees in disposable income per capita, and rapid economic growth. Currently, the regions in central China have these characteristics. Thirdly, cable television network users count for a smaller proportion in these areas, which means there is huge potential for growth. Fourthly, the geographical features of these areas are mainly flatlands and hills, which allows higher investment returns for cable network coverage.
- Business co-operations with the Group bring about new development opportunities and business management mechanisms for local television broadcasting networks in addition to the knowledge on the development of local television broadcasting networks, to which the leaders of television administration at a higher level is looking forward to and which constitute the significant reasons for their aggressive implementation of the co-operations.
- 本集團選擇合作的區域具備幾個特點，首先，當地網路公司的負債比較高，急於透過業務發展減少負債；第二，廣電網路覆蓋區域的特點包括人口密度高、收視費佔人均可支配收入的比重低以及經濟發展速度快。目前，華中地區符合這些特點；第三，當地廣電有線網路的用戶比例較小，增長潛力龐大；第四，當地的地理特徵主要為平原或丘陵，令有線網路覆蓋的投資回報較理想。
- 與本集團的業務合作，除了為當地的廣電網路發展帶來知識外，還為當地廣電網路帶來了新的發展機遇和企業管理機制，這也是更高層的廣電部門領導所期盼的，亦是他們極力推進合作的重要原因。

Currently, the regions featured as aforesaid are mainly located in the central part of the PRC, for which reason, the Group's business co-operations of cable television operation are focused in such regions as Jiangxi, Anhui, Hebei and Shanxi provinces. Other regions with the characteristics above include Shaanxi, Sichuan, Henan, Guangxi, Fujian and Tianjin. It proves that the Group's business development model, with satisfactory sustainability and replicability, is well tuned with the current development of broadcasting in the PRC.

目前符合上述特徵的地區主要為中國中部，所以本集團的有線電視運營合作業務都集中在江西、安徽、河北、山西省等地區。其他具有上述特徵的地區還有陝西、四川、河南、廣西、福建、天津等省市。事實證明，本集團的業務發展模式迎合了中國廣電發展的現狀，具有很好的延展性和可複製性。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

With the rapid development of the businesses of television broadcasting operation, the Group repositioned and accelerated the expansion of its organisational structure. The subsidiaries of the Group engaged in different types of businesses, which complemented and supported each other. On the basis of the roles of subsidiaries, they can be classified into different categories: subsidiaries responsible for basic operation and for construction and maintenance of networks; subsidiaries responsible for value added businesses of market exploration and operation, whose major tasks include cooperation with providers of value added services in order to introduce valuable value added services into the networks constructed by the Group for operation, while integrating the resources for sales for advertising income of end-users invested by the Group on the general market, and subsidiaries responsible for the development of new businesses and products. These subsidiaries develop new products and technologies in accordance with the resources of operating networks as contracted and are currently developing proactively products such as USB for television for terminals of HDMTV as well as terminal products for television installed on vehicles. Apart from the aforesaid subsidiaries, the Group's existing principal businesses include encrypted integrated security circuits and wireless audio broadcasting circuits and products. Through the distinctive roles of and co-operations across different subsidiaries, the Group has been able to maximise synergy and revenues from the operational business of broadcasting television networks and ensure the proper operation of every television broadcasting projects.

隨著廣電運營業務的快速發展，本集團重整並加快擴大其組織架構。本集團的各間附屬公司，所從事的業務各有不同，並相輔相承。按照各附屬公司擔當的角色，它們可以劃分為以下幾個類型：基礎運營和網路建設維護的附屬公司；增值業務市場開拓和運營的附屬公司，其主要任務是與各增值服務提供者合作，將有價值的增值服務引入本集團所建設的網路中運營，同時整合資源，將本集團投資的終端使用者廣告收入於整體市場銷售；新業務和產品開發的附屬公司，依據我們簽訂的運營網路資源，開發新產品和技術，目前正積極開發河北廣電移動數字電視終端所應用的USB電視棒等產品，以及車輛接收的電視終端產品等。除了上述的附屬公司外，本集團現有的主營業務包括加密安全晶片及無線音訊廣播晶片和產品等。通過各附屬公司的明確分工和相互合作，本集團得以產生最大的協同效應，以及最高的廣電網路運營業務的收益，並保證各個廣電專案的正常運行。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Wireless digital terrestrial television network equipment integration business

The wireless digital television market in Hunan and Hubei provinces is booming. During the year ended 30 June 2011, the Group has achieved the largest market share in the supply of transmission ends and terminal equipment in the wireless digital television market in both provinces. The network construction of these two television broadcast operators is still in the initial stage. Upon the optimisation of coverage, the number of users will record a significant growth. In view of the funding constraints of these two television broadcast operators in the coming three years, the Group has well communicated and made agreements of early repayment with its customers. In addition, the Group will also cooperate with its business partners for the collection of its receivables. Up to now, the Group has fully collected its receivable from Hunan Mobile TV.

Information safety technology business

During the year ended 30 June 2011, the focus on the market of telecommunication business was precise environment control for the base stations. As a selected enterprise of China Telecom Group, the Group participated in the construction of telecommunication base stations in Yunnan, Jiangsu, Hebei, Heilongjiang, Henan and Zhejiang provinces. Despite that the turnover was not significant up to date, the Group has entered into a huge telecommunication operators' market with hundreds of billions' turnover every year. With the promotion of three networks integration in telecommunication, the business focus of the three largest operators has shifted to mobile internet and fiber to the home ("FTTH"). The Group's newly developed base environment-controlling products and optical fiber quick connectors completely suits the business modes of these telecom operators. In addition, the Group has been named in centralized purchases of China Unicom and China Telecom Corporation and had already won the bid and commenced the supply to the Jilin branch of China Unicom. The telecommunication business will definitely be a new highlight of the Group in the future.

地面無線數字電視網絡設備集成業務

湖南及湖北省無線數字電視市場蓬勃發展。於截至二零一一年六月三十日止年度，兩湖地區的無線數字電視市場的發射端和終端設備供應上，本集團爭取到了最大的市場份額，並且該兩間廣電運營商的網路建設還處在初級階段，覆蓋優化後用戶數還會有大幅增長。鑒於該兩間廣電運營商於未來三年面對回款壓力，本集團已與客戶進行了深入溝通，達成了提前支付協定。另外，本集團亦將與其業務夥伴合作，收回其應收賬款。到目前為止本集團已全數收回湖南移動電視的應收賬款。

資訊安全技術業務

於截至二零一一年六月三十日止年度，通信業務的重點市場在基站精密環境控制領域，本集團並且以中國電信集團入圍企業的身份參與了雲南、江蘇、河北、黑龍江、河南及浙江省電信基站建設。雖然截止目前銷售額不大，但卻令本集團可跨進一個每年營業額達到幾千億之龐大規模的電信運營商市場。隨著電信版三網融合的推廣，三大運營商的業務重心轉移到移動互聯網與光纖到戶（「FTTH」）。本集團新開發的基站環境控制產品與光纖快速接駁器完全迎合該等電信運營商的業務模式。此外，本集團已在中國聯通、中國電信總公司的集採入圍名單中，並且已在中國聯通吉林省分公司中標並開始供貨，電信業務必將成為本集團未來的一個新亮點。

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The system integration project has brought much contribution to such areas as medical services, plant integration, and government's centralized procurement by utilising the Group's leading encryption technology. With the growing coverage and continuous improvement of remote medical projects, the Group will continue to provide systems and equipment, and supporting software to service providers. The Group has been shortlisted and won the bids in several large government procurements such as Beihang University, China Southern Airlines, Xinhua Airlines, and universities, and these projects are progressing well. The Group also managed to gain a larger market share by collaborating with its business partner in large infrastructure tenders.

The satisfactory sales of the Group's self-developed software marks its success in technology development in the past three years. The application markets of account management, network management, precise control, and medical management are expanding. Demand from existing customers maintains a steady growth, and the prospect is optimistic. As the contribution to the technology development of the Group since its establishment, the Group will maintain its strong collaboration with various technology partners such as Tsinghua University, Beijing University of Technology, Beijing Institute of Technology, Beijing University of Posts and Telecommunications to develop new and useful technologies, applications, and functions in such areas as digital video, users management, encrypted algorithm, automation management, information management, cloud computing, and provide advanced, applicable, high-quality, tailor-made technology services to its customers.

系統集成專案利用本集團領先的加密技術在醫療服務、機房集成及政府集採項目中貢獻頗多。隨著遠端醫療專案的逐漸深入和完善，本集團會持續為服務商提供系統設備和配套軟體；本集團已入圍和已中標的多個大型政府招標採購專案如北航大學、南航、新華航空及大學等專案的進展順利；在大型基建招標專案中本集團聯合其業務夥伴，爭取獲得更大的市場份額。

自有軟體銷售理想，為本集團三年來的技術開發所積累的成果，用戶管理、網路管理、精密控制及醫療管理的應用市場越來越廣泛，現有客戶需求量穩定增長，未來的市場前景樂現。作為本集團創立之初的技術開發投入，本集團將繼續緊密聯繫清華、北工大、北理工、北郵等技術夥伴，在數字視訊、使用者控制、加密演算法、自動化控制、資料管理、雲計算等領域開發實用新技術、新應用、新功能，為客戶提供先進的、適用的、優質的、量身定製的技術服務。

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Wireless multimedia transmission baseband integrated circuits

During the quarter ended 30 June 2011, the demand from overseas customers in this business segment has further increased as a result of the stronger demand from both domestic and overseas markets. The Group's market share has been growing correspondingly with the expanding scale of cooperation with the domestic and overseas customers over the past few years. This has provided the Group with an effective protection of high revenue as well as a profit driver in future. During the financial year, the export market of this segment has improved. The export sales in the fourth quarter of the financial year 2010/2011 has increased substantially compared to those of the first three quarters, and the number of approved projects increased two to three times.

III. PROSPECTS

The business plan of the Group for the future is to develop as the top three operators of television broadcasting integrated businesses in the PRC. The Group will engage in full-scale basic television broadcasting business, television broadcasting value-added business and wireless television broadcasting business as well as satellite business according to the characteristics of the broadcasting television subscribers in different regions in mainland China.

In accordance with the policies of the State Administration of Radio, Film, and Television of the PRC, the broadcasting of all analog televisions shall cease and the digitalisation for broadcasting television networks shall be completed by 2015 for all regions, thereby marking an opportunity for significant development in the Group's history of operation of broadcasting television businesses by 2015. The Group will accelerate the expansion of broadcasting television operational business in the regions where the Group

無線多媒體傳輸基帶芯片

於截至二零一一年六月三十日止季度，由於國內外市場對需求的增加，此分部的國外客戶的業務需求在進一步的增大。隨著這幾年與國內外客戶的合作規模增大，本集團的市場份額也在相應加大，為本集團在今後的高額收益提供了一個有效保障和利潤增長點。於財政年度，此分部的外銷市場有所改善，所以二零一零年／二零一一年財政年度第四季度的外銷比前三季度大幅提升，並且把項目立項提高兩到三倍。

III. 前景

本集團未來的業務規劃，為發展成為中國前三大廣電綜合業務運營商。本集團將根據中國內地不同區域廣電使用者的特點，進行廣電基礎業務、廣電增值業務、廣電無線乃至衛星業務的全面運營。

按照中國國家廣電總局的政策要求，二零一五年之前關閉所有的模擬電視播出，各地都需要完成廣電網路的數字化建設，亦即，到二零一五年之前，都將為本集團的廣電業務運營提供了大發展的歷史機遇。本集團將迅速擴展廣電運營業務至本集團之經營區域。爭取到二零一三年，再陸續與二至四個省簽約，

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operates. The Group aims to enter into contracts consecutively with two to four provinces for the construction and operation of broadcasting television network integrated businesses in a total of six to eight provinces by 2013. It is expected that the construction of the network with 30 million broadcasting television subscribers would be completed by 2015, bringing tens of billions of revenue to the Group every year.

2012 is a year of continuing success of the Group's broadcasting operational business. The Group will reinforce and properly operate the networks for its contracted broadcasting television subscribers, while building a foundation for achieving the overall objectives of development of the Group. With the current progress of network construction, it is expected that the construction of network for 1.7 million cable basic broadcasting television subscribers and 1.5 million cable value-added broadcasting television subscribers and 30,000 electronic signboard within the contracted regions will be completed by 2012. Moreover, approximately 3 million new broadcasting television subscribers will be entered into contracts in the near future, generating a promising growth in profit and long-term value for the Group. The Group has the philosophy of market-oriented development based on technology with quality services as profit driver. This will assist the Group in maintaining its competitive edges and its sustainability.

For the development of wireless television business, the Group shall explore new markets and at the same time maintain its existing businesses, and actively expand its overseas market share for higher profit while keeping the largest share in the domestic market.

Although facing tense competition, the Group's first own product MOCA obtained network access from the State Administration of Radio, Film and Television and attained wide recognition from different levels of television operators, including Hebei selection, Hubei selection, Sichuan selection, Jiangxi selection, Shanxi selection, Shaanxi selection, Xinjiang selection, Liaoning selection, Heilongjiang Agricultural Reclamation selection. Under the environment of three networks integration, MOCA cable projects are yielding positive results, with orders for 1 million units, sales

總共建設運營六至八個省的廣電網路綜合業務，估計在二零一五年完成建設運營30,000,000的廣電用戶網路，為本集團帶來每年數百億元的收入。

二零一二年將是本集團廣電運營業務繼往開來的一年。本集團不僅需要逐步鞏固和妥善運營已經簽約的廣電用戶所使用的網路，而且要為完成本集團的總體發展目標奠定基礎。按照現在的網路建設速度，在已簽約地區，預計二零一二年將建設完成運營1,700,000有線基礎廣電用戶網路，1,500,000有線增值廣電用戶網路，以及30,000塊電子廣告屏；此外還在不久的將來新簽約3,000,000戶左右廣電用戶，為本集團帶來可觀的利潤增長和長遠價值。本集團發展宗旨是：以市場為核心導向、以技術為發展基礎、以高質素服務為盈利理念，使本集團保持良好的競爭力，並具有可持續發展能力。

本集團在無線電視業務發展上保持其現有業務的同時積極開拓新的市場管道，在國內市場保持最大份額的基礎上，積極拓展其國外市場來謀求更大的利潤空間。

本集團首個自有產品MOCA在激烈的競爭中已經獲得了廣電總局入網許可及河北選型、湖北選型、四川選型、江西選型、山西選型、陝西選型、新疆選型、遼寧選型、黑龍江農墾選型等各級廣電運營商的廣泛認可。在三網合一的大環境下，MOCA有線專案已經到了開花結果的時候了，湖北省未來三年已有1,000,000台的訂單，銷售額達到人民幣

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amount of approximately RMB600 million and expected gross profit margin of 20% in Hubei province in the coming three years. The Group entered into an agreement with value of RMB150 million in Panjin, Liaoning province and the project with the value of RMB tens of millions in Xiuyan, Liaoning province also commenced. It is expected that RMB hundreds of millions of sales from Liaoning province will be recorded in the coming three years. The Group was named as a qualified supplier in the Hebei selection, and is expected to generate RMB80 million of sales within 3 years with gross profit margin of around 18%. The Group won the bid and commenced the supply in Heze and Jining of Shandong Province. The Group won the bids in Sichuan, Xinjian, Heilongjiang with the sales of RMB hundreds of millions in the coming three years and expected gross profit margin of 20%. The Group will be able to achieve revenues from sales of more than RMB1 billion and gross profit of RMB hundreds of millions in the cable television market in three to five years.

For telecommunication business, the Group targets to capture more market shares and create new profit driver, and commenced to arrange its human resources, material resources and financial resources for the development of its own products and the joint production with foreign manufacturers to meet the demand on solution products for mobile internet and FTTH projects from three major telecommunication operators, namely China Mobile, China Telecom and China Unicom. It is expected that this strategy will bring RMB hundreds of millions of sales and considerable gross profit to the Group within three years. In the coming three years, the Group will definitely continue to expand, upgrade and explore the Group's technological know-how gained throughout these years, and to identify customers' new demand and new customers. These are all essential to the sustainable development of the Group.

約600,000,000元，毛利率預計達到20%。遼寧省盤錦人民幣150,000,000元的協議已簽訂，遼寧省岫岩人民幣數千萬元的項目現在已開始啟動，預計遼寧全省在未來三年內將有人民幣數億元銷售額。河北省入圍選型中，本集團被選為合格供應商，預計三年內有人民幣80,000,000元銷售產生，毛利率約18%。本集團已中標並開始於山東省菏澤和濟寧供貨，本集團亦已於四川、新疆、黑龍江中標，未來三年內將有人民幣數億元銷售，預計毛利率20%。本集團在三至五年內可在有線電視市場上實現銷售收入達到人民幣10億元以上及可實現毛利數億元。

在通信業務領域，本集團以佔領更多市場份額並為本集團創造新的贏利點為目標，已開始部署相關的人力物力財力，開發本集團自有產品以及與國外廠家聯合開發生產，來滿足在中國移動、中國電信、中國聯通三大電信運營商的移動互聯網與FTTH專案上的解決方案產品。預計三年內可為本集團提供人民幣數億元的銷售，可實現可觀毛利。在未來三年必須堅定不移的將本集團多年來的技術積累繼續發揚、創新、開拓下去，發掘客戶新的需求以及開發新的客戶，同樣是本集團賴以生存發展的常青樹。

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The wireless digital audio integrated circuit segment will see orders for mass production from new projects in the coming quarter and many enterprises are exploring new profit driver after the crisis. The number of new customers in the export segment has been significantly increased. It is expected that the segment can greatly expand its market share. Among all, Apple accessories project will become a highlight to the Group's business growth. The Group has been planning to explore the domestic market to expand the domestic market share before it suffered from the adverse impact on the export market, and has achieved remarkable results in terms of market shares and sales volume. While commencing its mass production for the projects of two domestic listed companies in the third quarter of 2011, it will be a great start for the domestic sales market. The segment will strive to enter into new consumer and automotive electronics markets in order to bring new profit driver for the Group.

With new opportunities constantly availing for the Group and the Group's improved cash position, the challenge will be to prioritise and allocate its resources efficiently to maximise value for its shareholders.

無線數字音頻芯片分部的訂單將在未來季度有新的項目量產，而且大多數企業都在危機中找新的利潤增長點。分部外銷新客戶數量有大幅度增加。估計分部將大大提升自己的市場份額。其中蘋果配件項目將是本集團業務提升的亮點。在外銷市場受到較大衝擊之前，本集團就已著手規劃開拓國內市場以擴大國內的市場份額，且取得了明顯的收穫，市場份額和銷售額都有所增加。二零一一年第三季度有兩家國內上市公司的項目將進入量產階段，將對內銷市場取得很好的開端。分部將加大力度進入新的消費和汽車電子領域的市場，為本集團帶來新的利潤增長點。

隨著本集團持續獲得的新機遇及本集團現金狀況有所改善，有效率地優先處理及分配其資源將成為本集團之挑戰，以盡量為其股東增加價值。

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FINANCIAL HIGHLIGHTS

財務摘要

For the year ended 30 June (HK\$'000)		2010	2011	Change
截至六月三十日止年度(千港元)		二零一零年	二零一一年	變動
Revenue	收益	653,260	676,624	+3.6%
Gross profit	毛利	263,038	313,222	+19.1%
Profit before taxation	除稅前溢利	204,375	234,369	+14.7%
Profit for the year	年內溢利	195,645	206,603	+5.6%
Profit attributable to owners	擁有人應佔溢利	181,042	201,942	+11.5%
Earnings per share (HK cents)	每股盈利(港仙)	11.50	9.50	-17.4%
Dividend per share	每股股息	1 bonus share for every 30 existing shares	—	—
		按每30股現有股份派發1股紅股		

REVENUE BY SEGMENT

收益分部

	Segment	Segment				Total
		Digital cable television business	Wireless digital terrestrial television network equipment integration	Encrypted integrated circuits	Wireless digital audio integrated circuits	
		有線數字電視業務 HK\$'000 千港元	地面無線數字電視網絡設備集成 HK\$'000 千港元	加密芯片 HK\$'000 千港元	無線數字音頻芯片 HK\$'000 千港元	總計 HK\$'000 千港元
Revenue	收益	167,058	56,684	265,063	187,819	676,624
% to total revenue	佔總收益百分比	24.7%	8.4%	39.2%	27.7%	100%

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OVERVIEW OF ASSETS AND LIABILITIES 資產負債概覽

As at 30 June (HK\$'000)		2010	2011	Change
於六月三十日(千港元)		二零一零年	二零一一年	變動
Inventories	存貨	2,889	7,098	+145.7%
Trade receivables	應收賬款	452,126	509,956	+12.8%
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	29,348	260,062	+786.1%
Financial assets	金融資產	—	8,550	N/A 不適用
Cash and cash equivalents	銀行及現金等價物	65,401	288,477	+341.1%
Others	其他	1,993	50,257	+2,421.7%
Current assets	流動資產	551,757	1,124,400	+103.8%
Property, plant and equipment	物業、廠房及設備	7,187	123,215	+1,614.4%
Goodwill	商譽	753,146	753,146	—
Intangible assets	無形資產	34,107	77,772	+128.0%
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備之按金	—	32,739	N/A 不適用
Trade receivables	應收賬款	227,804	57,807	-74.6%
Non-current assets	非流動資產	1,022,244	1,044,679	+2.2%
Trade payables	應付賬款	223,689	125,164	-44.0%
Other payables and accruals	其他應付款項及應計費用	38,173	29,098	-23.8%
Promissory note	承兌票據	—	8,000	N/A 不適用
Other borrowings	其他借款	30,000	12,041	-59.9%
Tax payables	應繳稅項	14,329	41,675	+190.8%
Others	其他	345	375	+8.7%
Current liabilities	流動負債	306,536	216,353	-29.4%
Total assets less current liabilities	總資產減流動負債	1,267,465	1,952,726	+54.1%
Non-current liabilities	非流動負債	179,847	266,998	+48.5%
Net Assets	資產淨值	1,087,618	1,685,728	+55.0%
Capital and reserves	資本及儲備	1,058,043	1,685,728	+59.3%
Non-controlling interests	非控股股東權益	29,575	—	—
Current ratio	流動比率	1.80	5.20	
Gearing ratio	資本負債比率	0.03	0.01	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

For the year ended 30 June 2011, the Group recorded a consolidated turnover of approximately HK\$676.6 million, representing an increase of approximately 3.6% as compared to HK\$653.3 million in the last financial year. Profit attributable to shareholders of the Company was approximately HK\$201.9 million, an increase of approximately 11.5% compared to approximately HK\$181.0 million in the last financial year. Basic earnings per share was approximately HK\$9.50 cents, a decrease of approximately 17.4% compared to approximately HK\$11.50 cents for the last financial year.

Revenue

During the year ended 30 June 2011, the revenue of the Group was principally derived from the following business segments.

(i) Digital cable television business

The revenue for the year ended 30 June 2011 generated from the digital cable television business amounted to approximately HK\$167.1 million (2010: HK\$103.7 million) or approximately 25% (2010: 16%) of the total revenue for this fiscal year, approximately HK\$70.9 million represents revenue generated from the Group's direct operation in the new co-operative business in relation to television broadcasting basic subscription service and approximately HK\$102.3 million from value added services. (2010: Nil)

(ii) Encrypted integrated circuits and the derived integrated business

The revenue for the year ended 30 June 2011 generated from the encrypted integrated circuits and the derived integrated business amounted to approximately HK\$265.1 million (2010: HK\$108.1 million) or approximately 39% (2010: 16%) of the total revenue.

(iii) Wireless digital audio products business

The revenue for the year ended 30 June 2011 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$187.8 million (2010: HK\$108.3 million) or approximately 28% (2010: 17%) of the total revenue.

財務回顧

於截至二零一一年六月三十日止年度，本集團錄得綜合營業額約676,600,000港元，較上一財政年度之653,300,000港元增加約3.6%。本公司股東應佔溢利約201,900,000港元，增幅約為11.5%，而上一財政年度則約為181,000,000港元。每股基本盈利約9.50港仙，而上一財政年度則約為11.50港仙，減幅約為17.4%。

收益

截至二零一一年六月三十日止年度，本集團收益主要來自以下業務分部。

(i) 有線數字電視業務

截至二零一一年六月三十日止年度來自有线數字電視業務之收益約167,100,000港元(二零一零年：103,700,000港元)，佔本財政年度之總收益約25%(二零一零年：16%)。其中，約70,900,000港元(二零一零年：無)為本集團與廣電基礎收視費服務及約102,300,000港元之增值服務相關之新合作業務直接運營產生之收益。

(ii) 加密芯片及所產生之集成業務

截至二零一一年六月三十日止年度來自加密芯片及所產生之集成業務之收益約265,100,000港元(二零一零年：108,100,000港元)，佔總收益約39%(二零一零年：16%)。

(iii) 無線數字音頻產品業務

截至二零一一年六月三十日止年度來自無線數字音頻產品業務及相關技術服務之收益約187,800,000港元(二零一零年：108,300,000港元)，佔總收益約28%(二零一零年：17%)。

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(iv) Wireless digital terrestrial television network equipment integration business

The revenue for the year ended 30 June 2011 generated from the wireless digital terrestrial television network equipment integration business amounted to approximately HK\$56.7 million (2010: HK\$333.2 million) or approximately 8% (2010: 51%) of the total revenue. Due to the Group's repositioning and emphasis in the more sustainable television broadcasting operational business in (i) above, business in this segment contracted significantly in the year.

Gross Profit Margin

Gross profit margin of the Group was approximately 46.3% (2010: 40.3%).

Other Income

Other income amounted to approximately HK\$29.6 million (2010: HK\$1.1 million). The increase is mainly attributable to the fact that gain on disposal of financial assets at fair value through profit or loss of approximately HK\$11.0 million and effective interest income from trade receivables of approximately HK\$15.5 million were recorded during the financial year.

Other Operating Expenses

Other operating expenses were approximately HK\$87.4 million for the financial year ended 30 June 2011, compared to approximately HK\$44.7 million for the financial year ended 30 June 2010. The increase is mainly due to the increase of staff costs (see Employee Information below), impairment loss on trade receivables and other office expenses as a result of expansion of the Group.

Finance Costs

Finance costs amounted to approximately HK\$16.3 million (2010: HK\$11.0 million), of which approximately HK\$15.2 million (2010: HK\$9.2 million) represents non-cash effective interest expenses on convertible notes issued by the Company before their full conversions.

(iv) 地面無線數字電視網絡設備集成業務

截至二零一一年六月三十日止年度來自地面無線數字電視網絡設備集成業務之收益約56,700,000港元(二零一零年: 333,200,000港元), 佔總收益約8%(二零一零年: 51%)。由於本集團重新定位及專注於上文(i)所述較為可持續發展的廣電運營業務, 該分部的業務於年內大幅收縮。

毛利率

本集團之毛利率約為46.3%(二零一零年: 40.3%)。

其他收入

其他收入約為29,600,000港元(二零一零年: 1,100,000港元)。增加乃主要由於本財政年度錄得出售按公平值計入損益表之金融資產之收益約11,000,000港元以及應收賬款之實際利息收入約15,500,000港元所致。

其他經營費用

截至二零一一年六月三十日止財政年度所錄得之其他經營費用約為87,400,000港元, 而截至二零一零年六月三十日止財政年度約為44,700,000港元。增加主要由於員工成本(請參閱下文僱員資料)、應收賬款之減值虧損及因本集團擴展而產生之其他辦公室開支增加所致。

融資成本

融資成本約為16,300,000港元(二零一零年: 11,000,000港元), 其中約15,200,000港元(二零一零年: 9,200,000港元)為本公司發行之可換股票據獲悉數兌換前所產生之非現金實際利息開支。

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Trade receivables

Total trade receivables amounted to approximately HK\$567.8 million (2010: HK\$679.9 million), representing a decrease of approximately 16% compared to the last financial year. The trade receivables and their recoverability resulting from the cooperation of the Group and the provincial television broadcasting operators follow with the business practices of domestic business enterprises.

EMPLOYEE INFORMATION

As at 30 June 2011, the Group had 141 full-time employees in Hong Kong and the PRC (2010: 117). The total employees' remuneration, including that of the Directors, amounted to approximately HK\$27.4 million (2010: HK\$12.4 million). The increase in staff costs recorded for the financial year was primarily attributable to the inclusion in the accounts of share based payment of approximately HK\$10.3 million related to the grant of the share options under the share option scheme of the Company in the current financial year.

The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group. Remuneration to staff will be revised from time to time when warranted considering the performances of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also has a share option scheme whereby qualified participants may be granted options to acquire shares of the Company. There has been no major change in staff remuneration policies during the year ended 30 June 2011.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily financed its operations with internally generated cash flows. As at 30 June 2011, the cash and bank balances of the Group amounted to approximately HK\$288.5 million (2010: HK\$65.4 million). The Renminbi denominated balances of approximately HK\$205.5 million (2010: HK\$37.8 million) were placed with licensed banks in the PRC and the conversion of these balances into foreign currencies is subject to the rules and regulation of foreign exchange control promulgated by the PRC government.

應收賬款

應收賬款合共約為567,800,000港元(二零一零年：679,900,000港元)，較上一財政年度下跌約16%。本集團與省廣電運營商業務合作而產生的應收賬款及收回情況，基本符合國內商業企業間的財務處理流程。

僱員資料

於二零一一年六月三十日，本集團在香港及中國聘有141名全職僱員(二零一零年：117名)。僱員薪酬總額(包括董事薪酬)約為27,400,000港元(二零一零年：12,400,000港元)。本財政年度內員工成本增加之主要原因為在賬目中計入與根據本公司購股權計劃於本財政年度授出購股權有關之以股份為基礎付款約10,300,000港元。

本集團繼續按市場慣例、僱員經驗及表現釐定僱員薪酬福利。薪酬政策主要根據僱員個人表現及本集團財務業績釐定，而僱員薪酬將於僱員有理想表現時，不時作出適當調整。其他福利包括醫療保險計劃及為僱員繳交法定強制公積金供款。本集團亦設有購股權計劃，合資格參與者可據此獲授購股權以認購本公司股份。截至二零一一年六月三十日止年度僱員薪酬政策並無重大變動。

資本結構、流動資金及財務資源

本集團主要撥付內部產生之現金流量作業務營運之用。於二零一一年六月三十日，本集團之現金及銀行結餘約為288,500,000港元(二零一零年：65,400,000港元)。以人民幣計值之結餘約205,500,000港元(二零一零年：37,800,000港元)存於中國之持牌銀行，而將該等結餘兌換為外幣須受中國政府頒佈之外匯管制法規所規限。

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During the year ended 30 June 2011, the Group has net cash inflow of approximately HK\$13.7 million (2010: cash outflow of HK\$103.0 million) from its operating activities, net cash outflow of approximately HK\$192.5 million (2010: HK\$19.2 million) from its investing activities and net cash inflow of approximately HK\$396.9 million (2010: HK\$94.4 million) from its financing activities.

As at 30 June 2011, the Group had current assets of approximately HK\$1,124.4 million (2010: HK\$551.8 million), while its current liabilities were approximately HK\$216.4 million (2010: HK\$306.5 million). The current ratio (current assets to current liabilities) of the Group was approximately 5.20 (2010: 1.80); and its gearing ratio (total borrowings over shareholders' funds) was approximately 0.01 (2010: 0.03).

During the year ended 30 June 2011, an aggregate of 923,188,991 new shares were issued by the Company, of which 200,000,000 from share placement (see below), 60,923,427 from bonus issue as dividend, 98,716,666 from exercise of share options, 78,138,443 as consideration shares for the acquisition of remaining 7% in Beijing Jinqiao Group (see below) and 485,410,455 from conversion of convertible notes (see below).

On 14 September 2010, the Company, Team Effort Investments Limited ("Team Effort") and DBS Asia Capital Limited (the "Placing Agent") entered into another placing agreement pursuant to which Team Effort has agreed to place, and the Placing Agent has agreed to procure not less than six placees, on a best effort basis, for the purchase of up to 200,000,000 shares of the Company at the placing price of HK\$0.75 per placing shares (the "Placing"). On the same date, the Company and Team Effort entered into a "top-up" subscription agreement pursuant to which Team Effort has agreed to subscribe for such number of subscription shares which is equivalent to the number of shares actually placed under the Placing, being a maximum number of 200,000,000 subscription shares at the subscription price of HK\$0.75 per subscription share (the "Subscription"). Details of these transactions are set out in the Company's announcement dated 14 September 2010. The Placing was completed on 16 September 2010 and the Subscription was completed on 24 September 2010 respectively. Approximately HK\$148 million was raised from the Placing for the digital cable television two-way conversion business and the general working capital of the Group.

於截至二零一一年六月三十日止年度，本集團之經營活動所得現金收益淨額約為13,700,000港元(二零一零年：現金流出103,000,000港元)，投資活動所得現金流出淨額約為192,500,000港元(二零一零年：19,200,000港元)，而融資活動所得現金收益淨額約為396,900,000港元(二零一零年：94,400,000港元)。

於二零一一年六月三十日，本集團之流動資產約為1,124,400,000港元(二零一零年：551,800,000港元)，而流動負債約為216,400,000港元(二零一零年：306,500,000港元)。本集團之流動比率(流動資產比流動負債)約為5.20(二零一零年：1.80)；而資本負債比率(總借款除以股東資金)約為0.01(二零一零年：0.03)。

截至二零一一年六月三十日止年度，本公司合共已發行923,188,991股新股份，其中200,000,000股因股份配售而發行(見下文)、60,923,427股因發行紅股作為股息而發行、98,716,666股因行使購股權而發行、78,138,443股作為代價股份以收購於北京金橋集團餘下7%權益而發行(見下文)，以及485,410,455股因兌換可換股票據而發行(見下文)。

於二零一零年九月十四日，本公司、Team Effort Investments Limited(「Team Effort」)與星展亞洲融資有限公司(「配售代理」)訂立另一份配售協議，據此，Team Effort同意配售，而配售代理同意盡最大努力促使不少於六名承配人按每股配售股份0.75港元之配售價購買最多200,000,000股本公司股份(「配售事項」)。同日，本公司與Team Effort訂立「以舊換新」認購協議，據此，Team Effort同意按每股認購股份0.75港元之認購價認購相當於根據配售事項實際配售之股份數目之認購股份，即最多200,000,000股認購股份(「認購事項」)。該等交易之詳情載於本公司日期為二零一零年九月十四日之公告內。配售事項及認購事項分別已於二零一零年九月十六日及二零一零年九月二十四日完成。配售事項籌集約148,000,000港元用作有線數字電視雙向改造業務及本集團之一般營運資金。

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On 4 December 2009, the Company issued an aggregate of HK\$264,725,020 principal amount of zero coupon convertible notes (the “Convertible Notes”) pursuant to the terms of the sale and purchase agreements dated 19 June 2008 upon fulfillment of the fourth payment condition of the “Jinqiao Acquisition” and “Maxium Acquisition”. Further details are set out in the Company’s announcement dated 4 December 2009. On 30 December 2010, an aggregate of HK\$159,700,040 principal amount of convertible notes was converted into 485,410,455 ordinary shares of the Company at the adjusted conversion price of HK\$0.329 per conversion share. As at 30 June 2011, the outstanding principal amount of such convertible notes was HK\$105,024,980.

On 7 December 2010, Star Hub Investments Limited, a wholly-owned subsidiary of the Company (as the Purchaser) and Wealtheme Limited (as the Vendor) entered into a sale and purchase agreement, pursuant to which the Purchaser conditionally agree to acquire and the Vendor conditionally agree to dispose of the entire issued share capital of Wisest Yield, for a consideration of approximately HK\$105.0 million (the “Acquisition”). The Acquisition was completed on 30 December 2010 and the consideration was satisfied by the issue of 78,138,443 ordinary shares of the Company. Details are set out in the announcement of the Company dated 7 December 2010 and 30 December 2010.

On 28 December 2010, an aggregate of HK\$200,000,000 principal amount of redeemable convertible notes were issued to Sandmartin International Holdings Limited. Further details are set out in the Company’s announcement dated 17 December 2010. The notes carry zero coupon and convertible into ordinary shares of the Company at an initial conversion price of HK\$2.00 per conversion share (subject to pro-rata adjustments on capital structure changes) at any time during the period commencing from the date immediately after the expiry of six months from the date of issue of convertible notes. Unless previously converted, lapsed or redeemed by the Company, any outstanding convertible notes shall be redeemed on the second anniversary of the issue date of the convertible notes.

於二零零九年十二月四日，根據二零零八年六月十九日訂立之買賣協議之條款，於「金橋收購事項」及「明芯收購事項」第四期付款條件達成後發行本金額合共264,725,020港元之零票息可換股票據（「可換股票據」）。進一步詳情載於本公司日期為二零零九年十二月四日之公告內。於二零一零年十二月三十日，本金額合共159,700,040港元之可換股票據已按每股換股股份0.329港元之經調整兌換價兌換為485,410,455股本公司普通股。於二零一一年六月三十日，該等可換股票據之尚未兌換本金額為105,024,980港元。

於二零一零年十二月七日，本公司之全資附屬公司Star Hub Investments Limited（作為買方）與Wealtheme Limited（作為賣方）訂立買賣協議，據此，買方有條件地同意收購而賣方有條件地同意出售Wisest Yield之全部已發行股本，代價約為105,000,000港元（「收購事項」）。收購事項已於二零一零年十二月三十日完成，代價乃透過由本公司發行78,138,443股普通股支付。有關詳情載於本公司日期為二零一零年十二月七日及二零一零年十二月三十日之公告內。

於二零一零年十二月二十八日，本金額合共200,000,000港元之可贖回可換股票據已發行予聖馬丁國際控股有限公司。進一步詳情載於本公司日期為二零一零年十二月十七日之公告內。該等票據為零票息，於緊隨可換股票據發行當日起計六個月屆滿當日起計期間內任何時間可按每股換股股份2.00港元（可於資本結構變動時按比例作出調整）之初步兌換價兌換為本公司普通股。除先前兌換、失效或由本公司贖回外，任何尚未兌換之可換股票據須於可換股票據發行日期之第二週年當日贖回。

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On 29 December 2010, the Company entered into the Equity Line of Credit Agreement (“the Credit Agreement”) with GEM Global Yield Fund Limited (“GEM Global”) and GEM Management Limited (“GEMML”), pursuant to which the Company has been granted an option to require GEM Global to subscribe for up to HK\$400 million worth of shares of the Company at the average closing price of the shares of the Company in accordance with and structured under the Equity Line of Credit during the commitment period. Further details are set out in the Company’s circular dated on 20 January 2011.

On 17 February 2011, the Company issued a promissory note of HK\$8,000,000 to GEMML as commitment fee pursuant to the Credit Agreement. The promissory note is interest bearing at 8% per annum and payable on or before 28 December 2011.

FOREIGN EXCHANGE EXPOSURE

During the year ended 30 June 2011, the majority of the Group’s income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 30 June 2011, the management of the Company is of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 30 June 2011. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

CHARGES ON GROUP ASSETS

As at 30 June 2011, the Group did not have any charge on its assets.

CONTINGENT LIABILITIES

The Company was named as a co-defendant in a writ of summons on 20 December 2007. The plaintiff alleged that the Company:

- (i) failed to honour a joint and several guarantee in respect of the liability of the defendants under a forbearance agreement to the extent of HK\$25,000,000; and

於二零一零年十二月二十九日，本公司與GEM Global Yield Fund Limited (「GEM Global」) 及 GEM Management Limited (「GEMML」) 訂立股票掛鈎信貸協議 (「信貸協議」)，據此，本公司已獲授選擇權以要求GEM Global於承諾期內按本公司股份之平均收市價認購根據股票掛鈎信貸所安排價值最高400,000,000港元之本公司股份。進一步詳情載於本公司日期為二零一一年一月二十日之通函內。

於二零一一年二月十七日，本公司根據信貸協議向GEMML發行8,000,000港元承兌票據作為承擔佣金。承兌票據按年利率8%計息，並須於二零一一年十二月二十八日或之前償還。

外匯風險

截至二零一一年六月三十日止年度內，本集團之大部份收入及開支均以人民幣及港元列值。直至二零一一年六月三十日，本公司管理層認為本集團所面對之外匯風險較微。因此，本集團於截至二零一一年六月三十日止年度並無運用任何金融工具以對沖外匯波動帶來之影響。然而，本公司管理層將密切監察及不時重估本集團所面對之外匯風險，並在必要時訂立非投機性對沖安排。

集團資產之抵押

於二零一一年六月三十日，本集團並無就其資產進行任何抵押。

或然負債

本公司在二零零七年十二月二十日之傳訊令狀中被指名為共同被告人，原告指控本公司：

- (i) 未能兌現根據延期償付協議對被告人金額為25,000,000港元之負債所作出之共同及個別擔保；及

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(ii) failed to honour two cheques dated 30 June 2007 and 31 October 2007 in the sum of HK\$2,500,000 each, totaling HK\$5,000,000 plus interests and costs given by a former Director (the "2nd Defendant") in his personal capacity out of a bank account which had been by then formally closed by the Company.

The Company filed its defence on 28 March 2008 and witness statement on 30 July 2009. The witness statements had been exchanged. The trial hearing took place on 24 November 2010 and attempts have been made by the plaintiff and the 2nd defendant subsequently for a global settlement between the parties. However, despite prolonged negotiation between the plaintiff and the 2nd defendant, the parties failed to reach a settlement. Hearing for directions took place on 14 February 2011 before the Court. However, the parties have been unable to complete settlement within 28 days from the date of the above hearing. On 11 May 2011, the parties have fixed the adjourned trial for about 7 days from 4 January 2012. Based on the advice from the Group's legal counsel, the Company is not liable to the claim of the plaintiff. The only contention is which party shall bear the costs of the Company in the High Court action, and in what amount. The Directors are of the view that the Company has a valid defence to the claims and, accordingly, have not made provision for any claim arising from the litigation, other than the related legal and outgoing costs.

Apart from the action against the Company disclosed above, there were no other material outstanding writ and litigation against the Group and/or the Company. As at 30 June 2011, the Group had no other significant contingent liabilities.

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

Apart from the acquisition of the remaining 7% equity interest in the Beijing Jinqiao Group completed on 30 December 2010, the Group had no material acquisitions or disposals of subsidiaries or significant investment during the year ended 30 June 2011. Details of the acquisition are set out in the announcement of the Company dated 7 December 2010.

DIVIDEND

The Board of the Company does not recommend the payment of a final dividend for the year ended 30 June 2011 (2010: one bonus share at par for every thirty (30) existing shares of the Company held to shareholders).

(ii) 未能兌現日期為二零零七年六月三十日及二零零七年十月三十一日之金額各為2,500,000港元之兩張支票，合共5,000,000港元加上利息及一名前任董事（「次被告」）以私人名義提供之費用，自本公司當時已正式取消之銀行戶口開出。

本公司已於二零零八年三月二十八日提交抗辯書並於二零零九年七月三十日提交證人陳述書，而證人陳述書已經交換。審訊已於二零一零年十一月二十四日進行，原告及次被告其後試圖達成全面和解。然而，經過長時間磋商後，原告及次被告無法達成和解。指示聆訊已於二零一一年二月十四日由法庭審理。然而，雙方未能於上述聆訊日期起計28日內完成和解。於二零一一年五月十一日，雙方定於二零一二年一月四日起進行為期約七日之押後審訊。根據本集團法律顧問之意見，本公司並無責任承擔原告之索償，唯一爭議是本公司於高等法院訴訟之費用應由哪一方支付及支付金額為多少。董事認為，本公司對申索擁有有效的理據，因此，除有關法律及其他費用外，本公司並無對任何由該等訴訟引起之申索作出撥備。

除上文所披露之針對本公司之訴訟外，概無任何其他針對本集團及／或本公司之重大未了結傳訊及訴訟。於二零一一年六月三十日，本集團並無其他重大或然負債。

收購、出售及重大投資

除於二零一零年十二月三十日完成收購北京金橋集團餘下7%之股權外，本集團於截至二零一一年六月三十日止年度並無任何有關附屬公司之重大收購或出售或重大投資。該收購事項之詳情載於本公司日期為二零一零年十二月七日之公告。

股息

本公司董事會不建議派發截至二零一一年六月三十日止年度之末期股息（二零一零年：股東每持有本公司三十(30)股現有股份按面值獲派一股紅股）。

CORPORATE GOVERNANCE REPORT 企業管治報告

The board (the “Board”) of directors (the “Directors”) of Heng Xin China Holdings Limited (the “Company”) is pleased to present this Corporate Governance Report for the year ended 30 June 2011.

The Company wishes to highlight the importance of its Board in ensuring high standards of corporate governance in the interests of its shareholders and is committed to identifying and formalizing best practices appropriate to the needs of the Company.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality board, sound internal controls, transparency and accountability to all shareholders. Throughout the financial year ended 30 June 2011, the Group has applied the principles set out in the Code on Corporate Governance Practices (“HKSE Code”) contained in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) except the code provision A2.1:

Distinctive Roles of Chairman and Chief Executive Officer

The code provision A2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Xiao Yan as the Chief Executive Officer of the Company, supported by the senior management, is responsible for managing the Group’s businesses and responsibilities, implementing major strategies, executing the Board decisions and coordinating the daily operations of the Group. Up to the date of this report, the Board has not appointed an individual to the post of Chairman. In view of the current operations of the Group, the management considered that there is no imminent need to change the arrangement. Further announcement will be made by the Company with regard to the appointment of a new Chairman of the Company in due course.

恒芯中國控股有限公司(「本公司»)董事(「董事»)會(「董事會»)欣然提呈截至二零一一年六月三十日止年度之企業管治報告。

本公司謹此強調，董事會在確保良好的企業管治標準以符合其股東利益以及致力尋求及釐定切合本公司需要的最佳常規方面十分重要。

企業管治常規

本公司之企業管治原則著重高質素的董事會、健全的內部監控，以及對全體股東的透明度及問責性。截至二零一一年六月三十日止整個財政年度內，本集團已採用載於香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則»)附錄十五之企業管治常規守則(「香港聯交所守則»)所載之原則，惟守則條文A2.1除外：

主席與行政總裁之分工

守則條文A2.1規定，主席與行政總裁之職責應分離，不應由同一人擔任。主席與行政總裁間之職責劃分應明確制定並以書面形式列示。

肖彥先生獲高級管理層推薦出任本公司行政總裁，彼負責管理本集團業務及職責、實施主要策略、執行董事會決策以及協調本集團之日常營運。直至本報告日期，董事會並未委任個人擔任主席一職。考慮到本集團現時之營運狀況，管理層認為不必立即更改此安排。本公司將於適當時候就委任本公司之新主席發出進一步公告。

CORPORATE GOVERNANCE REPORT 企業管治報告

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its Code of Conduct for Securities Transactions by Directors throughout the year ended 30 June 2011. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by Directors during the year ended 30 June 2011.

BOARD OF DIRECTORS

The Board is responsible for the overall management of the Company and is entitled to delegate its powers to any executive Director, committees of the Board and the management team. The Board is primarily responsible for approving and monitoring the Company's major corporate matters, the evaluation of the performance of the Company and oversight of the management. The Board is directly accountable to the shareholders and is responsible for preparing the accounts.

As at the date of this report, the Board comprises seven members, consisting of three executive Directors, a non-executive Director and three independent non-executive Directors.

Each Director has relevant experience, competence and skills appropriate to the business requirements of the Company. The biographical details of the Directors are set out on pages 38 to 42 of the Annual Report. To the knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other. The Company has received written annual confirmation from each of the independent non-executive Directors of his independence pursuant to the rules 5.09 of the GEM Listing Rules and therefore considers all independent non-executive Directors to be independent.

董事進行證券交易守則

於截至二零一一年六月三十日止年度內，本公司已採納創業板上市規則第5.48條至5.67條所規定之交易必守標準作為其董事進行證券交易守則。本公司經向全體董事作出具體查詢後，得悉截至二零一一年六月三十日止年度內，並無任何違反有關董事進行證券交易之交易必守標準之事宜。

董事會

董事會負責本公司之整體管理並有權授權予任何執行董事、董事委員會及管理層代表其行使權力。董事會主要負責批准及監督本公司重大的企業事宜，評估本公司之表現及監察管理層。董事會直接對股東負責及負責編製賬冊。

於本報告日期，董事會有七名成員，包括三名執行董事、一名非執行董事及三名獨立非執行董事。

每名董事均具有適合本公司業務要求之相關經驗、能力及技術。董事之履歷詳情載於年報第38至42頁。就董事所知，董事會成員彼此之間並無任何財務、業務、親屬或其他重大／相關關係。本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條就其獨立性發出之年度書面確認函，因而認為全體獨立非執行董事均為獨立。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board met regularly during the year with additional meetings arranged if and when required. The Board met twelve times during the year ended 30 June 2010 and the attendance record of each member of the Board is set out in the table on page 36 of the annual report. Directors are appropriately notified in advance of the meetings with proposed agenda and are free to contribute alternative views at meetings. Major decisions are only adopted after deliberation at Board meetings. Directors who are considered having conflicts of interest or who have material interest in the proposed transactions or issues to be discussed will not be counted in the quorum of meetings and will abstain from voting on relevant resolutions.

Minutes of the Board/Committee meetings are kept by the company secretary and are open for inspection by the Directors. All Directors have access to the company secretary, who is responsible for ensuring that the Board procedures are complied with, and in consultation with the compliance officer, advising the Board on compliance matters.

AUDIT COMMITTEE

The Board established an audit committee with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules. The audit committee comprises three members who are independent non-executive Directors, namely, Mr. Leung Wo Ping *JP* (*Chairman*), Mr. Dong Shi and Mr. Hu Dingdong.

The principal duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Company, and to review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor.

The audit committee met four times during the year ended 30 June 2011 and the attendance of each member of the committee is set out in the table on page 36 of the annual report.

年內，本公司定期舉行董事會會議，如有需要則會安排其他會議。截至二零一零年六月三十日止年度內，董事會共舉行12次會議，各董事之出席記錄載於年報第36頁之表格內。董事可於會上各抒己見，並於會前獲適當通知有關建議議程。任何重大決策均須經董事會會議審議始行落實。若任何董事就建議交易事項或待討論事項涉及利益衝突或擁有重大利益，則不得計入該次會議之法定人數內，亦不得就相關決議案投票。

董事會／委員會之會議記錄由公司秘書保存，並可供董事查閱。全體董事均可接觸公司秘書；公司秘書負責確保董事會程序得以遵守，並於諮詢合規主任後就守規事宜向董事會提供意見。

審核委員會

董事會已根據創業板上市規則第5.28條成立具明文職權範圍之審核委員會。審核委員會由三位獨立非執行董事組成，即梁和平先生，*太平紳士*（主席）、董石先生及胡定東先生。

審核委員會之主要職責為審閱及監督本公司之財務申報程序及內部監控制度，以及按年度基準檢討外聘核數師之委任及確保繼任核數師之獨立性。

截至二零一一年六月三十日止年度內，審核委員會共舉行四次會議，委員會各成員之出席記錄載於年報第36頁之表格內。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 30 June 2011, the audit committee discharged its duties by reviewing the financial matters, quarterly, interim and annual financial reports, financial statements and internal control system as well as audit related matters of the Company. The audit committee discussed the above as appropriate with the executive Directors, the management and the auditors of the Company, and made recommendations to the Board. The audited financial statements for the year ended 30 June 2011 have been reviewed by the audit committee and approved for issue by the Board.

REMUNERATION COMMITTEE

The Company has set up a remuneration committee since 12 April 2005. The existing committee is made up of the Company's three independent non-executive Directors, namely, Mr. Leung Wo Ping *JP* (*Chairman*), Mr. Dong Shi and Mr. Hu Dingdong.

The principal responsibilities of the remuneration committee include the formulation of the Company's remuneration policy, the approval or recommendation of remuneration packages for the Directors and the senior management, and the review and approval of performance based remuneration by reference to corporate goals and objectives. According to the terms of reference, the remuneration committee should meet at least twice a year.

During the year ended 30 June 2011, the remuneration committee held three meetings and the attendance record of each member of the committee is set out in the table on page 36 of the annual report. At the meetings, members of the remuneration committee reviewed the proposal of granting share options according to the Company's share option scheme, the remuneration packages and overall benefits of the Directors and senior management by taking into account factors such as the business objectives of the Group and the respective contribution of each of the Directors and senior management to the Group, and made recommendations to the Board.

NOMINATION COMMITTEE

The Company has set up a nomination committee since 12 April 2005. The existing committee is made up of the Company's three independent non-executive Directors, namely, Mr. Leung Wo Ping *JP* (*Chairman*), Mr. Dong Shi and Mr. Hu Dingdong.

截至二零一一年六月三十日止年度內，審核委員會已履行其職責，包括審閱本公司之財務事宜、季度、中期及全年財務報告、財務報表及內部監控制度，以及核數相關事宜。審核委員會與本公司之執行董事、管理層及核數師在適當時就上述事項進行商討，及向董事會作出推薦意見。截至二零一一年六月三十日止年度之經審核財務報表已經審核委員會審閱並由董事會批准刊發。

薪酬委員會

本公司自二零零五年四月十二日起設有薪酬委員會。現行委員會由本公司三名獨立非執行董事組成，即梁和平先生，*太平紳士* (主席)、董石先生及胡定東先生。

薪酬委員會之主要職責包括制定本公司薪酬政策、批准或建議董事及高級管理層之薪酬待遇，以及依據企業目標及宗旨審閱和批准與表現掛鈎之薪酬。根據職權範圍，薪酬委員會應每年至少舉行兩次會議。

截至二零一一年六月三十日止年度內，薪酬委員會共舉行三次會議，委員會各成員之出席記錄載於年報第36頁之表格內。會議上，透過考慮本集團業務目標以及各董事及高級管理層向本集團所作貢獻等因素，薪酬委員會成員檢討了根據本公司購股權計劃授出購股權之建議、董事及高級管理層薪酬待遇及整體福利，並向董事會作出推薦意見。

提名委員會

本公司自二零零五年四月十二日起設有提名委員會。現行委員會由本公司三名獨立非執行董事組成，即梁和平先生，*太平紳士* (主席)、董石先生及胡定東先生。

CORPORATE GOVERNANCE REPORT

企業管治報告

The principal responsibilities of the nomination committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board; to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors. According to the terms of reference, the nomination committee should meet at least twice a year. During the year ended 30 June 2011, the nomination committee held two meetings and the attendance record of each member of the committee is set out in the table on page 36 of the annual report.

The Board has the power to appoint Director(s) pursuant to the Bye-laws of the Company. During the year ended 30 June 2011, the Board did not appoint any new Director.

提名委員會之主要職責包括檢討董事會之架構、規模及組成成份(包括技能、知識及經驗);物色具備合適資格擔任董事會成員之個別人士,並就挑選提名董事之個別人士向董事會提供推薦意見;就委任或重新委任董事和董事繼任規劃等相關事宜向董事會提出推薦意見。根據職權範圍,提名委員會應每年至少舉行兩次會議。截至二零一一年六月三十日止年度內,提名委員會共舉行兩次會議,委員會各成員之出席記錄載於年報第36頁之表格內。

根據本公司之公司細則,董事會具備委任董事之權力。截至二零一一年六月三十日止年度內,董事會並無委任任何新董事。

List of Directors and the attendance records of the Directors and members of the committees for the year ended 30 June 2011

董事名單及截至二零一一年六月三十日止年度之董事及委員會成員出席會議之記錄

		The Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Total Number of Meetings	會議總次數	17	4	3	2
Number of meetings attended/eligible to attend	出席/合資格出席會議次數				
Executive Directors:	執行董事:				
Mr. Xiao Yan	肖彥先生	17/17			
Mr. Li Tao	李濤先生	15/17			
Mr. Feng Yongming	馮永明先生	16/17			
Non-Executive Director:	非執行董事:				
Mr. Xu Lei	徐雷先生	14/17			
Independent Non-Executive Directors:	獨立非執行董事:				
Mr. Leung Wo Ping JP	梁和平先生, 太平紳士	16/17	4/4	3/3	2/2
Mr. Dong Shi	董石先生	16/17	3/4	2/3	1/2
Mr. Hu Dingdong	胡定東先生	15/17	4/4	2/3	2/2

CORPORATE GOVERNANCE REPORT 企業管治報告

AUDITORS' REMUNERATION

During the year under review, the Company is required to pay an aggregate of approximately HK\$806,000 (2010: HK\$701,000) to the external auditor for its audit services.

PREPARATION OF FINANCIAL STATEMENTS

The respective responsibilities of the Directors and the auditors for preparing financial statements of the Company are set out in the "Independent Auditor's Report" on pages 55 to 56 of the annual report.

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal control system to safeguard the interests of shareholders and the Company's assets. The management of the Group is delegated with the responsibility from time to time to implement and maintain the Board's policies on risk management and control. At least annually, the significant internal control system is reviewed with the audit committee.

In 2011, an independent international professional accounting firm was appointed by the Group to conduct a review on its systems of internal controls and to improve the Group's strategic planning, cash management, management in business operations, budgeting and financial reporting, supply and sales chain management and human resource management.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company has disclosed all necessary information to the shareholders and investors in accordance with the GEM Listing Rules and the Hong Kong Company Ordinances, and reported the Company's performance through various communication channels. These include annual and extraordinary general meetings, quarterly, interim and annual reports, various notices, announcements and circulars. Regular press conferences and briefing meetings with investors, shareholders and analysts are set up from time to time on updated information of the Group.

核數師酬金

於回顧年度內，本公司須為外聘核數師提供之核數服務共支付約806,000港元(二零一零年：701,000港元)。

編製財務報表

董事及核數師各自就編製本公司財務報表之責任載列於年報第55至56頁之「獨立核數師報告」內。

內部監控

董事會全權負責本公司之內部監控制度及檢討其成效。董事會致力實施有效及穩健的內部監控制度，務求保障股東利益及本公司資產。本集團管理層不時代表執行及維持董事會對風險管理及控制之政策，並至少每年與審核委員會一起就重大內部監控制度進行檢討。

於二零一一年，本集團已委任一間獨立國際專業會計師事務所對其內部監控制度進行檢討及改進本集團之策略計劃、現金管理、業務經營管理、預算及財務申報、供應及銷售鏈管理以及人力資源管理。

投資者關係及與股東溝通

本公司已根據創業板上市規則及香港公司條例向股東及投資者披露所有必要的資料及透過各種溝通渠道報告本公司之表現。該等渠道包括股東週年大會及股東特別大會、季度、中期及年度報告、各種通告、公告及通函。本集團會就本集團之最新情況不時與投資者、股東及分析師舉行定期新聞發佈會及簡報會。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Xiao Yan (“Mr. Xiao”), aged 50, is the Chief Executive Officer (CEO) of the Company and an executive Director. Mr. Xiao is currently also a director of Beijing Jingjiao Hengtai Technology Co. Ltd. Mr. Xiao is a senior economist in the PRC and has over 24 years of experience in corporate planning, business development, corporate finance, investment, consulting and banking. Prior to joining the Group, Mr. Xiao was the deputy general manager of the capital operational department (investment department) of China Potevio Company Limited where he was responsible for overall business planning, management and investments. From 1997 to 2006, Mr. Xiao was the deputy general manager of China Everbright Bank and the Vice President of its Wuhan branch where he oversaw the overall operations. Mr. Xiao had previously held senior positions in international companies, and consulting and accounting firms. Mr. Xiao holds a master degree of business administration and is a member of the Chinese Institute of Certified Public Accountants. Mr. Xiao was appointed as an executive Director and the CEO in August 2008 and March 2009 respectively.

Mr. Feng Yongming (“Mr. Feng”), aged 45, joined the Group in January 2009 and has been appointed as an executive Director in March 2009. Mr. Feng is currently the compliance officer, authorised representative of the Company and a director of China Champion Development Ltd. He was the executive director and the legal representative of Shenzhen Champion Maxiumic Group Co., Ltd., from April 2008 to December 2010 and a director of Huzhou Mingxin Micro-Electronic Co., Ltd from June 2006 to February 2008. These companies are indirect wholly-owned subsidiaries of the Company. From 1998 to 2005, Mr. Feng held senior positions in investment and securities firms in China. He has extensive experience in the management of the Group’s businesses, financial management and investment. Mr. Feng holds a bachelor of arts in Economics from the University of International Business and Economics in Beijing, China and master of administration degree from the School of Business, Carleton University in Canada.

Mr. Li Tao (“Mr. Li”), aged 42, joined the Group as an executive Director in April 2008. Mr. Li had been the vice president of Yunnan Baiyao Technology (Beijing) Co., Ltd. Mr. Li has over 17 years of experience in the administration and management of different companies and businesses.

執行董事

肖彥先生 (「肖先生」)，50歲，本公司行政總裁兼執行董事。肖先生現在還擔任北京金橋恒泰科技有限公司董事。肖先生為中國高級經濟師，於企業規劃、業務發展、企業融資、投資、諮詢及銀行擁有逾二十四年經驗。於加入本集團之前，肖先生曾擔任中國普天信息產業股份有限公司資本運營部(投資部)副總經理，負責整體業務規劃、管理和投資。於一九九七年至二零零六年間，肖先生曾擔任中國光大銀行副總經理及武漢分行副行長，負責監管整體業務。肖先生過往曾於國際公司以及顧問機構和會計師行擔任高級職位。肖先生持有工商管理碩士學位，並且為中國註冊會計師協會會員。肖先生於二零零八年八月及二零零九年三月分別獲委任為執行董事及行政總裁。

馮永明先生 (「馮先生」)，45歲，於二零零九年一月加入本集團，並於二零零九年三月獲委任為執行董事。馮先生現時為本公司之法規主任及授權代表以及中澤發展有限公司之董事。彼於二零零八年四月至二零一零年十二月期間擔任深圳中澤明芯集團有限公司之執行董事兼法人代表。彼亦於二零零六年六月至二零零八年二月期間擔任湖州明芯微電子設計有限責任公司之董事。以上公司均為本公司之間接全資附屬公司。於一九九八年至二零零五年間，馮先生於中國之投資及證券公司擔任高級職位。彼於本集團業務管理、財務管理及投資方面擁有豐富經驗。馮先生持有中國北京對外經濟貿易大學經濟學文學學士學位及加拿大卡爾頓大學商學院工商管理碩士學位。

李濤先生 (「李先生」)，42歲，於二零零八年四月加入本集團為執行董事。李先生曾為雲南白藥科技(北京)有限公司之副總經理。彼於不同類型公司及業務之行政及管理方面擁有超過十七年之經驗。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

NON-EXECUTIVE DIRECTOR

Mr. Xu Lei (“Mr. Xu”), aged 41, joined the Group as a non-executive Director in November 2009. Mr. Xu has had over 13 years of senior executive and operational experiences in the fields of mass media, technological development and cultural promotion in China since completion of a graduate study at Tongji University in China. Mr. Xu had been a senior manager of The China International Cultural Exchange Centre from 1997 to 2001; the president and editor-in-chief of Travel & Leisure Magazine from 2002 to the present. Since 2003, Mr. Xu has gained substantial corporate governance and operational control experiences in the field of broadcasting and media communications in China including as the vice president of an audio and video publishing house, an executive director of a communication technology development company and a cultural investment firm respectively. Through his association with these enterprises, Mr. Xu has built a broad based social and people resource network in the relevant industries.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Wo Ping JP (“Mr. Leung”), aged 67, has been an independent non-executive Director and the chairman of the Audit Committee, Nomination Committee and Remuneration Committee since August 2009. Mr. Leung is a Fellow of the Institute of Chartered Accountants in England of Wales. He is a tax professional, having engaged in UK tax, Hong Kong tax and international tax planning for over 30 years. Currently, he is a senior advisor of Crowe Horwath (HK) CPA Limited, one of the major accounting firms in Hong Kong. Apart from his professional work, Mr. Leung has actively participated in community affairs since 1983. He had been a Regional Councillor for 5 years and a District Councillor for 18 years. He is also a Councillor of the New Territories Heung Yee Kuk. He currently serves on various Boards and Committees including the Hospital Authority’s Hospital Governing Committee of Tai Po Hospital, United Christian Nethersole Community Health Service Management Committee and the Human Organ Transplant Board. He was a District Advisor to the Hong Kong Branch of Xinhua News Agency before 1997. Mr. Leung was awarded a Badge of Honour by Her Majesty Queen Elizabeth in 1994 for service to the community. He was also appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region in 2000.

非執行董事

徐雷先生（「徐先生」），41歲，於二零零九年十一月加入本集團為非執行董事。於中國同濟大學完成研究院課程後，徐先生於中國大眾傳媒、技術發展及文化推廣之高級行政及營運方面擁有超過十三年經驗。於一九九七年至二零零一年間，徐先生為中國國際文化交流中心之高級經理；自二零零二年至今為《旅遊優閒》之總裁及總編輯。自二零零三年起，徐先生於中國廣播及傳媒獲得豐富企業管治及營運監控經驗，包括分別擔任一家音像出版公司之副總裁，以及一家通訊技術開發公司及一家文化投資公司之執行董事。徐先生透過與該等企業合作，於相關行業內已在社會及人脈資源網絡上建立廣泛基礎。

獨立非執行董事

梁和平先生，太平紳士（「梁先生」），67歲，由二零零九年八月起獲委任為獨立非執行董事、審核委員會、提名委員會及薪酬委員會主席。梁先生為英格蘭威爾斯許會計師公會資深會員。彼為稅務專業人士，曾從事英國、香港及國際稅務策劃逾三十年。彼現時為香港一間主要會計師事務所國富浩華（香港）會計師事務所有限公司之資深顧問。除專業工作外，梁先生自一九八三年起亦積極參與社會事務。彼曾擔任前區域市政局及區議會議員分別達五年及十八年，現時為新界鄉議局議員。彼現出任多項公職，包括醫管局之大埔醫院管治委員會委員、基督教聯合那打素社康服務委員會委員及人體器官移植委員會委員。彼於一九九七年前曾出任新華社香港分社區事顧問。梁先生於一九九四年因服務社會獲英女皇伊利莎伯二世頒發榮譽徽章。彼亦於二零零零年獲香港特別行政區政府封為太平紳士。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Dong Shi (“Mr. Dong”), aged 48, has been an independent non-executive Director since October 2008. Mr. Dong graduated from Southwest University of Political Science and Law, China with a doctorate degree in law. From 1998 to present, Mr. Dong is a veteran lawyer in Shenzhen Rongguan Law Office. Currently, Mr. Dong is also a full time professor of international law in Southwest University of Political Science and Law, a researcher of the WTO Research Centre of Liaoning Academy of Social Science, an arbitrator of Shenzhen Arbitration Committee, and a part time professor of Chongqing Technology and Business University.

Mr. Hu Dingdong (“Mr. Hu”), aged 45, has been an independent non-executive Director since April 2009. Mr. Hu has over 20 years of extensive experience in the investment industry and has had senior management positions with various investment and securities firms in China. Mr. Hu has completed a graduate program in finance from South Western University of Finance and Economics in China. He also has published numerous finance related articles in newspapers, magazines and journals.

SENIOR MANAGEMENT

Dr. Tang Bin (“Dr. Tang”), aged 42, is the Chief Technology Officer of the Company. Dr. Tang possesses a profound knowledge, considerable experience of product development in specialized field of technology, and an extensive background in business management and operation. Dr. Tang is currently responsible for the product development plan and technology management of the Group. He is currently the chairman and the legal representative of Shenzhen Champion Maxiumic Group Co., Ltd., and the legal representative and the executive director of Hebei Champion Maxiumic Technologies Co., Ltd. Both are wholly-owned indirect subsidiaries of the Company principally responsible for digital cable television business and wireless digital TV business. Dr. Tong was the chairman and the legal representative of Beijing Jinqiao Hengtai Technology Co., Ltd. during March 2008 to November 2010. Dr. Tang currently fills posts in many social activities in mainland China, such as an evaluation expert of innovation fund for small technology based firms of Ministry of Science and Technology, a standard examination expert of the National Information Standard Committee, a senior member of the bluetooth technical professional committee of National 3C Union. Dr. Tang holds a master degree in engineering from Graduate Institute of Chinese Academy of Science and a doctor degree in engineering from University of Science and Technology of China.

董石先生 (「董先生」)，48歲，由二零零八年十月起獲委任為獨立非執行董事。董先生畢業於中國西南政法大學，取得法律博士學位。於一九九八年至今，董先生為深圳融關律師事務所之資深律師。目前，董先生也擔任西南政法大學國際法全職教授、遼寧省社會科學院WTO研究中心研究員、深圳市仲裁委員會仲裁員，以及重慶工商大學客座教授。

胡定東先生 (「胡先生」)，45歲，由二零零九年四月起獲委任為獨立非執行董事。胡先生於投資業擁有逾二十年之豐富經驗，並曾於多間中國投資及證券公司任職高級管理層。胡先生於中國西南財經大學之金融系修畢碩士研究生之課程。彼亦曾於報章、雜誌及期刊中發表大量金融相關文章。

高級管理層

唐斌博士 (「唐博士」)，42歲，本公司科技總裁。唐博士於科技專門領域之產品開發方面有深厚知識及卓越之經驗，兼備豐富之企業管理及營運經驗。唐博士現時負責本集團之產品研發計劃及技術管理。彼現時為深圳中澤明芯集團有限公司之董事長兼法人代表，及河北中澤信息科技有限公司之法人代表兼執行董事，該兩間公司為本公司之間接全資附屬公司，主要負責有線數字電視和無線數字電視業務。唐博士曾於二零零八年三月至二零一零年十一月擔任北京金橋恒泰科技有限公司之董事長兼法人代表。目前，唐博士亦於中國內地擔任國家科技部中小企業創新基金評審專家、中國國家信息標準委員會標準審議專家、國家3C聯盟藍牙技術專業委員會高級會員等多項社會職務。唐博士持有中國科學院工學碩士學位及中國科技大學工學博士學位。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Ms. Cheng Kit Sum Clara (“Ms. Cheng”), aged 39, is the Financial Controller, Company Secretary and the authorised representative of the Company. Ms. Cheng is a certified public accountant registered with the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Cheng has over 17 years of experiences in corporate finance, financial management, legal compliance and auditing. Prior to joining the Group in July 2008, Ms. Cheng worked for a company listed on the Stock Exchange for 7 years as an executive director and the chief financial officer in her last position. She has also worked at First Shanghai Capital Limited and PricewaterhouseCoopers. Ms. Cheng holds a bachelor of arts degree in accountancy and a master of science degree in finance.

Mr. Tian Songlin (“Mr. Tian”), aged 42, currently is the general manager, the chairman and the legal representative of Beijing Jinqiao Hengtai technology Co., Ltd and is responsible for the overall management of Beijing Jinqiao. Mr. Tian is also the chairman and the legal representative of Beijing Zhongguang Shitong Technology Co., Ltd, a wholly-owned subsidiary of the Company. Prior to joining the Group, Mr. Tian was the deputy general manager of Beijing Huada Hengtai Technologies Co. Ltd in where he was responsible for managing the overall sales division. Mr. Tian was educated in Japan and obtained a doctorate degree of economics. He has also worked at a real estate company in Japan for four years.

Mr. Yang Liu (“Mr. Yang”), aged 39, is currently the general manager, the executive director and the legal representative of Huzhou Mingxin Micro-Electronic Co., Ltd. Mr. Yang has a number of successful tape-out experience in design and research directions for the CPU core and system design. He has had extensive experience in management and design of domestic and foreign well-known design companies. Mr. Yang has designed various 8-digit CPU systems, and developed a high-speed, four clock cycles and a single clock cycle 80C51 core. He has also designed the high-performance 32-bit CPU and completed all design, process of 0.18UM upper plate which is at 250MHz and above. Mr. Yang has organized and led a number of national key science and technology projects and is also a part-time professor of a first-class university in mainland China. Mr. Yang holds a bachelor degree in engineering and a master degree in business administration.

鄭潔心女士 (「鄭女士」)，39歲，本公司財務總監、公司秘書兼授權代表。鄭女士為香港會計師公會註冊之執業會計師及英國特許公認會計師公會之資深會員。鄭女士於企業財務、財務管理、法律規章及核數方面擁有逾十七年經驗。於二零零八年七月加入本集團之前，鄭女士曾於一間聯交所上市公司工作達七年，最後職位為執行董事兼財務總監。彼亦曾任職於第一上海融資有限公司及羅兵咸永道會計師事務所。鄭女士持有會計文學士學位及金融理學碩士學位。

田松林先生 (「田先生」)，42歲，現擔任北京金橋恒泰科技有限公司總經理、董事長兼法人代表，負責北京金橋之整體管理。田先生現在還擔任本公司另一全資附屬公司北京中廣視通科技有限公司董事長兼法人代表。於加入本集團前，田先生曾擔任北京華大恒泰科技有限責任公司副總經理，負責管理整個銷售部門。田先生於日本接受教育，並取得經濟學博士學位。彼曾在日本一間房地產公司工作達四年。

楊鑾先生 (「楊先生」)，39歲，現擔任湖州明芯微電子設計有限責任公司總經理、執行董事兼法人代表。楊先生之設計及研究方向為CPU核及系統設計，有多次成功流片經驗。彼曾在國內外著名設計公司工作，有豐富之管理和設計經驗。楊先生曾設計多款八位元CPU系統，並開發了高速、四時鐘週期和單時鐘週期80C51內核。彼亦曾設計高性能32位CPU，並完成設計性能在250MHz及以上之0.18UM上流片之全部設計及工藝。楊先生組織及領導了多項國家重點科技項目，也是國內一流大學客座教授。楊先生持有工程學士學位及工商管理碩士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Wu Fred Fong (“Mr. Wu”), aged 63, is the consultant of the Company. Mr. Wu joined the Group as an advisor in May 2008 and acted as the Chief Financial Officer of the Company from 1 March 2009 to 18 July 2011. He has had considerable experience in auditing, corporate planning, corporate finance, investment, consulting and administration with public companies in Canada and Hong Kong including executive directorship experience with a public company in Hong Kong for over seven years. Mr. Wu holds a master of business administration degree from the Schulich School of Business, York University in Canada. He is a Chartered Accountant qualified in Canada and a fellow member of The Hong Kong Institute of Certified Public Accountants. Mr. Wu is currently an independent non-executive director of China Public Procurement Limited and Minth Group Limited, both companies are listed on the Stock Exchange.

胡冕先生(「胡先生」)，63歲，為本公司顧問。胡先生於二零零八年五月加入本集團擔任顧問，並自二零零九年三月一日至二零一一年七月十八日擔任本公司財務總裁。胡先生於加拿大及香港之上市公司之審計、企業規劃、企業融資、投資、諮詢及管理方面擁有豐富經驗，包括曾於一間香港上市公司出任執行董事逾七年。胡先生持有加拿大約克大學舒力克商學院工商管理碩士學位。彼為加拿大特許會計師以及香港會計師公會之資深會員。胡先生現時擔任聯交所上市公司中國公共採購有限公司及敏實集團有限公司之獨立非執行董事。

REPORT OF THE DIRECTORS 董事會報告

The Directors have pleasure in submitting their report and the audited financial statements of the Company and the Group for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in wireless digital terrestrial television network equipment integrated business, digital cable television business and value added business, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services. Details of the principal activities of its subsidiaries are set out in note 39 to the financial statement.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2011 are set out in the consolidated statement of comprehensive income on page 57.

The Directors do not recommend the payment of a dividend for the year ended 30 June 2011.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the Company's share capital during the year are set out in note 30 to the financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 60.

董事欣然呈上彼等之報告以及本公司及本集團截至二零一一年六月三十日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要從事地面無線數字電視網絡設備集成業務、有線數字電視業務及增值業務、研究、設計、開發及製造電子資訊安全產品、芯片，以及芯片之解決方案及相關服務。有關附屬公司之主要業務詳情載於財務報表附註39。

業績及分配

本集團截至二零一一年六月三十日止年度之業績載於第57頁之綜合全面收入表。

董事不建議派發截至二零一一年六月三十日止年度之股息。

物業、廠房及設備

本集團於年內之物業、廠房及設備變動詳情載於財務報表附註14。

股本

本公司於年內之股本詳情載於財務報表附註30。

儲備

本集團於年內之儲備變動詳情載於第60頁之綜合權益變動表。

REPORT OF THE DIRECTORS

董事會報告

DISTRIBUTABLE RESERVES

As at 30 June 2011, the Company did not have any reserves available for cash distribution and/or distribution in specie, as computed in accordance with the Companies Act 1981 of Bermuda (as amended) (2010: Nil). In addition, the Company's share premium balance of HK\$1,107,946,000 as at 30 June 2011 (2010: HK\$491,372,000) may be distributed in the form of fully paid bonus shares.

DIRECTORS

The Directors during the year ended 30 June 2011 and up to the date of this report were:

Executive Directors

Mr. Xiao Yan (*Chief Executive Officer*)
Mr. Feng Yongming
Mr. Li Tao

Non-Executive Director

Mr. Xu Lei

Independent Non-Executive Directors

Mr. Leung Wo Ping *JP*
Mr. Dong Shi
Mr. Hu Dingdong

Pursuant to Bye-law 87(1), at each annual general meeting one-third of the Directors for the time being (or, if their number is not multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Pursuant to Bye-law 87(2), any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Mr. Li Tao and Mr. Feng Yongming shall retire from office and, being eligible to sit for re-election, intend to offer themselves for re-election at the forthcoming annual general meeting.

可供分派儲備

於二零一一年六月三十日，本公司並無任何可作現金分派及／或可作實物分派之儲備（按照百慕達一九八一年公司法（經修訂）計算）（二零一零年：無）。此外，本公司於二零一一年六月三十日之股份溢價結餘為1,107,946,000港元（二零一零年：491,372,000港元），可以繳足紅股形式分派。

董事

截至二零一一年六月三十日止年度及截至本報告日期在任董事為：

執行董事

肖彥先生（行政總裁）
馮永明先生
李濤先生

非執行董事

徐雷先生

獨立非執行董事

梁和平先生，*太平紳士*
董石先生
胡定東先生

根據公司細則第87(1)條，在每屆股東週年大會上，當時的三分之一董事（或若其人數並非三之倍數，則最接近但不多於三分之一董事）須輪值退任，惟每位董事須最少每三年輪值退任一次。根據公司細則第87(2)條，於釐定須輪值退任之指定董事或董事數目時，根據公司細則第86(2)條獲委任之任何董事不應計算在內。李濤先生及馮永明先生即將退任，並符合資格且擬於應屆股東週年大會膺選連任。

REPORT OF THE DIRECTORS 董事會報告

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條就其本身之獨立性發出之年度確認函。本公司認為全體獨立非執行董事均為獨立。

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 38 to 42.

董事及高級管理層

本公司董事及高級管理層之履歷詳情載於第38至42頁。

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term of one year which will continue thereafter until terminated by either party giving not less than three-month prior notice.

董事之服務合約

各董事已與本公司訂立任期為一年之服務合約，任期持續有效，惟任何一方於不少於三個月前通知另一方終止者除外。

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance (as defined in Rule 18.25 of the GEM Listing Rules) to which the Company or its subsidiaries were a party and in which a director and substantial shareholder of the Company has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 30 June 2011.

董事之合約權益

本公司或其附屬公司概無訂立任何於年結日或截至二零一一年六月三十日止年度任何時間存續而本公司董事及主要股東於其中直接或間接擁有重大權益之重大合約(定義見創業板上市規則第18.25條)。

EMPLOYEE SHARE OPTION SCHEME

The employee share option scheme of the Company was adopted pursuant to a written resolution of all the then shareholders of the Company passed on 13 March 2003 (the "Share Option Scheme"). The Share Option Scheme will remain in force for a period of 10 years after the date on which the Share Option Scheme is adopted.

員工購股權計劃

本公司之員工購股權計劃乃根據於二零零三年三月十三日當時本公司全體股東通過之書面決議案採納(「購股權計劃」)。購股權計劃自其採納日期起10年內有效。

(a) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group.

(a) 目的

購股權計劃旨在令本集團可向指定參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。

REPORT OF THE DIRECTORS

董事會報告

(b) Participants

The Directors may, at their discretion, invite any person who is a full time or part time employee or director of any member of the Group, a consultant or agent of or adviser to any member of the Group (the “Eligible Participants”), to take up options to subscribe for the shares of the Company (the “Shares”).

(c) Maximum number of Shares available under the Share Option Scheme

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the Shares in issue on the listing date, 16 April 2003, (“Initial Scheme Limit”). The Company may refresh the Initial Scheme Limit with shareholders’ approval provided that each such refresh may not exceed 10% of the Shares in the Company in issue as at the date of the shareholders’ approval.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

(d) Maximum number of options to any one individual

Unless approved by the shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-months period shall not exceed 1% of the Shares in issue as at the date of grant.

(b) 參與者

董事可酌情邀請本集團任何成員公司之全職或兼職僱員或董事、本集團任何成員公司之顧問、代理或顧問等任何人士（「合資格參與者」）接納購股權以認購本公司股份（「股份」）。

(c) 購股權計劃之最高股份數目

因行使根據購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權而可發行之股份總數，不得超過上市日期（即二零零三年四月十六日）已發行股份總數之10%（「初步計劃限額」）。本公司可按股東批准更新初步計劃限額，惟每項更新不得超過本公司於取得股東批准當日之本公司已發行股份之10%。

行使根據購股權計劃及本集團採納之任何其他購股權計劃已授出但尚未行使之所有未行使購股權時可予發行之最高股份數目，合共不得超過不時已發行股份之30%。

(d) 向任何個人授出之購股權上限

除非獲本公司股東批准，否則因行使根據購股權計劃及本集團任何其他購股權計劃授予每位合資格參與者之購股權（包括已行使、已註銷及尚未行使之購股權）而已發行及將予發行之股份總數，於任何十二個月期間內不得超過授出當日已發行股份之1%。

REPORT OF THE DIRECTORS 董事會報告

(e) Time of exercise of option

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. A nominal aggregate consideration of HK\$1 for each grantee is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the Board to each grantee, at the time of making an offer of the grant of an option which shall not expire later than 10 years from the date of grant of the option. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is neither any performance target that needs to be achieved before the option can be exercised nor any minimum period for which an option must be held before it can be exercised.

(f) Price of Shares

The subscription price for a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day (and for this purpose shall be taken to be the date of the Board meeting at which the Board proposes to grant the options); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) The nominal value of a Share.

(g) Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force before 12 March 2013.

(e) 購股權之行使時間

參與者可於購股權要約提出當日起計28日內接納購股權。於接納授出購股權時每名承授人須支付名義總代價1港元。

購股權可以根據購股權計劃之條款，在由董事會於建議授出購股權之時釐定並通知各承授人之期限內之任何時間行使，購股權自授出購股權當日起10年內有效。除非董事另有決定並在建議授出購股權予承授人時聲明，否則在可行使購股權前並無需達致之任何績效目標，亦無任何在購股權可予行使前必須持有購股權之最低期限規定。

(f) 股價

根據購股權計劃授出任何特定購股權所涉及股份之認購價須由董事會全權決定，惟該價格不得低於(以最高者為準)(i)於購股權授出日期(須為營業日，就此而言須被視為董事會建議授出購股權之董事會會議日期)聯交所每日報價表所報股份之收市價；(ii)緊接購股權授出日期前五個營業日聯交所每日報價表所報股份之平均收市價；及(iii)股份面值。

(g) 購股權計劃之剩餘有效期

購股權計劃將於二零一三年三月十二日前保持有效。

REPORT OF THE DIRECTORS

董事會報告

Following the shareholders' resolution passed on 9 November 2010, the scheme limit was refreshed to 179,670,300, representing 10% of the Shares in issue as at the date of passing the resolution. During the year ended 30 June 2011, the Company has granted options to subscribe for 30,000,000 Shares to the Directors and employees. The number of share options that could be granted under the Share Option Scheme (if the scheme limit is not refreshed) was 149,670,300, representing approximately 6% of the Shares of the Company in issue as at 30 June 2011.

Details of the employee share options are as follows:

於二零一零年十一月九日通過股東決議案後，計劃限額更新至179,670,300份，相當於決議案通過當日已發行股份之10%。截至二零一一年六月三十日止年度，本公司授予董事及僱員可認購30,000,000股股份之購股權。根據購股權計劃（倘計劃限額並無更新）可授出之購股權數目為149,670,300份，佔本公司於二零一一年六月三十日已發行股份約6%。

僱員購股權之詳情如下：

Participants		Number of Shares (Note 1) 股份數目 (附註1)					As of 30 June 2011 截至 二零一一年 六月三十日	Date of grant	Exercise period	Exercise price per share
		As of 1 July 2010 截至 二零一零年 七月一日	Granted during the year	Adjusted by Bonus issued	Exercised during the year	Cancelled/ Lapsed during the year				
參與者		於年內授出	因發行紅股 而調整	於年內行使	於年內 註銷/失效	二零一一年 六月三十日	授出日期	行使期	每股 行使價 HK\$ 港元	
Directors and Chief executive	董事及 主要行政人員									
Mr. Xiao Yan	肖彥先生	2,200,000	—	73,334	—	2,273,334	18/02/2009	18/03/2009-17/03/2012	0.358	
		—	1,500,000	—	—	1,500,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Mr. Feng Yongming	馮永明先生	1,000,000	—	(1,000,000)	—	—	18/02/2009	18/03/2009-17/03/2012	0.37	
		—	1,500,000	—	—	1,500,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Mr. Li Tao	李濤先生	—	1,500,000	—	—	1,500,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Mr. Xu Lei	徐雷先生	—	800,000	—	—	800,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Mr. Leung Wo Ping	梁和平先生	—	800,000	—	—	800,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Mr. Dong Shi	董石先生	—	800,000	—	—	800,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Mr. Hu Dingdong	胡定東先生	—	800,000	—	—	800,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Mr. Wu Fred Fong (Note 2)	胡晃先生 (附註2)	4,000,000	—	133,333	(4,133,333)	—	18/02/2009	18/03/2009-17/03/2012	0.358	
		—	1,500,000	—	—	1,500,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Subtotal	小計	7,200,000	9,200,000	206,667	(5,133,333)	—	11,473,334			
Other participants	其他參與者									
		3,500,000	—	83,333	(3,583,333)	—	18/02/2009	18/03/2009-17/03/2012	0.37	
		—	20,800,000	—	—	20,800,000	13/04/2011	14/05/2011-12/03/2013	1.54	
Subtotal	小計	3,500,000	20,800,000	83,333	(3,583,333)	—	20,800,000			
Total	總計	10,700,000	30,000,000	290,000	(8,716,666)	—	32,273,334			

Note:

- (1) Number of shares in the Company over which options granted under the Share Option Scheme are exercisable.
- (2) Mr. Wu Fred Fong has resigned as the chief financial officer of the Company and acts as a consultant of the Company with effect from 18 July 2011.

附註：

- (1) 根據購股權計劃授出而可予行使之購股權所涉及之本公司股份數目。
- (2) 胡晃先生已辭任本公司財務總裁，並自二零一一年七月十八日起擔任本公司顧問。

Particulars of the Share Option Scheme are set out in note 31 to the financial statements.

購股權計劃之詳情載於財務報表附註31。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2011, the interests and short positions of the Directors, the chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及短倉

於二零一一年六月三十日，本公司董事、主要行政人員或彼等各自之聯繫人（定義見創業板上市規則）於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及短倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及短倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益及短倉；或根據創業板上市規則有關董事進行證券交易之第5.46條至5.67條須知會本公司及聯交所之權益及短倉如下：

REPORT OF THE DIRECTORS

董事會報告

Name of Directors and the chief executive 董事及主要 行政人員名稱	Capacity 身份	Number of Shares 股份	underlying Shares 數目 相關股份 (Note 1) (附註1)	Approximate percentage of interests in the issued share capital 已發行股本中 權益概約百分比
Mr. Xiao Yan 肖彥先生	Beneficial owner 實益擁有人	—	3,773,334	0.15%
Mr. Feng Yongming 馮永明先生	Beneficial owner 實益擁有人	—	1,500,000	0.06%
Mr. Li Tao 李濤先生	Beneficial owner 實益擁有人	—	1,500,000	0.06%
Mr. Xu Lei 徐雷先生	Beneficial owner 實益擁有人	—	800,000	0.03%
Mr. Leung Wo Ping 梁和平先生	Beneficial owner 實益擁有人	—	800,000	0.03%
Mr. Dong Shi 董石先生	Beneficial owner 實益擁有人	—	800,000	0.03%
Mr. Hu Dingdong 胡定東先生	Beneficial owner 實益擁有人	—	800,000	0.03%
Mr. Wu Fred Fong (Note 2) 胡晃先生(附註2)	Beneficial owner 實益擁有人	3,466,666	1,500,000	0.20%

Notes:

- (1) Underlying shares represent share options granted to the Directors and the chief executive of the Company pursuant to share option scheme of the Company and details of which are set out in note 30.
- (2) Mr. Wu Fred Fong has resigned as the chief financial officer of the Company and acts as a consultant of the Company with effect from 18 July 2011.

附註：

- (1) 相關股份指根據本公司購股權計劃授予本公司董事及主要行政人員之購股權，有關詳情載於附註30。
- (2) 胡晃先生已辭任本公司財務總裁，並自二零一一年七月十八日起擔任本公司顧問。

Save as disclosed above, at no time during the year ended 30 June 2011 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

除上文所披露者外，本公司或其任何附屬公司於截至二零一一年六月三十日止年度內任何時間概無訂立任何安排，致使本公司董事及主要行政人員可藉收購本公司或其相聯法團之股份或債權證而獲得利益。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register maintained by the Company pursuant to section 336 of the SFO recorded that, as at 30 June 2011, the following persons (not being a Director, chief executive or substantial shareholder of the Company) had an interest or short position in the Shares, underlying Shares or debentures which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other members of the Group or held any option in respect of such capital and recorded in the register kept by the Company pursuant to section 336 of the SFO:

Long positions in shares and underlying shares of the Company

主要股東於本公司之股份及相關股份之權益及短倉

本公司根據證券及期貨條例第336條存置之登記冊記錄，於二零一一年六月三十日，以下人士（並非本公司之董事、主要行政人員或主要股東）於股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露之權益或短倉，或預期彼等直接或間接擁有附有權利在任何情況下均可在本公司或本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上之權益，或持有涉及該等股本之任何購股權，及按本公司根據證券及期貨條例第336條須予存置登記冊所記錄之權益或短倉：

於本公司股份及相關股份之長倉

Name of shareholder 股東名稱	Number or attributable number of shares or underlying shares held 持有之股份或相關股份數目或應佔數目	Type of interests 權益類別	Approximate percentage of interests 權益概約百分比
Choi Chung Lam (Note 1) 蔡忠林(附註1)	623,690,451 (L)	Interest in controlled corporation 受控法團權益	25.08%
Team Effort Investments Limited (Note 1)(附註1)	623,690,451 (L)	Beneficial owner 實益擁有人	25.08%
Li Haoping (Note 2) 李浩平(附註2)	403,863,306 (L)	Interest in controlled corporation 受控法團權益	16.24%
Lomond Group Limited (Note 2)(附註2)	357,724,863 (L)	Interest in controlled corporation 受控法團權益	14.38%
Easy Mount Enterprises Limited (Note 2)(附註2)	319,224,863 (L)	Beneficial owner 實益擁有人	12.83%

L: Long Position

L: 長倉

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. Team Effort Investments Limited is wholly owned by Mr. Choi Chung Lam. Mr. Choi Chung Lam is deemed to be interested in the shares held by Team Effort Investments Limited.
2. Easy Mount Enterprises Limited ("Easy Mount") is a company incorporated in the BVI with limited liability. The entire issued share capital of Easy Mount is owned as to 85% by Lomond Group Limited ("Lomond Group") and 15% by Mr. Ho Wai Jung. Lomond Group is wholly owned by Mr. Li Haoping ("Mr. Li"). Lomond Group and Mr. Li are deemed to be interested in the 319,224,863 shares to be issued upon the exercising of the conversion rights attaching to convertible notes. The convertible notes are part of the consideration issued to Easy Mount upon satisfaction of certain conditions pursuant to a sale and purchase agreement in relation to shares of Star Hub Investments Limited entered by the Company, among others, and Easy Mount on 19 June 2008. The convertible note is transferable provided that each of the transfer shall not be less than HK\$5,000,000.00 or its multiples. Mr. Li is also deemed to be interested in the 38,500,000 shares held by Lomond Group and 46,138,443 shares held by Wealtheme Limited. Wealtheme Limited is also wholly owned by Mr. Li.

附註：

1. Team Effort Investments Limited由蔡忠林先生全資擁有。蔡忠林先生被視為於Team Effort Investments Limited持有之股份中擁有權益。
2. Easy Mount Enterprises Limited (「Easy Mount」) 為於英屬維爾京群島註冊成立之有限公司。Easy Mount之全部已發行股本中由Lomond Group Limited (「Lomond Group」) 擁有85%及由何偉頌先生擁有15%。Lomond Group由李浩平先生 (「李先生」) 全資擁有。Lomond Group及李先生被視為於可換股票據所附之換股權獲行使而須予發行之319,224,863股股份中擁有權益。根據本公司 (其中包括) 與Easy Mount於二零零八年六月十九日就Star Hub Investments Limited股份訂立之買賣協議，可換股票據作為代價之一部份將於若干條件滿足後向Easy Mount發行。可換股票據在單次轉讓金額不低於5,000,000.00港元或其倍數之情況下可予轉讓。李先生亦被視為於Lomond Group持有之38,500,000股股份及Wealtheme Limited持有之46,138,443股股份中擁有權益。Wealtheme Limited亦由李先生全資擁有。

Save as disclosed above, the Directors or the chief executive of the Company were not aware that there was any person (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other members of the Group or held any option in respect of such capital and recorded in the register kept by the Company pursuant to section 336 of the SFO.

除上文所披露者外，本公司董事或主要行政人員概不知悉有任何人士 (並非本公司董事或主要行政人員) 於本公司之股份、相關股份或債權證中擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露之權益或短倉，或預期彼等直接或間接擁有附有權利在任何情況下均可在本公司或本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上之權益，或持有涉及該等股本之任何購股權，及按本公司根據證券及期貨條例第336條須予存置登記冊所記錄之權益或短倉。

REPORT OF THE DIRECTORS 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

主要客戶及供應商

		Percentage of the Group's 佔本集團百分比	
		Turnover 營業額	Purchases 採購額
The largest customer	最大客戶	10%	
Five largest customers in aggregate	五大客戶合計	39%	
The largest supplier	最大供應商		28%
Five largest suppliers in aggregate	五大供應商合計		76%

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

概無董事或彼等之任何聯繫人或就董事所知擁有本公司已發行股本5%以上之任何股東分別於本集團五大客戶及供應商中擁有任何實益權益。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company Bye-Laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

優先購買權

百慕達之公司細則並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司之上市證券

截至二零一一年六月三十日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float as required under the GEM Listing Rules.

足夠公眾持股量

根據本公司公開之資料並就董事所知，於本報告日期，本公司維持創業板上市規則規定之足夠公眾持股量。

REPORT OF THE DIRECTORS 董事會報告

COMPETING INTERESTS

None of the Directors, management or shareholders of the Company or their associates (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 144.

On behalf of the Board

Xiao Yan

Executive Director

Hong Kong

27 September 2011

競爭權益

本公司各董事、管理層或股東或彼等之聯繫人（定義見創業板上市規則）概無於與本集團業務出現或可能出現競爭或與本集團權益中出現任何其他衝突之業務中擁有任何權益。

五年財務概要

本集團過往五個財政年度之業績及資產與負債概要載於第144頁。

代表董事會

執行董事

肖彥

香港

二零一一年九月二十七日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

TO THE SHAREHOLDERS OF HENG XIN CHINA HOLDINGS LIMITED

恒芯中國控股有限公司

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Heng Xin China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 143, which comprise the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with 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.

致恒芯中國控股有限公司各股東
(於百慕達註冊成立之有限公司)

本核數師已審核恒芯中國控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)第57至143頁之綜合財務報表，包括於二零一一年六月三十日之綜合財務狀況表，及截至該日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋性資料。

董事就綜合財務報表須承擔之 責任

貴公司董事須負責根據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編製綜合財務報表以令其作出真實而公平之反映，並落實董事認為必須之內部控制，以使編製綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

本核數師之責任是根據本核數師之審核對該等綜合財務報表作出意見，並根據百慕達公司法第九十條規定，僅向全體股東作出報告，而不可用作其他用途。本核數師概不就本報告之內容對任何其他人士負責或承擔責任。本核數師已根據香港會計師公會頒佈之香港核數準則進行審核。該等準則要求本核數師遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Morison Heng

Certified Public Accountants

Hong Kong: 27 September 2011

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製作出真實而公平反映之綜合財務報表相關之內部控制，以設計在該等情況下適當之審核程序，但並非對公司之內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

本核數師相信，本核數師所獲得之審核憑證可充足及適當地為本核數師之審核意見提供基礎。

意見

本核數師認為，綜合財務報表乃根據香港財務報告準則真實而公平地反映 貴集團於二零一一年六月三十日之事務狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定適當地編製。

華利信會計師事務所

執業會計師

香港：二零一一年九月二十七日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入表

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收益	5	676,624	653,260
Cost of sales	銷售成本		(363,402)	(390,222)
Gross profit	毛利		313,222	263,038
Other income	其他收入	7	29,622	1,050
Selling and marketing expenses	銷售及市場推廣開支		(4,796)	(4,007)
Other operating expenses	其他經營費用		(87,376)	(44,657)
Finance costs	融資成本	8	(16,303)	(11,049)
Profit before taxation	除稅前溢利		234,369	204,375
Taxation	稅項	9	(27,766)	(8,730)
Profit for the year	年內溢利	10	206,603	195,645
Other comprehensive income	其他全面收入			
Exchange differences on translating foreign operations	換算海外業務之匯兌差額		37,922	4,424
Total comprehensive income for the year	年內全面收入總額		244,525	200,069
Profit attributable to:	應佔溢利：			
Owners of the Company	本公司擁有人		201,942	181,042
Non-controlling interests	非控股股東權益		4,661	14,603
			206,603	195,645
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the Company	本公司擁有人		238,898	185,221
Non-controlling interests	非控股股東權益		5,627	14,848
			244,525	200,069
EARNINGS PER SHARE	每股盈利	13		
Basic	基本		9.50 cents 仙	11.50 cents 仙
Diluted	攤薄		8.53 cents 仙	10.28 cents 仙

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 30 JUNE 2011

於二零一一年六月三十日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	123,215	7,187
Goodwill	商譽	15	753,146	753,146
Intangible assets	無形資產	16	77,772	34,107
Deposits for acquisition of property, plant and equipment	收購物業、廠房及 設備之按金	17	32,739	—
Trade receivables	應收賬款	19	57,807	227,804
			1,044,679	1,022,244
Current assets	流動資產			
Inventories	存貨	18	7,098	2,889
Trade receivables	應收賬款	19	509,956	452,126
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	20	260,062	29,348
Financial assets at fair value through profit or loss	按公平值計入損益表之 金融資產	21	8,550	—
Amount due from a related company	應收一間關連公司款項	22	50,257	1,993
Cash and cash equivalents	現金及現金等價物	23	288,477	65,401
			1,124,400	551,757
Current liabilities	流動負債			
Trade payables	應付賬款	24	125,164	223,689
Other payables and accruals	其他應付款項及應計費用	24	29,098	38,173
Promissory note	承兌票據	25	8,000	—
Obligations under finance leases	融資租約責任	26	375	345
Other borrowings	其他借款	27	12,041	30,000
Tax payables	應繳稅項		41,675	14,329
			216,353	306,536
Net current assets	流動資產淨值		908,047	245,221

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 30 JUNE 2011

於二零一一年六月三十日

		Notes	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		附註		
Total assets less current liabilities 總資產減流動負債			1,952,726	1,267,465
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租約責任	26	511	886
Deferred tax liabilities	遞延稅項負債	28	1,983	2,267
Convertible notes payable	應付可換股票據	29	264,504	176,694
			266,998	179,847
Net assets	資產淨值		1,685,728	1,087,618
Capital and reserves	資本及儲備			
Share capital	股本	30	24,871	15,639
Reserves	儲備		1,660,857	1,042,404
			1,685,728	1,058,043
Non-controlling interests	非控股股東權益		—	29,575
Total equity	權益總額		1,685,728	1,087,618

Approved and authorised for issue by the Board of Directors on 27 September 2011.

於二零一一年九月二十七日經董事會批准及授權刊發。

Xiao Yan
肖彥
Director
董事

Feng Yongming
馮永明
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Retained earnings 保留盈利	Total 總計	Non-controlling interests 非控股股東權益	Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Exchange fluctuation reserve 匯兌儲備	Other reserve 其他儲備	Share option reserve 購股權儲備	Convertible notes reserve 可換股票據儲備				
At 1 July 2009	於二零零九年七月一日	13,857	396,560	702	(274)	—	4,512	—	61,667	477,024	9,429	486,453
Total comprehensive income for the year	年內全面收入總額	—	—	—	4,179	—	—	—	181,042	185,221	14,848	200,069
Issue of convertible notes	發行可換股票據	—	—	—	—	—	—	300,800	—	300,800	—	300,800
Issue of new shares	發行新股份	1,000	69,000	—	—	—	—	—	—	70,000	—	70,000
Share issue expenses	發行股份開支	—	(2,041)	—	—	—	—	—	—	(2,041)	—	(2,041)
Recognition of share-based payments	確認以股份為基礎付款	—	—	—	—	—	650	—	—	650	—	650
Share options exercised	已行使之購股權	782	27,853	—	—	—	(3,270)	—	—	25,365	—	25,365
Release upon cancel of vested share options	註銷已歸屬購股權後撥回	—	—	—	—	—	(196)	—	196	—	—	—
Release upon deregistration of a subsidiary	註銷登記一間附屬公司後撥回	—	—	599	—	—	—	—	(599)	—	—	—
Reserves arising from capital injection to non-wholly owned subsidiaries	來自向一間非全資附屬公司注資之儲備	—	—	1,024	—	—	—	—	—	1,024	5,298	6,322
At 30 June 2010	於二零一零年六月三十日	15,639	491,372	2,325	3,905	—	1,696	300,800	242,306	1,058,043	29,575	1,087,618
Total comprehensive income for the year	年內全面收入總額	—	—	—	36,956	—	—	—	201,942	238,898	5,627	244,525
Issue of new shares	發行新股份	2,000	148,000	—	—	—	—	—	—	150,000	—	150,000
Share issue expenses	發行股份開支	—	(2,296)	—	—	—	—	—	—	(2,296)	—	(2,296)
Issue of convertible notes	發行可換股票據	—	—	—	—	—	—	14,917	—	14,917	—	14,917
Conversion of convertible notes	兌換可換股票據	4,854	288,059	—	—	—	—	(181,463)	—	111,450	—	111,450
Recognition of share-based payments	確認以股份為基礎付款	—	—	—	—	—	11,000	—	—	11,000	—	11,000
Share options exercised	已行使之購股權	987	69,339	—	—	—	(1,481)	—	—	68,845	—	68,845
Bonus issue of shares as final dividend	發行紅股作為末期股息	610	(610)	—	—	—	—	—	—	—	—	—
Acquisition of additional interests in subsidiaries	收購附屬公司之額外權益	781	114,082	—	—	(79,992)	—	—	—	34,871	(35,202)	(331)
At 30 June 2011	於二零一一年六月三十日	24,871	1,107,946	2,325	40,861	(79,992)	11,215	134,254	444,248	1,685,728	—	1,685,728

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from operating activities	經營活動所得現金流量		
Profit before taxation	除稅前溢利	234,369	204,375
Adjustments for:	就以下各項作出調整：		
Depreciation	折舊	4,087	1,831
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益表之 金融資產之收益	(10,989)	—
Impairment loss on intangible assets	無形資產減值虧損	3,814	2,790
Impairment loss on other receivables	其他應收款項減值虧損	2,168	—
Impairment loss on trade receivables	應收賬款減值虧損	12,854	—
Interest expenses	利息開支	16,303	11,049
Interest income	利息收入	(16,140)	(363)
Loss on fair value changes of financial assets at fair value through profit or loss	按公平值計入損益表之 金融資產公平值變動虧損	1,950	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	24	—
Share-based payment expenses	以股份支付款項	11,000	650
Write down of inventories	存貨撇銷	582	—
Operating cash flows before movements in working capital	營運資本變動前之經營現金流量	260,022	220,332
(Increase)/Decrease in inventories	存貨(增加)/減少	(4,537)	1,145
Decrease/(Increase) in trade receivables	應收賬款減少/(增加)	141,624	(396,723)
Increase in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項增加	(217,584)	(7,170)
Increase in amount due from a related company	應收一間關連公司款項增加	(46,868)	—
(Decrease)/Increase in trade payables	應付賬款(減少)/增加	(105,021)	53,174
(Decrease)/Increase in other payables and accruals	其他應付款項及 應計費用(減少)/增加	(10,604)	28,660
Cash generated from/(used in) operations	營運產生/(所用)之現金	17,032	(100,582)
Interest paid	已付利息	(1,126)	(1,855)
Tax paid	已付稅項	(2,197)	(538)
Net cash from/(used in) operating activities	經營活動所得/(所用) 現金淨額	13,709	(102,975)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from investing activities	投資活動所得現金流量		
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備之按金	(31,858)	—
Interest received	利息收入	591	59
Purchases of intangible assets	購買無形資產	(44,642)	(12,187)
Purchases of property, plant and equipment	收購物業、廠房及設備	(116,815)	(7,049)
Proceeds on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益表之金融資產所得款項	40,721	—
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	41	—
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益表之金融資產	(40,232)	—
Consideration paid for acquisition of additional interests in subsidiaries	收購附屬公司額外權益之已付代價	(331)	—
Net cash used in investing activities	投資活動所用現金淨額	(192,525)	(19,177)
Cash flow from financing activities	融資活動所得現金流量		
New bank and other loan raised	新籌得銀行及其他貸款	82,019	2,390
New obligation raised under finance lease	新增融資租約責任	—	1,100
Repayment of bank loan	償還銀行貸款	(70,302)	(2,390)
Repayment of obligations under finance leases	償還融資租約責任	(345)	(296)
Repayment of loan from a shareholder	償還一名股東之貸款	(30,000)	—
Proceeds from issue of shares	股份發行所得款項	218,845	95,365
Proceeds from issue of convertible notes	發行可換股票據之所得款項	199,000	—
Share issue expenses	發行股份開支	(2,296)	(2,041)
Capital contribution by non-controlling interests	非控股股東權益之注資	—	321
Net cash from financing activities	融資活動所得現金淨額	396,921	94,449
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物之增加／(減少)淨額	218,105	(27,703)
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物	65,401	92,410
Effect of foreign exchange rate changes	匯率變動之影響	4,971	694
Cash and cash equivalents at end of year	於年末之現金及現金等價物	288,477	65,401
Analysis of the balances of cash and cash equivalents	現金及現金等價物之結餘分析		
Cash at bank and in hand	銀行存款及現金	253,113	65,401
Cash at other financial instructions	其他金融機構存款	35,364	—
		288,477	65,401

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綜合財務報表附註

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The principal activity of the Company is investment holding. The principal activities of the Group are engaged in wireless digital terrestrial television network equipment integrated business, digital cable television business, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services.

1. 一般資料

本公司乃於百慕達註冊成立之受豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。本公司註冊辦事處地址及主要營業地點於年報「公司資料」一節中披露。

綜合財務報表乃以與本公司功能貨幣一致之港元呈列。

本公司之主要業務為投資控股。本集團之主要業務則包括從事地面無線數字電視網絡設備集成業務、有線數字電視業務、研究、設計、開發及製造電子資訊安全產品、芯片，以及芯片之解決方案及相關服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 30 JUNE 2011

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

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the improvements that are effective for annual periods beginning on or after 1 January 2011
HKAS 32 (Amendment)	Classification of Rights Issues
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transaction
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK — Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已應用下列由香港會計師公會（「香港會計師公會」）頒佈之新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則（修訂本）	二零零九年之香港財務報告準則之改進
香港財務報告準則（修訂本）	二零一零年之香港財務報告準則之改進，惟於二零一一年一月一日或之後開始之年度期間生效之改進除外
香港會計準則第32號（修訂本）	供股分類
香港財務報告準則第1號（修訂本）	首次採納者之額外豁免
香港財務報告準則第1號（修訂本）	首次採納者就比較香港財務報告準則第7號披露之有限豁免
香港財務報告準則第2號（修訂本）	集團以現金結算及以股份為基礎付款交易
香港（國際財務報告詮釋委員會）— 詮釋第19號	金融負債與權益工具之區分
香港 — 詮釋第5號	財務報表之呈報 — 借入對載有可隨時要求償還條款之定期貸款之分類

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綜合財務報表附註

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

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

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ¹
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (Revised 2011)	Employee Benefits ³
HKAS 24 (Revised 2009)	Related Party Disclosures ⁴
HKAS 27 (Revised 2011)	Separate Financial Statements ³
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ³
HKFRSs (Amendments)	Improvements to HKFRSs 2010 that are effective for annual period beginning on or after 1 January 2011 ⁴
HKFRS 7 (Amendments)	Disclosures — Transfer of Financial Assets ⁵
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ³
HKFRS 11	Joint Arrangements ³
HKFRS 12	Disclosure of Interests in Other Entities ³
HKFRS 13	Fair Value Measurement ³
HK(IFRIC) — INT 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁴

2. 採納新訂及經修訂香港財務報告準則 (續)

採納新訂及經修訂香港財務報告準則並無對本集團於現時或過往會計期間之綜合財務報表造成重大影響。

本集團並未提早採納下列已頒佈但未生效之新訂及經修訂準則、修訂及詮釋。

香港會計準則第1號(修訂本)	呈列其他全面收入項目 ¹
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 ²
香港會計準則第19號(二零一一年經修訂)	僱員福利 ³
香港會計準則第24號(二零零九年經修訂)	有關連人士披露事項 ⁴
香港會計準則第27號(二零一一年經修訂)	獨立財務報表 ³
香港會計準則第28號(二零一一年經修訂)	於聯營公司及合營公司投資 ³
香港財務報告準則(修訂本)	於二零一一年一月一日或之後開始之年度期間生效之二零一零年之香港財務報告準則之改進 ⁴
香港財務報告準則第7號(修訂本)	披露—轉讓金融資產 ⁵
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號	綜合財務報表 ³
香港財務報告準則第11號	合營安排 ³
香港財務報告準則第12號	其他實體之權益披露 ³
香港財務報告準則第13號	公平值計量 ³
香港(國際財務報告詮釋委員會) — 詮釋第14號(修訂本)	最低資金需要之預付款項 ⁴

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

- 1 Effective for annual periods beginning on or after 1 July 2012
- 2 Effective for annual periods beginning on or after 1 January 2012
- 3 Effective for annual periods beginning on or after 1 January 2013
- 4 Effective for annual periods beginning on or after 1 January 2011
- 5 Effective for annual periods beginning on or after 1 July 2011

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

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

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

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2. 採納新訂及經修訂香港財務報告準則 (續)

- 1 於二零一二年七月一日或之後開始之年度期間生效
- 2 於二零一二年一月一日或之後開始之年度期間生效
- 3 於二零一三年一月一日或之後開始之年度期間生效
- 4 於二零一一年一月一日或之後開始之年度期間生效
- 5 於二零一一年七月一日或之後開始之年度期間生效

香港財務報告準則第9號「金融工具」(於二零零九年十一月頒佈)引入對金融資產之分類及計量之新規定。香港財務報告準則第9號「金融工具」(二零一零年十一月經修訂)加入對金融負債及終止確認之規定。

根據香港財務報告準則第9號，所有符合香港會計準則第39號「金融工具：確認及計量」範疇之已確認金融資產其後須按攤銷成本或公平值計量。特別是根據業務模式以收取合約現金流量為目的所持有及僅為支付本金額及未償還本金額之利息而產生合約現金流量之債務投資一般按攤銷成本於其後會計期間結束時計量。所有其他債務投資及權益投資乃按公平值於其後會計期間結束時計量。

就金融負債而言，重大變動與指定按公平值計入損益表之金融負債有關。具體而言，根據香港財務報告準則第9號，關於指定按公平值計入損益表之金融負債，由於金融負債信貸風險變動所產生之金融負債公平值金額變動乃於其他全面收入呈列，惟倘於其他全面收入呈列金融負債信貸風險變動之影響會造成損益表之會計錯配或擴大有關情況，則另當別論。金融負債信貸風險應佔公平值變動其後不會重新分類至損益。以往，根據香港會計準則第39號，指定按公平值計入損益表之金融負債公平值變動乃悉數於損益表呈列。

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綜合財務報表附註

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

2. 採納新訂及經修訂香港財務報告準則 *(續)*

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

香港財務報告準則第9號於二零一三年一月一日或之後開始之年度期間生效，並可提早應用。

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ended 30 June 2014 and that the application of the new Standard may affect the classification and measurement in respect of the Group's financial assets and financial liabilities.

董事預期本集團將於截至二零一四年六月三十日止財政年度之綜合財務報表採納香港財務報告準則第9號，以及應用新準則可能對本集團金融資產及金融負債之分類及計量造成影響。

HKAS 24 "Related Party Disclosures" (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

香港會計準則第24號「有關連人士披露事項」(二零零九年經修訂)修訂有關連人士之定義，同時簡化政府相關實體之披露。

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) for government-related entities do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the Standard is applied in future accounting periods because counterparties that do not currently meet the definition of a related party under the current HKAS 24 may come within the scope of the revised Standard.

香港會計準則第24號(二零零九年經修訂)是為政府相關實體而引進之披露豁免，對本集團並無影響，原因是本集團並非政府相關實體。然而，當經修訂準則於未來會計期間應用時，在綜合財務報表內關乎有關連人士交易及結餘時披露或會受到影響，此乃由於現時並不符合現有香港會計準則第24號有關連人士定義之對手方，或會落入該經修訂準則之範圍。

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

本公司董事預期應用其他新訂及經修訂準則、修訂或詮釋將不會對綜合財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

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

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3. 重要會計政策

綜合財務報表乃根據歷史成本基準編製，惟金融工具乃以公平值計量(如下文會計政策所闡述)。

綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所創業板證券上市規則(「創業板上市規則」)及香港公司條例規定之適用披露。

綜合賬目基準

綜合財務報表涵蓋本公司及本公司控制公司(其附屬公司)截至每年六月三十日為止之財務報表。如本公司有權監管一間公司之財務及經營政策，以便於其業務中獲取利益，即為取得控制權。

年內所收購或出售之附屬公司之業績自收購有效日期起或截至出售有效日期止(如適用)計入綜合全面收入表。

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

所有集團內分部間之交易、結餘、收入及開支於綜合賬目時撇銷。

附屬公司之非控股股東權益與本集團之權益於財務報表分開呈報。資產淨值中之非控股股東權益包括於原業務合併當日之權益及自合併當日以來非控股股東權益所佔之股權變動。非控股股東權益應佔虧損超出非控股股東權益應佔附屬公司之股權撥歸本集團權益，惟非控股股東權益有具約束力之責任且能夠作出額外投資以彌補虧損則除外。

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綜合財務報表附註

FOR THE YEAR ENDED 30 JUNE 2011

截至二零一一年六月三十日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Change in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 owners of the Company. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. 重要會計政策 (續)

本集團於現有附屬公司之擁有權權益變動

倘本集團於附屬公司之擁有權權益變動不會導致本集團喪失附屬公司控制權，則入賬為股權交易。本集團之權益及非控股股東權益賬面值已予調整，以反映兩者在附屬公司之相對權益變化。非控股股東權益調整金額與所付或所收代價公平值兩者之間之差額直接於權益內確認，並由本公司持有人分佔。當本集團喪失對某間附屬公司之控制權，出售之溢利或虧損乃按以下各項之差額計算：(i) 所收取之代價公平值與任何保留權益公平值之總額，及(ii)該附屬公司資產(包括商譽)及負債以及任何非控股股東權益之過往賬面值。倘附屬公司之若干資產按重估金額或公平值計量，而相關累計盈虧已於其他全面收入確認及於權益累計，則先前於其他全面收入確認及於權益累計之金額會予以入賬，猶如本公司已直接出售相關資產(即重新分類為損益或直接轉撥至保留盈利)。於喪失控制權當日，於前附屬公司保留之任何投資公平值會根據香港會計準則第39號「金融工具：確認及計量」於其後之會計處理中初步確認為公平值，或(如適用)初步確認為於聯營公司或共同控制實體之投資成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill

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

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

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

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

3. 重要會計政策 (續)

商譽

收購一項業務所產生之商譽按成本減任何累計減值虧損列賬，並於綜合財務狀況表內單獨呈列。

就減值測試而言，收購產生之商譽乃分配至預期會受惠於收購協同效應之各有關現金產生單元或現金產生單元組別。

獲分配商譽之現金產生單元會每年及當有跡象顯示有關單元可能出現減值時更頻密地進行減值測試。就於報告期間進行收購所產生之商譽而言，獲分配商譽之現金產生單元會於該報告期末前進行減值測試。當現金產生單元之可收回金額少於該單元之賬面值時，減值虧損會首先進行分配以撇減該單元所獲分配之任何商譽之賬面值，其後以該單元內各項資產之賬面值為基準按比例分配至該單元之其他資產。任何商譽減值虧損於損益表直接確認。商譽減值虧損不會於其後期間撥回。

於出售相關現金產生單元時，在釐定出售損益之數額時會計入應佔商譽數額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible assets

Intangible assets acquired separately

On initial recognition, intangible assets acquired separately other than from business combinations are recognised at cost. After initial recognition, intangible assets with indefinite useful lives are carried at cost less any identified impairment loss. Intangible assets with finite useful lives are amortised on a straight-line basis over its useful lives, and carried at cost less accumulated amortisation and accumulated impairment loss.

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

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

3. 重要會計政策 (續)

無形資產

獨立收購之無形資產

於初步確認時，獨立收購之無形資產(不包括來自業務合併者)乃按成本值確認。於初步確認後，無限可使用年期之無形資產按成本值減任何已識別減值虧損列賬。有限可使用年期之無形資產乃以直線法就其可使用年期進行攤銷，並按成本值減累計攤銷及累計減值虧損列賬。

由終止確認無形資產而產生之損益按出售所得款項淨額與資產賬面值兩者之差額計量，當資產終止確認時，於綜合全面收入表內確認。

於業務合併中收購之無形資產

於業務合併中收購之無形資產如符合無形資產之定義而其公平值亦能可靠地計量，則與商譽分開確定及確認。有關無形資產之成本值為其於收購日期之公平值。

於初步確認後，有限可使用年期之無形資產乃按成本值減累計攤銷及任何累計減值虧損列賬。有限可使用年期之無形資產乃以直線法就其估計可使用年期進行攤銷。此外，無限可使用年期之無形資產乃按成本值減任何其後產生之累計減值虧損列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible assets (Continued)

Research and development expenditure

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

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

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

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

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

3. 重要會計政策 (續)

無形資產 (續)

研發開支

研究活動之開支於產生期間確認為開支。

在及僅在下列各項情況下，方會確認開發(或自內部項目開發階段)所帶來之內部產生之無形資產：

- 完成無形資產乃技術上可行，將可供使用或出售；
- 完成、使用或出售無形資產之意向；
- 使用或出售無形資產之能力；
- 無形資產如何產生潛在未來經濟利益；
- 可充分取得完成無形資產開發及使用或出售無形資產之技術、財務及其他資源；及
- 可靠計量無形資產於開發時應佔開支之能力。

初步就內部產生之無形資產確認之金額為上述無形資產首次達致確認條件當日所產生之開支總和。倘無內部產生之無形資產可確認，開發開支在產生期間於損益表扣除。

於初步確認後，內部產生之無形資產乃以成本值減累計攤銷及累計減值虧損(如有)計量，與獨立收購之無形資產之基準相同。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account on using the straight-line method at the following rates per annum:

Computer equipment	19 – 33% per annum
Furniture and fixtures	19 – 20% per annum
Office equipment	18 – 32% per annum
Leasehold improvements	over the remaining lease term
Motor vehicles	19 – 20% per annum
Plant and machineries	10 – 23% per annum
Transmission	4 – 30% per annum
and other network equipment	

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

3. 重要會計政策 (續)

物業、廠房及設備

物業、廠房及設備(在建工程除外)乃按成本減其後累計折舊及累計減值虧損列賬。

折舊乃經計及採用直線法後，於其估計可使用年內按下列年度折舊率計提撥備，以撇銷物業、廠房及設備(在建工程除外)之項目成本：

電腦設備	年折舊率19 – 33%
傢具及固定裝置	年折舊率19 – 20%
辦公室設備	年折舊率18 – 32%
租賃物業裝修	按餘下租約年期
汽車	年折舊率19 – 20%
廠房及機器	年折舊率10 – 23%
傳輸及 其他網絡設備	年折舊率4 – 30%

在建工程包括處於工程階段作生產或自用之物業、廠房及設備。在建工程按成本減任何已確認減值虧損列賬。在建工程於竣工及可作擬定用途時分類為物業、廠房及設備之適當類別。該等資產(按與其他物業資產相同之基準)於可作擬定用途時開始計算折舊。

物業、廠房及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時終止確認。終止確認資產所產生之任何損益(按出售所得款項淨額與該項目之賬面值之間之差額計算)於項目終止確認之期間計入損益表。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Impairment losses (other than goodwill (see the accounting policies in respect of goodwill))

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of impairment loss is treated as a revaluation increase under that standard.

3. 重要會計政策 (續)

存貨

存貨以成本值與可變現淨值兩者中之較低者列賬。成本包括直接物料及(如適用)直接勞工成本及使存貨達致現有位置及狀況所產生之間接成本。成本按加權平均法計算。可變現淨值指估計售價減估計完成所需之全部成本以及市場推廣、銷售及分銷將予產生之成本。

減值虧損(商譽除外(請參閱有關商譽之會計政策))

於報告期末，本集團須審閱其有形及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計資產可收回金額，以釐定減值虧損的幅度(如有)。倘某項資產之可收回金額估計低於其賬面值，則該項資產之賬面值須削減至其可收回金額。減值虧損即時確認為開支，除非相關資產按另一項準則以重估金額列賬，則根據該準則視減值虧損為重估減值。倘日後撥回減值虧損，有關資產之賬面值須增至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產並無於過往年度確認任何減值虧損所應釐定之賬面值。減值虧損撥回即時確認為收入，除非相關資產按另一項準則以重估金額列賬，則根據該準則視減值虧損撥回為重估增值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing

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

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. 重要會計政策 (續)

租約

凡將擁有權之絕大部份風險及回報轉至承租人之租約條款，均會分類為融資租約。所有其他租約均分類為經營租約。

本集團作為承租人

按融資租約持有之資產按訂立租約時之公平值初步確認為本集團資產，或倘屬較低者，則按最低租金之現值。出租人相應之債務乃於財務狀況表中列賬為融資租約責任。

租約付款按比例分攤到融資成本和租賃責任減少，以達致責任餘額上之固定息率。融資成本直接於損益表中確認，除非是直接涉及合資格資產，在這種情況下則按本集團之借貸成本政策資本化。

經營租約付款於租約年期以直線法確認為開支。訂立經營租約時已收及應收作為獎勵之利益按直線法於有關租約年期確認為租金開支減少。

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文之一方時於綜合財務狀況表內確認。金融資產及金融負債乃初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益表之金融資產及金融負債除外)直接應佔之交易成本於初次確認時計入或扣除自金融資產或金融負債(如適用)之公平值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

Financial assets at fair value through profit or loss

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excluded any dividend or interest earned on the financial assets.

3. 重要會計政策 (續)

金融工具 (續)

金融資產

本集團之金融資產分類為下列兩個類別之其中之一，包括按公平值計入損益表（「按公平值計入損益表」）之金融資產以及貸款及應收款項。所有金融資產之定期購買或出售乃按交易日基準確認及終止確認。定期購買或出售乃金融資產之購買或出售，並要求按市場之規則或慣例設定之時間框架內付運資產。

實際利率法

實際利率法是一種計算金融資產之攤銷成本以及將利息收入分配予有關期間之方法。實際利率是將估計未來現金收入（包括所有構成實際利率整體部份支付或收到之費用、交易費用及其他溢價或折價）透過金融資產之預期年期或更短期間（倘適用）準確折現至初步確認時之賬面淨值之利率。

收入按實際利率法就債務工具確認。

按公平值計入損益表之金融資產

下列情況下金融資產歸類為持作買賣：

- 所收購之金融資產主要用於在不久將來銷售；或
- 屬於本集團管理之可識別金融工具組合之一部份，且近期實際上有短期獲利回套之模式；或
- 屬於衍生工具（指定及實際上為對沖工具除外）。

按公平值計入損益表之金融資產按公平值計量，因重新計量而產生之公平值變動則於產生期間在損益表直接確認。於損益表確認之收益或虧損淨額並不包括金融資產賺取之任何股息或利息。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Subsequent to initial recognition, loans and receivables (including trade receivables, deposits, other receivables, cash and cash equivalents) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

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

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

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

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

3. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為有固定或可確定款額而並無於活躍市場報價之非衍生金融資產。該等項目均計入流動資產，惟年期自報告期末後計超過十二個月者則除外。該等項目則歸類列作非流動資產。於初步確認後，貸款及應收款項(包括應收賬款、按金、其他應收款項及現金及現金等價物)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損列賬(見下文有關金融資產之減值虧損之會計政策)。

金融資產減值

除按公平值計入損益表之金融資產外，金融資產於報告期末會被評估是否有減值跡象。金融資產於有客觀證據顯示金融資產之估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時作出減值。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或對手方出現重大財務困難；或
- 欠繳或拖欠利息或本金；或
- 借款人可能面臨破產或財務重組。

就若干金融資產類別(如應收賬款)而言，被評估為非個別減值之資產，其後按整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾平均信貸期之次數增加，以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

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

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

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

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

3. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本列賬之金融資產而言，減值虧損乃於有客觀證據證明資產出現減值時於損益表內確認，並按該資產之賬面值與按原先實際利率折現之估計未來現金流量之現值間之差額計量。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟應收賬款除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目之賬面值變動於損益表內確認。倘應收賬款被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入損益表內。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益表撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

金融負債及權益

集團實體發行之金融負債及權益工具乃根據所訂立合同安排之性質與金融負債及權益工具之定義分類。

權益工具乃任何證明本集團經扣減所有負債後之資產剩餘權益之合同。本集團就金融負債及權益工具採納之會計政策載列如下。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Convertible notes with conversion option

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the notes into equity, is included in equity (convertible notes reserve).

3. 重要會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

實際利率法

實際利率法是一種計算金融負債之攤銷成本以及將利息開支分配予有關期間之方法。實際利率是將估計未來現金付款透過金融負債之預期年期或更短期間(倘適用)準確折現之利率。

利息開支按實際利率法確認。

附帶轉換權之可換股票據

本集團發行之可換股票據包括負債及轉換權部份，乃於初步確認時各自分類為各相關項目。將以固定現金金額或另一項金融資產交換本公司固定數目之權益工具方式結清之轉換權乃分類為權益工具。

於初步確認時，負債部份之公平值按類似不可轉換債務之現行市場利率釐定。發行可換股票據之所得款項總額與撥往負債部份之公平值兩者間之差額(代表讓持有人將票據轉換為股權之轉換權)列入權益(可換股票據儲備)內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Convertible notes with conversion option *(Continued)*

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes reserve until the embedded option is exercised (in which case the balance stated in convertible notes reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes reserve will be transferred to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

Other financial liabilities

Other financial liabilities including trade payables, other payables and accruals, promissory note, obligations under finance leases and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

3. 重要會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

附帶轉換權之可換股票據 (續)

於其後期間，可換股票據之負債部份以實際利息法按攤銷成本列賬。股權部份（代表可將負債部份轉換為本公司普通股之選擇權）將保留於可換股票據儲備，直至嵌入式轉換權獲行使為止（在此情況下，可換股票據儲備之結餘將轉撥至股份溢價）。倘轉換權於到期日尚未獲行使，可換股票據儲備之結餘將撥往保留盈利。轉換權獲轉換或到期時將不會於損益表中確認任何盈虧。

發行可換股票據之交易成本，按所得款項總額之分配比例撥往負債及權益部份。權益部份之交易成本會直接於權益中扣除。負債部份之交易成本計入負債部份之賬面值中，並以實際利率法於可換股票據期限內攤銷。

其他金融負債

其他金融負債，當中包括應付賬款、其他應付款項及應計費用、承兌票據、融資租約責任及其他借款，其後以實際利率法按攤銷成本計量。

權益工具

本公司發行之權益工具乃按已收所得款項扣除直接發行成本記賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligations 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 and payable is recognised in profit or loss.

Revenue recognition

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

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with time when goods are delivered to customers and title has passed.

Service income is recognised in the period when services are rendered.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 重要會計政策 (續)

金融工具 (續)

終止確認

若從資產收取現金流量之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被終止確認。

於終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收入中確認及於權益中累計之累計損益之總和之差額，將於損益表中確認。

若有關合約之指定責任獲解除、取消或到期，則金融負債將被終止確認。終止確認之金融負債賬面值與已付及應付代價之差額乃於損益表中確認。

收益確認

收益按已收或應收代價的公平值計量，指本公司日常業務過程中就出售產品及提供服務而應收的金額。所示收益已扣除折扣、退貨及銷售相關稅項。

貨品銷售於所有權之風險及報酬移交時確認，這通常與貨品運抵買家及擁有權轉讓之時間吻合。

服務收入於提供服務期間確認。

來自金融資產之利息收入乃按時間基準並參考尚餘本金及適用實際利率計算，該利率乃根據金融資產之預期年期將估計日後現金收入實際折現至該資產於初步確認時之賬面淨值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

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

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

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

Borrowing costs

All borrowing costs are recognised as expenses in the period in which they are incurred.

3. 重要會計政策 (續)

外幣

於編製集團個別公司之財務報表時，以該公司功能貨幣以外貨幣(外幣)進行之交易，按交易日期當時匯率以其功能貨幣(即該公司所經營之主要經濟環境之貨幣)記錄。於報告期末，以外幣列值之貨幣項目按該日當時匯率重新換算。以外幣列值按公平值入賬之非貨幣項目按釐定公平值當日之匯率重新換算。以外幣列值按歷史成本計量之非貨幣項目不重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額，於產生期間在損益表內確認。重新換算按公平值列值之非貨幣項目所產生之匯兌差額計入期內之損益表。

就呈報綜合財務報表而言，本集團海外業務之資產及負債按報告期末當時匯率換算為本集團之呈報貨幣(即港元)，而有關收支按年內平均匯率換算。所產生匯兌差額(如有)確認為其他全面收入及累積計入權益項下(匯兌儲備)。

借貸成本

所有借貸成本於其產生期間確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable 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 temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

3. 重要會計政策 (續)

稅項

所得稅開支指即期應付稅項及遞延稅項之總額。

即期應付稅項乃按本年度之應課稅溢利計算。由於應課稅溢利不包括於其他年度應課稅或可扣稅之收支項目，亦不包括毋須課稅或不可扣稅之項目，故與綜合全面收入表所呈報之溢利並不相同。本集團之即期稅項負債乃按於報告期末已實施或實質上已實施之稅率計算。

遞延稅項乃就綜合財務報表所列資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差異確認。遞延稅項負債一般就所有應課稅暫時差異確認，而遞延稅項資產乃一般於可能出現應課稅溢利對銷可用的可扣稅暫時差異時就所有可扣稅暫時差異確認。倘若暫時差異由商譽或不影響應課稅溢利及會計溢利的交易中初步確認(業務合併除外)之其他資產及負債所產生，則不會確認該等資產及負債。

與附屬公司的投資相關之應課稅暫時差異確認為遞延稅項負債，惟倘本集團可控制暫時差異之撥回而暫時差異於可見將來應不會撥回之情況除外。與該等投資相關之可扣稅暫時差異所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差異之益處以抵銷且預計於可見將來可以撥回時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Retirement benefits scheme

Payments to defined contribution retirement benefits plans are charged as an expense when employees have rendered service entitling them to the contributions.

The employees of the Company's subsidiaries which operate in PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of the payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

3. 重要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於報告期末予以評估，倘不再可能取得足夠之應課稅溢利以收回全部或部份資產，則賬面值須予以調低。

遞延稅項資產及負債乃按預期於負債獲償還或資產獲變現期間適用之稅率(以報告期末已實施或實質上已實施之稅率(及稅法)為基準)計算。遞延稅項負債及資產之計量反映了本集團於報告期末所預期收回或償還其資產及負債之賬面值的方式所產生的稅務結果。遞延稅項於損益表確認，惟倘有關遞延稅項與其他全面收入或直接於權益確認之項目有關，則亦分別於其他全面收入或直接於權益內確認。

退休福利計劃

向定額供款退休福利計劃支付之款項於員工提供之服務令其合資格享有供款時列作開支扣除。

本公司於中國經營之附屬公司之僱員須參與一個當地市政府運作之中央退休金計劃。該等附屬公司須按僱員薪酬之若干百分比向中央退休金計劃供款。供款於須根據中央退休金計劃之規定支付時於損益表中扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Equity-settled share-based payment transactions

Share options granted to employees and directors of the Group

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

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

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received. The fair values of the goods or services received are recognised as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustment has been made to equity (share option reserve).

3. 重要會計政策 (續)

以權益結算及以股份為基礎付款之交易

授予本集團僱員及董事之購股權

所獲得服務之公平值乃參考購股權於授出當日之公平值釐定，倘購股權即時歸屬，則於授出當日全部確認為開支，並在權益（購股權儲備）相應計入有關數額。

倘歸屬期或其他歸屬條件適用，則開支按對預期歸屬之購股權數目之最佳估計於歸屬期確認。有關預期成為可行使購股權之數目之假設已包括非市場歸屬條件。倘有跡象顯示預期歸屬之購股權數目與原估計有出入，則於其後修訂估計。倘最終行使之購股權數目少於原來所歸屬者，則不會對以往期間所確認之開支作出調整。

購股權獲行使時，先前於購股權儲備內確認之數額將撥入股份溢價。當購股權於到期日仍未獲行使或被註銷時，先前於購股權儲備內確認之數額將撥入保留溢利。

授予顧問之購股權

為換取貨品或服務而發行之購股權乃按所收取貨品或服務之公平值計量。除非所收取之貨品或服務合資格確認為資產，否則該等貨品或服務之公平值即時確認為開支，並對權益（購股權儲備）作相應調整。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management has made the following estimation that have significant effect on the amounts recognised in the consolidated financial statements. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. At 30 June 2011, the carrying amount of goodwill arising is HK\$753,146,000 (2010: HK\$753,146,000). Details of the recoverable amount calculation are disclosed in note 15.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Indefinite life intangible assets are tested for impairment annually and at other times when such indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. 估計不確定性之主要來源

在應用本集團會計政策之過程中，管理層作出以下對綜合財務報表所確認數額有重大影響之估計。以下為於報告期末，具有重大風險會導致須於下個財政年度對資產及負債賬面值作出重大調整之未來主要假設及其他估計不確定性之主要來源。

估計商譽減值

要確定商譽是否減值，須對將商譽所分配至之現金產生單元之使用價值作出估計。計算使用價值時，本集團須對預期現金產生單元所產生之未來現金流量作出估計，並確定一個用於計算現值之合適折現率。倘實際未來現金流量少於估計值，可能須作重大減值虧損。於二零一一年六月三十日，所產生之商譽賬面值為753,146,000港元（二零一零年：753,146,000港元）。計算可收回金額之詳情於附註15披露。

非金融資產（商譽除外）減值

本集團於每個報告日期評估全部非金融資產是否有任何減值跡象。無限年期之無形資產須每年及於存在該跡象之其他時間進行減值測試。其他非金融資產於有跡象顯示賬面值可能無法收回時進行減值測試。管理層計算使用價值時，須估計資產或現金產生單元之預期未來現金流量，以及須選用合適之折現率，以計算現金流量之現值。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Trade receivables

The Group's management determines the provision for impairment of trade receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition which requires the use of judgements and estimates. When the expectation on the recoverability of trade receivables is different from the original estimates, such difference will impact the carrying value of trade receivables and impairment provisions in the periods in which such estimate has been changed. Management assesses the provision at each end of the reporting period.

Income taxes

The Group is subject to income taxes mainly in Hong Kong and the People's Republic of China. Significant judgement is required in determining the amount of the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Valuation for convertible notes

The directors use their judgement in selecting an appropriate valuation technique for the Company's convertible notes at initial recognition which are not quoted in the active market. Valuation techniques commonly used by market practitioners are applied. The fair value of convertible notes at initial recognition is estimated by independent professional valuers based on actual transactions of the financial instruments in the market or transactions of similar financial instruments which generally represent the best estimate of the market value. The fair value of convertible notes at initial recognition varies with different variable and certain subjective assumptions. Any changes in these variables so adopted may materially affect the estimation of the fair value of convertible notes.

4. 估計不確定性之主要來源 (續)

應收賬款

本集團之管理層根據評估應收款項之可收回情況釐定應收賬款之減值撥備。此項評估乃根據客戶及其他債務人之信貸記錄以及須使用判斷及估計之現時市況釐定。倘對應收賬款之可收回情況之預期與原估計不符，則有關差異將影響於該估計已變更期間內應收賬款之賬面值及減值撥備。管理層會於各報告期末評估撥備。

所得稅

本集團須繳納香港及中華人民共和國之所得稅。釐定所得稅之撥備金額時須作出重大判斷。於日常業務過程中有若干未能準確釐定最終須繳納稅項之交易及計算。若該等事項之最終稅務結果與最初記錄之金額不同，該等差額將影響作出該等釐定期間之所得稅及遞延稅項撥備。

可換股票據之估值

董事憑藉彼等之判斷為本公司並無於活躍市場報價之可換股票據於初步確認時選取合適之估值方法。所應用之估值方法為市場參與者通常使用之方法。可換股票據於初步確認時之公平值由獨立專業估值師估算，進行估算時乃以金融工具之實際市場交易或普遍代表市值之最佳估計之類似金融工具交易為基礎。可換股票據於初步確認時之公平值會因應不同變數及若干主觀假設而變動。所採納之變數如有任何變動，可能會嚴重影響可換股票據之公平值估計。

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5. REVENUE

Revenue represents the net amounts received and receivable by the Group from the sale of goods and services rendered to outside customers, net of discounts, returns and sales related taxes, for each year and is analysed as follows:

5. 收益

收益指本集團每年向外來客戶提供貨品及服務銷售所收取及應收之淨值(經扣減折扣、退貨及銷售相關稅項後)，分析如下：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Wireless digital terrestrial television network equipment integration	56,684	333,205
Digital cable television business	167,058	103,654
Encrypted integrated circuits	265,063	108,118
Wireless digital audio integrated circuits	187,819	108,283
	676,624	653,260

6. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports reviewed by the Executive Directors.

The Executive Directors consider the performance of the Group from the perspective of the nature of products and services. The chief operating decision-maker assesses the performance of the operating segments based on a measure of segment profit/(loss) without allocation of finance costs which is consistent with that in the accounts.

6. 分部資料

主要經營決策者已確定為執行董事。執行董事審閱本集團之內部報告，以評估表現及分配資源。管理層根據執行董事審閱之報告釐定經營分部。

執行董事按產品及服務之性質考慮本集團之表現。主要經營決策者按分配融資成本前之分部溢利/(虧損)(與賬目所列者一致)之計量，評估經營分部之表現。

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6. SEGMENT INFORMATION (Continued)

6. 分部資料 (續)

The segment information for the year ended and as at 30 June 2011 is as follows:

截至二零一一年六月三十日止年度及於二零一一年六月三十日之分部資料如下：

		Wireless digital terrestrial television network equipment integration 地面無線數字電視網絡設備集成 HK\$'000 千港元	Digital cable television business 有線數字電視業務 HK\$'000 千港元	Encrypted integrated circuits 加密芯片 HK\$'000 千港元	Wireless digital audio integrated circuits 無線數字音頻集成芯片 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益					
Segment revenue from external customers	來自外來客戶之分部收益	56,684	167,058	265,063	187,819	676,624
Segment results	分部業績	16,257	95,012	144,218	36,252	291,739
Unallocated income	未分配收入					12,096
Unallocated expenses	未分配開支					(53,163)
Finance costs	融資成本					(16,303)
Profit before taxation	除稅前溢利					234,369
Taxation	稅項					(27,766)
Profit for the year	年內溢利					206,603
Assets	資產					
Segment assets	分部資產	384,914	488,697	740,590	463,775	2,077,976
Unallocated assets	未分配資產					91,103
Consolidated total assets	綜合總資產					2,169,079
Liabilities	負債					
Segment liabilities	分部負債	26,133	41,087	75,829	63,598	206,647
Unallocated liabilities	未分配負債					276,704
Consolidated total liabilities	綜合總負債					483,351
Other information	其他資料					
Capital expenditure	資本開支	4,280	134,726	11,317	11,033	161,356
Unallocated capital expenditure	未分配資本開支					101
Total capital expenditure	資本總開支					161,457
Depreciation	折舊	34	2,039	183	1,078	3,334
Unallocated depreciation	未分配折舊					753
Total depreciation	折舊總額					4,087
Impairment loss on trade receivables	應收賬款減值虧損	—	—	12,285	569	12,854

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6. SEGMENT INFORMATION (Continued)

6. 分部資料 (續)

The segment information for the year ended and as at 30 June 2010 is as follows:

截至二零一零年六月三十日止年度及於二零一零年六月三十日之分部資料如下：

		Wireless digital terrestrial television network equipment integration 地面無線數字電視網絡設備集成 HK\$'000 千港元	Digital cable television business 有線數字電視業務 HK\$'000 千港元	Encrypted integrated circuits 加密芯片 HK\$'000 千港元	Wireless digital audio integrated circuits 無線數字音頻集成芯片 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益					
Segment revenue from external customers	來自外來客戶之分部收益	333,205	103,654	108,118	108,283	653,260
Segment results	分部業績	95,686	32,620	88,120	26,068	242,494
Unallocated income	未分配收入					1,050
Unallocated expenses	未分配開支					(28,120)
Finance costs	融資成本					(11,049)
Profit before taxation	除稅前溢利					204,375
Taxation	稅項					(8,730)
Profit for the year	年內溢利					195,645
Assets	資產					
Segment assets	分部資產	629,383	205,002	185,145	534,548	1,554,078
Unallocated assets	未分配資產					19,923
Consolidated total assets	綜合總資產					1,574,001
Liabilities	負債					
Segment liabilities	分部負債	112,450	48,032	41,892	72,759	275,133
Unallocated liabilities	未分配負債					211,250
Consolidated total liabilities	綜合總負債					486,383
Other information	其他資料					
Capital expenditure	資本開支	8,898	2,167	2,224	8,619	21,908
Unallocated capital expenditure	未分配資本開支					3,329
Total capital expenditure	資本總開支					25,237
Depreciation	折舊	237	8	23	759	1,027
Unallocated depreciation	未分配折舊					804
Total depreciation	折舊總額					1,831

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6. SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue from external customers and information about non-current assets by geographical location of the customers and assets respectively are detailed below.

		Revenue from external customers		Non-current assets	
		來自外來客戶之收益		非流動資產	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Hong Kong	香港	115,277	59,552	83,975	55,982
The PRC	中國	561,347	593,708	960,704	966,262
		676,624	653,260	1,044,679	1,022,244

Information about major customers

Revenue from customers of the corresponding years individually contributing over 10% of the total revenue of the Group are revenue from digital cable television business (2010: revenue from wireless digital terrestrial television network equipment integration and digital cable television business) and as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Customer A	客戶甲	—	282,249
Customer B	客戶乙	—	113,770
Customer C	客戶丙	67,907	—
		67,907	396,019

The corresponding revenue for customer A and customer B in 2011 and customer C in 2010 did not contribute over 10% of total revenue of the Group.

6. 分部資料 (續)

地域資料

本集團來自外來客戶之收益及有關非流動資產之客戶及資產地域資料分別載列如下：

主要客戶之資料

於相關年度內，來自個別客戶之收益貢獻佔本集團總收益超過10%乃來自自有線數字電視業務之收益(二零一零年：來自地面無線數字電視網絡設備集成以及自有線數字電視業務之收益)，詳情如下：

客戶甲及客戶乙於二零一一年及客戶丙於二零一零年各自之收益貢獻並無超過本集團總收益之10%。

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7. OTHER INCOME

7. 其他收入

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Bank interest income	銀行利息收入	591	59
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益表之 金融資產收益	10,989	—
Other interest income	其他利息收入	15,549	304
Sundry income	雜項收入	2,493	687
		29,622	1,050

8. FINANCE COSTS

8. 融資成本

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Effective interest expenses on convertible notes (note 29)	可換股票據之實際利息開支 (附註29)	15,177	9,194
Interest element of finance leases	融資租約之利息部份	85	105
Interest on bank loans and overdrafts	銀行貸款及透支之利息	687	58
Interest on loan from a shareholder	股東貸款之利息	354	1,575
Interest on other loans	其他貸款之利息	—	117
		16,303	11,049

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9. TAXATION

9. 稅項

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong	香港		
— charge for the year	— 年內支出	1,987	—
— underprovision in prior year	— 過往年度撥備不足	—	310
Overseas	海外		
— charge for the year	— 年內支出	26,164	8,721
— underprovision in prior year	— 過往年度撥備不足	2	169
Deferred tax:	遞延稅項：		
Overseas	海外		
— credit for the year (note 28)	— 年內抵免(附註28)	(387)	(470)
		27,766	8,730

The provision for Hong Kong profits tax for 2011 is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the year.

Taxation arising in other jurisdictions, mainly the PRC, is calculated at the rates prevailing in the respective jurisdictions. The applicable enterprise income tax rate for the PRC is 25%.

In accordance with the approval from the relevant tax authorities, Beijing Jinqiao Hengtai Technology Co., Ltd (“Beijing Jinqiao”) and Beijing Zhongguang Shitong Technology Co., Ltd (“Beijing Zhongguang”), wholly owned subsidiaries of the Group operating in the PRC, is entitled to two years’ exemption from the PRC corporate income tax (“CIT”) followed by three years’ 50% relief from the CIT. The year ended 31 December 2008 and 31 December 2010 are the first profit-making year of Beijing Jinqiao and Beijing Zhongguang for the purpose of CIT exemption respectively.

二零一一年香港利得稅撥備以年內估計應課稅溢利按稅率16.5% (二零一零年：16.5%) 計算。

在其他司法權區 (主要在中國) 產生之稅項乃按各司法權區之現行稅率計算。中國適用之企業所得稅稅率為25%。

根據有關稅務機關之批准，於中國經營之本集團全資附屬公司北京金橋恒泰科技有限公司 (「北京金橋」) 及北京中廣視通科技有限公司 (「北京中廣」) 獲豁免繳納中國企業所得稅 (「企業所得稅」) 兩年，隨後三年則可享企業所得稅減半優惠。就豁免繳納企業所得稅而言，截至二零零八年十二月三十一日及二零一零年十二月三十一日止年度分別為北京金橋及北京中廣首個獲利年度。

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9. TAXATION (Continued)

9. 稅項 (續)

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

本年之稅項支出與綜合全面收入表之溢利對賬如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit before taxation	除稅前溢利	234,369	204,375
Tax at applicable tax rate	按適用稅率計算之稅項	53,432	52,334
Profits exempted from income tax	豁免繳納所得稅之溢利	(36,104)	(46,005)
Tax effect of non-deductible expenses	不能扣除開支之稅項影響	15,908	2,913
Tax effect of non-taxable income	非課稅收入之稅項影響	(6,235)	(2,989)
Tax allowance for capital expenditure	資本開支之稅項減免	(316)	(535)
Underprovision in prior year	過往年度撥備不足	2	479
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	1,683	2,533
Utilisation of tax losses not previously recognised	使用先前未確認之稅項虧損	(604)	—
Taxation charge	稅項支出	27,766	8,730

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10. PROFIT FOR THE YEAR

10. 年內溢利

Profit for the year has been arrived at after charging:

年內溢利乃經扣除下列各項後列賬：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	806	701
Cost of inventories recognised as expense	已確認為開支之存貨成本	357,297	380,958
Depreciation (note 14)	折舊(附註14)		
— owned assets	— 自置資產	3,701	1,445
— assets under finance leases	— 融資租約項下資產	386	386
Exchange loss	匯兌虧損	2,363	128
Impairment loss	減值虧損		
— intangible assets	— 無形資產	3,814	2,790
— other receivables	— 其他應收款項	2,168	—
— trade receivables	— 應收賬款	12,854	—
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	24	—
Loss on fair value changes of financial assets at fair value through profit or loss	按公平值計入損益表 之金融資產公平值 變動虧損	1,950	—
Operating lease charges	經營租賃費用		
— office premises	— 辦公室物業	3,913	4,460
— property, plant and equipment	— 物業、廠房及設備	624	878
— staff quarters	— 員工住房	652	618
Research and development costs	研究及開發成本	4,298	2,911
Staff costs (including directors' emoluments — note 11)	員工成本(包括董事 酬金 — 附註11)		
— salaries and allowances	— 薪金及津貼	16,311	12,024
— pension scheme contributions	— 退休金計劃供款	717	370
— share-based payment expenses	— 以股份支付款項	10,330	—
Write down of inventories	存貨撇銷	582	—

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11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

11. 董事及高級行政人員酬金

The emoluments paid or payable to each of the seven (2010: eight) directors were as follows:

已付或應付七名(二零一零年：八名)董事各自之酬金如下：

2011

二零一一年

		Fees	Share-based payment expenses	Pension scheme contributions	Total remuneration
		袍金	以股份支付款項	退休金計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors:	執行董事：				
Feng Yongming	馮永明	1,083	517	—	1,600
Li Tao	李濤	1,300	517	12	1,829
Xiao Yan	肖彥	1,300	517	—	1,817
		3,683	1,551	12	5,246
Non-executive director:	非執行董事：				
Xu Lei	徐雷	260	275	—	535
Independent non-executive directors:	獨立非執行董事：				
Dong Shi	董石	130	275	—	405
Hu Dingdong	胡定東	130	275	—	405
Leung Wo Ping	梁和平	156	275	—	431
		416	825	—	1,241
		4,359	2,651	12	7,022

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11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

11. 董事及高級行政人員酬金 (續)

2010

二零一零年

		Fees	Pension scheme contributions 退休金計劃供款	Total remuneration 總薪酬
		袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors:	執行董事：			
Feng Yongming	馮永明	933	—	933
Li Tao	李濤	1,200	8	1,208
Xiao Yan	肖彥	1,200	—	1,200
		3,333	8	3,341
Non-executive director:	非執行董事：			
Xu Lei ¹	徐雷 ¹	145	—	145
Independent non-executive directors:	獨立非執行董事：			
Chan Wai Dune ²	陳維端 ²	13	—	13
Dong Shi	董石	120	—	120
Hu Dingdong	胡定東	120	—	120
Leung Wo Ping ³	梁和平 ³	128	—	128
		381	—	381
		3,859	8	3,867

¹ Appointed on 24 November 2009² Resigned on 11 August 2009³ Appointed on 11 August 2009¹ 於二零零九年十一月二十四日獲委任² 於二零零九年八月十一日辭任³ 於二零零九年八月十一日獲委任

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2010: Nil).

年內，概無任何董事放棄或同意放棄任何酬金之安排（二零一零年：無）。

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11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

The five highest paid employees during the year included three (2010: three) directors, details of whose remuneration are set out above. Details of the remuneration of the remaining two (2010: two) non-directors, highest paid employees for the year are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,175	2,160
Share-based payment expenses	以股份支付款項	1,033	—
Pension scheme contributions	退休金計劃供款	12	24
		3,220	2,184

The number of the highest-paid individual senior executives whose emoluments fell within the following band is as follows:

		2011 二零一一年	2010 二零一零年
Nil — HK\$1,000,000	無 — 1,000,000港元	—	1
HK\$1,000,001-HK\$2,000,000	1,000,001港元 — 2,000,000港元	2	1
		2	2

During the year, no emolument was paid by the Group to the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2010: Nil).

11. 董事及高級行政人員酬金 (續)

年內，五名最高薪僱員包括三名(二零一零年：三名)董事，彼等之薪酬詳情已於上文呈列。年內，餘下兩名(二零一零年：兩名)非董事最高薪僱員之薪酬詳情如下：

薪金介乎以下範圍之最高薪高級行政人員人數如下：

年內，本集團概無向本公司董事或五位最高薪人士中任何一位支付酬金，作為吸引彼等加盟或作為彼等加盟本集團後之獎勵或離職補償(二零一零年：無)。

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12. DIVIDEND

The Board of the Company does not recommend the payment of a final dividend for the year ended 30 June 2011 (2010: one bonus share at par for every thirty existing shares of the Company held to shareholders).

13. EARNINGS PER SHARE

(a) Basic

The calculation of basic earnings per share is based on the consolidated profit attributable to the owners of the Company of HK\$201,942,000 (2010: HK\$181,042,000) and weighted average number of 2,125,119,000 (2010 (restated): 1,574,419,000) ordinary shares in issue during the year.

(b) Diluted

The calculation of diluted earnings per share for the year is based on the adjusted profit attributable to the owners of the Company of HK\$217,119,000 (2010: HK\$190,236,000) and the weighted average number of ordinary shares of 2,544,654,000 (2010 (restated): 1,850,057,000) outstanding during the year, after adjusting for the effects of all dilutive potential ordinary shares.

The adjusted profit attributable to the owners of the Company is calculated based on the profit attributable to the owners of the Company for the year of HK\$201,942,000 (2010: HK\$181,042,000) as used in the calculation of basic earnings per share plus effective interest expenses on convertible notes of HK\$15,177,000 (2010: HK\$9,194,000).

12. 股息

本公司董事會不建議派發截至二零一一年六月三十日止年度之末期股息(二零一零年：每持有本公司三十(30)股現有股份的股東獲派發一股按面值發行之紅股)。

13. 每股盈利

(a) 基本

每股基本盈利是根據本公司擁有人應佔綜合溢利201,942,000港元(二零一零年：181,042,000港元)及年內已發行普通股之加權平均數2,125,119,000股(二零一零年(經重列)：1,574,419,000股)計算。

(b) 攤薄

本年度之每股攤薄盈利乃根據本公司擁有人應佔經調整溢利217,119,000港元(二零一零年：190,236,000港元)及本年度發行在外之普通股加權平均數2,544,654,000股(二零一零年(經重列)：1,850,057,000股)·經調整所有攤薄潛在普通股之影響後計算。

本公司擁有人應佔經調整溢利乃按計算每股基本盈利所用之年內本公司擁有人應佔溢利201,942,000港元(二零一零年：181,042,000港元)另加可換股票據之實際利息開支15,177,000港元(二零一零年：9,194,000港元)計算。

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13. EARNINGS PER SHARE (Continued)

13. 每股盈利 (續)

(b) Diluted (Continued)

The weighted average number of ordinary shares used in the calculation of diluted earnings per share is calculated based on the weighted average of 2,125,119,000 (2010 (restated): 1,574,419,000) ordinary shares in issue during the year as used in the calculation of basic earnings per share plus the weighted average of 17,249,000 (2010: 26,668,000) ordinary shares deemed to be issued at no consideration as if all the Company's share options had been exercised and the weighted average of 402,286,000 (2010: 248,970,000) ordinary shares deemed to be issued at no consideration as if all the Company's convertible notes had been converted.

The calculation of the diluted earnings per share did not assume the exercise of some of the Company's outstanding share options, convertible notes and warrants as their exercise prices were higher than the average market price of the Company's shares for the year.

The weighted average number of ordinary shares adopted in the calculation of the basic and diluted earnings per share for the year ended 30 June 2010 has been adjusted to reflect the impact of the bonus issue (note 30).

(b) 攤薄 (續)

每股攤薄盈利所用之普通股加權平均數乃按計算每股基本盈利所用之年內已發行普通股加權平均數 2,125,119,000 股 (二零一零年 (經重列) : 1,574,419,000 股) 另加視為無償發行之普通股加權平均數 17,249,000 股 (二零一零年 : 26,668,000 股) (猶如本公司所有購股權已獲行使) , 以及視為無償發行之普通股加權平均數 402,286,000 股 (二零一零年 : 248,970,000 股) (猶如本公司所有可換股票據已經兌換) 計算。

由於年內本公司部份尚未行使購股權、可換股票據及認股權證之行使價均高於本公司股份之平均市價，故此在計算每股攤薄盈利時並無假設該等購股權、可換股票據及認股權證已獲行使。

計算截至二零一零年六月三十日止年度之每股基本及攤薄盈利時所採納之普通股加權平均數已作出調整，以反映紅股發行之影響 (附註 30)。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Computer equipment	Furniture and fixtures	Leasehold improvements 租賃 物業裝修	Motor vehicles	Office equipment	Plant and machineries 廠房及 機器	Transmission and other network equipment 傳輸及其他 網絡設備	Construction in progress	Total
		電腦設備 HK\$'000 千港元	傢具及 固定裝置 HK\$'000 千港元	租賃 物業裝修 HK\$'000 千港元	汽車 HK\$'000 千港元	辦公室設備 HK\$'000 千港元	廠房及 機器 HK\$'000 千港元	傳輸及其他 網絡設備 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
COST										
At 1 July 2009	於二零零九年 七月一日	162	164	428	497	997	210	—	—	2,458
Additions	添置	134	61	—	6,520	334	—	—	—	7,049
Exchange realignment	匯兌調整	2	1	—	37	12	2	—	—	54
At 30 June 2010	於二零一零年 六月三十日	298	226	428	7,054	1,343	212	—	—	9,561
Additions	添置	106	28	—	3,360	857	—	98,072	14,392	116,815
Disposals	出售	—	—	—	—	(106)	—	—	—	(106)
Exchange realignment	匯兌調整	11	8	1	308	84	11	2,712	398	3,533
At 30 June 2011	於二零一一年 六月三十日	415	262	429	10,722	2,178	223	100,784	14,790	129,803
DEPRECIATION										
At 1 July 2009	於二零零九年 七月一日	21	38	155	33	232	53	—	—	532
Charge for the year	年度折舊	47	55	218	1,118	329	64	—	—	1,831
Exchange realignment	匯兌調整	—	—	—	5	5	1	—	—	11
At 30 June 2010	於二零一零年 六月三十日	68	93	373	1,156	566	118	—	—	2,374
Charge for the year	年度折舊	81	40	44	1,711	390	42	1,779	—	4,087
Eliminated on disposals	撇銷出售	—	—	—	—	(41)	—	—	—	(41)
Exchange realignment	匯兌調整	3	4	1	67	37	7	49	—	168
At 30 June 2011	於二零一一年 六月三十日	152	137	418	2,934	952	167	1,828	—	6,588
CARRYING VALUES										
At 30 June 2011	賬面值 於二零一一年 六月三十日	263	125	11	7,788	1,226	56	98,956	14,790	123,215
At 30 June 2010	於二零一零年 六月三十日	230	133	55	5,898	777	94	—	—	7,187

The net book value of the Group's assets held under finance leases included in the total amount of motor vehicles at 30 June 2011 amounted to HK\$1,125,000 (2010: HK\$1,511,000).

於二零一一年六月三十日，計入汽車總額之本集團根據融資租約持有之資產之賬面淨值為1,125,000港元（二零一零年：1,511,000港元）。

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15. GOODWILL

15. 商譽

		HK\$'000 千港元
CARRYING VALUES	賬面值	
At 1 July 2009	於二零零九年七月一日	284,846
Adjustment on contingent consideration	有關或然代價之調整	468,300
At 30 June 2010 and 2011	於二零一零年及二零一一年六月三十日	753,146

Goodwill is allocated to the Group's cash generating units as follows:

商譽分配至本集團現金產生單元如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Wireless digital terrestrial television network equipment integration (note 1)	地面無線數字電視網絡設備集成(附註1)	443,763	443,763
Digital cable television business (note 2)	有線數字電視業務(附註2)	309,383	309,383
		753,146	753,146

Notes:

附註：

- The core technology used in wireless digital terrestrial television network equipment integration business is under the technology umbrella group of the encrypted integrated circuits business.
- The design technology of the wireless digital audio integrated circuits business has grown and diversified to application in the digital cable television business and expected to benefit from the synergy of the combination of both businesses.

- 地面無線數字電視網絡設備集成業務所用之核心技術屬於加密芯片業務下之技術傘子小組。
- 無線數字音頻集成芯片之設計技術已發展完善，並發展有線數字電視業務之應用，並預期將受惠於合併兩項業務之協同效益。

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15. GOODWILL (Continued)

The recoverable amount of the cash generating unit in the wireless digital terrestrial television network equipment integration has been determined based on value-in-use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 21% (2010: 19%).

The recoverable amount of the cash generating unit in the digital cable television business has been determined based on value-in-use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 19% (2010: 16%).

The Group management's determined budgeted growth rate and gross profit margin based on past performance and market expectation. The discount rate used in pre-tax and reflects specific risks relating to the relevant cash generating units.

Since the recoverable amounts of the cash generating units are higher than their carrying amounts, the Directors consider that the carrying amount of goodwill at the end of the reporting period is not impaired.

15. 商譽 (續)

地面無線數字電視網絡設備集成之現金產生單元之可收回金額乃以使用價值計算法，根據高級管理層批准之財政預算計算之現金流量預測而釐定，為期五年，用於現金流量預測之折現率為21% (二零一零年：19%)。

有線數字電視業務之現金產生單元之可收回金額乃以使用價值計算法，根據高級管理層批准之財政預算計算之現金流量預測而釐定，為期5年，用於現金流量預測之折現率為19% (二零一零年：16%)。

本集團管理層之預算增長率和毛利率乃根據過往表現及市場預期釐定。所使用之折現率未計稅，並反映與相關現金產生單元有關之特定風險。

由於現金產生單元之可收回金額高於其賬面值，董事認為於報告期末商譽之賬面值并未減值。

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16. INTANGIBLE ASSETS

16. 無形資產

		Technology fee	Development costs	Total
		技術費用	開發成本	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
COST				
	成本			
At 1 July 2009	於二零零九年七月一日	13,521	6,018	19,539
Additions	添置	18,188	—	18,188
Exchange realignment	匯兌調整	267	59	326
At 30 June 2010	於二零一零年六月三十日	31,976	6,077	38,053
Additions	添置	44,642	—	44,642
Exchange realignment	匯兌調整	2,835	304	3,139
At 30 June 2011	於二零一一年六月三十日	79,453	6,381	85,834
IMPAIRMENT				
	減值			
At 1 July 2009	於二零零九年七月一日	673	451	1,124
Impairment	減值	2,036	754	2,790
Exchange realignment	匯兌調整	22	10	32
At 30 June 2010	於二零一零年六月三十日	2,731	1,215	3,946
Impairment	減值	3,193	621	3,814
Exchange realignment	匯兌調整	224	78	302
At 30 June 2011	於二零一一年六月三十日	6,148	1,914	8,062
CARRYING VALUES				
	賬面值			
At 30 June 2011	於二零一一年六月三十日	73,305	4,467	77,772
At 30 June 2010	於二零一零年六月三十日	29,245	4,862	34,107

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17. DEPOSITS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The Group paid HK\$32,739,000 (2010: HK\$Nil) for the acquisition of property, plant and equipment for its digital cable television business. Capital commitment of the remaining payment was disclosed in note 34.

17. 收購物業、廠房及設備之按金

本集團已就其有線數字電視業務支付32,739,000港元(二零一零年：零港元)以收購物業、廠房及設備。餘下款項之資本承擔已於附註34披露。

18. INVENTORIES

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Raw materials	原材料	3,503	117
Work in progress	在製品	1,958	1,904
Finished goods	製成品	1,637	868
		7,098	2,889

18. 存貨

19. TRADE RECEIVABLES

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade receivables	應收賬款	580,971	679,930
Less: allowance for doubtful debts	減：呆賬撥備	(13,208)	—
		567,763	679,930
Less: portion classified as current assets	減：分類為流動資產部份	(509,956)	(452,126)
Non-current portion	非流動部份	57,807	227,804

19. 應收賬款

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19. TRADE RECEIVABLES (Continued)

19. 應收賬款 (續)

The ageing analysis of trade receivables was as follows:

應收賬款之賬齡分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
0 – 30 days	零至三十日	149,841	203,795
31 – 90 days	三十一至九十日	40,512	19,150
91 – 180 days	九十一至一百八十日	88,664	83,641
Over 180 days	一百八十日以上	301,954	373,344
		580,971	679,930

The ageing analysis of trade receivables (net of allowance for doubtful debts) that were past due but not impaired are as follows:

逾期但並未減值之應收賬款(扣除呆賬撥備後)賬齡分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
0 – 30 days	零至三十日	50,738	68,728
31 – 90 days	三十一至九十日	72,636	11,153
91 – 180 days	九十一至一百八十日	51,302	6,016
Over 180 days	一百八十日以上	81,816	15,957
		256,492	101,854

Given the project phases for the major customer of the Group in the wireless digital terrestrial television system integration and digitisation span three to five years, corresponding to the infrastructure related upgrades at the provincial level, the credit term granted to the major customer is within three years from the date of delivery. Accordingly, HK\$57,807,000 (2010: HK\$227,804,000) is expected to be recovered or settled in more than twelve months from the end of the reporting period. Except this customer, the Group allows an average credit period of 180 days to its trade customers.

鑒於本集團主要客戶於地面無線數字電視系統集成及數字化之項目階段年期為三至五年，與省級基建相關改善項目相若，故授予主要客戶之信貸期為於交付日期起計三年內。因此，57,807,000港元(二零一零年：227,804,000港元)預計將於報告期末起計十二個月以後收回或結算。除該客戶外，本集團給予其貿易客戶之平均信貸期為180日。

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19. TRADE RECEIVABLES (Continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record maintained with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The following is the movement in the allowance for bad and doubtful debts:

19. 應收賬款 (續)

逾期但並未減值之應收款項與本集團存有良好交易記錄之多名獨立客戶有關。根據過往經驗，本公司董事認為毋須就該等結餘作出減值撥備，因該等客戶之信貸質素並無重大轉變，而結餘依然被認為可以全數收回。本集團並無就該等結餘持有任何抵押品或其他改善信貸項目。

呆壞賬撥備之變動如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At beginning of year	於年初	—	—
Impairment loss recognised	已確認減值虧損	12,854	—
Exchange realignment	匯兌調整	354	—
At end of year	於年末	13,208	—

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

20. 預付款項、按金及其他應收款項

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Advance to suppliers	向供應商墊款	233,111	10,324
Other deposits	其他按金	1,711	3,156
Other receivables	其他應收款項	12,149	2,911
Prepayments	預付款項	13,091	12,957
		260,062	29,348

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

21. 按公平值計入損益表之金融資產

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Investments held-for-trading	持作買賣投資		
— Equity securities listed in Hong Kong	— 於香港上市之股本證券	8,550	—

At the end of the reporting period, the above investments are stated at fair values, which are determined by reference to bid prices quoted in the relevant stock exchange.

於報告期末，上述投資乃按經參考於有關證券交易所所報買入價釐定之公平值列賬。

22. AMOUNT DUE FROM A RELATED COMPANY

22 應收一間關連公司款項

Name of company	公司名稱	Balance at 30.6.2011 於二零一一年 六月三十日之 結餘 HK\$'000 千港元	Balance at 30.6.2010 於二零一零年 六月三十日之 結餘 HK\$'000 千港元	Maximum amount outstanding during the year 年內未償還 最高金額 HK\$'000 千港元
Beijing Hengtai Technologies Co., Ltd.	北京華大恒泰科技 有限責任公司	50,257	1,993	50,257

Tian Songlin, a director of Beijing Jinqiao Hengtai Technology Company Limited, a wholly-owned subsidiary of the Company, is also a director of Beijing Hengtai Technologies Co., Ltd.

北京金橋恒泰科技有限公司(本公司之全資附屬公司)董事田松林先生，亦為北京華大恒泰科技有限責任公司之董事。

The amount due is unsecured, interest bearing at 5.6% per annum and with fixed term of repayment.

該應收款項為無抵押，按年利率5.6%計息，及有固定還款期。

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23. CASH AND CASH EQUIVALENTS

23. 現金及現金等價物

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash at bank and in hand	銀行存款及現金	253,113	65,401
Cash at other financial institutions	於其他金融機構之現金	35,364	—
		288,477	65,401

As at 30 June 2011, the cash at bank and in hand of the Group included currencies denominated in Renminbi ("RMB") which amounted to approximately HK\$205,466,000 (2010: HK\$37,789,000). RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at bank earns interest at floating rates based on daily bank deposits rate. The bank balances are deposited with creditworthy banks and other financial institutions with no recent history of default.

於二零一一年六月三十日，本集團之銀行存款及現金包括以人民幣（「人民幣」）計值之貨幣，約為205,466,000港元（二零一零年：37,789,000港元）。人民幣不可自由兌換為其他貨幣。然而，根據中國之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行存款根據銀行每日存款利率按浮動利率賺取利息。銀行結餘存放於信譽良好且近期無拖欠記錄之銀行及其他金融機構。

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

24. 應付賬款、其他應付款項及應計費用

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade payables	應付賬款	125,164	223,689
Other payables and accruals	其他應付款項及應計費用	22,331	35,481
Receipts in advance	預收賬款	6,767	2,692
		154,262	261,862

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24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

24. 應付賬款、其他應付款項及應計費用 (續)

An aged analysis of the trade payables as at the end of the reporting period is as follows:

於報告期末應付賬款之賬齡分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within 30 days	三十日以內	76,058	145,688
31 to 60 days	三十一至六十日	7,936	507
61 to 90 days	六十一至九十日	14,138	314
Over 90 days	九十日以上	27,032	77,180
		125,164	223,689

25. PROMISSORY NOTE

On 17 February 2011, the Company issued a promissory note of HK\$8,000,000 to GEM Management Limited as commitment fee pursuant to the Equity Line of Credit Agreement entered by the Company on 29 December 2010 (note 35). The promissory note is interest bearing at 8% per annum and payable on or before 28 December 2011.

25. 承兌票據

於二零一一年二月十七日，本公司根據本公司於二零一零年十二月二十九日訂立之股票掛鈎信貸協議之條款向GEM Management Limited發行8,000,000港元承兌票據作為承擔佣金(附註35)。承兌票據按年利率8%計息，並須於二零一一年十二月二十八日或之前償還。

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26. OBLIGATIONS UNDER FINANCE LEASES

26. 融資租約責任

The Group leased certain motor vehicles under finance leases. The average lease term is 4.5 years (2010: 4.5 years). The interest rates underlying the obligations under finance leases are fixed at respective contract dates and range from 7.6% to 8.4% per annum (2010: 7.6% to 8.4% per annum).

本集團根據融資租約租賃若干汽車。平均租賃年期為四年半(二零一零年：四年半)。融資租約責任之相關利率乃於各自之訂約日期訂定為每年7.6%至8.4%(二零一零年：每年7.6%至8.4%)。

		Minimum lease payments 最低租金		Present value of minimum lease payments 最低租金之現值	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Amounts payable under finance leases:	根據融資租約應付款項：				
Within one year	一年內	430	430	375	345
In the second year	第二年	430	430	406	375
In the third to fifth years, inclusive	第三至第五年(首尾兩年包括在內)	107	537	105	511
		967	1,397	886	1,231
Less: Future finance charges	減：未來融資費用	(81)	(166)	—	—
Present value of lease obligations	租約責任之現值	886	1,231	886	1,231
Less: Amount due for settlement within one year (shown under current liabilities)	減：須於一年內清償之款項(列為流動負債)			(375)	(345)
Amount due after one year	一年後到期之款項			511	886

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27. OTHER BORROWINGS

27. 其他借款

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loan from a shareholder	來自一名股東之貸款	—	30,000
Other loan	其他貸款	12,041	—
		12,041	30,000

The loan from a shareholder was unsecured, interest bearing at 5.25% (2010: 5.25%) per annum and settled during the year.

該筆來自一名股東之貸款為無抵押、按年利率5.25%(二零一零年: 5.25%)計息, 並已於年內償還。

Other loan is unsecured, interest bearing at 5.31% per annum and repayable on or before December 2011.

其他貸款為無抵押、按年利率5.31%計息, 並須於二零一一年十二月或之前償還。

28. DEFERRED TAX LIABILITIES

28. 遞延稅項負債

		Intangible assets 無形資產 HK\$'000 千港元
At 1 July 2009	於二零零九年七月一日	2,713
Credited to profit or loss	計入損益表	(470)
Exchange realignment	匯兌調整	24
At 30 June 2010	於二零一零年六月三十日	2,267
Credited to profit or loss	計入損益表	(387)
Exchange realignment	匯兌調整	103
At 30 June 2011	於二零一一年六月三十日	1,983

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28. DEFERRED TAX LIABILITIES (Continued)

The Group has tax losses arising in Hong Kong of HK\$23,713,000 (2010: HK\$19,844,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the companies that have been loss-making for some time.

29. CONVERTIBLE NOTES PAYABLE

- (a) On 4 December 2009, an aggregate of HK\$264,725,000 principal amount of redeemable convertible notes were issued upon fulfillment of the fourth payment condition of the “Jinqiao Acquisition” and “Maxium Acquisition”. Further details are set out in the Company’s announcement dated 4 December 2009.

The notes carry zero coupon and convertible into ordinary shares of the Company at an initial conversion price of HK\$0.34 per conversion share (subject to pro-rata adjustments on capital structure changes) at any time during the period commencing from the date of issue of convertible notes. Unless previously converted, lapsed or redeemed by the Company, any outstanding convertible notes shall be redeemed on the fifth anniversary of the issue date of the convertible notes.

The fair value of the liability component, included in the convertible notes, was calculated using a market interest rate for an equivalent non-convertible note. The fair value of the equity conversion component, which is included in shareholders’ equity in convertible notes reserve, was valued by the Black-Scholes-Merton option pricing model.

28. 遞延稅項負債 (續)

本集團於香港產生之稅項虧損為23,713,000港元(二零一零年: 19,844,000港元)，可無限期用作抵銷錄得虧損之公司之未來應課稅溢利。遞延稅項資產並未就該等虧損予以確認，因該等虧損乃由已虧損一段時間之公司產生。

29. 應付可換股票據

- (a) 於二零零九年十二月四日，於「金橋收購事項」及「明芯收購事項」第四期付款條件達成後發行本金額合共264,725,000港元之可贖回可換股票據。進一步詳情載於本公司日期為二零零九年十二月四日之公告內。

該等票據為零票息，於可換股票據發行當日起計期間內任何時間可按每股換股股份0.34港元(可於資本結構變動時按比例作出調整)之初步兌換價兌換為本公司普通股。除先前兌換、失效或由本公司贖回外，任何尚未兌換之可換股票據須於可換股票據發行日期之第五週年當日贖回。

可換股票據負債部份之公平值乃按同等不可換股票據之市場利率計算。權益兌換部份之公平值以柏力克—舒爾斯—默頓期權定價模型進行估值，並計入可換股票據儲備之股東權益內。

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29. CONVERTIBLE NOTES PAYABLE

(Continued)

(a) (Continued)

Interest expenses on the convertible notes issued are calculated using the effective interest method by applying the effective interest rate of approximately 9.6% to the liability components.

During the year ended 30 June 2011, the conversion price has been adjusted to HK\$0.329 after the bonus issue as disclosed in note 30.

On 30 December 2010, an aggregate of HK\$159,700,000 principal amount of convertible notes was converted into 485,410,000 ordinary shares of the Company at the adjusted conversion price of HK\$0.329 per conversion share.

(b) On 28 December 2010, an aggregate of HK\$200,000,000 principal amount of redeemable convertible notes were issued to Sandmartin International Holdings Limited. Further details are set out in the Company's announcement dated 17 December 2010.

The notes carry zero coupon and convertible into ordinary shares of the Company at an initial conversion price of HK\$2.00 per conversion share (subject to pro-rata adjustments on capital structure changes) at any time during the period commencing from the date immediately after the expiry of six months from the date of issue of convertible notes. Unless previously converted, lapsed or redeemed by the Company, any outstanding convertible notes shall be redeemed on the second anniversary of the issue date of the convertible notes.

29. 應付可換股票據 (續)

(a) (續)

已發行之可換股票據之利息開支乃按實際利率法，就負債部份以約9.6%之實際利率計算。

於截至二零一一年六月三十日止年度，兌換價已因附註30所披露之紅股發行調整至0.329港元。

於二零一零年十二月三十日，本金額合共159,700,000港元之可換股票據已按每股換股股份0.329港元之經調整兌換價兌換為485,410,000股本公司普通股。

(b) 於二零一零年十二月二十八日，本金額合共200,000,000港元之可贖回可換股票據已發行予聖馬丁國際控股有限公司。進一步詳情載於本公司日期為二零一零年十二月十七日之公告內。

該等票據為零票息，於緊隨可換股票據發行當日起計六個月屆滿後當日起計期間內任何時間可按每股換股股份2.00港元（可於資本結構變動時按比例作出調整）之初步兌換價兌換為本公司普通股。除先前兌換、失效或由本公司贖回外，任何尚未兌換之可換股票據須於可換股票據發行日期之第二週年當日贖回。

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29. CONVERTIBLE NOTES PAYABLE

(Continued)

(b) (Continued)

The fair value of the liability component, included in the convertible notes, was calculated using a market interest rate for an equivalent non-convertible note. The fair value of the equity conversion component, which is included in shareholders' equity in convertible notes reserve, was valued by the Black-Scholes-Merton option pricing model.

Interest expenses on the convertible notes issued are calculated using the effective interest method by applying the effective interest rate of approximately 4.2% to the liability components.

The liability component of the convertible notes recognised in the consolidated statement of financial position are calculated as follows:

29. 應付可換股票據 (續)

(b) (續)

可換股票據負債部份之公平值乃按同等不可換股票據之市場利率計算。權益兌換部份之公平值以柏力克 — 舒爾斯 — 默頓期權定價模型進行估值，並計入可換股票據儲備之股東權益內。

已發行之可換股票據之利息開支乃按實際利率法，就負債部份以約4.2%之實際利率計算。

於綜合財務狀況表內確認之可換股票據負債部份計算如下：

		HK\$'000 千港元
At 1 July 2009	於二零零九年七月一日	—
Issuance of notes by the Company	本公司發行票據	167,500
Effective interest expenses for the year	本年度之實際利息開支	9,194
At 30 June 2010	於二零一零年六月三十日	176,694
Issuance of notes by the Company	本公司發行票據	184,083
Effective interest expenses for the year	本年度之實際利息開支	15,177
Conversion to shares of the Company	兌換為本公司股份	(111,450)
At 30 June 2011	於二零一一年六月三十日	264,504

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30. SHARE CAPITAL

30. 股本

		2011 二零一一年		2010 二零一零年	
		Number of share 股份數目 '000 千股	HK\$'000 千港元	Number of share 股份數目 '000 千股	HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股	10,000,000	100,000	10,000,000	100,000
Issued and fully paid:	已發行及繳足：				
At beginning of year	於年初	1,563,903	15,639	1,385,683	13,857
Issue of shares upon placing (note (i))	因配售事項而發行 之股份(附註(i))	200,000	2,000	100,000	1,000
Issue of shares upon conversion of convertible notes (note 29(a))	因兌換可換股票據 而發行之股份 (附註29(a))	485,410	4,854	—	—
Issue of shares upon exercise of share options (note 31)	因行使購股權 而發行之股份 (附註31)	98,717	987	78,220	782
Issue of bonus shares (note (ii))	發行紅股(附註(ii))	60,923	610	—	—
Issue of shares for additional interest in subsidiaries (note (iii))	就收購附屬公司之 額外權益而發行 之股份(附註(iii))	78,139	781	—	—
At end of year	於年末	2,487,092	24,871	1,563,903	15,639

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30. SHARE CAPITAL (Continued)

30. 股本 (續)

Notes:

附註：

- (i) On 14 September 2010, the Company, Team Effort Investments Limited (“Team Effort”) and DBS Asia Capital Limited (the “Placing Agent”) entered into a placing agreement pursuant to which Team Effort has agreed to place, and the Placing Agent has agreed to procure not less than six places, on a best effort basis, for the purchase of up to 200,000,000 shares of the Company at the placing price of HK\$0.75 per placing shares (“Placing”).

- (i) 於二零一零年九月十四日，本公司、Team Effort Investments Limited (「Team Effort」) 與星展亞洲融資有限公司(「配售代理」)訂立配售協議，據此，Team Effort同意配售，而配售代理同意盡最大努力促使不少於六名承配人按每股配售股份0.75港元之配售價購買最多200,000,000股本公司股份(「配售事項」)。

On the same date, the Company and Team Effort entered into a “top-up” subscription agreement pursuant to which Team Effort has agreed to subscribe for such number of subscription shares which is equivalent to the number of shares actually placed under the Placing, being a maximum number of 200,000,000 subscription shares at the subscription price of HK\$0.75 per subscription share (the “Subscription”). Details of these transactions are set out in the Company’s announcement dated 14 September 2010. The Placing and the Subscription was completed on 16 September 2010 and 24 September 2010 respectively. A total of 200,000,000 new shares were issued and approximately HK\$148 million was raised for the general working capital of the Company and its subsidiaries.

同日，本公司與Team Effort訂立「以舊換新」認購協議，據此，Team Effort同意按每股認購股份0.75港元之認購價認購相當於根據配售事項實際配售之股份數目之認購股份，即最多200,000,000股認購股份(「認購事項」)。該等交易之詳情載於本公司日期為二零一零年九月十四日之公告內。配售事項及認購事項分別已於二零一零年九月十六日及二零一零年九月二十四日完成。本公司合共發行200,000,000股新股份，籌集約148,000,000港元用作本公司及其附屬公司之一般營運資金。

- (ii) As a result of the ordinary resolution resolved at the annual general meeting of the Company on 9 November 2010, bonus issue of share of one new share for every thirty existing shares held by the shareholders at the record date of 9 November 2010 was issued to the shareholders as final dividend for the financial year ended 30 June 2010. A total of 60,923,000 ordinary shares were issued as bonus shares. Details of the bonus issue are set out in the Company’s circular dated 11 October 2010.

- (ii) 根據本公司於二零一零年十一月九日舉行之股東週年大會議決之普通決議案，本公司按於二零一零年十一月九日之記錄日期股東每持有三十股現有股份獲發一股新股份之基準向股東發行紅股，以作為截至二零一零年六月三十日止財政年度之末期股息。合共60,923,000股普通股已作為紅股股份發行。紅股發行之詳情載於本公司日期為二零一零年十月十一日之通函內。

- (iii) On 7 December 2010, Star Hub Investments Limited, a wholly-owned subsidiary of the Company (as the Purchaser) and Wealtheme Limited (as the Vendor) entered into a sale and purchase agreement, pursuant to which the Purchaser conditionally agree to acquire and the Vendor conditionally agree to dispose of the entire issued share capital of Wisest Yield, for a consideration of approximately HK\$105,000,000 (the “Acquisition”). The Acquisition was completed on 30 December 2010 and the consideration was satisfied by the issue of 78,139,000 ordinary shares of the Company. Details are set out in the announcement of the Company dated 7 December 2010 and 30 December 2010.

- (iii) 於二零一零年十二月七日，本公司之全資附屬公司Star Hub Investments Limited (作為買方)與Wealtheme Limited (作為賣方)訂立買賣協議，據此，買方有條件地同意收購而賣方有條件地同意出售Wisest Yield之全部已發行股本，代價約為105,000,000港元(「收購事項」)。收購事項已於二零一零年十二月三十日完成，代價乃透過由本公司發行78,139,000股普通股支付。有關詳情載於本公司日期為二零一零年十二月七日及二零一零年十二月三十日之公告內。

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31. EQUITY SETTLED SHARE-BASED TRANSACTIONS

- (a) The Company had adopted an employee share option scheme ("Share Option Scheme") on 13 March 2003. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants, which include any person who is a full time or part time employee or director of the Group, a consultant or agent of the Group, as incentives or rewards for their contributions to the Group.
- (i) The terms and conditions of the grants are as follows:

31. 以權益結算及以股份為基礎交易

- (a) 本公司已於二零零三年三月十三日採納一項僱員購股權計劃(「購股權計劃」)。購股權計劃旨在令本集團可向指定參與者(包括本集團全職或兼職僱員或董事、本集團之顧問或代理等任何人士)授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。
- (i) 以下為授出購股權之條款及條件：

	Number of instruments 工具數目 '000 千份	Vesting conditions 歸屬條件	Exercise period 行使期
Options granted to directors: 授予董事之購股權：			
— on 18 February 2009 — 於二零零九年二月十八日	5,200	One month from the date of grant 自授出日期起計 一個月	18 March 2009 to 17 March 2012 二零零九年三月十八日 至二零一二年三月十七日
— on 13 April 2011 — 於二零一一年四月十三日	7,700	One month from the date of grant 自授出日期起計 一個月	13 May 2011 to 12 March 2013 二零一一年五月十三日 至二零一三年三月十二日
Options granted to employees: 授予僱員之購股權：			
— on 18 February 2009 — 於二零零九年二月十八日	74,800	One month from the date of grant 自授出日期起計 一個月	18 March 2009 to 17 March 2012 二零零九年三月十八日 至二零一二年三月十七日
— on 13 April 2011 — 於二零一一年四月十三日	22,300	One month from the date of grant 自授出日期起計 一個月	13 May 2011 to 12 March 2013 二零一一年五月十三日 至二零一三年三月十二日
Total share options 購股權總數	110,000		

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31. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

31. 以權益結算及以股份為基礎交易 (續)

(a) (Continued)

(a) (續)

(ii) The movement of the Company's share options held by employees (including directors) are as follows:

(ii) 以下為本公司僱員(包括董事)所持有之購股權變動:

2011

二零一一年

		Exercise price	Outstanding at 1 July 2010 於二零一零年七月一日 未行使 '000 千份	Granted during the year 年內已授出 '000 千份	Exercised during the year 年內已行使 '000 千份	Adjusted during the year 年內已調整 '000 千份 (note) (附註)	Outstanding at 30 June 2011 於二零一一年六月三十日 未行使 '000 千份
Date of grant	授出日期						
Directors	董事						
On 18 February 2009	於二零零九年二月十八日	HK\$0.358 港元	3,200	—	(1,000)	73	2,273
On 13 April 2011	於二零一一年四月十三日	HK\$1.54 港元	—	7,700	—	—	7,700
			3,200	7,700	(1,000)	73	9,973
Employees	僱員						
On 18 February 2009	於二零零九年二月十八日	HK\$0.358 港元	7,500	—	(7,717)	217	—
On 13 April 2011	於二零一一年四月十三日	HK\$1.54 港元	—	22,300	—	—	22,300
			7,500	22,300	(7,717)	217	22,300
			10,700	30,000	(8,717)	290	32,273
Weighted average exercise price	加權平均行使價	HK\$0.37 港元	HK\$1.54 港元	HK\$0.36 港元	—	HK\$1.46 港元	

Note:

The number of the share options outstanding was adjusted with the issue of bonus shares as disclosed in note 30.

附註:

未行使購股權之數目已因於附註30所披露之發行紅股而調整。

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31. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

31. 以權益結算及以股份為基礎交易 (續)

(a) (Continued)

(a) (續)

(ii) (Continued)

(ii) (續)

2010

二零一零年

		Outstanding at 1 July 2009 於二零零九年七月一日 未行使 '000 千份	Granted during the year 年內已授出 '000 千份	Exercised during the year 年內已行使 '000 千份	Lapsed during the year 年內已失效 '000 千份	Outstanding at 30 June 2010 於二零一零年六月三十日 未行使 '000 千份
Date of grant	授出日期					
Directors	董事					
On 18 February 2009	於二零零九年二月十八日	HK\$0.37 港元	3,200	—	—	3,200
Employees	僱員					
On 18 February 2009	於二零零九年二月十八日	HK\$0.37 港元	32,720	—	(23,220)	7,500
			35,920	—	(23,220)	10,700
Weighted average exercise price	加權平均行使價	HK\$0.37 港元		—	HK\$0.37 港元	HK\$0.37 港元

During the year ended 30 June 2011, options were granted on 13 April 2011. The estimated fair values of the options granted on that date were approximately HK\$10,330,000.

於截至二零一一年六月三十日止年度，購股權已於二零一一年四月十三日授出。於該日授出之購股權之估計公平值約為10,330,000港元。

The weighted average share price at the date of exercise for shares options exercised during the year was HK\$1.57 (2010: HK\$0.79).

年內已行使之購股權於行使日期之加權平均股價為1.57港元(二零一零年：0.79港元)。

The options outstanding at 30 June 2011 had an exercise price of HK\$0.358 or HK\$1.54 (2010: HK\$0.37) and a weighted average remaining contractual life of 1.63 years (2010: 1.72 years).

於二零一一年六月三十日尚未行使購股權之行使價為0.358港元或1.54港元(二零一零年：0.37港元)，加權平均餘下合約年期為1.63年(二零一零年：1.72年)。

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31. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) (Continued)

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on Black — Scholes option pricing model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the Black — Scholes option pricing model.

Grant date	授出日期	13.4.2011 二零一一年 四月十三日	18.2.2009 二零零九年 二月十八日
Fair value at measurement date	於計算日之公平值	HK\$0.344 港元	HK\$0.098 港元
Share price	股價	HK\$1.51 港元	HK\$0.351 港元
Exercise price	行使價	HK\$1.54 港元	HK\$0.37 港元
Expected volatility	預期波幅	62.28%	64.60%
Option life	購股權年期	1.0 years 年	1.5 years 年
Expected dividends	預期股息	—	—
Risk free interest rate	無風險利率	0.29%	1.871%

The expected volatility is based on the historical volatility. Expected dividends are based on historical dividends. Changes in the subjective input assumption could materially affect the fair value estimate.

31. 以權益結算及以股份為基礎交易 (續)

(a) (續)

(iii) 購股權之公平值及假設

因授出購股權而獲得服務之公平值乃參考所授購股權之公平值計量。所獲得服務之估計公平值則按柏力克 — 舒爾斯期權定價模型釐定。該模型加入了購股權之合約年期。柏力克 — 舒爾斯期權定價模型亦包括提前行使之預期。

預期波幅按歷史波幅計算。預期股息按歷史股息計算。主觀資料假設之變動可能對公平值估計具有重大影響。

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31. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

(b) Pursuant to general mandates (“General Mandates”) granted to the directors of the Company at the annual general meeting of the Company held on 27 October 2009 and 9 November 2010 respectively, the Directors are authorised, at their discretion, to allot and issue shares of the Company up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 27 October 2009 and 9 November 2010 respectively. The following options were granted under the General Mandates.

(i) The terms and conditions of the grants are as follows:

31. 以權益結算及以股份為基礎交易 (續)

(b) 根據本公司董事分別於本公司於二零零九年十月二十七日及二零一零年十一月九日舉行之股東週年大會上獲授之一般授權（「一般授權」），董事獲授權酌情配發及發行不超過分別於二零零九年十月二十七日及二零一零年十一月九日本公司已發行股本面值總額20%之本公司股份。以下購股權乃根據一般授權授出。

(i) 以下為授出購股權之條款及條件：

	Number of instruments 工具數目 '000 千份	Vesting conditions 歸屬條件	Exercise period 行使期
Options granted to consultants of the Company 授予本公司顧問之購股權			
— on 10 November 2009 — 於二零零九年十一月十日	90,000	Immediately from the date of grant 於授出日期即時歸屬	10 November 2009 to 9 November 2010 二零零九年十一月十日 至二零一零年十一月九日
— on 30 November 2010 — 於二零一零年十一月三十日	90,000	Immediately from the date of grant 於授出日期即時歸屬	30 November 2010 to 29 November 2011 二零一零年十一月三十日 至二零一一年十一月二十九日
Total share options 購股權總數	180,000		

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31. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

31. 以權益結算及以股份為基礎交易 (續)

(b) (Continued)

(b) (續)

(ii) The number and weighted average exercise prices of share options are as follows:

(ii) 以下為購股權之數目及加權平均行使價：

		2011 二零一一年		2010 二零一零年	
		Weighted average exercise price 加權平均 行使價	Number of option 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價	Number of option 購股權數目 '000 千份
Outstanding at the beginning of the year	年初未行使	HK\$0.73 港元	90,000	HK\$0.305 港元	55,000
Granted during the year	年內已授出	HK\$1.32 港元	90,000	HK\$0.73 港元	90,000
Exercised during the year	年內已行使	HK\$0.73 港元	(90,000)	HK\$0.305 港元	(55,000)
Outstanding at the end of the year	年終未行使	HK\$1.32 港元	90,000	HK\$0.73 港元	90,000

The weighted average share price at the date of exercise for shares options exercised during the year was HK\$1.04 (2010: HK\$0.70).

年內已行使之購股權於行使日期之加權平均股價為1.04港元(二零一零年：0.70港元)。

The options outstanding at 30 June 2011 had an exercise price of HK\$1.32 (2010: HK\$0.73) and a weighted average remaining contractual life of 0.42 year (2010: 0.36 year).

於二零一一年六月三十日尚未行使購股權之行使價為1.32港元(二零一零年：0.73港元)，加權平均餘下合約年期為0.42年(二零一零年：0.36年)。

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31. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) (Continued)

(iii) Fair values of share options and assumptions

For the options granted to the consultants, due to the uniqueness of the services provided by them, the fair values of the options are measured by the services performed by them, taking into account the nature and number of working hours of the professional spent, along with other out-of-pocket expenses. Details are set out in the announcement of the Company dated 10 November 2009 and 30 November 2010 respectively.

(c) Terms of unexpired and unexercised share options at end of the reporting period are as follows:

31. 以權益結算及以股份為基礎交易 (續)

(b) (續)

(iii) 購股權之公平值及假設

就授予顧問之購股權而言，由於顧問所提供服務之獨特性，購股權之公平值乃於考慮專業顧問所用工時性質及時數以及其他實繳費用後，按顧問所提供之服務計量。有關詳情分別載於本公司日期為二零零九年十一月十日及二零一零年十一月三十日之公告。

(c) 於報告期末未到期及未行使購股權之條款如下：

Exercise period 行使期	Exercise price 行使價	2011 二零一一年 Number 數目 '000 千股	2010 二零一零年 Number 數目 '000 千股
18 March 2009 to 17 March 2012 (note) 二零零九年三月十八日至二零一二年三月十七日(附註)	HK\$0.358 港元	2,273	10,700
10 November 2009 to 9 November 2010 二零零九年十一月十日至二零一零年十一月九日	HK\$0.73 港元	—	90,000
30 November 2010 to 29 November 2011 二零一零年十一月三十日至二零一一年十一月二十九日	HK\$1.32 港元	90,000	—
13 May 2011 to 12 March 2013 二零一一年五月十三日至二零一三年三月十二日	HK\$1.54 港元	30,000	—
		122,273	100,700

Each option entitles the holders to subscribe for one ordinary share in the Company.

Note:

The exercise price had been adjusted from HK\$0.37 to HK\$0.358 with the issue of bonus shares as disclosed in note 30.

每份購股權賦予其持有人認購本公司一股普通股之權利。

附註：

行使價已因附註30所披露之紅股發行由0.37港元調整為0.358港元。

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32. RESERVES

Share premium

The application of the share premium is governed by the Company's Bye-Law and the Companies Act 1981 of Bermuda (as amended).

Capital reserve

The capital reserve comprises the difference between the addition registered capital invested by a former non-controlling shareholder of a subsidiary, over the fair value of the intangible assets injected by the former non-controlling shareholder.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Share option reserve

The share option reserve comprises the fair value of the actual or estimated number of unexercised share options granted to directors, employees and advisors of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 3.

Other reserve

During the year ended 30 June 2011, the Group acquired additional interests in Beijing Jinqiao Hengtai Technology Co., Ltd and Shenzhen Zhongzesaien Technology Co., Ltd. As a result of the acquisitions, the difference of HK\$79,992,000 between the consideration paid of HK\$115,194,000 and the amount of non-controlling interests adjusted of HK\$35,202,000 was directly recognised in equity.

32. 儲備

股份溢價

股份溢價之應用受到本公司之公司細則及百慕達一九八一年公司法(經修訂)所規限。

資本儲備

資本儲備包括一間附屬公司之一名前非控股股東投入之額外註冊資本超出該名前非控股股東注入無形資產之公平值之差額。

匯兌儲備

匯兌儲備包括換算海外業務財務報表之所有匯兌差額。

購股權儲備

購股權儲備包括根據附註3有關以股份為基礎付款所採用會計政策確認之授予本公司董事、僱員及顧問之實際或估計未行使購股權之公平值。

其他儲備

截至二零一一年六月三十日止年度，本集團已收購北京金橋恒泰科技有限公司及深圳中澤賽恩科技有限公司之額外權益。受該等收購事項之影響，已付代價115,194,000港元與經調整非控股股東權益款項35,202,000港元之間之差額79,992,000港元乃於權益中直接確認。

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33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes obligations under finance leases, promissory note, other borrowings and convertible notes payable, and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the new shares issues or the issue of new debt.

34. COMMITMENTS

Operating leases — The Group as lessee

At the end of the reporting period, the Group had total future minimum lease payments under non cancellable operating leases, which are payable as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	一年內	6,373	2,485
In the second to fifth years, inclusive	第二至第五年(首尾兩年包括在內)	6,040	1,051
		12,413	3,536

Operating lease payments represent rental payable by the Group for the office premises and motor vehicles. Leases are negotiated for the terms of one to three years.

33. 資本風險管理

本集團管理其資金，以確保本集團內的實體將能夠以持續經營方式營運，同時亦透過達致債務與股本之間最佳的平衡而為股東爭取最大回報。本集團之整體策略自去年以來維持不變。

本集團之資本結構為債務，其中包括融資租約責任、承兌票據、其他借款及應付可換股票據及本公司股權持有人應佔權益(包括已發行股本及儲備)。

本公司董事經常檢討資本結構。作為檢討之一部份，董事考慮資本之成本及與各類別資本相關之風險。基於董事之推薦意見，本集團將透過發行新股份或發行新債券以使其整體資本結構保持平衡。

34. 承擔

經營租約 — 本集團作為承租人

於報告期末，本集團根據不可撤銷經營租約之未來最低應付租金總額如下：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	6,373	2,485
In the second to fifth years, inclusive	6,040	1,051
	12,413	3,536

經營租約付款指本集團應付之辦公室物業及汽車租金。租期乃訂立為一至三年。

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34. COMMITMENTS (Continued)

Capital commitments

The Group had the following capital commitments at the end of the reporting period:

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Contracted, but not provided for:		
Capital contribution to a subsidiary	44,244	260
Acquisition of property, plant and equipment	251,747	—
	295,991	260

34. 承擔 (續)

資本承擔

本集團於報告期末擁有以下資本承擔：

35. GRANT OF THE EQUITY LINE OF CREDIT TO THE COMPANY AND ISSUE OF WARRANTS

On 29 December 2010, the Company entered into the Equity Line of Credit Agreement (“the Credit Agreement”) with GEM Global Yield Fund Limited (“GEM Global”) and GEM Management Limited (“GEMML”), pursuant to which the Company has been granted an option to require GEM Global to subscribe for up to HK\$400 million worth of shares of the Company at the average closing price of the Shares in accordance with and structured under the Equity Line of Credit during the commitment period (the “Option”). Further details are set out in the Company’s circular dated on 20 January 2011.

35. 向本公司授出股票掛鈎信貸及發行認股權證

於二零一零年十二月二十九日，本公司與GEM Global Yield Fund Limited (「GEM Global」) 及GEM Management Limited (「GEMML」) 訂立股票掛鈎信貸協議 (「信貸協議」)，據此，本公司已獲授選擇權以要求GEM Global於承諾期內按股份之平均收市價認購根據股票掛鈎信貸所安排價值最高400,000,000港元之本公司股份 (「選擇權」)。進一步詳情載於本公司日期為二零一一年一月二十日之通函內。

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35. GRANT OF THE EQUITY LINE OF CREDIT TO THE COMPANY AND ISSUE OF WARRANTS *(Continued)*

The Option is exercisable by the Company during the commitment period commencing on (and including) the date of the Credit Agreement and expiring upon the earlier of (i) the third anniversary of the date of the Credit Agreement, and (ii) the date on which the Equity Line of Credit has been fully utilised by the Company by way of allotting and issuing shares (the "Option Shares") for the total issue price equals to the total commitment amount (i.e. HK\$400 million) upon exercising the Option in full.

The Company shall exercise any part of the Option by serving a drawdown notice and specifying the proposed number of the Option Shares thereunder. GEM Global shall respond to any drawdown notice by delivering a closing notice, which shall set out, inter alia, the final number of Option Shares to be subscribed by, and allotted and issued to, GEM Global or any other subscribers procured by it on the closing date.

On 17 February 2011, the Company issued a total of 95 million warrants at nil consideration at an exercise price of HK\$2 per warrant share (subject to adjustments conditions) as set out in the warrant to GEM Global pursuant to the Credit Agreement.

35. 向本公司授出股票掛鈎信貸及發行認股權證 *(續)*

選擇權可由本公司於承擔期(由信貸協議日期(包括該日)起至(i)信貸協議日期之第三個周年日當日；及(ii)股票掛鈎信貸於選擇權獲悉數行使時由本公司透過配發及發行總發行價相等於承擔總額(即400,000,000港元)之股份(「選擇權股份」)悉數動用日期兩者之較早者止期間)內行使。

本公司須透過送達提取通知並註明有關建議選擇權股份數目行使任何部份選擇權。GEM Global須透過送達結束通知回應任何提取通知，該結束通知須載列(其中包括)GEM Global或其促使之任何其他認購人於結束日期將認購及獲配發及發行之最終選擇權股份數目。

於二零一一年二月十七日，本公司根據信貸協議按每股認股權證股份2港元之行使價(可根據認股權證所載的調整條件)向GEM Global無償發行合共95,000,000份認股權證。

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35. GRANT OF THE EQUITY LINE OF CREDIT TO THE COMPANY AND ISSUE OF WARRANTS (Continued)

35. 向本公司授出股票掛鈎信貸及發行認股權證 (續)

The movement of the warrants during the year is set out below:

年內認股權證變動載列如下：

Date of grant	Exercise period	Subscription price	Balance at 1.7.2010	Granted during the year	Utilised during the year	Balance at 30.6.2011
授出日期	行使期	認購價	於二零一零年七月一日之結餘	年內已授出	年內已動用	於二零一一年六月三十日之結餘
			'000 千份	'000 千份	'000 千份	'000 千份
17 February 2011	17 February 2012 to 16 February 2016	HK\$2	—	95,000	—	95,000
二零一一年二月十七日	二零一二年二月十七日至 二零一六年二月十六日	2港元				

During the year, no warrant was utilized to subscribe for the shares of the Company.

年內，並無動用認股權證以認購本公司股份。

The Company shall pay GEMML a commitment fee of HK\$8,000,000, equivalent to 2% of the total commitment amount of HK\$400 million and shall be payable by the Company (i) within 48 hours of the Company's receipt of the purchase price under the first closing notice, or (ii) on or before the first anniversary of the date of the Credit Agreement, whichever is earlier. The commitment fee payable was recognised at 30 June 2011 as the Group considered that condition (ii) was fulfilled. The commitment fee is capitalised in other receivables and will be deducted from proceeds received from the issuing equity instruments.

本公司須向GEMML支付相等於承擔總額400,000,000港元2%之承擔佣金8,000,000港元，且須由本公司於(i)本公司收到第一份結束通知內之購買價後48小時內，或(ii)信貸協議日期之首個周年或之前(以較早者為準)支付。由於本集團認為條件(ii)已獲達成，故應付之承擔佣金已於二零一一年六月三十日確認。承擔佣金已於其他應收款項中撥充資本，且將於發行權益工具收取之所得款項中扣減。

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36. RELATED PARTY TRANSACTIONS

36. 有關連人士交易

(a) The Group entered into the following significant transactions with related parties during the year:

(a) 年內，本集團與有關連人士進行之重大交易如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Sales to a related company:	向一間關連公司銷售：		
Beijing Hengtai Technologies Co., Ltd.	北京華大恒泰科技有限責任公司	10,855	1,685
Purchase from a related company:	向一間關連公司購買：		
Beijing Hengtai Technologies Co., Ltd.	北京華大恒泰科技有限責任公司	33,134	167,233
Subcontracting fee to a related company:	支付一間關連公司之分包費用：		
Beijing Hengtai Technologies Co., Ltd.	北京華大恒泰科技有限責任公司	—	1,265
Technical development fee to a related company:	支付一間關連公司之技術開發費用：		
Beijing Hengtai Technologies Co., Ltd.	北京華大恒泰科技有限責任公司	—	671
Loan to a related company:	向一間關連公司貸款：		
Beijing Hengtai Technologies Co., Ltd.	北京華大恒泰科技有限責任公司	46,868	—

Included in trade receivables at 30 June 2011 was an amount due from Beijing Hengtai of HK\$10,855,000 (2010: HK\$1,230,000) which was in trade nature. The Group allowed credit periods of up to 180 days, depending on the product sold to its related parties.

於二零一一年六月三十日，應收賬款包括屬於貿易性質之應收北京恒泰款項10,855,000港元(二零一零年：1,230,000港元)。本集團向有關連人士授出之信貸期最長為一百八十日，視乎所銷售之產品而定。

Included in prepayments, deposits and other receivables at 30 June 2011 were advances to Beijing Hengtai of HK\$188,551,000 (2010: Nil) for purchases of goods.

於二零一一年六月三十日，預付款項、按金及其他應收款項包括就購買產品向北京恒泰支付之預付款188,551,000港元(二零一零年：零港元)。

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36. RELATED PARTY TRANSACTIONS

(Continued)

(a) (Continued)

Included in trade payables at 30 June 2011 was an amount due to Beijing Hengtai of Nil (2010: HK\$17,471,000) which was in trade nature. The Group normally paid in advance for the purchase of goods for the year.

(b) Other related party transactions

In addition to the above, the Group had entered into an Intellectual Property Rights Permission Use Agreement and a Cooperative Agreement (the "Agreements") with, Beijing Hengtai on 8 April 2008 and 6 May 2008 respectively for a term of 20 years each. Pursuant to the Agreements, the Group can use the intellectual property rights registered by Beijing Hengtai while Beijing Hengtai will provide training and technical support for the Group and the customers of the Group. Beijing Hengtai would provide free training and technical support for the first three years and for the last six years of the Agreements. However, the service fees would be computed based on 3% of the gross audited revenue of the Group by utilising the intellectual properties rights under the Agreements for the fourth to fourteenth years, but limited to HK\$30 million every calendar year.

During the year, the Group recognised service income of Nil (2010: HK\$36,494,000) from the above mentioned technical support services from Beijing Hengtai.

36. 有關連人士交易 (續)

(a) (續)

於二零一一年六月三十日，應付賬款包括屬於貿易性質之應付北京恒泰款項零港元（二零一零年：17,471,000港元）。本集團一般就年內購買之產品提前付款。

(b) 其他有關連人士交易

除上文所述者外，本集團與北京恒泰分別於二零零八年四月八日及二零零八年五月六日訂立知識產權許可使用協議及合作協議（「該等協議」），每份協議為期20年。根據該等協議，本集團可使用北京恒泰註冊之知識產權，而北京恒泰將向本集團及本集團客戶提供培訓及技術支持。北京恒泰將在該等協議之首三年及最後六年免費提供培訓及技術支持。然而，服務費將按本集團根據該等協議在第四年至第十四年期間使用知識產權產生之經審核收益總額之3%計算，惟每曆年不超過30,000,000港元。

年內，本集團就上述北京恒泰之技術支持服務確認服務收入零港元（二零一零年：36,494,000港元）。

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36. RELATED PARTY TRANSACTIONS

(Continued)

(c) Compensation of key management personnel of the Group:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	4,983	4,533
Post-employment benefits	退休後福利		
— defined contribution plans	— 定額供款計劃	24	20
Share-based payments expenses	以股份支付款項	2,066	—
Total compensation paid to key management personnel	已付主要管理人員之薪酬總額	7,073	4,553

Further details of directors' emoluments are included in note 11 to the financial statements.

(c) 本集團主要管理人員之薪酬：

有關董事酬薪之進一步詳情載於財務報表附註11。

37. CONTINGENT LIABILITIES

The Company was named as a co-defendant in a writ of summons on 20 December 2007. The plaintiff alleged that the Company:

- (i) failed to honour a joint and several guarantee in respect of the liability of the defendants under a forbearance agreement to the extent of HK\$25,000,000; and
- (ii) failed to honour two cheques in the sum of HK\$2,500,000 each, totaling HK\$5,000,000 plus interests and costs given by a former director (the "2nd Defendant") in his personal capacity out of a bank account with has been by then formally closed by the Company.

37. 或然負債

本公司在二零零七年十二月二十日之傳訊令狀中被指名為共同被告人，原告指控本公司：

- (i) 未能兌現根據延期償付協議對被告人金額為25,000,000港元之負債所作出之共同及個別擔保；及
- (ii) 未能兌現各為2,500,000港元自本公司當時已正式取消之銀行戶口開出之兩張支票，合共5,000,000港元加上利息及一名前任董事（「次被告」）以私人名義提供之費用。

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37. CONTINGENT LIABILITIES (Continued)

The Company filed its defence on 28 March 2008 and witness statement on 30 July 2009. The witness statements had been exchanged. The trial hearing took place on 24 November 2010 and attempts have been made by the parties subsequently for a global settlement between the plaintiff and the 2nd Defendant. However, despite prolonged negotiation between the plaintiff and the 2nd Defendant, the parties failed to reach a settlement. Hearing for directions took place on 14 February 2011 before the Court. However, the parties have been unable to complete settlement within 28 days from the date of the above hearing. On 11 May 2011, the parties have fixed the adjourned trial for about 7 days from 4 January 2012.

The Directors have reviewed the claims against the Company and based on the advice from the Group's legal counsel, are of the view that the Company has a valid defence to the litigation and, accordingly, have not provided for any claim arising from the litigation, other than the related legal and other costs.

Apart from the actions against the Company disclosed above, there were no other material outstanding writs and litigations against the Group and / or the Company.

37. 或然負債 (續)

本公司已於二零零八年三月二十八日提交抗辯書並於二零零九年七月三十日提交證人陳述書，而證人陳述書已經交換。審訊已於二零一零年十一月二十四日進行，原告及次被告其後試圖達成全面和解。然而，經過長時間磋商後，原告及次被告無法達成和解。指示聆訊已於二零一一年二月十四日由法庭審理。然而，雙方未能於上述聆訊日期起計28日內完成和解。於二零一一年五月十一日，雙方決定審訊自二零一二年一月四日起約七日進行。

董事已檢討針對本公司提出之申索，並基於本集團法律顧問之建議認為，本公司對訴訟擁有有效的理據，因此，除有關法律及其他費用外，本公司並無對任何由該等訴訟引起之申索作出撥備。

除上文所披露之針對本公司之訴訟外，概無任何其他針對本集團及／或本公司之未了結重大令狀及訴訟。

38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Financial assets	金融資產		
Fair value through profit or loss	計入損益表之公平值	8,550	—
Loan and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	920,357	776,672
Financial liabilities	金融負債		
Amortised cost	攤銷成本	439,693	469,787

38. 金融工具

(a) 金融工具之分類

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38. FINANCIAL INSTRUMENTS (Continued)

38. 金融工具 (續)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, financial assets at fair value through profit or loss, cash and cash equivalents, trade payables, other payables and accruals, promissory note, obligations under finance leases, other borrowings and convertible notes payable. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

i. Currency risk

The Company's functional currency is Hong Kong dollar and the functional currency of the majority of the subsidiaries is Renminbi. The Group's transactions, trade receivables and trade payables are mainly denominated in these currencies.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. However, as the net foreign exchange exposure of the foreign operations is not significant, the Group does not actively hedge this foreign exchange exposure and no currency risk sensitivity is disclosed.

The Group periodically reviews monetary assets and liabilities held in currencies other than the functional currency to ensure that net exposure is kept at an acceptable level, and will consider hedging significant foreign currency exposure should the need arise.

(b) 財務風險管理目標及政策

本集團之主要金融工具包括應收賬款、按金及其他應收款項、按公平價值計入損益表之金融資產、現金及現金等價物、應付賬款、其他應付款項及應計費用、承兌票據、融資租約責任、其他借款及應付可換股票據。金融工具之詳情於有關附註中披露。與此等金融工具有關之風險包括市場風險(貨幣風險、利率風險以及價格風險)、信貸風險及流動資金風險。有關如何降低此等風險之政策載列如下。管理層管理並監控此等風險，以確保及時有效地採取適當措施。

市場風險

i. 貨幣風險

本公司之功能貨幣為港元，其大部份附屬公司之功能貨幣為人民幣。本集團之交易、應收賬款及應付賬款主要以上述貨幣計值。

本集團有若干海外業務投資，其資產淨值承受外幣換算風險。然而，由於海外業務所承受之淨外匯風險不大，故本集團目前並無就此等外匯風險積極進行對沖，亦無披露貨幣風險敏感度。

本集團定期檢討以功能貨幣以外之貨幣持有之貨幣資產及負債，以確保所承受之淨風險維持於可接受水平，並將於有需要時考慮對沖重大外幣風險。

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38. FINANCIAL INSTRUMENTS (Continued)

38. 金融工具 (續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策 (續)

Market risk (Continued)

市場風險 (續)

ii. Interest rate risk

ii. 利率風險

The Group is exposed to fair value interest rate risk in relation to obligations under finance leases, promissory note and other loan. The Group is also exposed to cash flow interest rate risk in relation to variable-rate financial assets of bank balances. The Group has not used any interest rate swaps to mitigate its exposure associated with fluctuations relating to interest cash flows.

本集團承受與融資租約責任、承兌票據及其他貸款有關之公平值利率風險。本集團亦承受與銀行結餘之浮息金融資產有關之現金流量利率風險。本集團並無採用任何利率掉期合約以降低其所承受與現金流量利率波動有關之風險。

The Group currently does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

本集團目前並無利率對沖政策。然而，管理層監察利率風險，並將於需要時考慮對沖重大利率風險。

In the opinion of the directors of the Company, no interest rate sensitivity is disclosed as the interest rate sensitivity does not give additional value in view of insignificant exposure of interest bearing bank balances and borrowings as at the end of the reporting period.

鑒於報告期末計息銀行結餘及借款之利率風險並不重大，利率敏感度並無產生額外價值，故本公司董事認為毋須披露利率敏感度。

iii. Price risk

iii. 價格風險

The Group's financial assets at fair value through profit or loss include listed equity securities in Hong Kong. These listed equity securities are subject to market price risk. The management considers that the market price risks of these investments are not significant to the Group and no price risk sensitivity is disclosed.

本集團按公平值計入損益表之金融資產包括於香港上市之股本證券。該等上市股本證券須承受市場價格風險。管理層認為該等投資之市場價格風險對本集團而言並不重大，故並無披露價格風險敏感度。

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38. FINANCIAL INSTRUMENTS (Continued)

38. 金融工具 (續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策 (續)

Credit risk

信貸風險

The Group's maximum exposure to credit risk in the event of that counterparties fail to perform their obligations as at 30 June 2011 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

於二零一一年六月三十日，本集團就對手方未能履行其責任而按各類別已確認金融資產面對之最高信貸風險，為綜合財務狀況表所列該等資產之賬面值。

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

為將有關信貸風險降至最低，管理層已指定一個團隊負責釐定信貸額度、信貸批准及其他監控程序，以確保採取跟進行動以收回逾期債項。此外，本集團於報告期末審閱每項個別交易債項之可收回金額，以確保就不能收回金額作出足夠減值虧損。因此，本公司董事認為，本集團之信貸風險大大降低。

The credit risk on liquid funds is limited because the majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

流動資金之信貸風險有限，因為大部份對手方為獲國際信貸評級機構評為高信貸評級之銀行。

The Group's concentration of credit risk on trade receivables as at 30 June 2011 is mainly from five major customers which accounted for 27% (2010: 85%) of trade receivables. The Group has closely monitored the recoverability of trade receivables and taken effective measures to ensure timely collection of outstanding balances.

於二零一一年六月三十日，本集團應收賬款之集中信貸風險主要來自五大主要客戶，彼等佔應收賬款之27% (二零一零年：85%)。本集團已密切監察應收賬款之可收回情況及採取有效措施，以確保能及時收回未收回餘額。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Such non-derivative financial liabilities outstanding at the end of the reporting period are considered as if outstanding for whole period.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險時，本集團監察及維持管理層認為足以為本集團之營運撥付資金及減低現金流量波動之影響之現金及現金等價物水平。

下表載列本集團之非衍生金融負債餘下合約年期。該表乃根據本集團於可被要求償還金融負債之最早日期之金融負債按未折現現金流量編製。該等非衍生金融負債於報告期末未償還則被視為於整個期間未曾償還。

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38. FINANCIAL INSTRUMENTS (Continued)

38. 金融工具 (續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

		Carrying amount 賬面值 HK\$'000 千港元	Total contractual undiscounted cash flow 合約非折現現金流量總額 HK\$'000 千港元	Within 1 year or on demand 一年內 或按 要求 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 兩年以內 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 五年以內 HK\$'000 千港元
2011	二零一一年					
Trade payables, other payables and accruals	應付賬款、其他應付款項及應計費用	154,262	154,262	154,262	—	—
Promissory note	承兌票據	8,000	8,235	8,235	—	—
Obligations under finance leases	融資租約責任	886	967	430	430	107
Other loan	其他貸款	12,041	12,524	12,524	—	—
Convertible notes payable	應付可換股票據	264,504	305,025	—	—	305,025
		439,693	481,013	175,451	430	305,132
		Carrying amount 賬面值 HK\$'000 千港元	Total contractual undiscounted cash flow 合約非折現現金流量總額 HK\$'000 千港元	Within 1 year or on demand 一年內 或按 要求 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 兩年以內 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 五年以內 HK\$'000 千港元
2010	二零一零年					
Trade payables, other payables and accruals	應付賬款、其他應付款項及應計費用	261,862	261,862	261,862	—	—
Obligations under finance leases	融資租約責任	1,231	1,397	430	430	537
Loan from a shareholder	來自一名股東之貸款	30,000	30,742	30,742	—	—
Convertible notes payable	應付可換股票據	176,694	264,725	—	—	264,725
		469,787	558,726	293,034	430	265,262

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38. FINANCIAL INSTRUMENTS (Continued)

38. 金融工具 (續)

(c) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(c) 公平值

金融資產及金融負債之公平值釐定如下：

- 附帶標準條款及條件並於高度流通市場買賣之金融資產及金融負債之公平值乃分別參考所報市場買入價及賣出價釐定；及
- 其他金融資產及金融負債之公平值乃按公認定價模式，根據折現現金流量分析釐定。

本公司董事認為，於綜合財務狀況表內按攤銷成本記錄之金融資產及金融負債之賬面值與其公平值相若。

於綜合財務狀況表內確認之公平值計量

下表為於初步確認後按公平值計量之金融工具之分析，並根據公平值之可觀察程度分為第一至三級。

- 第一級公平值計量乃根據相同資產或負債在活躍市場之報價(未經調整)計算所得。
- 第二級公平值計量乃根據除第一級別所包括報價以外而就資產或負債而言屬可觀察之輸入資料，直接(即作為價格)或間接(即來自價格)計算所得。

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38. FINANCIAL INSTRUMENTS (Continued)

38. 金融工具 (續)

(c) Fair value (Continued)

(c) 公平值 (續)

Fair value measurements recognised in the consolidated statement of financial position

於綜合財務狀況表內確認之公平值計量 (續)

(Continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

- 第三級公平值計量乃使用包括並非以可觀察市場數據為基礎之資產或負債輸入資料 (不可觀察輸入資料) 之估值方法計算所得。

All of the Group's listed equity securities investment of HK\$8,550,000 (2010: Nil) were categorised under level 1 fair value measurement.

本集團之所有上市股本證券投資 8,550,000 港元 (二零一零年：零) 均已根據第一級公平值計量分類。

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2011 and 2010 except as follows:

本集團按成本或按攤銷成本列賬之金融工具之賬面值與其於二零一一年及二零一零年六月三十日之公平值並無重大差異，惟下述者除外：

		2011 二零一一年		2010 二零一零年	
		Carrying amount	Fair value	Carry amount	Fair value
		賬面值	公平值	賬面值	公平值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Convertible notes payable	應付可換股票據	264,504	282,838	176,694	211,112

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries as at 30 June 2011 are as follows:

39. 本公司主要附屬公司之詳情

本公司主要附屬公司於二零一一年六月三十日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Heng Xin Management Limited 恒芯管理有限公司	Hong Kong 香港	1,000,000 ordinary shares of HK\$1 each 1,000,000股每股面值1港元之普通股	100%	—	Provision for management services 提供管理服務
Wisest Yield Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	—	100%	Investment holding 投資控股
China Champion Development Limited 中澤發展有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	—	100%	Investment holding and trading of electronic parts 投資控股及買賣電子零配件
Shenzhen Champion Maxiumic Group Co., Ltd. (formerly known as Shenzhen Champion Maxiumic Technologies Co., Ltd) 深圳中澤明芯集團有限公司 (前稱：深圳中澤明芯科技有限公司)	The People's Republic of China 中華人民共和國	RMB163,255,750 人民幣163,255,750元	—	100%	Investment holding, digital cable television business, general trading and provision for technical services 投資控股、有線數字電視業務、一般貿易及提供技術服務

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

39. 本公司主要附屬公司之詳情 (續)

(Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hebei Champion Maxiumic Technologies Co., Ltd	The People's Republic of China	RMB10,000,000	—	100%	Investment holding, digital cable television business, general trading and provision for technical services
河北中澤信息科技有限公司	中華人民共和國	人民幣10,000,000元			投資控股、有線數字電視業務、一般貿易及提供技術服務
Huzhou Mingxin Micro – Electronic Co., Ltd	The People's Republic of China	RMB10,000,000	—	100%	Research, design, manufacturing and trading of wireless digital audio products and related solutions and services
湖州明芯微電子設計有限責任公司	中華人民共和國	人民幣10,000,000元			研究、設計、製造及買賣無線數字音頻產品及相關解決方案及服務
Beijing Jinqiao Hengtai Technology Co., Ltd	The People's Republic of China	HK\$200,000,000	—	100%	Wireless digital terrestrial television network equipment integrated business, research, design, manufacturing and trading of information safety products
北京金橋恒泰科技有限公司	中華人民共和國	200,000,000港元			地面無線數字電視網絡設備集成業務、研究、設計、製造及買賣信息安全產品

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

39. 本公司主要附屬公司之詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Beijing Zhongguang Shitong Technology Co., Ltd	The People's Republic of China	RMB20,000,000	—	100%	Wireless digital terrestrial television network equipment integrated business, research, design, manufacturing and trading of information safety products
北京中廣視通科技有限公司	中華人民共和國	人民幣20,000,000元			地面無線數字電視網絡設備集成業務、研究、設計、製造及買賣信息安全產品

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

上表所列乃本公司董事認為對本集團業績或資產有重大影響之本公司附屬公司。董事認為，倘列出其他附屬公司之詳情會過於冗長。

年終概無附屬公司已發行任何債務證券。

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

A summary of the results and assets and liabilities of the Group for each of the five financial years is as follows:

本集團五個財政年度各年之業績及資產負債概要如下：

RESULTS

業績

		Year ended 30 June 截至六月三十日止年度				2011
		2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	二零一一年 HK\$'000 千港元
Revenue	收益	16,101	32,821	339,365	653,260	676,624
(Loss)/Profit before taxation	除稅前(虧損)/溢利	(2,995)	(15,838)	123,435	204,375	234,369
Taxation	稅項	—	—	(5,429)	(8,730)	(27,766)
(Loss)/Profit for the year	年內(虧損)/溢利	(2,995)	(15,838)	118,006	195,645	206,603
Attributed to:	其中：					
Owners of the Company	本公司擁有人	(2,995)	(15,838)	110,698	181,042	201,942
Non-controlling interests	非控股股東權益	—	—	7,308	14,603	4,661
		(2,995)	(15,838)	118,006	195,645	206,603
Basic (loss)/earnings per share (HK cents)	每股基本(虧損)/盈利 (港仙)	(0.64)	(2.86)	11.28	11.50	9.50
Diluted earnings per share (HK cents)	每股攤薄盈利 (港仙)	N/A 不適用	N/A 不適用	11.27	10.28	8.53

ASSETS AND LIABILITIES

資產及負債

		2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Non-current assets	非流動資產	478	37,316	354,032	1,022,244	1,044,679
Current assets	流動資產	3,398	30,352	349,088	551,757	1,124,400
Current liabilities	流動負債	(1,944)	(1,340)	(213,605)	(306,536)	(216,353)
Non-current liabilities	非流動負債	—	—	(3,062)	(179,847)	(266,998)
Net assets	資產淨值	1,932	66,328	486,453	1,087,618	1,685,728
Equity attributable to owners of the Company	本公司擁有人 應佔權益	1,932	66,328	477,024	1,058,043	1,685,728
Non-controlling interests	非控股股東權益	—	—	9,429	29,575	—
Net assets	資產淨值	1,932	66,328	486,453	1,087,618	1,685,728



Heng Xin China Holdings Limited
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