



Megalogic Technology Holdings Limited

宏創高科集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8242

Annual Report 2011 年報

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香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板的定位，乃為較於聯交所上市之其他公司帶有較高投資風險之公司提供一個上市的市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他資深投資者。

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本報告乃遵照聯交所《創業板證券上市規則》(「創業板上市規則」)的規定而提供有關宏創高科集團有限公司(「本公司」)的資料。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺留任何事項，足以令致本報告或其所載任何陳述產生誤導。



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Corporate Information

公司資料

Board of Directors

Non-executive Director

Mr. Hui King Chun (*Chairman*)

Executive Directors

Mr. Li Kwei Chung (*Chief Executive Officer*)

Mr. Liu Kam Lung

Mr. Liu Loi Ying

Independent Non-executive Directors

Mr. Chan Sun Kwong

Mr. Chan Chi Kwong Dickson

Mr. Ko Yin Wai

Mr. Sung Tak Wing Leo

Company Secretary

Mr. Liu Kam Lung (*CPA, HKICS and ICSA*)

Compliance Officer

Mr. Li Kwei Chung

Authorized Representatives

Mr. Li Kwei Chung

Mr. Liu Kam Lung

Audit Committee

Mr. Chan Sun Kwong (*Chairman*)

Mr. Chan Chi Kwong Dickson

Mr. Ko Yin Wai

Mr. Sung Tak Wing Leo

Remuneration Committee

Mr. Chan Sun Kwong (*Chairman*)

Mr. Chan Chi Kwong Dickson

Mr. Ko Yin Wai

Mr. Sung Tak Wing Leo

Nomination Committee

Mr. Chan Sun Kwong (*Chairman*)

Mr. Chan Chi Kwong Dickson

Mr. Ko Yin Wai

Mr. Sung Tak Wing Leo

董事會

非執行董事

許經振先生(*主席*)

執行董事

李桂聰先生(*行政總裁*)

廖金龍先生

廖來英先生

獨立非執行董事

陳晨光先生

陳智光先生

高賢偉先生

宋得榮先生

公司秘書

廖金龍先生 (*CPA, HKICS and ICSA*)

監察主任

李桂聰先生

授權代表

李桂聰先生

廖金龍先生

審核委員會

陳晨光先生(*主席*)

陳智光先生

高賢偉先生

宋得榮先生

薪酬委員會

陳晨光先生(*主席*)

陳智光先生

高賢偉先生

宋得榮先生

提名委員會

陳晨光先生(*主席*)

陳智光先生

高賢偉先生

宋得榮先生



Corporate Information (Continued)

公司資料(續)

Auditor

Graham H.Y. Chan & Co.
Certified Public Accountants (Practising)

Legal Adviser

Fred Kan & Co.

Compliance Advisor

Ample Capital Limited

Registered Office

Clifton House, 75 Fort Street, P.O. Box 1350
Grand Cayman KY1-1108, Cayman Islands

Headquarter and Principal Place of Business

Unit 508–509, 5th Floor, IC Development Centre
No. 6 Science Park West Avenue
Hong Kong Science Park, Pak Shek Kok
Shatin, New Territories
Hong Kong

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 609, Grand Cayman KY1-1107
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26/F Tesbury Centre, 28 Queen's Road East
Wanchai, Hong Kong

Stock Code

8242

Company Website

www.megalagic.com.hk

核數師

陳浩賢會計師事務所
執業會計師

法律顧問

簡家聰律師行

合規顧問

豐盛融資有限公司

註冊辦事處

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Grand Cayman KY1-1108, Cayman Islands

總辦事處及主要營業地點

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新界沙田
白石角香港科學園
科技大道西6號
集成電路開發中心5樓508–509室

主要股份過戶登記處及轉讓辦事處

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 609, Grand Cayman KY1-1107
Cayman Islands

香港股份過戶登記分處及轉讓辦事處

卓佳證券登記有限公司
香港灣仔
皇后大道東28號金鐘匯中心26樓

股份代號

8242

公司網站

www.megalagic.com.hk

Chairman's Statement

主席報告

On behalf of the board of directors (the "Board") of Megalogic Technology Holdings Limited (the "Company"), I am pleased to present the first annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 December 2011.

During the year 2011, the Group continued its strategies to adopt a light asset based, market-oriented, responsive business model, which focuses on research and development and be an one-stop integrated circuit ("IC") solution provider. The Group invests continuously in the research and development of new IC products and new IC models to broaden the Group's product range and bring innovation to the Group's customers. The Group has already launched 11 new IC models during the year 2011 and expects to complete another 10 new IC models by 30 June 2012.

The Company was successfully spun-off from Kith Holdings Limited (Stock Code: 1201) and listed on the Growth Enterprise Market of the Stock Exchange on 19 January 2012 ("Listing"). The separate listing of the Company enhances the operational and financial transparency of the Group, allows the Group to broaden its shareholder bases and to improve capital allocation, and provides fund raising platform to the Group to support its future business development. Besides, the Group is able to offer an equity based incentive program (such as a stock option or share award scheme) to its employees that correlates directly to the performance of the Group and is thus in a better position to motivate its employees with incentive programs that closely align with the objective of value creation for its shareholders.

In the longer term, the Listing has also laid a foundation for the Group to develop alliance with its customers or other operators in the market who share the same business objective and may provide synergies to the Group in order to become one of the major IC solution providers in Asia.

The Group would like to share more details of the Group's performance, financial position and other information in the year 2011 with shareholders in the following section of management discussion and analysis.

本人代表宏創高科集團有限公司(「本公司」)董事會(「董事會」)欣然呈報本公司及其附屬公司(統稱「本集團」)截至2011年12月31日止財政年度的首份年報。

在2011年內，本集團繼續採取其一個輕型資產、市場導向及反應迅速而集中於研究與開發的業務模式及為一個一站式集成電路解決方案供應商的策略。本集團持續投資於研發新的集成電路產品及新的集成電路型號，以擴闊本集團的產品種類及為本集團客戶帶來創新。本集團已於2011年內推出11款新集成電路型號，並預期另有10款新集成電路型號將於2012年6月30日前完成。

本公司成功自僑威集團有限公司(股份代號：1201)分拆，並於2012年1月19日於聯交所創業板上市(「上市」)。本集團獨立上市可提高本集團之經營及財務之透明度，供本集團擴大股東基礎及改善資本分配，並為本集團的未來業務發展提供一個融資平台。此外，本集團能提供與本集團表現直接掛鉤之股本獎勵計劃(如購股權或股份獎勵計劃)予其僱員，並能更好地以獎勵計劃激勵僱員，緊貼為其股東創造價值之目標。

長遠而言，本公司上市亦奠定了基礎，使本公司得以透過業務與本集團產生協同效應及和本集團一樣業務目標的客戶或其他經營者合作，致力成為亞洲區其中一名主要集成電路解決方案供應商。

本集團於下文的管理層討論及分析，將向股東提供更多有關本集團於2011年的業績、財務狀況及其他資料。



Chairman's Statement (*Continued*)

主席報告(續)

On behalf of the Board, I wish to express my sincere thanks to our management team, employees and business partners for their continuous dedication and commitment to the Group. Finally, I would like to express my gratitude to the Group's shareholders and investors for their continuous support and trust towards the Group.

本人謹代表本集團董事會感謝管理層隊伍、僱員及業務夥伴一直以來對本集團的熱誠及承諾。最後，本人謹此對股東及投資者對本集團不斷支持及信任致以衷心謝意。

Mr. Hui King Chun

Chairman

Hong Kong, 23 March 2012

許經振先生

主席

香港，2012年3月23日

Management Discussion and Analysis

管理層討論及分析

During the financial year ended 31 December 2011, the Group is a fabless semiconductor company specializing in provision of IC solutions and is engaged in design, development and sales of ICs. The Group sells IC under its own brand name “MiniLogic” and provides application specific IC service (“ASIC Service”) in design and development of tailor-made IC to its customers. The Group has no production facility of its own, and outsources the production process to specialist semiconductor subcontractors. The Group provides tailor-made IC solutions and sells tailor-made ICs to customers under the ASIC Service business segment (the “ASIC Segment”); and independently develops and sells generically-applicable ICs for sale in the market under the MiniLogic Brand IC business segment (the “Standard IC Segment”).

Business Review

During the year 2011, the Group's R&D teams completed and launched 11 new IC models as follows:

於截至2011年12月31日止財政年度，本集團乃一間無晶圓廠半導體公司，專門提供集成電路的解決方案，並從事集成電路的設計、開發及銷售。本集團以「MiniLogic」的品牌銷售集成電路並向其客戶提供設計和開發度身訂造集成電路的特定用途集成電路服務（「ASIC服務」）。本集團並無擁有生產設備，並將生產程序外判予專業半導體分包商。本集團提供度身訂造的集成電路解決方案以及向ASIC服務業務分部的客戶銷售度身訂造的集成電路（「ASIC分部」）；另外，在MiniLogic品牌集成電路業務分部獨立開發及銷售普遍適用的集成電路以在市場銷售（「標準集成電路分部」）。

業務回顧

於2011年度內，本集團研發團隊完成並推出的11款新集成電路型號如下：

Segment 分部	Product Name 產品名稱	Period of development 開發期	Period of sale 銷售期
1 ASIC Segment ASIC分部	MP1016 Miniaturized Single Time Electronic Cigarette IC MP1016 一次性電子煙集成電路（縮小版）	November 2010 to January 2011 2010年11月至2011年1月	January 2011 to present 2011年1月至今
2 ASIC Segment ASIC分部	MP1003 Wireless Charging Electronic Cigarette IC MP1003無線充電式電子煙集成電路	October 2010 to July 2011 2010年10月至2011年7月	July 2011 to present 2011年7月至今
3 ASIC Segment ASIC分部	ML910 Dual Cell DVD Player Power Management Unit IC ML910 DVD播放器鋰電池充電及供電集成電路	December 2009 to July 2011 2009年12月至2011年7月	July 2011 to present 2011年7月至今
4 ASIC Segment ASIC分部	ML912 Class D Audio Amplifier for DVD Player IC ML912 D類功率放大器集成電路	December 2009 to July 2011 2009年12月至2011年7月	July 2011 to present 2011年7月至今

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Segment 分部	Product Name 產品名稱	Period of development 開發期	Period of sale 銷售期
5 ASIC Segment	Ai1003M CCD Vertical Clock Driver IC	October 2010 to July 2011	July 2011 to present
ASIC分部	Ai1003M CCD垂直時鐘驅動器 集成電路	2010年10月至 2011年7月	2011年7月至今
6 ASIC Segment	MP1104 LED Backlight Driver IC	March 2011 to August 2011	August 2011 to present
ASIC分部	MP1104 LED背光驅動器集成電路	2011年3月至 2011年8月	2011年8月至今
7 ASIC Segment	MP1006 Miniaturized Rechargeable Electronic Cigarette IC	May 2010 to September 2011	September 2011 to present
ASIC分部	MP1006充電式電子煙集成電路 (縮小版)	2010年5月至 2011年9月	2011年9月至今
8 ASIC Segment	AL6002 6 Channel Audio Pre-Amplifier IC	November 2010 to September 2011	September 2011 to present
ASIC分部	AL6002六頻道音頻前置放大器 集成電路	2010年11月至 2011年9月	2011年9月至今
9 ASIC Segment	AL3200 Single Cell DVD Player Management Unit IC	July 2009 to November 2011	November 2011 to present
ASIC分部	AL3200單電池DVD播放器電源管理 集成電路	2009年7月至 2011年11月	2011年11月至今
10 Standard IC Segment	ML3406 Synchronous Step-Down DC-DC Controller IC	November 2010 to November 2011	November 2011 to present
標準集成電路分部	ML3406同部降壓DC/DC控制器 集成電路	2010年11月至 2011年11月	2011年11月至今
11 ASIC Segment	AL2002 2-channel Audio Pre-amplifier IC	August 2011 to November 2011	November 2011 to present
ASIC分部	AL2002雙通道音頻前置放大器 集成電路	2011年8月至 2011年11月	2011年11月至今

The Directors believe that developing IC products with suitable technology that appeal to the market is the key to the Group's long-term success. Hence, developing new IC products and expanding the range of the Group's products as well as broadening the customer base are essential for growth of the Group's IC solutions and design, development and sales of ICs business.

董事相信，開發配備合適技術及受市場歡迎的集成電路產品為本集團取得長期成功的關鍵因素。因此，開發新集成電路產品和增加本集團產品的種類以及擴闊客戶基礎對發展本集團集成電路解決方案及設計、開發及銷售集成電路的業務相當重要。

Management Discussion and Analysis (*Continued*)

管理層討論及分析(續)

ASIC Segment

Under the ASIC Segment, the major IC products are Electronic Cigarette ICs, CCD Surveillance System ICs and DVD Player ICs. The Group recorded a remarkable growth in the year 2010 for the ASIC Segment, which went into a natural process in market adjustment in the year 2011. Although 10 new IC models were launched in the year 2011, the increase in revenue for the new model ICs was not sufficient to offset the decrease in revenue for the older model ICs. The overall revenue of the ASIC Segment for the year 2011 dropped by 20% to HK\$43.7 million (2010: HK\$54.4 million).

Standard IC Segment

Under the Standard IC Segment, the major IC products are Power Management ICs, LCD Driver ICs for instrument panel and LED Lighting Driver ICs. One new model IC was launched in the year 2011 to enrich the product range. With persistent marketing effort, the Group expanded its sales network and received more demand in the year 2011 for the Standard IC Segment. The overall revenue of the Standard IC Segment for the year 2011 increased by 33% to HK\$15.4 million (2010: HK\$11.6 million).

ASIC 分部

ASIC 分部之主要產品為電子煙集成電路、CCD 監察系統集成電路及DVD播放器集成電路。本集團的ASIC分部於2010年度錄得明顯增長，惟於2011年度進入市場調整的必經階段。雖然於2011年度推出了10款新集成電路型號，但是新集成電路型號的需求增加不足以抵銷較舊集成電路型號的需求減少。ASIC分部之整體收入於2011年度下降達20%至43.7百萬港元(2010：54.4百萬港元)。

標準集成電路分部

標準集成電路分部之主要產品為電源管理集成電路、供儀器板使用的LCD驅動器集成電路及LED燈光驅動器集成電路。於2011年度，推出了1款新集成電路型號以豐富產品行列。本集團於2011年度透過持續市場努力擴展了標準集成電路分部的銷售網絡並取得較多需求。標準集成電路分部之整體收入於2011年度上升了33%至15.4百萬港元(2010：11.6百萬港元)。



Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Summary of Consolidated Financial Information

The following is a summary of the published results, assets and liabilities of the Group for the last three financial years, as extracted from the audited financial statements and restated/reclassified as appropriate. This summary does not form part of the audited financial statements.

綜合財務資料概要

以下為本集團按審核財務報表及其恰當重述／重新歸類所載編製之過去三個財政年度已刊發業績、資產及負債概要。本概要並不構成審核財務報表的部份。

		Year ended 31 December 截至12月31日止年度		
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Revenue	收入	59,134	66,066	25,362
Profit after income tax	除所得稅後溢利	10,796	15,943	369
Basic earnings per share (HK cents)	每股基本盈利(港仙)	7.2	10.6	0.2
		As at 31 December 於12月31日		
		2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Total assets	總資產	46,604	33,457	11,142
Total liabilities	總負債	3,293	10,942	4,742
Net assets	資產淨值	43,311	22,515	6,400

Financial Review

The Group recorded a total revenue of approximately HK\$59.1 million for the year 2011 (2010: approximately HK\$66.1 million), representing a decrease of approximately 10% as compared with that of the year 2010. On top of the reasons stated above, the increased competition in the IC industry and the debt crisis in Europe had an impact on the demand for the Group's products and on the drop in overall revenue of the Group for the year 2011.

財務回顧

本集團於2011年度錄得總收益約59.1百萬港元(2010: 約66.1百萬港元)，與2010年同期比較減少約10%。除上述所說明原因外，集成電器行業競爭加劇以及歐洲債務危機影響本集團產品的需求，並令本集團於2011年度的整體收益下降。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Cost of sales and gross profit

Cost of sales of the Group decreased by 7% from approximately HK\$39.3 million for the year 2010 to approximately HK\$36.6 million for the year 2011.

The overall gross profit of the Group decreased from approximately HK\$26.8 million in the year 2010 to approximately HK\$22.6 million in the year 2011, representing a decrease of 16%. The gross profit of the ASIC Segment declined by approximately HK\$5.3 million to approximately HK\$18.3 million in the year 2011 (2010: approximately HK\$23.6 million), and gross profit margin of ASIC Segment was 42%, representing a slightly drop of 1% from that of the year 2010, primarily due to a decrease in sales of higher margin IC products in the relevant segment. The gross profit of the Standard IC Segment increased by approximately HK\$1.0 million to approximately HK\$4.3 million in the year 2011 (2010: approximately HK\$3.3 million), and the gross profit margin of Standard IC Segment was 28%, same as that of the year 2010.

Expenses

Staff costs for the year 2011 increased by approximately HK\$1.1 million, which was mainly due to the increase in headcount and general pay level to cope with the need of business development and listing.

Depreciation for the year 2011 increased by approximately HK\$0.2 million, primarily due to the increase in purchase of instruments for production of new IC products.

Other operating expenses for the year 2011 were approximately HK\$3.2 million (2010: approximately HK\$2.1 million), representing an increase of approximately HK\$1.1 million from that of the previous year, primarily attributable to the increase in professional fee for patent application and handling as well as the increase in license fee and royalty expenses for the use of intellectual properties.

Profit attributable to owners of the Company

The profit attributable to owners of the Company decreased by approximately 32% from approximately HK\$15.9 million for the year 2010 to approximately HK\$10.8 million for the year 2011.

銷售成本及毛利

本集團的銷售成本由2010年度約39.3百萬港元下降7%至2011年度約36.6百萬港元。

本集團的整體毛利由2010年度約26.8百萬港元下調至2011年度約22.6百萬港元，跌幅為16%。ASIC分部毛利減少約5.3百萬港元至約18.3百萬港元(2010：約23.6百萬港元)，而ASIC分部的毛利率為42%，較2010年度微跌1%，乃主要由於較高毛利率的集成電路產品銷售下跌。標準集成電路分部毛利上升約1.0百萬港元至約4.3百萬港元(2010：約3.3百萬港元)，而標準集成電路分部的毛利率為28%，與2010年度相同。

開支

員工成本於2011年度增加約1.1百萬港元，乃主要由於人數及薪金整體上升以達致業務發展及上市所需。

折舊開支於2011年度增加約0.2百萬港元，乃主要由於增加購買工具用作生產新集成電路產品。

其他經營開支於2011年度為約3.2百萬港元(2010：約2.1百萬港元)，較上一個年度增加約1.1百萬港元，乃主要由於專利申請及手續費導致專業費用增加，以及在知識產權使用上，授權費及特許權開支上升。

本公司擁有人應佔溢利

本公司擁有人應佔溢利由2010年度約15.9百萬港元減少32%至2011年度約10.8百萬港元。



Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Liquidity, Financial Resources and Capital Structure

The Group generally financed its daily operations from internally generated cash flows. As at 31 December 2011, the Group had bank and cash balances of approximately HK\$7.6 million (2010: approximately HK\$6 million) and did not have any borrowings, banking facilities or any loan arrangement containing any covenant. The gearing ratio calculated as the ratio of total interest-bearing debt to total assets was 11.9% as at 31 December 2010 (31 December 2011: nil). Taking into account the cash reserves, the net proceeds from placing upon Listing and recurring cash flows from its core business, the Group's financial position is healthy, positioning the Group advantageously to expand its core business and to achieve its business objectives.

Charges on Assets

As at 31 December 2011, the Group did not have any charges on its assets.

Foreign Exchange Exposure

The Group's transactions are mainly denominated in United States dollars, Hong Kong dollars and Renminbi. Therefore, the Group is exposed to foreign currency exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out by the management and the management will consider hedging against foreign exchange exposure risk if it is significant to the Group.

Contingent Liabilities and Capital Commitment

As at 31 December 2011, 6 employees of the Group have completed the required number of years of service under the Employment Ordinance (Cap.57, Laws of Hong Kong) (the "Employment Ordinance"), to be eligible for long service payments on termination of their employment. The Group is liable to make such payments where the termination meets the circumstances specified in the Employment Ordinance. These circumstances include (i) dismissal by reasons other than serious misconduct; (ii) being certified as permanently unfit for the present job and that the relevant employee resigns; (iii) resignation when the relevant employee is aged 65 or above; and (iv) death of the relevant employee in service. If the termination of all such employees met the circumstances set out in the Employment Ordinance, the Group's liability as at 31 December 2011 would have been approximately HK\$141,000. No provision has been made for these amounts in the consolidated financial statements as the Directors are of the view that these amounts are not expected to crystallize in the foreseeable future.

流動資金、財務資源及資本架構

本集團一般以內部產生的現金流量為其日常業務提供資金。於2011年12月31日，本集團的銀行及現金結餘約為7.6百萬港元（2010年：約6百萬港元）及並無任何借款、銀行融資或載有任何契諾的任何貸款安排。於2010年12月31日，本集團的資產負債比率（即總計息債務對總資產的比率）為11.9%（2011年12月31日：無）。經考慮現金儲備、上市時配售所得款項淨額及來自其核心業務的經常性現金流量，本集團的財務狀況健全，讓本集團具備有利條件可擴充其核心業務並達成其業務目標。

資產抵押

於2011年12月31日，本集團並無任何資產抵押。

外匯風險

本集團的交易主要以美元、港元及人民幣計值。因此，本集團承受外匯風險。本集團現時並無實行任何外幣對沖政策。然而，管理層持續監察所承受的外匯風險，並將於外匯風險對本集團有重大影響時進行對沖。

或然負債及資本承擔

於2011年12月31日，根據香港僱傭條例（「僱傭條例」）（法例第57章）本集團之6名僱員已完成其所須的服務年期，並合資格在終止僱傭後獲得長期服務金。倘終止符合僱傭條例指定的情況，本集團便有責任作出該等付款。該等情況包括(i)因嚴重不當行為以外之理由被免職；(ii)證實為永久不適合現時的崗位及相關的僱員辭職；(iii)相關僱員於65歲或以上時辭職；及(iv)相關僱員於服務期間離世。倘全部該等僱員終止服務的情況均符合僱傭條例所載列者，本集團於2011年12月31日之負債約為141,000港元。因董事認為該筆金額預期不會於近期實現，故於合併財務報表內並無為該等金額作出撥備。

Management Discussion and Analysis (*Continued*)

管理層討論及分析(續)

Saved as disclosed above, the Group had no contingent liabilities or capital commitment as at 31 December 2011.

Significant Investments held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

Save for those disclosed in this report, there were no significant investments held by the Group as at 31 December 2011, nor were there material acquisitions and disposals of subsidiaries by the Group during the year. There is no plan for material investments or capital assets as at the date of this report.

Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011.

Employees and Remuneration Policies

The Group had approximately 15 (2010: 12) employees as at 31 December 2011. The total staff costs for the year 2011, including directors' remuneration, amounted to approximately HK\$4.8 million (2010: approximately HK\$3.6 million). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee.

We recognize the importance of a good relationship with our employees. The remuneration payable to our employees includes salaries and allowances. Other benefits include training and discretionary bonus.

除以上所披露者外，本集團於2011年12月31日概無或然負債或資本承擔。

所持重大投資、附屬公司的重大收購及出售以及未來重大投資或資本資產計劃

除本報告所披露者外，於2011年12月31日本集團並無持有重大投資，年內亦無附屬公司的重大收購及出售。於本報告日期，本集團並無有關重大投資或資本資產的具體計劃。

股息

董事不建議就截至2011年12月31日止年度派付末期股息。

僱員及薪酬政策

於2011年12月31日，本集團約有15名(2010年：12名)僱員，2011年度的總員工成本(包括董事酬金)為約4.8百萬港元(2010年：約3.6百萬港元)。本集團的薪酬政策符合現行市場慣例，並根據個別僱員的表現、資歷及經驗而釐定。

我們明白與僱員建立良好關係的重要性。應付僱員的薪酬包括薪金及津貼。其他福利包括培訓及酌情花紅。



Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the Company's prospectus dated 30 December 2011 ("Prospectus") for the period from 23 December 2011, being the latest practicable date as defined in the Prospectus ("LPD") to 30 June 2012 (the "Review Period") with the Group's actual business progress up to 31 December 2011 is set out as follows:

Business Objective for the Review Period	Actual Business Progress up to 31 December 2011
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Enhancing product development by diversifying into new IC products and improving existing IC products

Develop and launch new MiniLogic Brand IC models	5 new MiniLogic Brand IC models under development, including MP1110 24V LED Backlight Driver with dimming control IC which was sold to ASIC customer with its development work in progress during the Review Period
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Develop and launch new ASIC products	5 new ASIC products under development
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Improve and launch modified existing IC models	1 modified existing IC model under improvement
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Strengthening R&D capabilities by establishing a research and development centre and sales office in Suzhou, the PRC

Establish Suzhou office	Not yet commenced
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Recruit new employees with engineering expertise	Not yet commenced
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Provide supporting services to Hong Kong R&D team	Not yet commenced
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業務目標與實際業務進展的比較

本公司的2011年12月30日招股章程(「招股章程」)所載2011年12月23日(即招股章程所界定的最後實際可行日期(「最後可行日期」)至2012年6月30日期間(「審閱期」)的業務目標與本集團截至2011年12月31日止的實際業務進展的比較分析載列如下:

審閱期的業務目標	截至2011年12月31日止的實際業務進展
----------	-----------------------

以多元化策略開發新集成電路產品及改良現有集成電路型號以加強產品開發

開發及推出新MiniLogic品牌集成電路型號	5款新MiniLogic品牌集成電路型號正在開發中, 包括MP1110 24V具有調光暗控制功能的LED背光驅動器集成電路於審閱期內已售予ASIC客戶繼續其開發工作
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開發及推出新ASIC產品	5款新ASIC產品正在開發中
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改良及推出改良現有集成電路型號	1款改良現有集成電路型號正在改良中
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透過於中國蘇州設立研究及開發中心及銷售辦事處加強研發能力

設立蘇州辦事處	尚未展開
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招聘具備工程專業知識的新僱員	尚未展開
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支援香港的研發團隊	尚未展開
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Management Discussion and Analysis (*Continued*)

管理層討論及分析(續)

Expanding the customer base and sales network in the PRC

Formulate an marketing plan to promote the Group's IC products and ASIC service

Not yet commenced

Recruit new sales and marketing staff

Not yet commenced

Explore and develop new sales and marketing network in Suzhou region

Not yet commenced

擴闊中國的客戶基礎及銷售網絡

擬定市場推廣計劃以推廣本集團集成電路產品及ASIC服務

尚未展開

招聘新銷售及市場推廣員工

尚未展開

發掘及發展蘇州地區新的銷售及營銷網絡

尚未展開

Use of Proceeds

The net proceeds from the issue of new shares of the Company under the placing as set out in the Prospectus were approximately HK\$24.3 million, which was different from the estimated net proceeds of approximately HK\$33.8 million (estimated on the assumption that the placing price would be the mid-point of the price range as stated in the Prospectus). We intend to adjust the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, and approximately HK\$11.9 million, HK\$10.7 million, HK\$1.6 million and HK\$0.1 million were adjusted for i) enhancing product development by diversifying into new IC products and improving existing IC products, ii) establishing a research and development centre and sales office in Suzhou, the PRC, iii) expanding PRC customer base and sales network, and iv) working capital of the Group respectively. As at the date of this report, we do not anticipate any change to the plan. During the period from the LPD to 31 December 2011, there was no usage made out of the net proceeds from the Listing. Since Listing, the unused net proceeds have been placed as interest bearing deposits with licensed bank in Hong Kong.

所得款項用途

根據招股章程所載的配售而發行本公司新股籌得的所得款項淨額約為24.3百萬港元，有別於估計所得款項淨額約33.8百萬港元（按配售價將為招股章程所述指定範圍的中間價的假設而作出估計）。我們擬以招股章程所列示的相同方式及相同比例調整所得款項用途，以及分別就本集團i)以多元化策略開發新集成電路產品及改良現有集成電路型號以加強產品開發、ii)透過於中國蘇州設立研究及開發中心及銷售辦事處加強研發能力、iii)擴闊中國的客戶基礎及銷售網絡、及iv)營運資金作出約11.9百萬港元、10.7百萬港元、1.6百萬港元及0.1百萬港元之分配。於本報告日期，本集團並不預期該計劃將有任何改變。於最後可行日期至2011年12月31日期間，本集團並無動用上市籌得的所得款項淨額。自上市後，未動用的所得款項淨額已存放於香港持牌銀行作計息存款。

Management Discussion and Analysis (*Continued*)

管理層討論及分析(續)

Outlook

The Group was listed on the GEM of the Stock Exchange on 19 January 2012 (“Listing Date”). The funds raised from the listing have helped lay a solid foundation for the future development of the Group.

We are cognizant of the uncertainty of the global economy. The Group is optimistic and cautiously confident that the economy will show slow growth momentum over the coming year. Nevertheless, the profit margin of the Group's IC products may be pressurized due to the anticipated increasing competition in the IC industry. The Group will focus its future development on IC products for “green energy” devices. One example is LED Lighting Driver ICs for energy saving lighting appliances. Other than LED Lighting Driver ICs, the Group will continue to explore other potential green energy products. Besides the green energy products, the Group will explore other new ASIC products that will be demanded by its existing and new customers in order to expand its product and customer base.

Looking forward, the Group will remain committed to the development of our core business. Apart from enhancing product development and strengthening R&D capabilities, the Group aims to expand its customer base and sales network in the PRC. We would actively make substantial progress to enhance growth and strive for potential business opportunities to synergize with our existing businesses and products.

前景

本集團於2012年1月19日於聯交所創業板上市(「上市日期」)。上市籌集的資金已令本集團的根基更加穩固，為本集團的未來發展鋪路。

我們明白全球經濟不明朗。本集團對來年經濟緩慢增長審慎樂觀。惟預期集成電路行業競爭加劇，本集團集成電路產品的利潤率可能受壓。本集團將集中開發綠色能源裝置的集成電路產品。其中一個例子為節省能源燈光設備的LED燈光驅動器集成電路。除了LED燈光驅動器集成電路，本集團將繼續開發其他潛在綠色能源產品。除了綠色能源產品，本集團將開發其他其現有及新客戶所需的新ASIC產品以擴闊其產品及客戶基礎。

展望未來，本集團將繼續努力發展核心業務。除加強產品開發以及加強研發能力外，本集團有意擴闊其於中國的客戶基礎及銷售網絡。我們將積極邁步向前，以加快增長，及爭取潛在與現有的業務和產品產生協同效益的商機。

Corporate Governance Report

企業管治報告

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 December 2011. This report highlights the key corporate governance practices of the Company.

Corporate Governance Practices

The Group is committed to uphold high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial for the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of shareholders of the Company.

The Company adopted the provision of Appendix 15 Code on Corporate Governance Practices of the GEM Listing Rules as its own code (the “CG Code”) effective from 19 January 2012 (the “Listing Date”) upon the listing of the Company and had complied with the CG Code since then and up to the date of this report.

Directors Securities Transactions

The Company adopted a code of conduct regarding securities transactions by Directors (the “Model Code”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules effective from 19 January 2012 upon the listing of the Company. On specific enquiry made, all the Directors have confirmed compliance with the Model Code since its effective date up to the date of this report.

根據創業板上市規則第18.44條，董事會欣然呈報截至2011年12月31日止年度的企業管治報告。本報告羅列本公司的主要企業管治常規。

企業管治常規

本集團致力維持高水平的企業管治。董事會認為，加強公眾問責性及企業管治有利於本集團的穩健增長，提升客戶及供應商信心，並保障本公司股東的利益。

本公司由2012年1月19日（「上市日期」）本公司上市起採納創業板上市規則附錄十五企業管治常規守則的條文作為其本身的守則（「企業管治守則」），自此直至本報告日期，本公司一直遵守企業管治守則。

董事的證券交易

本公司由2012年1月19日本公司上市起採納一套有關董事進行證券交易之行為守則（「標準守則」），條款不寬鬆於創業板上市規則第5.48至5.67條所載的交易必守標準。經向所有董事作出特定查詢後，他們已確認自標準守則生效日期起至本報告日期一直遵守標準守則。



Corporate Governance Report (Continued)

企業管治報告(續)

Board of Directors

The Board is currently composed of eight Directors, one being non-executive Director, three being executive Directors and four being independent non-executive Directors as set out below.

Non-executive Director

Mr. Hui King Chun (*Chairman*)

Executive Directors

Mr. Li Kwei Chung (*Chief Executive Officer*)

Mr. Liu Kam Lung

Mr. Liu Loi Ying

Independent Non-executive Directors

Mr. Chan Sun Kwong

Mr. Chan Chi Kwong Dickson

Mr. Ko Yin Wai

Mr. Sung Tak Wing Leo

The profiles of the Directors are set out in the section “Profiles of Directors and Senior Management” of this report.

As identified above, the roles of Board chairman and chief executive officer are segregated and exercised by different individuals in accordance with the CG Code. The chairman leads the Board and provides advices to the Group in respect of the overall strategic management and development of corporate policy and strategy of the Group. The chief executive officer executes strategies set by the Board and assumes daily operations, research and development activities, procurement and quality control of the Group and reports back to the Board on a regular basis. The functions of the independent non-executive Directors are primarily to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts at board meetings.

董事會

董事會現由八名董事組成，其中一名為非執行董事、三名為執行董事及四名獨立非執行董事，詳情載列如下。

非執行董事

許經振先生(主席)

執行董事

李桂聰先生(行政總裁)

廖金龍先生

廖來英先生

獨立非執行董事

陳晨光先生

陳智光先生

高賢偉先生

宋得榮先生

董事的履歷詳情載於本年報「董事及高級管理人員的履歷」一節。

如上文所示，依照企業管治守則，董事會主席與行政總裁的角色分開，並由不同人士擔任。主席領導董事會及就本集團整體策略性管理及企業政策與策略的發展向本集團提供意見。行政總裁執行董事會訂立的策略，負責本集團日常運作、研發活動、採購及質量監控，並定期向董事會報告。獨立非執行董事的職能主要為於董事會會議上就策略、政策、表現、問責性、資源、主要委任及操守標準事宜作出獨立判斷。

Corporate Governance Report (Continued)

企業管治報告(續)

Appointment and Re-election of Directors

All the Directors, including independent non-executive Directors, are appointed for an initial term of one year and subject to retirement by rotation and eligible for re-election in accordance with the Company's articles of association. At each annual general meeting, not less than one third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

Confirmation of Independence

Each of the independent non-executive Directors has made an annual confirmation of independence by reference to Rule 5.09 of the GEM Listing Rules and the Company considers that all the independent non-executive Directors were independent during the year.

Board Meetings Held and Attendance

The Company adopted the CG Code effective from the Listing Date which requires regular meeting of the Board be held at least four times a year at approximately quarterly intervals. The CG Code was not applicable for the year and accordingly no statistics on meetings held and attendance in respect of the year are provided in this report. Two meetings of the Board were held after the Listing Date.

董事委任及重選

所有董事(包括獨立非執行董事)的初步任期為一年,並須根據本公司章程細則輪值退任及符合資格重選。於各股東週年大會上,不少於三分之一當時在任的董事須退任,而每名董事須最少每三年輪值退任一次。

確認獨立性

各獨立非執行董事已根據創業板上市規則第5.09條作出年度獨立性確認,本公司認為所有獨立非執行董事於本年度均為獨立人士。

已舉行的董事會會議及出席情況

本公司由上市日期起採納企業管治守則,規定董事會須每年最少舉行四次定期會議,大約每季舉行一次。企業管治守則並不適用於本年度,故本報告並無提供本年度已舉行會議及出席情況的數據。董事會於上市日期後舉行兩次會議。



Corporate Governance Report (Continued)

企業管治報告(續)

Audit Committee

The Company established an audit committee ("Audit Committee") on 23 December 2011 with written terms of reference that are in conformity of the requirements of the CG Code. The Audit Committee is currently composed of the four independent non-executive Directors, namely Mr. Chan Sun Kwong, Mr. Chan Chi Kwong Dickson, Mr. Ko Yin Wai and Mr. Sung Tak Wing Leo, and chaired by Mr. Chan Sun Kwong, who has appropriate professional qualifications and experience as required by the GEM Listing Rules. The primary duties of the Audit Committee include the following:

- (a) monitor and ensure a proper relationship with the Company's auditor;
- (b) review of the Group's quarterly, interim and annual reports and compliance with accounting standards, the GEM Listing Rules, and legal requirements before submission to the Board; and
- (c) oversight of the Company's financial reporting process and internal control system.

The Audit Committee has reviewed the audited financial statements of the Group for the year and recommended approval to the Board.

The Audit Committee did not come into effect until the Listing Date and accordingly no meetings had been held during the year. One meeting of the Audit Committee was held after the Listing Date to review the final results and financial statements of the Group for the year, and the 2011 Annual Report of the Company.

審核委員會

本公司於2011年12月23日設立審核委員會(「審核委員會」)，並已制定符合企業管治守則規定的書面職權範圍。審核委員會現由四名獨立非執行董事組成，包括陳晨光先生、陳智光先生、高賢偉先生及宋得榮先生，並由陳晨光先生擔任主席，他具備創業板上市規則規定的適當專業資格及經驗。審核委員會的主要職責包括以下各項：

- (a) 監察並確保與本公司核數師的關係恰當；
- (b) 於提交董事會前審閱本集團的季度、中期及年度報告，以及遵守會計準則、創業板上市規則及法律規定的情況；及
- (c) 監督本公司的財務申報程序及內部監控系統。

審核委員會已審閱本集團的本年度經審核財務報表，並推薦董事會批准。

審核委員會於上市日期前尚未成立，故於本年度並無舉行任何會議。審核委員會於上市日期後舉行一次會議，以審閱本年度的末期業績及財務報表，以及本公司2011年年報。

Corporate Governance Report (Continued)

企業管治報告(續)

Remuneration Committee

The Company established a remuneration committee ("Remuneration Committee") on 23 December 2011 with written terms of reference effective from the Listing Date. The Remuneration Committee is currently composed of the four independent non-executive Directors, namely Mr. Chan Sun Kwong, Mr. Chan Chi Kwong Dickson, Mr. Ko Yin Wai and Mr. Sung Tak Wing Leo, and chaired by Mr. Chan Sun Kwong. The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and to make recommendations to the Board on the Group's policy and structure for all remuneration of the Directors and senior management. The terms of reference of the Remuneration Committee are in conformity with the requirements of the CG Code.

The Remuneration Committee did not hold any meeting during the year before the Company was listed. One meeting of the Remuneration Committee was held after the Listing Date.

Nomination Committee

The Company established a nomination committee ("Nomination Committee") on 23 December 2011 with written terms of reference effective from the Listing Date. The Nomination Committee is currently composed of the four independent non-executive Directors, namely Mr. Chan Sun Kwong, Mr. Chan Chi Kwong Dickson, Mr. Ko Yin Wai and Mr. Sung Tak Wing Leo, and chaired by Mr. Chan Sun Kwong. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and succession planning for the Directors. The terms of reference of the Nomination Committee are in conformity with the requirements of the CG Code.

The Nomination Committee did not hold any meeting during the year before the Company was listed. One meeting of the Remuneration Committee was held after the Listing Date.

薪酬委員會

本公司於2011年12月23日設立薪酬委員會(「薪酬委員會」)，並已制定書面職權範圍，由上市日期起生效。薪酬委員會現由四名獨立非執行董事組成，包括陳晨光先生、陳智光先生、高賢偉先生及宋得榮先生，並由陳晨光先生擔任主席。薪酬委員會的主要職責為審閱及釐定薪酬組合條款、花紅及其他應付董事及高級管理人員的報酬，並就本集團有關董事及高級管理人員的所有薪酬的政策及架構向董事會提供推薦建議。薪酬委員會的職權範圍符合企業管治守則的規定。

薪酬委員會於本年度在本公司上市前並無舉行任何會議。薪酬委員會於上市日期後舉行一次會議。

提名委員會

本公司於2011年12月23日設立提名委員會(「提名委員會」)，並已制定書面職權範圍，由上市日期起生效。提名委員會現由四名獨立非執行董事組成，包括陳晨光先生、陳智光先生、高賢偉先生及宋得榮先生，並由陳晨光先生擔任主席。提名委員會的主要職責為就委任董事及董事繼任計劃向董事會提供推薦建議。提名委員會的職權範圍符合企業管治守則的規定。

提名委員會於本年度在本公司上市前並無舉行任何會議。提名委員會於上市日期後舉行一次會議。



Corporate Governance Report (Continued)

企業管治報告(續)

Internal Control

The Board acknowledges that it is overall responsibility for maintaining an adequate and effective internal control system of the Group. The Group's internal control system includes a well defined management structure with limits of authority which is designed for the achievement of business objectives, to safeguard the Group's assets against unauthorized use and disposition, to ensure compliance with relevant legislation and regulations, and to protect the interests of shareholders of the Company.

With the view of enhancing the Group's internal control system, prior to listing, the Company has appointed KL CPA Limited, an independent internal control advisor, to assist the management in assessing the Group's internal control systems and recommending actions to improve our internal controls.

The Group's external auditor, Graham H.Y. Chan & Co., contributes an independent perspective on relevant internal controls arising from the audit and report findings to the Audit Committee.

Auditor's Remuneration

During the year, the Group was charged HK\$400,000 for auditing services and HK\$nil for non-auditing services by the Company's auditor, Graham H.Y. Chan & Co. The Group also paid to the Company's auditor, Graham H.Y. Chan & Co. of HK\$2,002,400 for listing service in the year.

Financial Reporting

The Directors acknowledge their responsibility for preparation of the Group's financial statements to give a true and fair view. The responsibilities of auditors in respect of the financial statements are set out in the reports of the auditors forming part of this Annual Report.

內部監控

董事會知悉其須全面負責維持本集團足夠而有效的內部監控系統。本集團的內部監控系統包括一個權限分明的管理架構以達成業務目標、保障本集團資產不會被未經授權使用及處置、確保遵守相關法例及法規，以及保障本公司股東的利益。

為提升本集團的內部監控系統，本公司已於上市前委任獨立內部監控顧問浩理會計師事務所有限公司協助管理層評核本集團的內部監控系統，以及建議應採取以加強我們的內部監控的行動。

本集團的外聘核數師陳浩賢會計師事務所對審核產生的相關內部監控得出獨立觀點，並向審核委員會報告結果。

核數師酬金

於本年度，本集團就本公司核數師陳浩賢會計師事務所提供的審核服務及非審核服務分別支付400,000港元及零港元。本集團於年內亦就上市服務向本公司核數師陳浩賢會計師事務所支付2,002,400港元。

財務申報

董事知悉他們須負責編製本集團的財務報表，以真實及公平地反映業務狀況。核數師有關財務報表的責任載於本年報的核數師報告內。

Profiles of Directors and Senior Management

董事及高級管理人員的履歷

Directors

Non-executive Director

Mr. Hui King Chun, aged 61, is the Chairman of the Company. He was appointed as a non-executive Director on 15 June 2011. Mr. Hui has been a director of one subsidiary of the Company, MiniLogic Device Corporation Limited, since February 2007 and is also a director of all of our subsidiaries. He provides advices to the Group in respect of the overall strategic management and development of corporate policy and strategy of the Group, without participating in the daily management of the Group. Mr. Hui is currently the chairman and an executive director of Kith Holdings Limited (Stock Code: 1201). He is the largest shareholder of Kith Holdings Limited. Mr. Hui has over 32 years of experience in management and manufacturing, including about 18 years of experience in printing and packaging industry.

Executive Directors

Mr. Li Kwei Chung, aged 42, is one of the founders of the Group, chief executive officer, engineering director and compliance officer of the Company. He was appointed as an executive Director on 15 June 2011. Mr. Li has been a director of one subsidiary of the Company, MiniLogic Device Corporation Limited, since September 2004 and is also a director of all of our subsidiaries. He is responsible for daily operations, research and development activities, procurement and quality control of the Group. Mr. Li obtained a bachelor's degree of Engineering and master's degree of Science in Engineering from the University of Hong Kong in 1992 and 1998 respectively. He has over 17 years of experience in the semiconductor field. Mr. Li was appointed as a member of the Information and Communication Technology R&D Centre Technology Review Panel of ASTRI for the years of 2011 and 2012. His responsibilities includes advising ASTRI on improving the quality of ASTRI's R&D projects in terms of technical merit as well as the commercialisation prospects and technology transfer potential of the projects and assisting in evaluating the effectiveness of funded projects in terms of assisting Hong Kong and Pearl River Delta based companies' to upgrade their technological competitiveness.

董事

非執行董事

許經振先生，61歲，為本公司的主席。他於2011年6月15日獲委任為非執行董事。許先生自2007年2月起為本公司一間附屬公司微創高科有限公司的董事，亦為我們各附屬公司的董事。他就本集團整體策略性管理及企業政策與策略的發展向本集團提供意見，不會參與本集團日常管理工作。許先生現時為僑威集團有限公司(股份代號：1201)的主席兼執行董事。他為僑威集團有限公司之最大股東。許先生於管理及製造方面積逾32年經驗，包括約18年印刷及包裝行業的經驗。

執行董事

李桂聰先生，42歲，為本集團創辦人之一，亦是本公司的首席執行官、工程總監兼合規主任。他於2011年6月15日獲委任為執行董事。李先生自2004年9月起為本公司一間附屬公司微創高科有限公司的董事，亦為我們各附屬公司的董事。他負責本集團日常運作、研發活動、採購及質量監控。李先生於1992年及1998年獲香港大學分別頒授工程學學士學位及工程科學碩士學位。他於半導體行業積逾17年經驗。李先生獲委任為香港應科院資訊及通訊技術研發中心技術評審委員會於2011及2012年度的成員。他負責向香港應科院提出意見，以改善香港應科院的研發項目於技術水平及商業化發展方面的質素及該等項目的技術轉讓潛力，以及協助評估受資助項目是否有效幫助以香港及珠江三角洲為基地的公司提升其於技術上的競爭力。

Profiles of Directors and Senior Management (*Continued*)

董事及高級管理人員的履歷(續)

Mr. Liu Kam Lung, aged 48, is a finance director and the company secretary of the Company. He was appointed as an executive Director on 31 March 2011. He joined the Group as a director of one subsidiary of the Company, MiniLogic Device Corporation Limited, in February 2011 and is also a director of all of our subsidiaries. Mr. Liu is responsible for accounting and finance management, investor relation as well as company secretarial matters of the Group. He has been a non-executive director of Kith Holdings Limited (Stock Code: 1201) since October 2010. Mr. Liu obtained a Diploma of Business Administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1990 and is currently an Associate of Hong Kong Institute of Certified Public Accountants, an Associate of The Institute of Chartered Secretaries and Administrators of the United Kingdom, an Associate of The Hong Kong Institute of Chartered Secretaries, a fellow of The Association of Chartered Certified Accountants, a full member of the Society of Registered Financial Planners and an Associate of the Taxation Institute of Hong Kong. He has over 21 years of experience in the financial industry.

Mr. Liu Loi Ying, aged 34, was appointed as an executive Director on 15 June 2011. He is a director of one subsidiary of the Company, Minilogic Investment Limited. Mr. Liu has been a R&D product manager and one of the team leaders in the R&D Department of one subsidiary of the Company, MiniLogic Device Corporation Limited, since joining the Group in July 2003. He is responsible for leading a team of engineers in R&D operations, and supporting sales and marketing activities. Mr. Liu obtained a bachelor's degree of Engineering in Computer Science and Computer Engineering and a master's degree of Science in IC Design Engineering from The Hong Kong University of Science and Technology in 2001 and 2005 respectively. He has been working in the semiconductor field for about 10 years.

廖金龍先生，48歲，為本公司的財務總監兼公司秘書。他於2011年3月31日獲委任為執行董事。廖先生於2011年2月加入本集團為本公司一間附屬公司微創高科有限公司的董事，亦為我們各附屬公司的董事。廖先生負責會計及財務管理、投資者關係及本集團的公司秘書事宜。他自2010年10月起出任僑威集團有限公司(股份代號：1201)的非執行董事。廖先生於1990年獲香港樹仁學院(現稱為香港樹仁大學)頒授工商管理文憑，現時為香港會計師公會會員、英國特許秘書及行政人員公會會員、香港特許秘書公會會員、特許公認會計師公會資深會員、註冊財務策劃師協會正式成員及香港稅務學會會員。他於金融業積逾21年經驗。

廖來英先生，34歲，於2011年6月15日獲委任為執行董事。亦為本公司一間附屬公司 Minilogic Investment Limited 的董事。廖先生自2003年7月起加入本集團為本公司一間附屬公司微創高科有限公司的研發產品經理及研發部內其中一名團隊領導。他負責帶領一支工程師團隊進行研發工作，以及支援銷售及營銷活動。廖先生於2001年及2005年獲香港科技大學分別頒授計算機科學及計算機工程學士學位及集成電路設計工程碩士學位。他於半導體行業工作約10年。

Profiles of Directors and Senior Management (*Continued*)

董事及高級管理人員的履歷(續)

Independent Non-executive Directors

Mr. Chan Sun Kwong, aged 45, was appointed as an independent non-executive Director on 23 December 2011. He is the company secretary of Powerwell Pacific Holdings Limited (Stock Code: 8265). Mr. Chan obtained a Diploma of Business Administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1990. He is currently a fellow of The Chartered Association of Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Chan has about 20 years of auditing, accounting and company secretarial experience. He is currently the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Chan Chi Kwong Dickson, aged 40, was appointed as an independent non-executive Director on 23 December 2011. He is currently a practising certified public accountant. Mr. Chan obtained a master's degree in corporate finance from the Hong Kong Polytechnic University in 2004. He is currently a fellow of Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Mr. Chan has been working in accounting field for about 13 years. He is currently a member of the Remuneration Committee, the Nomination Committee and the Audit Committee.

Mr. Ko Yin Wai, aged 49, was appointed as an independent non-executive Director on 23 December 2011. He currently is an enterprise consultant for Dongguan Changping Qiaohui Lipeng Plastic & Hardware Manufacturing Company* (東莞常平橋滙勵鵬塑膠五金製品廠) and a marketing strategic consultant for Shenzhen Lanshuo Communication Equipment Company Limited* (深圳市藍碩通訊設備有限公司). Mr. Ko has been working in the electronic consumer products industry for about 15 years. He is currently a member of the Remuneration Committee, the Nomination Committee and the Audit Committee.

獨立非執行董事

陳晨光先生，45歲，於2011年12月23日獲委任為獨立非執行董事。他為宏峰太平洋集團有限公司(股份代號：8265)的公司秘書。陳先生於1990年獲香港樹仁學院(現稱為香港樹仁大學)頒授工商管理文憑。他現為英國特許公認會計師公會、香港會計師公會、香港特許秘書公會及英國特許秘書及行政人員公會的資深會員。陳先生擁有約20年審計、會計及公司秘書經驗。他現為審核委員會、薪酬委員會及提名委員會的主席。

陳智光先生，40歲，於2011年12月23日獲委任為獨立非執行董事。他現時為執業會計師。陳先生於2004年獲香港理工大學頒授企業融資碩士學位。他現為香港會計師公會及英國特許公認會計師公會的資深會員。陳先生在會計行業工作約有13年。他現為薪酬委員會、提名委員會及審核委員會的成員。

高賢偉先生，49歲，於2011年12月23日獲委任為獨立非執行董事。他現任東莞常平橋滙勵鵬塑膠五金製品廠的企業顧問，及出任深圳市藍碩通訊設備有限公司的營銷策略顧問。高先生於電子消費產品行業工作約有15年。他現為薪酬委員會、提名委員會及審核委員會的成員。



Profiles of Directors and Senior Management (*Continued*)

董事及高級管理人員的履歷(續)

Mr. Sung Tak Wing Leo, aged 51, was appointed as an independent non-executive Director on 23 December 2011. He currently is the managing director and a responsible officer of King's HT Securities Limited, a licensed corporation under the SFO. Mr. Sung has been appointed as a Senator of Junior Chamber International since 2005. He obtained a bachelor's degree of Commerce in Management and Marketing from Curtin University of Technology in Australia in 2002. Mr. Sung has been working in the securities industry for about 9 years. Before entering into securities industry, He worked for several solicitors' firms in Hong Kong for about 17 years. Mr. Sung is currently a member of the Remuneration Committee, the Nomination Committee and the Audit Committee.

Senior Management

Ms. Tong Suk Fun Sabrina, aged 48, is one of the founders of the Group. She has been a director and the personnel and administration director of one subsidiary of the Company, MiniLogic Device Corporation Limited, since January 2000. Ms. Tong is responsible for personnel and administration management. She worked as HR and Administration Manager of a company for the period from January 2000 to June 2003.

Mr. Lam Nim Yin, aged 52, has been the marketing director of one subsidiary of the Company, MiniLogic Device Corporation Limited, since joining in March 2007. He is responsible for sales and marketing activities, logistic and warehouse control. Mr. Lam has been working in semiconductor industry for about 24 years. During the period from 1993 to 2009, he served as a director of a company engaging in trading of electronics such as IC.

Mr. Tsang Hing Yeung Anthony, aged 33, has been a R&D product manager and one of the team leaders in the R&D Department of one subsidiary of the Company, MiniLogic Device Corporation Limited, since joining the Group in September 2002. He is responsible for leading a team of engineers in R&D operations, and supporting sales and marketing activities. Mr. Tsang graduated from The Hong Kong University of Science and Technology in 2001 with a bachelor's degree of Engineering in Computer Science and Computer Engineering. He further obtained a master's degree of Science in IC Design Engineering from the same university in 2005. Mr. Tsang worked as an IC Designer for a company from 2001 to 2002. He has been working in the semiconductor field for about 10 years.

宋得榮先生，51歲，於2011年12月23日獲委任為獨立非執行董事。他現任皇冠亨達國際證券有限公司(證券及期貨條例下的持牌法團)的董事總經理及負責人員。宋先生自2005年起獲委任為國際青年商會的參議員。他於2002年獲澳洲科庭科技大學頒授商業管理及市場學學士學位。宋先生於證券行業工作約有9年。於加入證券行業前，他曾於香港多家律師事務所工作約17年。宋先生現為薪酬委員會、提名委員會及審核委員會的成員。

高級管理人員

湯淑芬女士，48歲，為本集團創辦人之一。她自2000年1月起為本公司一間附屬公司微創高科有限公司的董事及人事及行政總監。湯女士負責人事及行政管理。她曾於2000年1月至2003年6月期間擔任一間公司的人力資源及行政經理。

林念賢先生，52歲，自2007年3月起加入為本公司一間附屬公司微創高科有限公司的營銷總監。他負責銷售及營銷活動、物流及倉庫管理。林先生於半導體行業工作約24年。於1993年至2009年期間，他出任一間公司之董事，該公司從事電子產品(如集成電路)貿易。

曾慶陽先生，33歲，自2002年9月起加入本集團為本公司一間附屬公司微創高科有限公司的研發產品經理及研發部內其中一名團隊領導。他負責帶領一支工程師團隊進行研發工作，以及支援銷售及營銷活動。曾先生於2001年畢業於香港科技大學，並獲頒授計算機科學和計算機工程學士學位。此外，他於2005年獲香港科技大學頒授集成電路設計工程碩士學位。曾先生曾於2001年至2002年擔任一間公司的集成電路設計師。他於半導體行業工作約10年。

Profiles of Directors and Senior Management (*Continued*)

董事及高級管理人員的履歷(續)

Company Secretary

Mr. Liu Kam Lung is the company secretary of the Company. For details of his profile, please refer to the paragraph headed “Executive Directors” under this section.

公司秘書

廖金龍先生為本公司的公司秘書。有關他的履歷詳情，請參閱本節「執行董事」一段。

Compliance Officer

Mr. Li Kwei Chung is the compliance officer of the Company. For details of his profile, please refer to the paragraph headed “Executive Directors” under this section.

監察主任

李桂聰先生為本公司的監察主任。有關他的履歷詳情，請參閱本節「執行董事」一段。



Directors' Report

董事會報告

The directors ("Directors") of Megalogic Technology Holdings Limited (the "Company") are pleased to present their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 35 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Change of Name of the Company

By a special resolution passed on 27 April 2011, the name of the Company was changed from "Megalogic Holdings Limited" to "Megalogic Technology Holdings Limited 宏創高科集團有限公司".

Results and Appropriations

The results of the Group for the year ended 31 December 2011 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 36 to 104.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2011.

Property, Plant and Equipment

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

Share Capital

Details of movements in the share capital of the Company during the year are set out in note 28 to the financial statements.

宏創高科集團有限公司(「本公司」)董事(「董事」)欣然呈報本公司及其附屬公司(統稱「本集團」)截至2011年12月31日止年度的年報及經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本公司的附屬公司主要業務載於財務報表附註35。於年內，本集團的主要業務性質並無重大改變。

更改本公司的名稱

經2011年4月27日所通過之特別決議案，本公司的名稱已由「Megalogic Holdings Limited」更改為「Megalogic Technology Holdings Limited 宏創高科集團有限公司」。

業績及分派

本集團截至2011年12月31日止年度的業績以及本公司及本集團於該日的財務狀況載於第36至104頁的綜合財務報表。

董事不建議派發本年度之任何股息。

物業、廠房及設備

有關本集團物業、廠房及設備於年內的變動詳情載於財務報表附註17。

股本

有關本公司股本於年內的變動詳情載於財務報表附註28。

Directors' Report (Continued)

董事會報告(續)

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in pages 40 to 41 in this report and note 29 to the financial statements.

Distributable Reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 December 2011 was nil.

Major Customers and Suppliers

The approximate percentages in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year are as follows:

The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合計
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合計

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

Directors

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

Non-executive Director

Mr. Hui King Chun (appointed on 15 June 2011)

Executive Directors

Mr. Li Kwei Chung (appointed on 15 June 2011)

Mr. Liu Kam Lung (appointed on 31 March 2011)

Mr. Liu Loi Ying (appointed on 15 June 2011)

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2011年12月31日止年度概無購買、出售或贖回任何本公司上市證券。

儲備

有關本集團及本公司儲備於年內的變動詳情載於本報告40至41頁及財務報表附註29。

本公司的可供分派儲備

本公司於2011年12月31日的並無可供分派予股東的儲備金額。

主要客戶及供應商

本集團的主要客戶及供應商應佔本財政年度銷售及採購的概約百分比如下：

Sales 銷售	Purchases 採購
31%	N/A 不適用
67%	N/A 不適用
N/A 不適用	25%
N/A 不適用	81%

董事、彼等之聯繫人士或任何就董事所知擁有本公司逾5%之股東概無擁有於本集團五大客戶或供應商的任何權益。

董事

於年內及截至本報告日期為止，本公司的董事如下：

非執行董事

許經振先生(於2011年6月15日獲委任)

執行董事

李桂聰先生(於2011年6月15日獲委任)

廖金龍先生(於2011年3月31日獲委任)

廖來英先生(於2011年6月15日獲委任)

Directors' Report (Continued)

董事會報告(續)

Independent Non-executive Directors

Mr. Chan Sun Kwong (appointed on 23 December 2011)
Mr. Chan Chi Kwong Dickson (appointed on 23 December 2011)
Mr. Ko Yin Wai (appointed on 23 December 2011)
Mr. Sung Tak Wing Leo (appointed on 23 December 2011)

In accordance with the Company's Articles of Association, Mr. Liu Kam Lung, Mr. Hui King Chun and Mr. Li Kwei Chung will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Directors and Senior Management

Profiles of the Directors and senior management of the Group are set out on pages 22 to 26 of this report.

Emolument Policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload, the time devoted to the Group and remuneration packages for positions with similar capacity and responsibilities in the market.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 13 to the financial statements.

Retirement Benefit Schemes

Details of the retirement benefit schemes of the Group are set out in note 30 to the financial statements.

Directors' Interests in Contracts

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

獨立非執行董事

陳晨光先生(於2011年12月23日獲委任)
陳智光先生(於2011年12月23日獲委任)
高賢偉先生(於2011年12月23日獲委任)
宋得榮先生(於2011年12月23日獲委任)

根據本公司章程細則，廖金龍先生、許經振先生及李桂聰先生將於應屆股東週年大會輪值退任，並符合資格膺選連任。

董事及高級管理層

本集團董事及高級管理層的履歷資料載於本報告第22至26頁。

酬金政策

本集團僱員的酬金政策由薪酬委員會按其表現、資歷及能力而訂立。

本公司有關董事薪酬的政策為經參考相關董事的經驗、責任、工作量、投放於本集團的時間及與市場內相若能力及責任之職位後釐定薪酬金額。

董事及五名最高酬金人士的薪酬

有關董事及五名最高酬金人士的薪酬詳情載於財務報表附註13。

退休福利計劃

有關本集的退休福利計劃詳情載於財務報表附註30。

董事於合約的權益

於年終或年內任何時間，本公司、其控股公司、或其任何附屬公司或同系附屬公司概無作為一方參與訂立本公司董事於其中直接或間接擁有重大權益的重大合約。

Directors' Report (Continued)

董事會報告(續)

Directors' Service Contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at the date of this report, the interest of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules were as follows:

Long positions

Ordinary shares of the Company

董事服務合約

擬於即將舉行之股東週年大會上膺選連任之董事概無訂立任何不得於一年內在無需支付任何賠償(法定賠償除外)之情況下由本集團終止之服務合約。

董事及最高行政人員於本公司或任何相聯法團股份、相關股份及債券的權益及淡倉

於本報告日期，按本公司根據證券及期貨條例第352條存置的登記冊所記錄，或按本公司及香港聯合交易所有限公司(「聯交所」)根據創業板上市規則第5.48至5.67條所獲通知，董事及他們的聯繫人於本公司及其相聯法團的股份、相關股份及債券的權益如下：

好倉

本公司的普通股

Name of Director	Capacity/Nature of Interest	Number of issued ordinary Shares held	Approximate percentage of the issued share capital of the Company
			佔本公司 已發行股本 的百分比
董事名稱	身份／權益性質	所持已發行 普通股數目	
Mr. Hui King Chun 許經振先生	Interest of a controlled company (Note) 受控制法團權益(附註)	78,018,829	39.01%
Mr. Li Kwei Chung 李桂聰先生	Beneficial owner 實益擁有人	11,762,842	5.88%

Note: These shares are beneficially owned by Kith Technologies Limited, which is wholly owned by Kith Enterstand Limited; Kith Enterstand Limited is a wholly owned subsidiary of Kith Limited, which is wholly owned by Kith Holdings Limited; Mr. Hui King Chun has an indirect interest of 61.58% in Kith Holdings Limited.

附註：該等股份由Kith Technologies Limited實益擁有，其由Kith Enterstand Limited全資擁有；Kith Enterstand Limited是Kith Limited的全資附屬公司，其由僑威集團有限公司全資擁有；而許經振先生間接持有僑威集團有限公司的61.58%權益。

Directors' Report (Continued)

董事會報告(續)

Share Option Scheme

As the date of this report, the Company did not have any share option scheme.

Arrangements to Purchase Shares or Debentures

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders Interests in Shares

As at the date of this report, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that, other than the interests disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of the Company

購股權計劃

於本報告日期，本公司並無任何購股權計劃。

收購股份或債券的安排

於年內任何時間內，本公司、其控股公司或其任何附屬公司或同系附屬公司概無作為一方參與任何安排，致令本公司董事可藉購入本公司或任何其他法團的股份或債券而獲得利益。

主要股東於股份的權益

於本報告日期，本公司根據證券及期貨條例第336條存置的主要股東登記冊顯示，除上文所披露有關若干董事的權益外，以下股東已通知本公司於本公司的已發行股本中擁有相關權益。

好倉

本公司的普通股

Name of shareholder	Capacity/Nature of Interest	Number of issued ordinary Shares held	Approximate percentage of the issued share capital of the Company 約佔本公司 已發行股本 的百分比
股東名稱	身份／權益性質	所持已發行 普通股數目	
Kith Technologies Limited	Beneficial owner (Note 1) 受控制法團權益(附註1)	78,018,829	39.01%
Kith Enterstand Limited	Interest of a controlled company (Note 1) 受控制法團權益(附註1)	78,018,829	39.01%
Kith Limited	Interest of a controlled company (Note 1) 受控制法團權益(附註1)	78,018,829	39.01%
Kith Holdings Limited 僑威集團有限公司	Interest of a controlled company (Note 1) 受控制法團權益(附註1)	78,018,829	39.01%
Richly Global Investments Limited	Beneficial owner (Note 2) 實益擁有人(附註2)	27,489,276	13.74%

Directors' Report (Continued)

董事會報告(續)

Name of shareholder	Capacity/Nature of Interest	Number of issued ordinary Shares held	Approximate percentage of the issued share capital of the Company
股東名稱	身份／權益性質	所持已發行 普通股數目	約佔本公司 已發行股本 的百分比
Mr. Cheng Tun Nei 鄭盾尼先生	Interest of a controlled company (Note 2) 受控制法團權益(附註2)	27,489,276	13.74%
China Angel Fund	Beneficial owner 實益擁有人	12,500,000	6.25%
Ms. Tong Suk Fun Sabrina 湯淑芬女士	Beneficial owner 實益擁有人	11,762,842	5.88%

Note:

- These shares are beneficially owned by Kith Technologies Limited, which is wholly owned by Kith Enterstand Limited; Kith Enterstand Limited is a wholly owned subsidiary of Kith Limited, which is wholly owned by Kith Holdings Limited.
- These shares are beneficially owned by Richly Global Investments Limited, which is wholly owned by Mr. Cheng Tun Nei.

附註：

- 該等股份由Kith Technologies Limited實益擁有，其由Kith Enterstand Limited全資擁有；Kith Enterstand Limited是Kith Limited的全資附屬公司，其由僑威集團有限公司全資擁有。
- 該等股份由Richly Global Investments Limited實益擁有，其由鄭盾尼先生全資擁有。

Connected Transactions

During the year, except for those disclosed in note 33 to the financial statements, the Group did not have any transaction with its connected parties.

Pre-Emptive Rights

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

Sufficiency of Public Float

Based on the information available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float since its shares became listed on the Growth Enterprise Market of the Stock Exchange on 19 January 2012 and up to the date of this report.

關連交易

本年內，除財務報表附註33所披露外，本集團概無與關連方進行任何交易。

優先購買權

本公司章程細則或開曼群島法例並無載有優先購買權條文規定本公司須按比例向現有股東發售新股。

足夠公眾持股量

根據本公司所得資料及就董事所知，本公司自其股份於2012年1月19日於聯交所創業板上市起及截至本報告日期一直保持足夠公眾持股量。

Directors' Report (*Continued*)

董事會報告(續)

Interest in a Competing Business

As at the date of this report, none of the Directors, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 16 to 21 of this report.

Interests of the Compliance Adviser

As notified by the compliance adviser of the Company, Ample Capital Limited, as at 31 December 2011, except for (i) Ample Capital Limited's participation as the sponsor in relation to the Listing; and (ii) the compliance adviser agreement entered into between the Company and Ample Capital Limited dated 29 December 2011, neither Ample Capital Limited or its directors, employees or associates had any interest in relation to the Group.

Events after the Reporting Period

Details of material subsequent events of the Group are set out in note 34 to the financial statements.

Auditor

During the year, Graham H.Y. Chan & Co. was appointed as auditor of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Graham H.Y. Chan & Co. as auditor of the Company.

On behalf of the Board

Mr. Hui King Chun

Chairman

Hong Kong, 23 March 2012

於競爭業務的權益

於本報告日期，概無本公司的董事、控股股東及他們各自的聯繫人(定義見創業板上市規則)於與本集團業務直接或間接構成或可能構成競爭的任何業務中擁有任何權益，而任何有關人士並無與式可能與本集團有任何其他利益衝突。

企業管治

本公司採納的主要企業管治常規報告載於本報告第16至21頁。

合規顧問的權益

誠如本公司合規顧問豐盛融資有限公司的告知，於2011年12月31日，除(i)上市項目中擔任保薦人及(ii)於2011年12月29日本公司與豐盛融資有限公司訂立的合規顧問協議外，豐盛融資有限公司或其董事、僱員或聯繫人概無擁有與本集團有關的任何權益。

報告期後事項

有關本集團重大其後事項的詳情載於財務報表附註34。

核數師

本年內，陳浩賢會計師事務所獲委任為本公司核數師。本公司將於應屆股東週年大會上提呈有關續聘陳浩賢會計師事務所為本公司核數師的決議案。

代表董事會

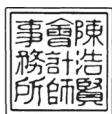
許經振先生

主席

香港，2012年3月23日

Independent Auditor's Report

獨立核數師報告



GRAHAM H.Y. CHAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

TO THE SHAREHOLDERS OF
MEGALOGIC TECHNOLOGY HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Megalogic Technology Holdings Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 36 to 104, which comprise the consolidated and the Company's statement of financial position as at 31 December 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 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致宏創高科集團有限公司全體股東

(於開曼群島註冊成立之有限公司)

吾等已審核列載於第36至104頁宏創高科集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此等財務報表包括於2011年12月31日的綜合財務狀況表及貴公司之財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

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

核數師的責任

吾等的責任是根據吾等的審核對該等綜合財務報表作出意見，並僅向整體股東報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

吾等已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report (*Continued*)

獨立核數師報告(續)

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 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 Company and of the Group as at 31 December 2011 and of the Group's profit and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Graham H.Y. Chan & Co.

Certified Public Accountants (Practising)

Unit 1, 15/F., The Center,
99 Queen's Road Central,
Hong Kong

23 March 2012

審核涉及執程序以獲取該等綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致該等綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部控制，以設計按情況下適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於2011年12月31日的財務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

陳浩賢會計師事務所

執業會計師

香港
中環皇后大道中99號
中環中心15樓1室

2012年3月23日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2011

截至2011年12月31日止年度

		Notes 附註	2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Revenue	收益	8	59,133,720	66,065,552
Cost of sales of integrated circuits and provision of integrated circuits packaging service	銷售集成電路及提供 晶片包封服務的成本		(36,551,314)	(39,253,838)
Gross profit	毛利		22,582,406	26,811,714
Other income	其他收入		3,386	312
Staff costs	員工成本		(4,764,390)	(3,646,118)
Depreciation	折舊		(1,254,778)	(1,105,912)
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損		—	(383,025)
Operating lease rental — land and buildings	經營租賃租金 — 土地及 樓宇		(369,565)	(369,565)
Other operating expenses	其他經營開支		(3,189,694)	(2,148,828)
Finance costs	融資成本	10	(8,640)	(65,412)
Profit before income tax	除所得稅前溢利		12,998,725	19,093,166
Income tax expense	所得稅開支	11	(2,202,613)	(3,150,321)
Profit for the year	年度溢利	12	10,796,112	15,942,845
Profit attributable to shareholders	股東應佔溢利	14	10,796,112	15,942,845
Other comprehensive income:	其他全面收益：			
Surplus arising on revaluation of property, plant and equipment	來自重估物業、廠房及 設備的盈餘		—	206,780
Deferred tax effect on surplus arising on revaluation of property, plant and equipment	來自重估物業、廠房及 設備盈餘的遞延稅項 影響		—	(34,118)
Other comprehensive income for the year	年度其他全面收益		—	172,662
Total comprehensive income for year	年度全面收益總額		10,796,112	16,115,507
Earnings per share	每股盈利	16		
Basic	基本		HK7.20 cents 港仙	HK10.6 cents 港仙
Diluted	攤薄		N/A 不適用	N/A 不適用

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2011

於2011年12月31日

		Notes 附註	2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	3,442,903	2,550,400
Current assets	流動資產			
Inventories	存貨	18	3,972,240	9,571,320
Trade receivables	應收貿易賬款	19	20,380,653	12,512,440
Deposits and prepayments	按金及預付款項	20	10,182,353	2,827,626
Tax receivable	應收稅項		990,901	—
Bank balances and cash	銀行結餘及現金	21	7,634,545	5,995,208
			43,160,692	30,906,594
Current liabilities	流動負債			
Trade and other payables to third parties	應付第三者之貿易及其他應付賬款	22	2,753,725	2,191,464
Trade payable to a fellow subsidiary	應付一間同系附屬公司之貿易賬款	23	—	1,389,863
Amount due to an intermediate holding company	應付一間中間控股公司之款項	24	—	134,000
Advance from Innovation and Technology Fund	來自創新科技基金之貸款	25	—	398,480
Bank borrowings	銀行借款	26	—	3,991,011
Tax payable	應付稅項		—	2,448,337
			2,753,725	10,553,155
Net current assets	淨流動資產		40,406,967	20,353,439
Total assets less current liabilities	總資產減流動負債		43,849,870	22,903,839

Consolidated Statement of Financial Position (*Continued*)

綜合財務狀況表 (續)

As at 31 December 2011

於2011年12月31日

		Notes 附註	2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	27	538,830	388,911
Net assets	淨資產		43,311,040	22,514,928
Capital and reserves	資本及儲備			
Share capital	股本	28	380,000	6,249,027
Reserves	儲備	29	42,931,040	16,265,901
Total equity	權益總額		43,311,040	22,514,928

Li Kwei Chung

李桂聰

Director

董事

Liu Kam Lung

廖金龍

Director

董事

Statement of Financial Position

財務狀況表

As at 31 December 2011

於2011年12月31日

		Notes 附註	2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Non-current assets	非流動資產			
Investment in a subsidiary	投資於一間附屬公司	35	8	—
Current assets	流動資產			
Prepayment	預付款項		248,970	—
Amount due from a directly owned subsidiary	應收一間直接持有的附屬公司的款項	35	380,000	—
Bank and cash balances	銀行及現金結餘		231,547	—
			860,517	—
Current liabilities	流動負債			
Amount due to an indirectly owned subsidiary	應付一間間接持有的附屬公司的款項	35	510,000	—
Other payables	其他應付款項		310,756	—
			820,756	—
Net current assets	淨流動資產		39,761	—
Net assets	淨資產		39,769	—
Capital and reserves	資本及儲備			
Share capital	股本	28	380,000	—
Accumulated losses	累計虧損	29(b)	(340,231)	—
Total equity	權益總額		39,769	—

Li Kwei Chung
李桂聰
Director
董事

Liu Kam Lung
廖金龍
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2011

截至2011年12月31日止年度

		Share capital	Share premium	Merger reserve	Assets revaluation reserve	Retained profits/ (accumulated losses)	Total
		股本 Note 附註	股份溢價	合併儲備 Note 29 附註29	資產 重估儲備	保留溢利/ (累計虧損)	合計
	Notes 附註	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1 January 2010	於2010年1月1日	6,249,027	2,072,527	—	—	(1,922,133)	6,399,421
Profit for the year	年度溢利	—	—	—	—	15,942,845	15,942,845
Other comprehensive income	其他全面收益						
Surplus arising on revaluation of property, plant and equipment	來自重估物業、廠房及設備的盈餘	—	—	—	206,780	—	206,780
Deferred tax effect on surplus arising on revaluation of property, plant and equipment	來自重估物業、廠房及設備盈餘的遞延稅項影響	—	—	—	(34,118)	—	(34,118)
Total comprehensive income	全面收益總額	—	—	—	172,662	15,942,845	16,115,507
At 31 December 2010 and 1 January 2011	於2010年12月31日及2011年1月1日	6,249,027	2,072,527	—	172,662	14,020,712	22,514,928
Profit for the year	年度溢利	—	—	—	—	10,796,112	10,796,112
Other comprehensive income	其他全面收益	—	—	—	—	—	—
Total comprehensive income	全面收益總額	—	—	—	—	10,796,112	10,796,112

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

		Share capital	Share premium	Merger reserve	Assets revaluation reserve	Retained profits/ (accumulated losses)	Total
		股本	股份溢價	合併儲備	資產 重估儲備	保留溢利/ (累計虧損)	合計
		Note		Note 29			
	附註	附註		附註29			
	Notes	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	附註	港元	港元	港元	港元	港元	港元
Transactions with owners	與擁有人之交易						
Allotment and issue of consideration shares and credited as fully paid for share swap	因換股配發及發行代價 股份及入賬列作繳足	28(a-b)					
		380,000	—	(380,000)	—	—	—
Share allotment of MiniLogic HK	微創高科之股份配發	1,402,173	8,597,827	—	—	—	10,000,000
Exchange of share upon group reorganization	集團重組之股份互換	28(a-b)					
		(7,651,200)	(10,670,354)	18,321,554	—	—	—
Total transactions with owners	與擁有人之交易總額	(5,869,027)	(2,072,527)	17,941,554	—	—	10,000,000
At 31 December 2011	於2011年12月31日	380,000	—	17,941,554	172,662	24,816,824	43,311,040

Note: MiniLogic Device Corporation Limited ("MiniLogic HK") was incorporated with an authorized share capital of HK\$10,000,000 of 10,000,000 shares HK\$1.0 each and 6,249,027 shares of HK\$1.0 each were issued prior to 1 January 2010. On 28 February 2011, 1,402,173 shares of HK\$1.0 each were issued at an aggregate subscription price of HK\$10,000,000. According to the share swap agreement between the Company, Minilogic Investment Limited ("Minilogic BVI") and the then equity holders of MiniLogic HK on 20 December 2011, the total share capital of 7,651,200 shares and the entire share premium balance of MiniLogic HK was reallocated to merger reserve for the group reorganization.

附註：微創高科有限公司(「微創高科」)於註冊成立時的法定股本為10,000,000港元，分為10,000,000股每股面值1.0港元的股份，其中6,249,027股每股面值1.0港元的股份已於2010年1月1日前發行。於2011年2月28日，按總認購價10,000,000港元發行1,402,173股每股面值1.0港元的股份。依據一份由本公司、Minilogic Investment Limited(「Minilogic BVI」)及微創高科的當時權益持有人於2011年12月20日訂立的換股協議，微創高科之總股本7,651,200股股份及全部股份溢價結餘重新分配至集團重組的合併儲備。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011

截至2011年12月31日止年度

		2011 2011 年 HK\$ 港元	2010 2010 年 HK\$ 港元
Operating activities	經營活動		
Profit before tax	除稅前溢利	12,998,725	19,093,166
Adjustment for:	經以下調整：		
— Finance costs	— 融資成本	8,640	65,412
— Interest income	— 利息收入	(3,386)	(312)
— Depreciation of property, plant and equipment	— 物業、廠房及設備折舊	1,254,778	1,105,912
— Reversal of allowance for impairment on trade receivables	— 應收貿易賬款減值撥備撥回	(17,132)	(19,198)
— Impairment loss on property, plant and equipment	— 物業、廠房及設備減值虧損	—	383,025
— Provision for slow-moving and obsolete inventories	— 滯銷及過時存貨撥備	136,459	—
Operating cash flows before working capital changes	未計營運資金變動前經營現金流量	14,378,084	20,628,005
Decrease/(increase) in inventories	存貨減少／(增加)	5,462,621	(6,028,371)
Increase in trade receivables	應收貿易賬款增加	(7,851,081)	(8,385,803)
Increase in deposits and prepayments	按金及預付款項增加	(7,354,727)	(2,408,343)
Increase in trade and other payables to third parties	應付第三者之貿易及其他應付賬款增加	562,261	696,803
Decrease in trade payable to a fellow subsidiary	應付一間同系附屬公司之貿易賬款減少	(1,389,863)	(1,270,099)
(Decrease)/increase in amount due to an intermediate holding company	應付一間中間控股公司之款項(減少)／增加	(134,000)	46,000
Cash generated from operations	產生自營運之現金	3,673,295	3,278,192
Hong Kong Profits Tax paid	已付香港利得稅	(5,491,932)	—
Net cash (used in)/from operating activities	(用於)／來自經營活動之淨現金	(1,818,637)	3,278,192

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Investing activities	投資活動		
Payments purchase of property, plant and equipment	購買物業、廠房及設備之付款	(2,147,281)	(2,116,663)
Interest received	已收利息	3,386	312
Net cash used in investing activities	用於投資活動之淨現金	(2,143,895)	(2,116,351)
Financing activities	融資活動		
(Repayment)/proceeds of bank advances under discounted bills	貼現票據之銀行墊款之(還款)/所得款項	(3,893,760)	3,893,760
Repayment of obligation under finance lease	償還融資租賃責任	—	(10,817)
(Decrease) in advance from Innovation and Technology Fund	來自創新科技基金之貸款(減少)	(398,480)	(90,391)
Proceeds from issue of shares by a subsidiary	一間附屬公司發行股份之所得款項	10,000,000	—
Interests on bank borrowings paid	已付銀行借款利息	(8,640)	(62,636)
Finance lease interest paid	已付融資租賃利息	—	(2,776)
Net cash from financing activities	來自融資活動之淨現金	5,699,120	3,727,140
Net increase in cash and cash equivalents	現金及現金等價物淨增加	1,736,588	4,888,981
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	5,897,957	1,008,976
Cash and cash equivalents at end of the year	年終現金及現金等價物	7,634,545	5,897,957
Analysis of cash and cash equivalents	現金及現金等價物之分析		
Bank balances and cash	銀行結餘及現金	7,634,545	5,995,208
Bank overdraft	銀行透支	—	(97,251)
		7,634,545	5,897,957

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2011

截至2011年12月31日止年度

1. General Information

The Company was incorporated in the Cayman Islands on 31 March 2011, as an exempted company with limited liability. The address of its registered office was situated at Landmark Square, 3rd Floor, 64 Earth Close, P.O. Box 30592, Grand Cayman KY1-1203, Cayman Islands and is changed to Clifton House, 75 Fort Street, P.O. Box 1350 Grand Cayman KY1-1108, Cayman Islands from 31 January 2012. The address of its principal place of business is remained at Unit 508-509, 5th Floor, IC Development Centre, No.6 Science Park West Avenue, Hong Kong Science Park, Pak Shek Kok, Shatin, New Territories, Hong Kong.

The Company's shares were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 January 2012 ("the Listing Date").

The Company is an investment holding company. The principal activity of its subsidiaries is the provision of integrated circuit ("IC") solutions and is engaged in design, development and sales of ICs.

As at 31 December 2011, the parent company of the Company is Kith Technologies Limited, a company incorporated in the British Virgin Islands, which held 52.01% of the issued share capital of the Company. In the opinion of the directors of the Company, as at 31 December 2011, Accufit Investments Inc., a company incorporated in the British Virgin Islands, is the ultimate parent and ultimate controlling party of the Company. Subsequent to the listing of the Company's shares on 19 January 2012, the Company becomes an associate of Kith Technologies Limited.

The consolidated financial statements on pages 36 to 104 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules").

1. 一般資料

本公司於2011年3月31日在開曼群島註冊成立為一間獲豁免有限責任公司。本公司註冊辦事處原位於Landmark Square, 3rd Floor, 64 Earth Close, P.O. Box 30592, Grand Cayman KY1-1203, Cayman Islands, 並由2012年1月31日更改為Clifton House, 75 Fort Street, P.O. Box 1350 Grand Cayman KY1-1108, Cayman Islands, 而其主要營業地址仍為香港新界沙田白石角香港科學園科技大道西6號集成電路開發中心5樓508-509室。

本公司股份於2012年1月19日(「上市日期」)在香港聯合交易所有限公司(「聯交所」)創業板上市。

本公司乃一間投資控股公司,其附屬公司的主要業務為提供集成電路(「集成電路」)的解決方案,並從事集成電路的設計、開發及銷售。

於2011年12月31日,本公司的母公司為Kith Technologies Limited,一間於英屬處女群島註冊成立的公司,持有本公司52.01%已發行股本。本公司董事認為,於2011年12月31日,於英屬處女群島註冊成立的Accufit Investments Inc.乃本公司的最終母公司及最終控股方。在本公司股份於2012年1月19日上市後,本公司成為Kith Technologies Limited之聯營公司。

第36至第104頁之綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(其為包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(「詮釋」)之統稱)編製。綜合財務報表亦包括香港公司條例及聯交所創業板證券上市規則(「創業板上市規則」)的適用披露規定而編製。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

1. General Information (Continued)

The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is the same as the functional currency of the Company.

2. Reorganization and Basis of Preparation

MiniLogic Device Corporation Limited ("MiniLogic HK") was founded in 2000 by Mr. Li Kwei Chung, an executive Director, Ms. Tong Suk Fun, Sabrina, a member of the senior management, and Mr. Tsang John Sing Choi, an independent third party. The companies now comprising the Group were under the common control of Kith Technologies Limited and its beneficial owners (collectively, the "Controlling Shareholders") as defined in the GEM Listing Rules. Pursuant to the group reorganization (the "Reorganization") as described below, the Company has since 20 December 2011 become the holding company of its subsidiaries now comprising the Group. Details of the Reorganization are summarized below:

- (1) On 31 March 2011, the Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability with an authorized share capital of HK\$380,000 divided into 3,800,000 shares of HK\$0.10 each (the "Share").
- (2) On 31 March 2011, one Share was allotted and issued as nil paid share to Company Secretaries Limited. The said one nil paid Share held by Company Secretaries Limited was then transferred to Kith Technologies Limited, a wholly owned subsidiary of Kith Holdings Limited on 31 March 2011.
- (3) On 27 May 2011, Minilogic Investment Limited ("Minilogic BVI") was incorporated under the laws of British Virgin Islands as the intermediate holding company of the Group. Upon its incorporation, Minilogic BVI was authorized to issue up to a maximum of 50,000 ordinary shares of a single class with par value of US\$1.00 each ("Minilogic BVI Share"). On 27 May 2011, one Minilogic BVI Share was allotted and issued to the Company, nil paid.

1. 一般資料(續)

綜合財務報表以港元(「港元」)呈列，而港元亦為本公司的功能貨幣。

2. 重組及編製基準

執行董事李桂聰先生、高級管理人員湯淑芬女士及獨立第三方曾城材先生於2000年創立微創高科有限公司(「微創高科」)。現時組成本集團的各公司受到Kith Technologies Limited及其實益擁有人(統稱為「控股股東」，定義見創業板上市規則)的共同控制。根據下文所述的集團重組(「重組」)，本公司自2011年12月20日起成為現時組成本集團各附屬公司的控股公司。重組詳情概述如下：

- (1) 於2011年3月31日，本公司在開曼群島根據公司法註冊成立為獲豁免有限責任公司，法定股本為380,000港元，分為3,800,000股每股面值0.10港元之股份(「股份」)。
- (2) 於2011年3月31日，其中一股未繳股款股份已配發及發行予Company Secretaries Limited。上述之一股未繳股款股份由Company Secretaries Limited持有，於同日2011年3月31日已轉讓予僑威集團有限公司之全資附屬公司Kith Technologies Limited。
- (3) 於2011年5月27日，Minilogic Investment Limited(「Minilogic BVI」)根據英屬處女群島法律註冊成立為本集團之中間控股公司。於其註冊成立後，Minilogic BVI獲准以每股面值1.00美元發行最多50,000股單一類別普通股(「Minilogic BVI股份」)。於2011年5月27日，一股未繳股款Minilogic BVI股份已配發及發行予本公司。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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2. Reorganization and Basis of Preparation (Continued)

- (4) On 20 December 2011, pursuant to a share swap agreement, Minilogic BVI acquired the entire issued share capital from the original shareholders of MiniLogic HK, in consideration of (i) Minilogic BVI crediting as paid up the initial one nil paid share of Minilogic BVI held by the Company; (ii) the Company crediting as fully paid at par the initial one nil paid Share held by Kith Technologies Limited and (iii) the Company allotting and issuing 1,976,476 Shares to Kith Technologies Limited, 696,395 Shares to Richly Global Investments Limited, 297,992 Shares to Ms. Tong Suk Fun Sabrina, 297,992 Shares to Mr. Li Kwei Chung, 220,735 Shares to Mr. Shen Wu Cheng, 217,286 Shares to Silver Great Limited and 93,123 Shares to Ms. Hsieh Kung Ying Irene, all credited as fully paid.

- (5) On 23 December 2011, the authorized share capital of the Company was increased from HK\$380,000 to HK\$1,000,000,000 by the creation of 9,996,200,000 Shares of HK\$ 0.10 each.

- (6) Conditional on the share premium account of the Company being credited as a result of the Placing scheduled to be taken place subsequent to the year end date, the Directors were authorized to allot and issue a total of 146,200,000 Shares, by way of capitalization of the sum of HK\$14,620,000 standing to the credit of the share premium account of the Company, crediting as fully paid at par to the Shareholders as appearing on the register of members of the Company on pro-rata basis, as of 23 December 2011. The Placing and allotment was completed on 19 January 2012.

Immediately after the Reorganization, the Company has become the holding company of its subsidiaries now comprising the Group.

2. 重組及編製基準(續)

- (4) 於2011年12月20日，根據一份換股協議，Minilogic BVI向微創高科原有股東收購全部已發行的股本，代價為(i)Minilogic BVI將本公司所持Minilogic BVI初始一股未繳股款股份入賬列為繳足；(ii)本公司將Kith Technologies Limited所持初始一股未繳股款股份按面值入賬列為繳足；及(iii)本公司向Kith Technologies Limited配發及發行1,976,476股股份、向Richly Global Investments Limited配發及發行696,395股股份、向湯淑芬女士配發及發行297,992股股份、向李桂聰先生配發及發行297,992股股份、向沈伍銓先生配發及發行220,735股股份、向銀泰有限公司配發及發行217,286股股份及向謝康瑛女士配發及發行93,123股股份，全部均入賬列為繳足。

- (5) 於2011年12月23日，透過增設9,996,200,000股每股面值0.10港元的股份，本公司的法定股本由380,000港元增至1,000,000,000港元。

- (6) 待本公司股份溢價賬由於配售(訂於年度結算日之後進行)而獲進賬後，董事獲授權透過將本公司股份溢價賬進賬額14,620,000港元撥充資本的方式，按比例向於2011年12月23日名列本公司股東名冊的股東按面值配發及發行合共146,200,000股入賬列為繳足的股份。配售及配發於2012年1月19日完成。

緊隨重組後，本公司成為現時組成本集團各附屬公司的控股公司。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

2. Reorganisation and Basis of Preparation (Continued)

As the companies now comprising the Group were controlled by the Controlling Shareholders before and after the Reorganization, the Reorganization was accounted for as a business combination of entities under common control. The consolidated financial statements has been prepared based on the principles and procedures of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by HKICPA. Accordingly, the consolidated statements of comprehensive income, consolidated statements of financial position, consolidated statements of changes in equity and consolidated statements of cash flows are prepared as if the current group structure had been in existence throughout the reporting periods rather than from the date of incorporation of the Company.

3. Application of New and Revised Hong Kong Financial Reporting Standards

The HKICPA has issued a number of new and revised HKFRSs, which are generally effective for accounting year beginning on or after 1 January 2011. For the purpose of preparing the consolidated financial statements, the Group has adopted all these new and revised HKFRSs to the extent that they are applicable to the Group consistently throughout the reporting year.

The adoption of these new and revised HKFRSs had no material impact on the results and financial position for the current and prior years have been prepared and presented.

2. 重組及編製基準(續)

由於控股股東於重組前後控制現時組成本集團的各公司，故重組作為受共同控制的實體的業務合併入賬。綜合財務報表乃按照香港會計師公會發出的會計指引第5號「共同控制合併的合併會計法」的合併會計原則及程序而編製。因此，綜合全面收益表、綜合財務狀況表、綜合權益變動表及綜合現金流量表按猶如現有集團架構於整個報告期間已存在編製，而不是自本公司註冊成立日期起。

3. 新訂及經修訂香港財務報告準則的應用

香港會計師公會已發出多項新訂及經修訂香港財務報告準則，並於2011年1月1日或以後開始之會計年度生效。為編製綜合財務報表，本集團已採納於整個報告年度貫徹適用於本集團的所有新訂及經修訂香港財務報告準則。

採納該等新訂及經修訂香港財務報告準則對本年度及過往年度編製及呈列的業績及財務狀況並無構成重大影響。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

3. Application of New and Revised Hong Kong Financial Reporting Standards (Continued)

HKICPA has issued the following new and revised standards, amendments and interpretations which are not yet effective for the accounting year beginning on 1 January 2011. The Group has not early applied these new and revised standards, amendments and interpretations in the consolidated financial statements.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
HKFRS 7 (Amendments)	Transfer of Financial Assets ¹
HKFRS 7 (Amendments)	Offsetting Financial Assets and Financial Liabilities ⁴
HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁶
HKFRS 9	Financial Instruments ⁶
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosures of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ³
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (Revised in 2011)	Employee Benefits ⁴
HKAS 27 (Revised in 2011)	Separate Financial Statements ⁴
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures ⁴
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ⁵
HK(IFRIC)-Int 20	Stripping Costs in Production Phase of a Surface Mine ⁴

3. 新訂及經修訂香港財務報告準則的應用(續)

香港會計師公會已發出以下於2011年1月1日起的會計年度尚未生效的新訂及經修訂準則、修訂本及詮釋。本集團並無在綜合財務報表上提早應用這些新訂及經修訂準則、修訂本及詮釋。

香港財務報告準則 第1號(修訂本)	嚴重惡性通脹及剔除首次採納者的既定日期 ¹
香港財務報告準則 第7號(修訂本)	轉讓金融資產 ¹
香港財務報告準則 第7號(修訂本)	金融資產與金融負債之抵銷 ⁴
香港財務報告準則 第7號(修訂本)	香港財務報告準則第9號的強制性生效日期及過渡性披露 ⁶
香港財務報告準則 第9號	金融工具 ⁶
香港財務報告準則 第10號	綜合財務報表 ⁴
香港財務報告準則 第11號	共同安排 ⁴
香港財務報告準則 第12號	於其他實體的權益披露 ⁴
香港財務報告準則 第13號	公平值計量 ⁴
香港會計準則第1號 (修訂本)	其他全面收益項目的呈列 ³
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 (於2011年修訂)	僱員福利 ⁴
香港會計準則第27號 (於2011年修訂)	獨立財務報表 ⁴
香港會計準則第28號 (於2011年修訂)	投資於聯營公司及合營公司 ⁴
香港會計準則第32號 (修訂本)	金融資產與金融負債之抵銷 ⁵
香港(國際財務報告 詮釋委員會)- 詮釋第20號	地表礦藏於生產階段之剝除成本 ⁴

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

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3. Application of New and Revised Hong Kong Financial Reporting Standards (*Continued*)

- ¹ Effective for annual periods beginning on or after 1 July 2011
- ² Effective for annual periods beginning on or after 1 January 2012
- ³ Effective for annual periods beginning on or after 1 July 2012
- ⁴ Effective for annual periods beginning on or after 1 January 2013
- ⁵ Effective for annual periods beginning on or after 1 January 2014
- ⁶ Effective for annual periods beginning on or after 1 January 2015

HKFRS 7 (Amendments) require an entity to disclose both quantitative and qualitative information for the derecognition of financial assets where the entity has a continuing involvement in the derecognized assets.

HKFRS 7 (Amendments) issue new disclosure requirements in relation to the offsetting models of financial assets and financial liabilities. The amendments also improve the transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received.

HKFRS 9 "Financial Instruments" (as issued in November 2009) establishes new principles 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. The main changes to the requirements of HKAS 39 are summarized below:

- 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.

3. 新訂及經修訂香港財務報告準則的應用(續)

- ¹ 於2011年7月1日或其後開始的年度期間生效
- ² 於2012年1月1日或其後開始的年度期間生效
- ³ 於2012年7月1日或其後開始的年度期間生效
- ⁴ 於2013年1月1日或其後開始的年度期間生效
- ⁵ 於2014年1月1日或其後開始的年度期間生效
- ⁶ 於2015年1月1日或其後開始的年度期間生效

香港財務報告準則第7號(修訂本)規定，若實體持續參與被終止確認的金融資產，實體須就終止確認該資產披露定量及定性資料。

香港財務報告準則第7號(修訂本)頒佈最新有關金融資產及金融負債抵銷模式之披露規定，該等修訂亦提高企業如何減輕信貸風險之報告透明度，包括披露相關已質押或收取之抵押品。

香港財務報告準則第9號「金融工具」(如2009年11月所發出者)確定金融資產分類及計量的新原則。香港財務報告準則第9號「金融工具」(如2010年11月所修訂者)加入對金融負債及終止確認的規定。對香港會計準則第39號規定的主要改變概述如下：

- 根據香港財務報告準則第9號，所有屬於香港會計準則第39號「金融工具：確認及計量」範圍內的已確認金融資產其後均按照攤銷成本或公平值計量。特別是，其業務模式的目的為收取合約現金流，而合約現金流純粹為對本金及尚未償還本金的利息支付所持有的債務投資一般於其後會計期間結束時按照攤銷成本計量。所有其他債務投資及股本投資均於其後會計期間結束時按其公平值計量。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

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3. Application of New and Revised Hong Kong Financial Reporting Standards (*Continued*)

- 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.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting, derecognition and impairment of financial assets continues to apply.

HKFRS 10 "Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. HKFRS 10 provides additional guidance to assist in the determination of control where this is difficult to assess.

HKFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). HKFRS 11 addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.

3. 新訂及經修訂香港財務報告準則的應用(續)

- 至於金融負債方面，主要改變乃關於透過損益計算按公平值列賬的金融負債。特別是，根據香港財務報告準則第9號，對於透過損益計算按公平值列賬的金融負債，由於該項金融負債的信貨風險改變而導致該金融負債公平值改變的金額乃於其他全面收益中呈列，除非於其他全面收益中呈列該負債的信貨風險改變影響會造成或擴大損益的會計錯配。由於金融負債的信貨風險而導致公平值改變其後不會再分類至損益。之前，根據香港會計準則第39號，對於透過損益計算按公平值列賬的金融負債公平值改變，其改變金額全數於損益呈列。

香港財務報告準則第9號旨在全面取代香港會計準則第39號。於全面取代前，香港會計準則第39號於對沖會計、終止確認及財務資產之減值方面之指引繼續適用。

香港財務報告準則第10號「綜合財務報表」以現有原則為基礎，確定將控制權之概念作為釐定實體是否應計入母公司之綜合財務報表之決定因素。香港財務報告準則第10號提供在難以評估之情況下，可協助釐定控制權之額外指引。

香港財務報告準則第11號「共同安排」透過專注於安排之權利及責任而非其法定形式(按現時情況)以提供對共同安排之更現實反映。香港財務報告準則第11號透過要求以單一方法入賬於共同控制實體之權益而處理於呈報共同安排方面之不一致性。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

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3. Application of New and Revised Hong Kong Financial Reporting Standards (*Continued*)

HKFRS 12 “Disclosures of Interests in Other Entities” is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuances of HKFRS 10, HKFRS 11 and HKFRS 12.

HKFRS 13 “Fair Value Measurement” improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

Amendments to HKAS 1 “Presentation of Items of Other Comprehensive Income” require companies preparing financial statements in accordance with HKFRSs to group together items within other comprehensive income (OCI) that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

3. 新訂及經修訂香港財務報告準則的應用(續)

香港財務報告準則第12號「於其他實體的權益披露」為一項就於其他實體(包括共同安排、聯營公司、特殊目的工具及其他資產負債表外工具)之所有形式權益之披露規定之新訂及全面準則。

因頒佈香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號，香港會計準則第27號及香港會計準則第28號有後續修訂。

香港財務報告準則第13號「公平值計量」透過首次提供公平值之精確定義及公平值計量之單一來源及於香港財務報告準則使用之披露規定而提升一致性及減低複雜性。該等規定並不擴大公平值會計之使用，惟提供於其使用已由香港財務報告準則內之其他準則規定或准許之情況下應如何應用之指引。

香港會計準則第1號(修訂本)「其他全面收益項目的呈列」要求公司根據香港財務報告準則編製財務報表以將可能重新分類至收益表損益部份之其他全面收益(其他全面收益)內之項目組合。該等修訂亦重申其他全面收益項目及損益應呈列為單一報表或兩份連續報表之現有規定。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

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3. Application of New and Revised Hong Kong Financial Reporting Standards (*Continued*)

HKAS 12 (Amendments) “Deferred Tax: Recovery of Underlying Asset” clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 Income Taxes — Recovery of Revalued Non-Depreciable Assets that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis.

HKAS 19 (Revised in 2011) “Employee Benefits” includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans.

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

3. 新訂及經修訂香港財務報告準則的應用(續)

香港會計準則第12號(修訂本)「遞延稅項：收回相關資產」闡明以公平值計量之投資物業之遞延稅項的釐定。修訂引入可推翻推定，即以公平值計量之投資物業的遞延稅項，應以其賬面值藉出售而可收回之基礎而釐定。此外，該等修訂納入以往在香港(國際會計準則詮釋委員會)詮釋第21號所得稅—重估非折舊資產的收回之規定，即採用香港會計準則第16號之重估模式計量之非折舊資產之遞延稅項，應以出售基礎計量。

香港會計準則第19號(於2011年修訂)「僱員福利」包括從基本改變以至簡單闡明及重新措辭之多項修訂。經修訂之準則就界定退休福利計劃之入賬引入重大變動，包括取消遞延確認精算收益及虧損之選擇。其他變動包括離職福利確認時間之修改、短期僱員福利之分類及界定福利計劃之披露。

本公司董事預期，應用其他新訂及經修訂準則、修訂本及詮釋將不會對本集團之業績及財務狀況造成重大影響。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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4. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with all applicable HKFRS which collective term includes all applicable individual HKFRSs, the HKAS and Interpretations issued by the HKICPA. The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

These consolidated financial statements have been prepared under the historical cost convention, except for property, plant and equipment which is measured at revalued amounts. These policies have been consistently applied to all the periods presented unless otherwise stated.

The preparation of financial statements in conformity with HKFRS requires the use of certain key assumptions and estimates. It also requires the management to exercise their judgments in the process of applying the accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. The areas involving critical judgments and areas where assumptions and estimates are significant to these financial statements are disclosed in note 5 to the financial statements.

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

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statement of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

4. 重大會計政策

綜合財務報表乃根據香港會計師公會頒佈之所有適用之香港財務報告準則(其包括所有適用之個別香港財務報告準則、香港會計準則及詮釋之統稱)編製。綜合財務報表亦包括香港公司條例及創業板上市規則之適用披露規定。

除物業、廠房及設備以重估金額計量外，該等綜合財務報表乃按歷史成本法編製。此等政策已於所有呈報期間內貫徹採用，惟另有註明者除外。

遵照香港財務報告準則編製財務報表須採用若干主要假設及估計，此外亦要求管理人員在採納會計政策過程中作出判斷。儘管該等估計乃根據管理層對現行事件及行動的最佳瞭解而作出，惟最終實際結果可能與該等估計有差異。涉及重大判斷之範疇，或對該等財務報表有重大影響之假設及估計之範疇於財務報表附註5中披露。

編製該等財務報表所應用的主要會計政策如下。

(a) 綜合基準

綜合財務報表包括本公司及本公司控制的實體(包括特殊目的機構)(其附屬公司)的財務報表。當本公司有權決定一間實體的財務及經營政策，藉以從其活動獲益時，則被視為擁有該實體的控制權。

於年內收購或出售的附屬公司的業績乃由收購生效日期起至出售生效日期(如適用)為止計入綜合全面收益表中。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

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4. Significant Accounting Policies (*Continued*)**(a) Basis of consolidation (*Continued*)**

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

All intra-group transactions, balances, income, expenses and unrealized gains on transactions between Group entities are eliminated on consolidation.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less any impairment losses, unless the investment is classified as held for sale or included in a disposal group that is classified as held for sale.

(b) Property, plant and equipment

Property, plant and equipment is stated at historical cost or fair value at the date of revaluation, less subsequent accumulated depreciation and accumulated impairment losses, if any. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using fair values at the end of the reporting year.

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

4. 重大會計政策(續)**(a) 綜合基準(續)**

如有需要，將會就附屬公司的財務報表作出調整，使其會計政策與本集團其他成員公司所用者貫徹一致。

所有集團內公司間的交易、結餘、收入、開支及本集團實體間的交易之未實現收益均在綜合賬目中全數對銷。

除列為持作出售或包括在列為持作出售的出售組別的投資外，本公司財務狀況表內於一間附屬公司的投資，乃按成本減減值虧損列賬。

(b) 物業、廠房及設備

物業、廠房及設備按於重估當日的歷史成本或公平值，並扣除其後累計折舊及累計減值虧損(如有)列賬。重估會定期進行，使賬面值與按於報告年末之公平值釐定之價值不會有重大差別。

其後成本只在與該項目有關的日後經濟利益很可能會流向本集團及該項目的成本能可靠地計量時，始會計入該資產的賬面值內或確認為另一項資產(如適用)。所有其他維修及保養於其發生的財政年度內在損益表內確認。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (Continued)

(b) Property, plant and equipment (Continued)

Any revaluation increase arising on revaluation of an asset is recognised in other comprehensive income, and accumulated under the heading of asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained profits.

Depreciation on property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts over their estimated useful lives on a straight line basis. The principal annual rates used for this purpose during the reporting period are as follows:

Computer	30%
Furniture and fixtures	20%
Instruments	20%
Office equipment	30%
Motor vehicle	30%
Leasehold improvement	Over the lease term

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or where shorter, the term of the relevant lease.

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. The gain or loss arising on derecognition of the asset is the difference between the net disposal proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the period in which the asset is derecognised.

4. 重大會計政策(續)

(b) 物業、廠房及設備(續)

因重估資產產生的任何重估增值於其他全面收益中確認，並累計在資產重估儲備項下，惟倘其屬於撥回同一項資產之前在損益表內確認的重估減值時，如減少在之前已支銷，則該增加撥入損益表內。由於重估資產以致賬面淨額減少，倘其超過列入與該資產之前重估有關的資產重估儲備內的結餘(如有)，則在損益表內確認。其後於出售或報廢某項經重估資產時，於資產重估儲備內應計的重估盈餘直接撥入保留溢利內。

物業、廠房及設備的折舊按足以在其估計可使用期內撇銷其成本或重估金額的比率按直線法計算。於報告期間就此目的所用的主要年率如下：

電腦	30%
傢俱及裝置	20%
工具	20%
辦公室設備	30%
汽車	30%
租賃物業裝修	於租賃期內

可使用期及折舊法於各報告期末檢討及調整(如適用)，任何估計變動之影響按檢討後之期間入賬。

以融資租賃持有的資產按與自置資產相同的基準釐定的估計可使用期或按有關租賃期(如較短)折舊。

物業、廠房及設備項目於出售時或預期日後繼續使用該資產不會再產生經濟利益時即終止確認。終止確認該資產所產生的收益或虧損乃有關資產的出售所得款項淨額與賬面值之差額，並於資產終止確認的期間於損益表內確認。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (Continued)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold or services provided in the normal course of business, net of returns and discounts. Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably.

Revenue from sales of goods is recognized on the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered and the title has passed to the customers.

Revenue from the provision of IC Packaging service is recognized in the period the relevant service is provided.

Revenue from fixed-price contracts for the provision of application specific integrated circuit service ("ASIC Service") is recognized under the percentage of completion method, which is based on the services performed to date as a percentage of the total services to be performed under the relevant contract.

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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) 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 and 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 year.

4. 重大會計政策(續)

(c) 收益確認

收益按已收或應收之代價之公平值計，相當於在正常業務過程中出售貨物或提供服務應收之金額，扣除退貨及折扣。當經濟利益很可能流向本集團及當收益可以可靠地計量時，即可確認收益。

來自銷售貨物的收益在擁有權的風險和回報轉讓時(通常為貨物付運及所有權已轉移予客戶時)，即可確認收益。

來自提供晶片包封服務之收益於提供相關服務之期間確認。

來自提供應用指定集成電路服務(「ASIC服務」)的固定價格合約的收益按照完成百分比法確認，乃根據相關合約截至該日止已提供的服務佔將予提供的全部服務的百分比確認。

來自金融資產的利息收入根據時間基準經參考尚未償還本金及按適用實際利率(即在該金融資產的預期有效期內恰好將其估計日後所收現金貼現至該資產於初步確認時的淨賬面值的利率)計算。

(d) 稅項

所得稅開支指現時應付的稅項及遞延稅項之總和。

現時應付稅項根據該年度的應課稅溢利計算。應課稅溢利與在綜合全面收益表所呈報的溢利不同，因為其不計入其他年度的應課稅或應扣減收入及開支項目，並且不計入非課稅或不可扣減項目。本集團的現行稅務負債是使用於報告年末已立法或大致上已立法的稅率計算。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (Continued)

(d) Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. 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 deferred tax assets and liabilities are not recognised if the temporary difference arises 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.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

4. 重大會計政策(續)

(d) 稅項(續)

遞延稅項按綜合財務報表的資產與負債賬面金額的暫時差額及用以計算應課稅溢利的相應稅基確認。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產一般按所有可扣減暫時差額確認，但只適用於應課稅溢利將可用於抵銷可扣減暫時差額的情況下。如暫時差額是來自於某項交易而不影響應課稅溢利或會計溢利的其他資產與負債初步確認(業務合併除外)，則上述遞延稅項資產及負債不予確認。

遞延稅項負債乃就與於附屬公司的投資有關的應課稅暫時差額確認，惟倘本集團可控制暫時差額的撥回且暫時差額於可見將來不可能撥回則除外。來自與上述投資有關的可扣減暫時差額的遞延稅項資產只會在很可能有足夠的應課稅溢利用於暫時差額的利益且預期於可見將來可撥回時才會確認。

對遞延稅項資產的賬面金額於每個報告年末會作出檢討，並在不再可能有足夠的應課稅溢利可用於備抵全部或部份資產時作調減。

遞延稅項資產與負債按預期會用於結算負債及變現資產的年度的稅率計量。遞延稅項資產與負債的計量反映於報告年末會以本集團預期的方式發生的稅務後果，以收回或結算其資產與負債的賬面金額。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (Continued)

(d) Taxation (Continued)

Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case, the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

(e) Lease

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.

Assets held under finance leases are initially recognised as assets of the Group at their fair values 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 consolidated 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 recognized 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 (see the accounting policy below).

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

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the first-in, first-out basis, comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories in the ordinary course of business, less the estimated costs necessary to make the sale.

4. 重大會計政策(續)

(d) 稅項(續)

遞延稅項於損益中確認，惟當其與於其他全面收益中或直接於權益中確認的項目有關則除外，在這情況下，遞延稅項亦分別於其他全面收益中或直接於權益中確認。

(e) 租賃

當租賃的條款將所有權的絕大部份風險與回報轉讓予承租人時，租賃可分類為融資租賃。所有其他租賃則分類為經營租賃。

以融資租賃持有的資產，按於租賃開始時的公平值，或倘為較低者，按最低租賃支付款項現值初步確認為本集團的資產。對出租人的相應責任於綜合財務狀況表列為融資租賃責任。

租賃付款在融資成本與租賃責任減少之間分配，使責任的餘下結餘的利率固定不變。融資成本於損益表即時確認，除非其為直接與合資格資產有關，在這情況下，融資成本按照本集團的借款成本政策資本化(見下文會計政策)。

經營租賃付款於有關租賃期內以直線法確認為支出。作為鼓勵訂立經營租賃的已收取及應收利益於租賃期內以直線法確認為租金支出減少。

(f) 存貨

存貨按成本與可變現淨值的較低者入賬。成本以先入先出基準計算，包括所有採購成本及令存貨達致其現時地點及狀況的其他成本。可變現淨值指在日常業務過程中存貨的估計售價，減去作出銷售所必需的估計成本。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

4. Significant Accounting Policies (Continued)

(f) Inventories (Continued)

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the year in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the year in which the reversal occurs.

(g) Financial instruments

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

Financial assets

All the Group's financial assets are classified as loans and receivables. The accounting policies adopted for the Group's financial assets are set out below.

4. 重大會計政策(續)

(f) 存貨(續)

當存貨出售時，存貨的賬面值於相關收益確認的年度確認為支出。將存貨撇減至可變現淨值及所有存貨虧損金額於撇減或發生虧損的期間確認為支出。撇減存貨的任何撥回金額於發生撥回的年度確認為存貨成本支出的減少。

(g) 金融工具

當集團實體成為工具的合約條款一方時，金融資產及金融負債於綜合財務狀況表確認。金融資產及金融負債初步按公平值計量。與收購或發行金融資產及金融負債直接有關的交易成本(按公平值經損益入賬的金融資產及金融負債除外)於初步確認時加入金融資產或金融負債的公平值或從中扣除(如適用)。與收購按公平值經損益入賬的金融資產或金融負債直接有關的交易成本即時於損益確認。

金融資產

本集團的所有金融資產分類為貸款及應收款項。本集團就其金融資產所採納的會計政策現載於下文。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

4. Significant Accounting Policies (*Continued*)

(g) Financial instruments (*Continued*)

Financial assets (*Continued*)

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting year subsequent to initial recognition, loans and receivables (including trade receivables and bank balances and cash) are carried at amortised cost using the effective interest rate method, less any identified impairment losses (see accounting policy in respect of impairment on financial assets below), unless the effect of discounting would be immaterial, in which case they are stated at cost less any identified impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting year. 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 assets, the estimated future cash flows of the financial assets have been impacted.

4. 重大會計政策(續)

(g) 金融工具(續)

金融資產(續)

實際利率法

實際利率法是計算金融資產攤銷成本及將利息收入分配於有關年度的一種方法。實際利率是指金融資產整個預計存在期(或如適用,指較短期間),恰好將估計日後現金收益(包括作為實際利率、交易成本及其他溢價或折讓不可分割部份的所有已支付或收取費用)貼現至於初步確認時的淨賬面值的利率。

債務工具的利息收入以實際利率基準確認。

貸款及應收款項

貸款及應收款項乃非衍生金融資產,其付款為固定或可確定,不在活躍市場報價。於初步確認後的每個報告年末,貸款及應收款項(包括應收貿易賬款及銀行結餘及現金)使用實際利率法以攤銷成本,減去任何已識別減值虧損(見下文有關金融資產減值的會計政策)入賬,除非貼現的影響微不足道,在這情況下,則以成本減去任何已識別減值虧損入賬。

金融資產減值

於每個報告年末,對金融資產評估是否顯示出現減值。倘有客觀跡象顯示由於初步確認金融資產後發生一項或多項事件,令金融資產的估計日後現金流量受影響,則金融資產已減值。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (Continued)

(g) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For loans and receivables, objective evidence of impairment could include: (i) significant financial difficulty of the issuer or the counterparty; (ii) default or delinquency in interest or principal payments; (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organization; or (iv) the disappearance of an active market for that financial asset because of financial difficulties.

Financial assets that are assessed not to be impaired individually, such as trade receivables, 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.

For financial assets carried at amortised cost, an impairment loss is recognized 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 financial asset's original effective interest rate.

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

4. 重大會計政策(續)

(g) 金融工具(續)

金融資產(續)

金融資產減值(續)

就貸款及應收款項而言，對於減值的客觀跡象，可包括：(i)發行人或對手方有重大財政困難；(ii)拖欠或逾期不還利息或本金付款；(iii)借款人將可能破產或進行財務重組；或(iv)由於財政困難而令該金融資產的活躍市場消失。

獲個別地評估為並無減值的金融資產，例如應收貿易賬款，其後以統一方式評估減值。一個組合的應收款項減值客觀跡象可包括本集團收賬的過往經驗、於組合超逾平均信貸期的延遲還款個案增加及與拖欠應收款項有關的國家或地方經濟狀況的可察覺變化。

就按攤銷成本入賬的金融資產而言，當有該資產減值的客觀跡象時，減值虧損即於損益表確認，並按資產的賬面金額與按金融資產原來的實際利率貼現估計日後現金流量現值兩者之差額計量。

就按成本入賬的金融資產而言，減值虧損的金額按資產的賬面金額與按同類金融資產的現行市場回報率貼現的估計日後現金流量現值兩者之差額計量。上述減值虧損於其後年度不會撥回。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

4. Significant Accounting Policies (*Continued*)

(g) Financial instruments (*Continued*)

Financial assets (*Continued*)

Impairment of financial assets (*Continued*)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized 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 year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss 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 recognized.

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.

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 to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

4. 重大會計政策(續)

(g) 金融工具(續)

金融資產(續)

金融資產減值(續)

所有金融資產的賬面金額直接按減值虧損削減，但應收貿易賬款除外，其賬面金額乃透過使用撥備賬削減。撥備賬賬面金額的變動於損益表中確認。當某項應收貿易賬款被認為無法收回，則於撥備賬內撇銷。其後如收回之前已撇銷的金額，則撥入損益賬。

對於按攤銷成本計量的金融資產，如於其後年度該減值虧損減少，而減少與確認減值虧損後的某項事件存在客觀關係，則之前已確認的減值虧損透過損益撥回，但資產於撥回減值日期的賬面金額不得超過倘並無確認減值的攤銷成本。

金融負債及股本

集團實體發行的金融負債及股本工具乃按照所訂立的合約安排內容及金融負債及股本工具的定義而分類。

實際利率法

實際利率法是計算金融負債攤銷成本及將利息支出分配於有關期間的一種方法。實際利率是恰好於金融負債的預計存在期(或如適用，為較短期間)內將估計日後現金付款貼現至初步確認的淨賬面值的利率。

利息支出以實際利率基準確認。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (*Continued*)

(g) Financial instruments (*Continued*)

Financial liabilities and equity (*Continued*)

Financial liabilities

Financial liabilities (including trade and other payables to third parties, trade payable to a fellow subsidiary, amount due to an intermediate holding company, advance from Innovation and Technology Fund and bank borrowings) are subsequently measured at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the relevant group entities are recorded at the proceeds received, net of direct issue costs.

Derecognition

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

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

4. 重大會計政策(續)

(g) 金融工具(續)

金融負債及股本(續)

金融負債

金融負債(包括應付第三者之貿易及其他應付賬款、應付一間同系附屬公司的貿易賬款、應付一間中間控股公司的款項、來自創新科技基金的貸款及銀行借款)其後使用實際利率法按攤銷成本計量,除非貼現的影響微不足道,在這情況下以成本入賬。

股本工具

股本工具是證明某實體的資產(於扣除所有負債後)有剩餘權益的合約。由有關集團實體發行的股本工具以所收取的款項扣除直接發行成本後列賬。

終止確認

當收取來自資產的現金流的權利完結後,或金融資產已轉讓而本集團已將金融資產所有權的絕大部份風險及回報轉讓,則金融資產被終止確認。終止確認金融資產時,資產的賬面金額與已收取及應收代價及已直接於其他全面收益及累計權益中確認的累計損益總和之差額乃於損益中確認。

當相關合約訂明的責任解除、取消或完結後,金融負債即被終止確認。被終止確認的金融負債賬面金額與已付及應付代價之差額於損益中確認。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (Continued)

(h) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, deposits held at call with banks and short-term bank deposits with an original maturity period of three months or less. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(i) Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying amounts of its non-financial assets (see the accounting policy in respect of impairment of financial assets above) 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 in profit or loss 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.

4. 重大會計政策(續)

(h) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、銀行活期存款和原於三個月或以下到期的短期銀行存款。於要求時償還及構成本集團不可分割的現金管理部份之銀行透支亦列為現金及現金等價物的成份。

(i) 非金融資產減值

於每個報告年末，本集團檢討其非金融資產的賬面金額(見上文有關金融資產減值的會計政策)以決定是否有跡象顯示資產產生減值虧損。如有跡象，則會對資產的可收回金額作出估計，以確定減值虧損的多少(如有)。

可收回金額指扣除銷售成本的公平值與使用價值的較高者。於評估使用價值時，估計日後現金流量以反映當時市場對金錢時間價值及尚未調整日後現金流量估計的資產所特有風險的評估的稅前貼現率貼現至其現值。

如資產的可收回金額估計少於其賬面金額，則資產的賬面金額減至其可收回金額。減值虧損即時於損益中確認為支出，除非有關資產根據另一項準則以重估金額入賬，在這情況下，減值虧損將根據該準則視作重估減值處理。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

4. Significant Accounting Policies (Continued)

(i) Impairment of non-financial assets (Continued)

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 in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

(j) 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 the respective 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 year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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 year in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of the reporting year, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

4. 重大會計政策(續)

(i) 非金融資產減值(續)

倘減值虧損其後撥回，則資產的賬面金額增至其修正估計的可收回金額，但已增加的賬面金額不可超過以往年度倘資產並無確認減值虧損所確定的賬面金額。減值虧損的撥回於損益中確認為收入，除非有關資產根據另一項準則以重估金額入賬，在這情況下，減值虧損撥回將根據該準則視作重估增值處理。

(j) 外幣

於編製個別集團實體的財務報表時，以該實體的功能貨幣以外貨幣(外幣)進行的交易均以各自的功能貨幣(即該實體經營所在的主要經濟環境的貨幣)按交易日的當時匯率入賬。於報告年末，以外幣列賬的貨幣項目按當日的當時匯率再換算。以外幣按歷史成本計量的非貨幣項目不須再換算。

來自貨幣項目結算及於再換算貨幣項目時的匯兌差額於其發生的年度於損益中確認。

就呈列綜合財務報表而言，本集團外國業務的資產與負債乃按本集團的呈報貨幣(即港元)按報告年末的當時匯率換算，而其收入及支出按期內的平均匯率換算，除非匯率於期內大幅波動，在這情況下，則使用於各交易日的當時匯率。如出現匯兌差額(如有)，則於其他全面收益及累計權益中的匯兌儲備項下確認。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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4. Significant Accounting Policies (Continued)

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred. During the reporting year, all borrowing costs have been expensed.

(l) Retirement benefits costs

Payments to Mandatory Provident Fund Scheme under the Mandatory Provident Fund Schemes Ordinance, which is a defined contribution scheme, are charged as an expense when employees have rendered service entitling them to the contributions.

(m) Research and development expenditure

Expenditure on research activities is recognised as an expense in the year 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

4. 重大會計政策(續)

(k) 借款成本

與收購、建造或生產合資格資產(均屬經一段頗長時間才可按計劃使用或出售的資產)直接有關的借款成本均加入有關資產的成本中，直至資產大致上可按計劃使用或出售。

所有其他借款成本均於其發生的年內在損益中確認。於報告年度，所有借款成本均已支銷。

(l) 退休福利成本

根據強制性公積金計劃條例向強制性公積金計劃(一個定額供款計劃)支付的款項，當僱員提供服務令他們可享有供款時入賬列為支出。

(m) 研究與開發開支

研究活動的開支於其產生的年內確認為支出。

當及僅當以下各項得到證明的情況下，來自開發(或來自一個內部項目之開發階段)之內部產生無形資產將予以確認：

- 完成無形資產使可供使用或出售的技術可行性；
- 完成無形資產及使用或出售的意圖；
- 使用或出售無形資產的能力；
- 無形資產將如何產生可能的日後經濟利益；
- 有足夠的技術、財務及其他資源去完成開發及使用或出售無形資產；及

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

4. Significant Accounting Policies (Continued)

(m) Research and development expenditure (Continued)

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets 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 year in which it is incurred.

During the reporting year, all research and development expenditure has been expensed.

(n) Provisions and contingent liabilities

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

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

4. 重大會計政策(續)

(m) 研究與開發開支(續)

- 能可靠地計量與無形資產於開發時有關的開支。

內部產生的無形資產的初步確認金額乃由無形資產首次符合上述確認準則日期起所產生的開支總和。倘並無可確認的內部產生無形資產，則開發開支於其發生的年內於損益中列賬。

於報告年度，所有研究與開發開支均已支銷。

(n) 撥備及或然負債

當本集團因過往事件而須負上法律或推定責任，且可能須就履行該等責任而導致經濟利益流出，並能夠就此作出可靠估計，本集團會就該些未能確定發生時間或金額不定的負債作出撥備。當數額涉及重大的時間價值時，則按用以履行責任的開支的現值作出撥備。

倘不一定需要流出經濟利益履行責任或未能可靠估計款額，則該等責任將披露作或然負債，除非出現經濟利益流出的可能性極微。可能出現的責任(僅由發生或不發生一項或多項未來事件而確定)亦披露為或然負債，除非出現經濟利益流出的可能性極微。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

4. Significant Accounting Policies (*Continued*)

(o) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) the entity and the reporting entity are members of the same group (which means that each parent subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

4. 重大會計政策(續)

(o) 關連人士

關連人士乃指與編製財務報表之實體(「報告實體」)有關之人士或實體。

- (a) 該名人士須符合以下條件時，該名人士或其家族之近親與報告實體方有關連：
 - (i) 對報告實體擁有控制權或聯合控制權；
 - (ii) 對報告實體擁有重大影響；或
 - (iii) 為報告實體或報告實體母公司之主要管理層成員。
- (b) 實體於適用以下任何條件時，與報告實體方有關連：
 - (i) 實體與報告實體為同一集團公司成員，即母公司、附屬公司及同系附屬公司各自彼此相互關連；
 - (ii) 某一實體為另一實體之聯營公司或合營公司，或為另一實體所屬集團公司成員之聯營公司或合營公司；
 - (iii) 實體均為同一第三方之合營公司；
 - (iv) 實體為第三實體之合營公司，而另一實體為第三實體之聯營公司；

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

4. Significant Accounting Policies (Continued)

(o) Related parties (Continued)

- (b) An entity is related to a reporting entity if any of the following conditions applies: (Continued)
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

5. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on past experience, expectations of the future and other information that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future year if the revision affects both current and future periods.

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

4. 重大會計政策(續)

(o) 關連人士(續)

- (b) 實體於適用以下任何條件時，與報告實體方有關連：(續)
- (v) 實體為報告實體或與報告實體有關之實體之僱員福利設立離職後福利計劃。倘報告實體自身設立計劃，則提供資助之僱主亦與報告實體有關連；
- (vi) 實體受(a)所界定人士控制或聯合控制；或
- (vii) (a)(i)所界定人士對實體擁有重大影響或為實體或該名實體母公司之主要管理層成員。

5. 估計不明朗因素的主要來源

於應用本集團的會計政策(載於附註4)時，管理層須就從其他來源不易得知的資產與負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗、對未來的預期及認為相關的其他資料。實際結果可能與這些估計不同。

對估計及相關假設會不斷作出檢討。對會計估計的修正，如修正只影響該年度，則於估計修正的年度確認，或如修正影響現行年度及日後年度，則於修正年度及日後年度確認。

以下是關係到日後的主要假設，以及於報告年末對下一個財政年度的資產與負債賬面值有引致重大調整風險的其他估計不明朗因素主要來源。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

5. Key Sources of Estimation Uncertainty (Continued)**Impairment of trade receivables**

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

Allowance for slow-moving and obsolete inventories

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

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment based on the historical experience of the actual useful lives of assets of similar nature and functions. The Group will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Provisions and contingent liabilities

The Group recognises provision for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in a note to the consolidated financial statements.

5. 估計不明朗因素的主要來源(續)**應收貿易賬款減值**

本集團根據對應收貿易賬款的可收回程度的評估對應收貿易賬款作出減值，包括貿易債項的賬齡分析、各欠債方的現行信譽及／或過往收賬歷史。倘發生事件或改變時，其情況顯示結餘可能無法收回，即出現減值。識別呆壞賬須運用判斷和估計。倘實際結果與原來估計不同，上述差異將會對估計改變的報告年度的應收貿易賬款與呆賬支出賬面金額有影響。

對滯銷及過時存貨的撥備

對滯銷及過時存貨的撥備乃根據存貨的賬齡及估計變現淨值而作出。評估撥備額涉及判斷和估計。倘日後的實際結果與原來估計不同，上述差異將會對上述估計已改變年度的存貨賬面值和扣除／撥回撥備有影響。

物業、廠房及設備的可用期

在對物業、廠房及設備的折舊應用會計政策時，管理層根據類似性質及功能的資產實際可用期的過往經驗估計各類物業、廠房及設備的可用期。倘可用期與之前估計不同，本集團會修正折舊支出，或撇銷或撇減技術上已過時或已廢棄或出售的非策略性資產。

撥備及或然負債

當本集團因過往事件而須負上法律或推定責任，且可能須就履行該等責任而導致經濟利益流出，並能夠就此作出可靠估計，本集團會就該些未能確定發生時間或金額不定的負債作出撥備。倘不一定需要流出經濟利益履行責任或未能可靠估計款額，則該等責任將於綜合財務報表附註中披露作或然負債。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

6. Capital Risk Management

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balances.

The capital structure of the Group consists of debts, which includes the amount due to an intermediate holding company, advance from Innovation and Technology Fund and bank borrowings, as disclosed in notes 24, 25 and 26 respectively, net of bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The management of the Group reviews the capital structure periodically. The Group considers the cost of capital and risk associated with each class of capital, and will balance its overall capital structure through payment of dividends, repayment of amount due to an intermediate holding company, issuance of new shares as well as the raising of new debts.

6. 資本風險管理

本集團管理其資金以確保本集團旗下實體能持續經營業務，而另一方面能透過優化債務與股本結餘為股東爭取最大回報。

本集團的資本架構包括債務，計有應付一間中間控股公司的款項、來自創新科技基金的貸款及銀行借款(如分別於附註24、25及26所披露)，減去銀行結餘及現金，以及本公司擁有人應佔權益，包括已發行股本、儲備及保留溢利。

本集團的管理層定期檢討資本架構。本集團考慮與各類資本有關的資本成本和風險，並會透過支付股息、償還應付一間中間控股公司的款項、發行新股以及舉新債以平衡其整體資本架構。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments

(a) Categories of financial instruments

The carrying amounts of the Group's financial assets and liabilities as at the end of each reporting year are as follows:

7. 金融工具

(a) 金融工具的分類

本集團於各報告年末的金融資產與負債賬面值如下：

Group	本集團	2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Financial assets:	金融資產：		
Loans and receivables:	貸款及應收款項：		
Trade receivables	應收貿易賬款	20,380,653	12,512,440
Bank balances and cash	銀行結餘及現金	7,634,545	5,995,208
		28,015,198	18,507,648
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost:	按攤銷成本計量的金融負債：		
Trade and other payables to third parties	應付第三者之貿易及其他應付賬款	2,353,725	2,101,464
Trade payable to a fellow subsidiary	應付一間同系附屬公司之貿易賬款	—	1,389,863
Amount due to an intermediate holding company	應付一間中間控股公司之款項	—	134,000
Advance from Innovation and Technology Fund	來自創新科技基金之貸款	—	398,480
Bank borrowings	銀行借款	—	3,991,011
		2,353,725	8,014,818

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments (Continued)

(a) Categories of financial instruments (Continued)

Company

本公司

Financial assets:

Loans and receivables:

Amount due from a subsidiary

Bank and cash balances

金融資產：

貸款及應收款項：

應收一間附屬公司的款項

銀行及現金結餘

Financial liabilities

Amount due to an indirectly
owned subsidiary

Other payables

金融負債

應付一間間接持有的
附屬公司的款項

其他應付款項

2011
2011 年
HK\$
港元2010
2010 年
HK\$
港元

380,000

231,567

611,547

510,000

10,756

520,756

—

—

—

—

—

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are described below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(b) 財務風險管理目標及政策

本集團的活動面對多種財務風險：市場風險（包括貨幣風險及利率風險）、信貸風險及流動資金風險。如何減低這些風險的政策載於下文。管理層管理及監察這些風險以確保及時及有效地實施適當的措施。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments (Continued)

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

(i) Currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk include United States dollars ("USD") and Renminbi ("RMB"). In addition, certain bank balances of the Group are also denominated in USD and RMB. The Group currently does not have a foreign currency hedging policy with respect to its foreign exchange exposure. However, management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting year are as follow:

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(i) 貨幣風險

本集團面對的外幣風險，主要透過以相關業務的功能貨幣以外的貨幣進行銷售和採購。帶來風險的貨幣包括美元(「美元」)及人民幣(「人民幣」)。此外，本集團之若干銀行結餘亦以美元及人民幣計值。本集團目前並無就其外匯風險訂立外幣對沖政策。然而，管理層會監察外匯風險及在有需要時考慮對沖重大外匯風險。

本集團於各報告年末以外幣計值的貨幣資產及貨幣負債的賬面值如下：

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Assets	資產		
USD	美元	22,909,579	16,686,475
RMB	人民幣	450,327	263,863
Liabilities	負債		
USD	美元	1,793,133	7,323,830

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments (*Continued*)

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

(i) Currency risk (*Continued*)

Foreign currency sensitivity analysis

The Group mainly exposes to foreign exchange fluctuation of the currencies of USD and RMB against the currency of Hong Kong dollar ("HKD"). The directors consider that the Group's exposure to USD does not give rise to significant foreign currency risk on the ground that HKD is pegged to USD. Therefore, no sensitivity analysis of USD against the functional currency of the respective group entity is disclosed.

A reasonably possible change of 5% in the exchange rate between RMB and HKD would have no material impact on the Group's profit or loss during the reporting year and there would be no material impact on the Group's equity as at the end of each reporting year. The sensitivity analysis includes only outstanding RMB denominated monetary items and adjusts their translation at the end of respective reporting period for a 5% change in the currency rate. 5% is the sensitivity rate used when reporting foreign currency risk in respect of RMB internally to key management personnel and represents management's assessment of the reasonably possible change in the exchange rate of HKD against RMB.

(ii) Interest rate risk

The Group's exposure to cash flow interest rate risk arises primarily from its variable-rate bank deposits and bank overdrafts. The Group's exposure to fair value interest rate risk is attributable to its fixed-rate bank advances under discounted bills.

The Group currently does not have any interest rate hedging policy. However, the management monitors the Group's exposure to interest rate risk on an ongoing basis and will consider hedging interest rate risk should the need arise.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(i) 貨幣風險(續)

外幣敏感度分析

本集團主要承受美元和人民幣兌港元(「港元」)的外匯波動。董事認為，由於港元與美元掛鈎，本集團所承受由美元引起的外幣風險並不重大。因此，概無披露美元兌相關集團實體之功能貨幣之敏感度分析。

人民幣與港元之間的匯率可能出現的5%合理變動不會對本集團於報告年度的溢利或虧損構成重大影響，亦不會對本集團於各報告年末之權益構成重大影響。敏感度分析只包括未償還並以人民幣計值之貨幣項目，及於各自之報告期末時作出5%貨幣匯率之匯兌調整。在向主要管理人員內部匯報有關人民幣之外幣風險時，5%為所用的敏感率比率，亦代表管理層評估港元兌換人民幣之合理可能變動。

(ii) 利率風險

本集團承受之現金流量利率風險主要來自其可變利率銀行存款及銀行透支。本集團承受之公平值利率風險來自其於貼現票據下之固定利率銀行墊款。

本集團現時概無任何利率對沖政策。然而，管理層會持續監控本集團之利率風險，並在有需要時考慮對沖利率。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments (*Continued*)(b) Financial risk management objectives and policies (*Continued*)(ii) Interest rate risk (*Continued*)

Interest rate sensitivity analysis

The sensitivity analysis below has been prepared based on the exposure to interest rates for the Group's variable-rate bank deposits and bank overdrafts at the end of each reporting year. The analysis is prepared assuming the amount of these assets and liabilities outstanding at the end of each reporting year were outstanding for the whole period. A 100 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis has been performed on the same basis throughout the reporting year.

At the end of the reporting year, if interest rates had been 100 basis points higher/lower in respect of the Group's variable rate bank deposits and bank overdrafts, with all other variables held constant, there would have no significant impact on the Group's profit or loss during the reporting year and on the Group's equity as at 31 December 2011 and 2010.

(iii) Credit risk

The Group's credit risk is primarily attributable to trade receivables and bank deposits. As at 31 December 2011 and 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statements of financial position.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(ii) 利率風險(續)

利率敏感度分析

以下敏感度分析基於各報告年末本集團之可變利率銀行存款及銀行透支所帶來的利率風險編製。於編製分析時假設於各報告年末結欠的該等資產及負債金額於整段期間內結欠。於向主要管理人員內部匯報利率風險時使用100個基點的利率上升或下降，並代表管理層評估利率變動之合理可能變動。於整段報告年度的分析亦以相同的基準編製。

於報告年末，倘本集團之可變利率銀行存款及銀行透支之利率上升／降低100個基點(而所有其他可變因素保持不變)，本集團於報告年度的溢利或虧損及本集團於2011年及2010年12月31日之股本不會受到重大影響。

(iii) 信貸風險

本集團之信貸風險主要是來自應收貿易賬款及銀行存款。於2011年及2010年12月31日，因交易對手未能履行責任而將對本集團造成財務損失之最高信貸風險為綜合財務狀況表所呈列相關已確認金融資產之賬面值。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments (Continued)

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

(iii) Credit risk (Continued)

The Group has a credit policy in place and will perform credit evaluations on all customers requiring credit over a certain amount. The Group also has an export credit insurance with the Hong Kong Export Credit Insurance Corporation to cover risks on non-payment by customers.

In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade debt regularly to ensure that adequate allowance for impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as the Group's largest trade debtor accounted for 39% and 71% of its total trade receivables as at 31 December 2011 and 31 December 2010 respectively. In addition, the Group's five largest trade debtors accounted for 86% and 92% of its total trade receivables as at 31 December 2011 and 2010 respectively.

The credit risk for liquid funds is limited because such amounts are placed with various banks with good credit ratings.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 19.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iii) 信貸風險(續)

本集團有適當的信貸政策並將對要求獲得超過若干金額的信貸的所有客戶進行信貸評估。本集團亦有向香港出口信用保險局購買覆蓋某些海外客戶不繳款之風險之出口信用保險。

為盡量減低信貸風險，本集團定期審閱各個別貿易債務的可收回金額，以確保為不能收回之金額作出足夠的減值虧損撥備。就此而言，本集團之管理層認為本集團之信貸風險已大幅降低。

於2011年12月31日及2010年12月31日，本集團最大應收貿易賬款佔其總應收貿易賬款之39%及71%，故本集團之信貸風險集中。此外，於2011年及2010年12月31日，本集團五大應收貿易賬款分別佔其總應收貿易賬款的86%及92%。

本集團在流動資金方面之信貸風險有限，因為有關資金存放在多間信貸評級良好之銀行。

有關本集團所承受來自應收貿易賬款的信貸風險的進一步定量披露載於附註19。

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

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7. Financial Instruments (*Continued*)**(b) Financial risk management objectives and policies**
(*Continued*)**(iv) Liquidity risk**

The Group's liquidity position is monitored closely by the management of the Group. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to meet its liquidity requirements in the short and longer term.

During the reporting year, the Group financed its working capital requirements principally by funds generated from operations, bank borrowings and advance from Innovation and Technology Fund which is a form of assistance provided to a subsidiary of the Group by the Government of the Hong Kong Special Administrative Region.

The following table details the Group's contractual maturities at the end of each reporting year for its financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

7. 金融工具 (續)**(b) 財務風險管理目標及政策** (續)**(iv) 流動資金風險**

本集團之管理層會密切監察本集團之流動資金狀況。在管理流動資金風險方面，本集團監控及維持管理層視為充足之現金及現金等價物水平，以為本集團之營運撥資及應付其短期及較長期的流動資金需求。

於報告年度，本集團主要透過營運產生的資金、銀行借款及創新科技基金的貸款（由香港特區政府向本集團之附屬公司提供的一種協助）提供所需營運資本。

下表詳列本集團於各報告年末金融負債之合約到期分析。下表是根據金融負債之未貼現現金流量，並以本集團須要付款的最早日期為基準編製。表內包括利息及主要的現金流量。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments (Continued)

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

(iv) Liquidity risk (Continued)

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 流動資金風險(續)

Group	本集團	Repayable on demand or within one month 須按要求或 於一個月內 償還 HK\$ 港元	Between 1 month to 1 year 一個月至 一年 HK\$ 港元	Total undiscounted cash flows 未貼現 現金流量總額 HK\$ 港元	Carrying amount 賬面金額 HK\$ 港元
As at 31 December 2011	於2011年12月31日				
Trade and other payables to third parties	應付第三者之貿易及 其他應付賬款	2,353,725	—	2,353,725	2,353,725
As at 31 December 2010	於2010年12月31日				
Trade and other payables to third parties	應付第三者之貿易及 其他應付賬款	2,101,464	—	2,101,464	2,101,464
Trade payable to a fellow subsidiary	應付一間同系附屬公司 之貿易賬款	1,389,863	—	1,389,863	1,389,863
Advance from Innovation and Technology Fund	來自創新科技基金 之貸款	398,480	—	398,480	398,480
Amount due to an intermediate holding company	應付一間中間控股公司 之款項	134,000	—	134,000	134,000
Bank borrowings	銀行借款	3,991,011	—	3,991,011	3,991,011
		8,014,818	—	8,014,818	8,014,818
Company	本公司	Repayable on demand or within one month 須按要求或 於一個月內 償還 HK\$ 港元	Between 1 month to 1 year 一個月至 一年 HK\$ 港元	Total undiscounted cash flows 未貼現 現金流量總額 HK\$ 港元	Carrying amount 賬面金額 HK\$ 港元
As at 31 December 2011	於2011年12月31日				
Amount due to an indirectly owned subsidiary	應付一間間接持有的 附屬公司的款項	510,000	—	510,000	510,000
Other payables	其他應付款項	10,756	—	10,756	10,756
		520,756	—	520,756	520,756
As at 31 December 2010	於2010年12月31日	—	—	—	—

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

7. Financial Instruments (Continued)

(c) Fair value of financial instruments

The management of the Group considers that the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statements of financial position approximate their respective fair values.

8. Revenue

The Group is principally engaged in the design, development and sales of ICs. Revenue represents the amount received and receivable for goods sold and services provided by the Group at invoiced value, net of returns and discounts, during the year. An analysis of the Group's revenue recognised during the year as follows:

Revenue from sale of ICs	銷售集成電路的收益
Revenue from provision of IC packaging service	提供晶片包封服務的收益
Revenue from provision of ASIC Service	提供ASIC服務的收益

7. 金融工具(續)

(c) 金融工具的公平值

本集團管理層認為，綜合財務狀況表所反映的本集團的金融資產及金融負債賬面值與其各自的公平值相若。

8. 收益

本集團主要從事集成電路的設計、開發和銷售。收益指本集團於年內因出售貨物及提供服務已收及應收金額的發票價值，並扣除退貨及折扣。本集團於年內已確認收益分析如下：

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
44,712,839	61,574,452
8,072,881	—
6,348,000	4,491,100
59,133,720	66,065,552

9. Segment Information

The chief operating decision maker considers that the Group's activities constitute one operating segment as all of the Group's operations relate to the design, development and sales of integrated circuits. The management of the Group makes decisions about resource allocation and performance assessment on a group basis. It was determined that the Group has only one single reporting segment, being the design, development and sales of integrated circuits. As a result, no segment information other than the entity-wide disclosure is presented.

An analysis of the Group's revenue from major products and services is set out in note 8 above.

9. 分部資料

首席營運決策者認為，由於本集團所有業務均與設計、開發和銷售集成電路有關，故本集團的活動構成一個單一經營分部。本集團的管理層就資源分配和表現評估按集團基準而作出決定。本集團確定只有一個單一呈報分部，即設計、開發和銷售集成電路。因此，除整個實體作出披露外，並無呈報分部資料。

本集團來自主要產品和服務的收益分析載於上文附註8。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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9. Segment Information (Continued)

Information about major customers

The Group's revenue from customers which accounted for 10% or more of the Group's total revenue are as follows:

Customer A	客戶甲
Customer B	客戶乙
Customer C	客戶丙

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

9. 分部資料(續)

有關主要客戶的資料

來自佔本集團總收益10%或以上的客戶的本集團收益如下：

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
18,097,898	36,334,516
8,052,131	7,460,798
N/A*	
不適用*	7,555,389
26,150,029	51,350,703

* 相關收益並不佔本集團總收益逾10%。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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9. Segment Information (Continued)

Geographical information

The Group's operations are located in Hong Kong. The geographical location of customers is based on the location of the customers, irrespective of the origin of the goods or services. The geographical location of the non-current assets is based on the physical location of the assets, in the case of property, plant and equipment. The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are set out below:

Revenue from external customers

Hong Kong (place of domicile)	香港(居駐地)
The PRC, excluding Hong Kong and Taiwan	中國，不包括香港及台灣
Germany	德國
Korea	韓國
Russia	俄羅斯
Taiwan	台灣
Others	其他

9. 分部資料(續)

地域資料

本集團的業務位於香港。客戶的地域位置乃根據客戶的所在地而定，而不論貨物或服務的原來地。就物業、廠房及設備而言，非流動資產的地域位置乃根據資產的實際地點而定。本集團按地域位置劃分來自外界客戶的收益及有關其非流動資產的資料如下：

來自外界客戶的收益

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
17,965,445	12,392,242
30,293,399	44,767,267
2,142,178	300,485
4,201,300	4,792,598
3,532,721	2,678,072
998,677	1,129,429
—	5,459
59,133,720	66,065,552

Non-current assets

Hong Kong (place of domicile)	香港(居駐地)
The PRC, excluding Hong Kong and Taiwan	中國，不包括香港及台灣
Taiwan	台灣
Korea	韓國

非流動資產

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
598,267	745,649
85,314	272,415
2,311,569	1,253,583
447,753	278,753
3,442,903	2,550,400

Notes to the Financial Statements (Continued)

財務報表附註(續)

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10. Finance Costs

10. 融資成本

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Interests on:	以下各項的利息：		
Bank borrowings wholly repayable within five years	須於五年內全數償還的銀行借款	8,640	62,636
Finance lease	融資租賃	—	2,776
		8,640	65,412

11. Income Tax Expense

11. 所得稅開支

Income tax expense recognized in profit or loss

於損益中確認的所得稅開支

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Current tax — Hong Kong Profits Tax provision for the year	即期稅項 — 香港利得稅年度撥備	2,052,694	2,448,337
Deferred tax (note 27)	遞延稅項(附註27)	149,919	701,984
Total income tax expense recognized in profit or loss for the year	年度於損益中確認的所得稅開支總額	2,202,613	3,150,321

For the years ended 31 December 2011 and 2010, Hong Kong Profits Tax has been provided at a rate of 16.5% based on the estimated assessable profit for that year.

於截至2011年及2010年12月31日止年度，已根據該年度的估計應課稅溢利按16.5%的稅率作出香港利得稅撥備。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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11. Income Tax Expense (Continued)

Income tax expense recognized in profit or loss (Continued)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statements of comprehensive income as follows:

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Profit before tax	除稅前溢利	12,998,725	19,093,166
Tax at the applicable income tax rate of 16.5%	按16.5%的適用所得稅 稅率計算的稅項	2,144,790	3,150,372
Tax effect of expenses not deductible for tax purpose	就稅項而言不可扣減開支的 稅務影響	58,382	—
Tax effect of income not taxable for tax purpose	就稅項而言無須課稅收入的 稅務影響	(559)	(51)
Income tax expense for the year	年度所得稅開支	2,202,613	3,150,321

Income tax expense recognized in other comprehensive income

11. 所得稅開支(續)

於損益中確認的所得稅開支(續)

年度的所得稅開支可與綜合全面收益表的除稅前溢利對賬如下：

於其他全面收益中確認的所得稅開支

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Deferred tax (note 27)	遞延稅項(附註27)		
— Arising on revaluation of property, plant and equipment	— 來自物業、廠房及 設備重估	—	34,118
Total income tax expense recognized in other comprehensive income for the year	年度於其他全面收益確認 的所得稅開支總額	—	34,118

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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12. Profit for the Year

12. 年度溢利

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Profit for the year has been arrived at after charging:	年度溢利已扣除：		
Auditor's remuneration	核數師薪酬	400,000	90,000
Cost of inventories recognized as an expense	確認作為開支的存貨成本	36,551,314	39,253,838
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,254,778	1,105,912
Net foreign exchange loss	匯兌虧損淨額	36,639	12,432
Staff costs including directors' emoluments	包括董事酬金的員工成本		
— salaries, bonus and other benefits	— 薪金、花紅及其他福利	4,618,332	3,262,305
— performance based sales commission	— 以表現為基準的銷售佣金	—	261,000
— retirement benefits scheme contributions	— 退休福利計劃供款	134,312	111,736
— staff welfare	— 員工福利	11,746	11,077
And after crediting:	已計入：		
Bank interest income	銀行利息收入	3,386	312
Reversal of allowance for impairment on trade receivables	應收貿易賬款減值撥備撥回	17,132	19,198

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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13. Remuneration of Directors and Five Highest Paid Individuals

(a) Directors' remuneration

The emoluments paid and payable by the Group to each of the directors of the Company during the year are as follows:

13. 董事及五名最高薪酬人士的酬金

(a) 董事酬金

本集團於年內已向本公司各名董事支付及應付的薪酬如下：

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	Li Kwei Chung 李桂聰 HK\$ 港元	Liu Loi Ying 廖來英 HK\$ 港元	Liu Kam Lung 廖金龍 HK\$ 港元	Hui King Chun 許經振 HK\$ 港元	Sung Tak Wing, Leo 宋得榮 HK\$ 港元	Chan Sun Kwong 陳晨光 HK\$ 港元	Chan Chi Kwong, Dickson 陳智光 HK\$ 港元	Ko Yin Wai 高賢偉 HK\$ 港元	Total 合計 HK\$ 港元
Directors' fees 董事袍金	—	—	—	—	2,466	2,959	2,466	2,466	10,357
Other emoluments: 其他薪酬：									
Salaries, allowances and benefits in kind 薪金、津貼及 實物福利	750,600	529,631	81,250	—	—	—	—	—	1,361,481
Incentive bonus (Note) 獎勵性花紅 (附註)	250,000	—	—	—	—	—	—	—	250,000
Retirement benefits scheme contributions 退休福利計劃 供款	12,000	12,000	3,750	—	—	—	—	—	27,750
	1,012,600	541,631	85,000	—	2,466	2,959	2,466	2,466	1,649,588

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	Li Kwei Chung 李桂聰 HK\$ 港元	Liu Loi Ying 廖來英 HK\$ 港元	Liu Kam Lung 廖金龍 HK\$ 港元	Hui King Chun 許經振 HK\$ 港元	Sung Tak Wing, Leo 宋得榮 HK\$ 港元	Chan Sun Kwong 陳晨光 HK\$ 港元	Chan Chi Kwong, Dickson 陳智光 HK\$ 港元	Ko Yin Wai 高賢偉 HK\$ 港元	Total 合計 HK\$ 港元
Directors' fees 董事袍金	—	—	—	—	—	—	—	—	—
Other emoluments: 其他薪酬：									
Salaries, allowances and benefits in kind 薪金、津貼及 實物福利	579,400	437,054	—	—	—	—	—	—	1,016,454
Discretionary bonus 酌情花紅	—	80,000	—	—	—	—	—	—	80,000
Performance based sales commission 以表現為基準的 銷售佣金	—	120,000	—	—	—	—	—	—	120,000
Retirement benefits scheme contributions 退休福利計劃 供款	12,000	12,000	—	—	—	—	—	—	24,000
	591,400	649,054	—	—	—	—	—	—	1,240,454

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

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13. Remuneration of Directors and Five Highest Paid Individuals (*Continued*)**(a) Directors' remuneration (*Continued*)**

Note: Pursuant to an agreement entered into between MiniLogic HK and Mr. Li Kwei Chung on 3 January 2011, Mr. Li was entitled to a bonus amounting to HK\$250,000 for the year of 2011. The entitlement to the aforesaid bonus is vested on Mr. Li's continuity to work with MiniLogic HK for the year from 1 January 2011 to 31 December 2011.

(b) Five highest paid individuals' remuneration

The five highest paid individuals of the Group included two directors of the Company for each of the years ended 31 December 2011 and 2010, details of whose emoluments are included in the disclosures in above. The emoluments of the remaining three highest paid individuals during the year are as follows:

Salaries and other emoluments	薪金及其他薪酬
Discretionary bonus	酌情花紅
Retirement benefits scheme contributions	退休福利計劃供款

13. 董事及五名最高薪酬人士的酬金 (續)**(a) 董事酬金 (續)**

附註：根據微創高科與李桂聰先生於2011年1月3日訂立的協議，李先生於2011年可獲得250,000港元的花紅。獲得前述花紅的條件為李先生於2011年1月1日至2011年12月31日的年度繼續於微創高科工作。

(b) 五名最高薪酬人士的酬金

本集團截至2011年及2010年12月31日止年度各年的五名最高薪酬人士包括本公司兩名董事，其薪酬詳情列入上文披露中。年內，餘下三名最高薪酬人士的薪酬如下：

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
1,384,980	1,076,640
—	30,000
35,880	35,595
1,420,860	1,142,235

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

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13. Remuneration of Directors and Five Highest Paid Individuals (*Continued*)**(b) Five highest paid individuals' remuneration (*Continued*)**

The emoluments of the above highest paid individuals were within the following bands:

Not exceeding HK\$1,000,000

不超過1,000,000港元

No remuneration was paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2010: nil). In addition, none of the directors of the Company has waived any emoluments during the year.

14. Profit Attributable to Owners of the Company

The consolidated profit attributable to owners of the Company includes a loss of HK\$340,231 (2010: nil) which has been dealt with in the financial statements of the Company.

15. Dividends

No dividends were declared or paid during the year ended 31 December 2011 (2010: nil).

16. Earnings Per Share

The calculation of basic earnings per share for the year ended 31 December 2011 is based on the consolidated profit attributable to the owners of the Company approximately HK\$10,796,000 (2010: HK\$15,943,000) and on the basis of 150,000,000 shares (2010: 150,000,000 shares) in issue, being the number of shares in issue immediately after the completion of capitalization issue as detailed in note 28(d), throughout the years.

13. 董事及五名最高薪酬人士的酬金 (*續*)**(b) 五名最高薪酬人士的酬金 (*續*)**

上述最高薪酬人士的薪酬介乎以下範圍：

Number of individuals 人數	
2011 2011年	2010 2010年
3	3

年內，本集團並無向本公司任何董事或五名最高薪酬人士支付酬金作為鼓勵加入或於其加入本集團時的獎勵或作為離職的補償(2010年：無)。此外，概無本公司董事於年內放棄任何薪酬。

14. 本公司擁有人應佔溢利

本公司擁有人應佔綜合溢利包括已於本公司財務報表處理之340,231港元(2010年：無)之虧損。

15. 股息

截至2011年12月31日止年度，並無宣派或支付任何股息(2010年：無)。

16. 每股盈利

截至2011年12月31日止年度的每股基本盈利乃根據本公司擁有人應佔綜合溢利約10,796,000港元(2010年：15,943,000港元)及整個年度已發行150,000,000股股份(即如附註28(d)所詳述緊接資本化發行完成後已發行的股份數目)(2010年：150,000,000股股份)計算。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

16. Earnings Per Share (Continued)

No diluted earnings per share are presented as the Group did not have any dilutive potential ordinary shares during the year ended 31 December 2011 and 2010.

16. 每股盈利(續)

由於本集團於截至2011年及2010年12月31日止年度並無任何具攤薄潛力的普通股，故並無呈列每股攤薄盈利。

17. Property, Plant and Equipment

17. 物業、廠房及設備

		Computer equipment	Instruments	Office equipment	Furniture and fixtures	Motor vehicle	Leasehold improvement	Total
		電腦設備	工具	辦公室 設備	傢俱及 裝置	汽車	租賃 物業裝修	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元
Valuation	估值							
At 1 January 2010	於2010年1月1日	319,192	5,085,265	39,239	71,541	166,410	150,500	5,832,147
Additions	添置	68,735	2,035,956	4,898	7,074	—	—	2,116,663
Disposals	出售	(19,501)	(120,000)	—	(1,495)	—	—	(140,996)
Adjustment arising on revaluation	重估引起的調整	(299,026)	(4,557,521)	(36,837)	(64,620)	(148,910)	(150,500)	(5,257,414)
At 31 December 2010	於2010年12月31日	69,400	2,443,700	7,300	12,500	17,500	—	2,550,400
At 1 January 2011	於2011年1月1日	69,400	2,443,700	7,300	12,500	17,500	—	2,550,400
Additions	添置	104,157	2,032,594	—	10,530	—	—	2,147,281
At 31 December 2011	於2011年12月31日	173,557	4,476,294	7,300	23,030	17,500	—	4,697,681
Accumulated depreciation	累計折舊							
At 1 January 2010	於2010年1月1日	304,011	3,405,785	34,200	66,805	166,410	139,042	4,116,253
Charge for the year	年內折舊	31,278	1,060,150	3,629	4,605	—	6,250	1,105,912
Eliminated on disposals	於出售時撇銷	(19,501)	(120,000)	—	(1,495)	—	—	(140,996)
Eliminated on revaluation	於重估時撇銷	(315,788)	(4,345,935)	(37,829)	(69,915)	(166,410)	(145,292)	(5,081,169)
At 31 December 2010	於2010年12月31日	—	—	—	—	—	—	—
At 1 January 2011	於2011年1月1日	—	—	—	—	—	—	—
Charge for the year	年內折舊	71,101	1,150,004	5,830	10,343	17,500	—	1,254,778
At 31 December 2011	於2011年12月31日	71,101	1,150,004	5,830	10,343	17,500	—	1,254,778
Carrying values	賬面值							
At 31 December 2011	於2011年12月31日	102,456	3,326,290	1,470	12,687	—	—	3,442,903
At 31 December 2010	於2010年12月31日	69,400	2,443,700	7,300	12,500	17,500	—	2,550,400

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

17. Property, Plant and Equipment (Continued)

The Group's property, plant and equipment were revalued as at 31 December 2010 by an independent firm of surveyors, Norton Appraisals Limited, by reference to market evidence of recent transactions for similar assets. Surplus arising on the revaluation which has been credited to the asset revaluation reserve amounted to HK\$206,780. In addition, as a result of the revaluation, an impairment loss of property, plant and equipment of HK\$383,025 was recognized in profit or loss for the year ended 31 December 2010.

Had the Group's property, plant and equipment been carried at cost less accumulated depreciation, the carrying values of property, plant and equipment as at 31 December 2011 and 31 December 2010 would have been stated as follows:

17. 物業、廠房及設備(續)

本集團於2010年12月31日的物業、廠房及設備由一間獨立測量行普敦國際評估有限公司參考市場同類資產新近交易的憑證作出重估。由重估產生而撥入資產重估儲備的盈餘達206,780港元。此外，由於重估，一筆383,025港元的物業、廠房及設備減值虧損於截至2010年12月31日止年度的損益中確認。

倘本集團的物業、廠房及設備以成本減累計折舊入賬，則於2011年12月31日及2010年12月31日的物業、廠房及設備的賬面值會列賬如下：

		2011 2011年			2010 2010年		
		Cost 成本 HK\$ 港元	Accumulated depreciation 累計折舊 HK\$ 港元	Carrying values 賬面值 HK\$ 港元	Cost 成本 HK\$ 港元	Accumulated depreciation 累計折舊 HK\$ 港元	Carrying values 賬面值 HK\$ 港元
Computer equipment	電腦設備	472,583	362,572	110,011	368,426	315,788	52,638
Instruments	工具	9,033,815	5,482,542	3,551,273	7,001,221	4,345,935	2,655,286
Office equipment	辦公室設備	44,137	41,458	2,679	44,137	37,829	6,308
Furniture and fixtures	傢俱及裝置	87,650	73,097	14,553	77,120	69,915	7,205
Motor vehicle	汽車	166,410	166,410	—	166,410	166,410	—
Leasehold improvement	租賃物業裝修	150,500	148,417	2,083	150,500	145,292	5,208
		9,955,095	6,274,496	3,680,599	7,807,814	5,081,169	2,726,645

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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18. Inventories

18. 存貨

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Raw materials	原材料	1,063,951	3,965,483
Work in progress	在製品	867,728	1,427,551
Finished goods	成品	2,177,020	4,178,286
		4,108,699	9,571,320
Less: Provision for slow-moving and obsolete inventories	減：滯銷及過時存貨撥備	(136,459)	—
		3,972,240	9,571,320

As at 31 December 2011 and 2010, no inventory was carried at net realizable value.

於2011年及2010年12月31日，並無存貨以可變現淨值入賬。

19. Trade Receivables

19. 應收貿易賬款

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Trade receivables	應收貿易賬款	20,380,653	13,748,576
Less: allowance for doubtful debts	減：呆賬撥備	—	(1,236,136)
		20,380,653	12,512,440

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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19. Trade Receivables (Continued)

As at 31 December 2011 and 2010, the balance of trade receivables included bills discounted with recourse of HK\$nil and HK\$3,893,760 respectively. Bills receivables discounted with recourse represent bills receivables already discounted to a bank with recourse with a maturity period of 90 days. The Group remains liable to repay the full amount of the discount proceeds to the bank until the full settlement of related bills are received by the bank. Accordingly, the Group recognized the full amount of the discount proceeds as liabilities as set out in note 26.

The Group normally allows a credit period ranging from “cash on delivery” to 90 days to its trade customers as at 31 December 2011 and 2010. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the end of each reporting period, presented based on the invoice date:

0–30 days	0–30 日
31–60 days	31–60 日
61–90 days	61–90 日
More than 90 days	超過90 日

Amounts included in trade receivables at 31 December 2011 and 2010 related to both IC sold and services performed under ASIC services contracts and invoiced to those customers.

19. 應收貿易賬款(續)

於2011年及2010年12月31日，應收貿易賬款結餘包括以具追溯權的形式貼現的票據分別為零港元及3,893,760港元。以具追溯權的形式貼現的應收票據指已向銀行以具追溯權的形式貼現的應收票據，到期日為90天。直至銀行全數收到相關票據的結算金額前，本集團仍有責任向銀行償還全數貼現所得款項。因此，如附註26所述，本集團確認全數貼現所得款項為負債。

於2011年及2010年12月31日，本集團通常為其貿易客戶提供「貨到付款」至90日的信貸期。以下是於各報告期末的應收貿易賬款(已扣除呆賬撥備)的賬齡分析，根據發票日期呈列：

2011 2011 年 HK\$ 港元	2010 2010 年 HK\$ 港元
8,462,065	4,733,818
4,360,688	3,726,008
3,788,140	2,158,068
3,769,760	1,894,546
20,380,653	12,512,440

於2011年及2010年12月31日，列入應收貿易賬款的款項與集成電路銷售及根據ASIC服務合約提供服務有關，並已向該等客戶開具發票。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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19. Trade Receivables (Continued)

The Group has concentration of credit risk as 39% (31 December 2010: 71%) of the total trade receivable was due from the Group's largest customer during the year. The Group has implemented policies that require appropriate credit checks on potential customers before granting credit. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and credit ratings of its counterparties are monitored by management. The maximum credit risk of such financial assets is represented by the carrying value of asset.

Before accepting any new customer, the Group uses an internal credit assessment process to assess the potential customer's credit quality and defines credit limits by customer. Credit limits attributed to customers are reviewed by the management regularly. In determining recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivable from the date credit was initially granted up to the end of the year and no impairment is necessary for these balances which are not past due.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$9,511,674 and HK\$8,255,943 which are past due as at 31 December 2011 and 31 December 2010 respectively for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

An aged analysis of the Group's trade receivables which are past due but not impaired is as follows:

0–30 days	0–30 日
31–60 days	31–60 日
61–90 days	61–90 日
More than 90 days	超過90 日

19. 應收貿易賬款(續)

由於年內應收貿易賬款總額的39% (2010年12月31日：71%)均來自本集團的最大客戶，因此本集團面臨集中信貸風險。本集團已制定政策，要求授出信貸前對潛在客戶進行適當信貸審查。本集團的政策為僅與信譽良好的對手方進行交易，而管理層亦會注意本集團所面對的風險及其對手方的信貸評級。相關金融資產的最高信貸風險為資產的賬面值。

於接納任何新客戶之前，本集團運用內部信貸評估程序以評估潛在客戶的信貸質素及界定客戶的信貸限額。給予客戶的信貸限額由管理層定期檢討。釐定應收貿易賬款的可收回程度時，本集團考慮自初次授出信貸當日至年末期間應收貿易賬款信貸質素的任何轉變，且該等尚未逾期的結餘毋需作出減值。

列入本集團應收貿易賬款結餘中的有賬面值合共為9,511,674港元及8,255,943港元應收款項，該等款項已分別於2011年12月31日及2010年12月31日逾期，而本集團尚未為減值虧損作出撥備。本集團並無就該等結餘持有任何抵押品。

本集團的已逾期但未減值的應收貿易賬款賬齡分析如下：

2011 2011 年 HK\$ 港元	2010 2010 年 HK\$ 港元
213,042	489,647
2,716,283	3,713,682
4,544,320	2,158,068
2,038,029	1,894,546
9,511,674	8,255,943

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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19. Trade Receivables (Continued)

Trade receivables that were past due but not impaired related to a number of independent customers for whom there is no recent history of default. Based on past experience, management believes that no impairment allowance is necessary as there has not been a significant change in credit quality and the balances are still considered fully recoverable. Majority of the Group's trade receivables which are past due but not impaired as at 31 December 2011 has been received after 31 December 2011.

Movement in the allowance for doubtful debts on trade receivables during the year is as follows:

Balance at beginning of the year	年初結餘
Reversal of allowance during the year	年內撥備撥回
Amount written off during the year as uncollectible	年內撇銷為不可收回款項的金額
Balance at end of the year	年終結餘

Included in the allowance for doubtful debts on trade receivables are individually impaired trade receivables with an aggregate balance of HK\$ nil and HK\$1,236,136 as at 31 December 2011 and 31 December 2010 respectively, which related to two customers that were in financial difficulties. The Group does not hold any collateral over these balances.

19. 應收貿易賬款(續)

已逾期但未減值的應收貿易賬款與近期並無拖欠記錄的若干獨立客戶有關。根據過往經驗，管理層認為毋需作出減值撥備，原因是信貸質素並無重大改變，而結餘仍被視為可全數取回。於2011年12月31日已逾期但未減值的本集團大部份應收貿易賬款已於2011年12月31日後收回。

應收貿易賬款呆賬撥備於年內的變動如下：

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
1,236,136	1,255,334
(17,132)	(19,198)
(1,219,004)	—
—	1,236,136

列入應收貿易賬款呆賬撥備中乃個別已減值的應收貿易賬款，於2011年12月31日及2010年12月31日的總結餘分別為零港元及1,236,136港元，乃與兩名有財政困難的客戶有關。本集團並無就該等結餘持有任何抵押品。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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20. Deposits and Prepayments

Deposits for purchase of raw materials	採購原材料之按金
Deposits for purchase of instruments	採購工具之按金
Rental and utilities deposits for leased properties	租賃物業之租金及水電按金
Prepayment of listing expenses	上市開支之預付款項
Prepayment of sample charges	樣板費之預付款項
Others	其他

20. 按金及預付款項

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
429,515	2,347,660
432,978	252,720
124,595	124,595
8,379,537	—
119,036	70,262
696,692	32,389
10,182,353	2,827,626

21. Bank Balances and Cash

Bank balances and cash comprise cash and short-term deposits with an original maturity of three months or less which are held with financial institutions and carry interest at prevailing market rates. The average effective interest rates of the Group's bank balances are 0.02% and 0.01% per annum, as at 31 December 2011 and 2010 respectively.

21. 銀行結餘及現金

銀行結餘及現金包括現金及存放於金融機構原到期時間為三個月或以下及以現行市場利率計息的短期存款。於2011年及2010年12月31日，本集團銀行結餘的平均實際年利率分別為0.02%及0.01%。

22. Trade and Other Payables to Third Parties

Trade payables to third parties	應付第三者之貿易賬款
Other payables and accruals	其他應付及應計款項

22. 應付第三者之貿易及其他應付賬款

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
1,808,133	1,998,156
945,592	193,308
2,753,725	2,191,464

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

22. Trade and Other Payables to Third Parties (Continued)

An aging analysis of the Group's trade payables to third parties, presented based on the invoice date at the end of the year, is as follows:

0–30 days	0–30 日
31–60 days	31–60 日
61–90 days	61–90 日
More than 90 days	超過90 日

23. Trade Payable to a Fellow Subsidiary

The entire Group's trade payable to a fellow subsidiary, Kith Electronics Limited, is aged more than 90 days based on the invoice date at the end of the year.

More than 90 days	超過90 日
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The trade payable to a fellow subsidiary is unsecured and interest-free.

22. 應付第三者之貿易及其他應付賬款(續)

本集團於年末按發票日期呈列的應付第三者之貿易賬款的賬齡分析如下：

2011 2011 年 HK\$ 港元	2010 2010 年 HK\$ 港元
1,714,956	1,723,673
1,917	175,423
—	—
91,260	99,060
1,808,133	1,998,156

23. 應付一間同系附屬公司之貿易賬款

本集團於年末按發票日期呈列應付一間同系附屬公司僑威電子有限公司的全部貿易賬款的賬齡均超過90日。

2011 2011 年 HK\$ 港元	2010 2010 年 HK\$ 港元
—	1,389,863
—	1,389,863

應付一間同系附屬公司的貿易賬款乃無抵押及免息。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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24. Amount Due to an Intermediate Holding Company

24. 應付一間中間控股公司之款項

Name of intermediate holding company	中間控股公司名稱	2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Kith Holdings Limited	僑威集團有限公司	—	134,000

The amount due to an intermediate holding company represents expenses paid on behalf of the Group. The amount is unsecured, interest-free and has no fixed terms of repayment.

The amount due to intermediate holding company has been fully settled in the year of 2011.

應付一間中間控股公司的款項指代本集團支付的費用。該款項乃無抵押、免息及並無固定還款期。

應付一間中間控股公司的款項已於2011年全數清還。

25. Advance from Innovation and Technology Fund

The advance from the Innovation and Technology Fund is a form of Government assistance provided to a subsidiary of the Group by the Government of the Hong Kong Special Administrative Region under the Small Entrepreneur Research Assistance Programme. It is provided on a dollar-for-dollar matching basis to finance the Static LCD COG Driver project and the LCD Information System Project being undertaken by the subsidiary. The advance is non-interest bearing and has been fully settled in April 2011.

25. 來自創新科技基金之貸款

來自創新科技基金之貸款乃香港特別行政區政府根據小型企業研究資助計劃向本集團一間附屬公司提供政府協助的一種方式。該計劃按等額形式向該附屬公司所進行的靜態LCD COG驅動器項目及LCD資訊系統項目發放補助金。貸款乃不計利息並已於2011年4月全數清償。

26. Bank Borrowings

26. 銀行借款

		2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
Bank advances under discounted bills with recourse, unsecured	以具追溯權的貼現票據取得的銀行墊款(無抵押)	—	3,893,760
Bank overdraft, unsecured	銀行透支(無抵押)	—	97,251
		—	3,991,011

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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26. Bank Borrowings (Continued)

Bank advances under discounted bills with recourse represent the Group's bank borrowings secured by bills discounted to a bank with recourse as disclosed in note 19. They are repayable within 90 days from the date the advances were made and carry prevailing market interest rate. The average effective interest rate on bank advances under discounted bills with recourse is 6.75% per annum as at 31 December 2010.

27. Deferred Tax Liabilities

The components of deferred tax (assets)/liabilities recognized in the Group's consolidated statements of financial position and the movements thereon during the year are as follows:

26. 銀行借款(續)

以具追溯權的貼現票據取得的銀行墊款指附註19所披露以向一間銀行以具有追溯權的形式貼現票據作抵押的本集團銀行借款。該等借款須於作出墊款之日起計90日內償還，並以現行市場利率計息。於2010年12月31日，以具追溯權的貼現票據取得的銀行墊款的平均實際利率為每年6.75%。

27. 遞延稅項負債

於本集團的綜合財務狀況表確認的遞延稅項(資產)/負債組成部份以及其於年內的變動如下：

		Revaluation of property, plant and equipment 重估物業、 廠房及設備 HK\$ 港元	Accelerated tax depreciation 加速稅務 折舊 HK\$ 港元	Unused tax losses 未動用稅 務虧損 HK\$ 港元	Total 合計 HK\$ 港元
Balance at 1 January 2010	於2010年1月1日的結餘	—	248,066	(595,257)	(347,191)
Charged to profit or loss for the year	年內於損益扣除	—	106,727	595,257	701,984
Charged to other comprehensive income for the year	年內於其他全面收益 扣除	34,118	—	—	34,118
Balance at 31 December 2010 and 1 January 2011	於2010年12月31日及 2011年1月1日的結餘	34,118	354,793	—	388,911
Charged to profit or loss for the year	年內於損益扣除	—	149,919	—	149,919
Balance at 31 December 2011	於2011年12月31日 的結餘	34,118	504,712	—	538,830

Notes to the Financial Statements (*Continued*)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

28. Share Capital

28. 股本

		Number of ordinary shares 普通股股份數目	Nominal value 面值 HK\$ 港元
Ordinary shares of HK\$0.1 each			
<i>Authorized:</i>			
	每股0.1港元的普通股		
	法定：		
Upon incorporation (<i>note (a)</i>)	於註冊成立後(附註(a))	3,800,000	380,000
Increase during the year (<i>note (c)</i>)	年內增加(附註(c))	9,996,200,000	999,620,000
At 31 December 2011	於2011年12月31日	10,000,000,000	1,000,000,000
<i>Issued and fully paid:</i>			
	已發行及繳足：		
Upon incorporation (<i>note (a) and (b)</i>)	於註冊成立後 (附註(a)及(b))	1	—
Issue of shares on Reorganization (<i>note (b)</i>)	於重組時發行股份 (附註(b))	3,799,999	380,000
At 31 December 2011	於2011年12月31日	3,800,000	380,000

(a) The Company was incorporated on 31 March 2011 in the Cayman Islands with an authorized share capital of HK\$380,000 divided into 3,800,000 shares of HK\$0.10 each, of which one share of HK\$0.10 was allotted and issued.

(b) On 20 December 2011, the Company, Minilogic BVI and the then shareholders of MiniLogic HK entered into a share swap agreement, pursuant to which Minilogic BVI acquired the entire issued share capital of MiniLogic HK from the said shareholders in consideration of, (i) Minilogic BVI crediting as paid up the initial one nil paid share of Minilogic BVI held by the Company; (ii) the crediting as fully paid at par the initial one nil paid share of the Company and (iii) the issue and allotment of 3,799,999 shares to the said shareholders, all credited as fully paid.

(a) 本公司於2011年3月31日於開曼群島註冊成立，法定股本為380,000港元，分為3,800,000股每股面值0.10港元的股份，其中1股面值0.10港元的股份已配發及發行。

(b) 於2011年12月20日，本公司、Minilogic BVI及微創高科的當時股東訂立一份換股協議，據此Minilogic BVI向上述股東收購微創高科的全部已發行股本，代價為(i) Minilogic BVI將本公司所持Minilogic BVI初始一股未繳股款股份入賬列為繳足；(ii)將本公司初始一股未繳股款股份按面值入賬列為繳足；及(iii)向上述股東發行及配發3,799,999股全部入賬列為繳足的股份。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

28. Share Capital (Continued)

- (c) Pursuant to a shareholder resolution passed on 23 December 2011, the authorized share capital of the Company was increased from HK\$380,000 to HK\$1,000,000,000 by the creation of additional 9,996,200,000 ordinary shares of HK\$0.10 each.
- (d) Pursuant to a shareholder resolution passed on 23 December 2011, conditional on the share premium account of the Company being credited by HK\$14,620,000 as a result of the Placing as mentioned and defined in (e) below, an aggregate of 146,200,000 Shares, by way of capitalization of the sum of HK\$14,620,000 standing to the credit of the share premium account of the Company, would be issued, allotted and credited as fully paid at par to the Shareholders as appearing on the register of members of the Company as of 23 December 2011. Upon the Capitalization, the issued share capital of the Company would become HK\$15,000,000 divided into 150,000,000 shares of HK\$0.10 each.
- (e) On 19 January 2012, 50,000,000 ordinary shares of HK\$0.10 each were issued by way of Placing at a price of HK\$0.80 per share (the "Placing Price") for cash consideration of HK\$40,000,000. The excess of the Placing Price over the par value of the shares issued was credited to the share premium account.

29. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 40 to 41 of the financial statements.

Merger reserve arose as a result of the Reorganization taken place on 20 December 2011 which represents the issued shares and share premium of MiniLogic HK upon group Reorganization and the nil-paid issued of 380,000 shares of the Company which credited as fully paid.

28. 股本(續)

- (c) 根據2011年12月23日通過的股東決議案，本公司藉增設額外9,996,200,000股每股面值0.10港元的普通股將其法定股本由380,000港元增加至1,000,000,000港元。
- (d) 根據2011年12月23日通過的股東決議案，待本公司股份溢價賬由於配售(如下文(e)所提述及界定)而獲進賬14,620,000港元後，本公司透過將本公司股份溢價賬進賬額14,620,000港元撥充資本的方式，向於2011年12月23日名列本公司股東名冊的股東按面值發行及配發合共146,200,000股入賬列為繳足的股份。於撥充資本後，本公司的已發行股本將為15,000,000港元，分為150,000,000股每股面值0.10港元的股份。
- (e) 於2012年1月19日，本公司透過配售方式按每股0.80港元的價格(「配售價」)發行50,000,000股每股面值0.10港元的普通股以換取現金代價40,000,000港元。配售價超出已發行股份面值的部份已計入股份溢價賬。

29. 儲備

(a) 本集團

本集團本年度及往年的儲備金額及其變動呈列於本財務報表第40至41頁的綜合權益變動表內。

2011年12月20日因重組而產生的合併儲備。合併儲備指集團重組後微創高科的已發行股份及股份溢價以及本公司以未繳股款方式發行的380,000股入賬列為繳足的股份。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

截至2011年12月31日止年度

29. Reserves (Continued)

(b) Statement of change in equity of the Company for the year ended 31 December 2011

At 1 January 2010,
31 December 2010
and 1 January 2011

於2010年1月1日、
2010年12月31日及
2011年1月1日

Loss of the year

年度虧損

Other comprehensive income

其他全面收益

Total comprehensive income

全面收益總額

Transactions with owners

與擁有人之交易

Allotment and issue of consideration
shares and credited as fully paid
for share swap (Note 28 (a-b))

因換股配發及發行代價
股份及入賬列作繳足
(附註28(a-b))

As 31 December 2011

於2011年12月31日

29. 儲備(續)

(b) 本公司截至2011年12月31日止年度的權益變動表

Share capital 股本 HK\$ 港元	Accumulated losses 累計虧損 HK\$ 港元	Total 合計 HK\$ 港元
—	—	—
—	(340,231)	(340,231)
—	—	—
—	(340,231)	(340,231)
380,000	—	380,000
380,000	—	380,000
380,000	(340,231)	39,769

30. Retirement Benefit Scheme

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the Group and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Total contributions paid or payable to the MPF Scheme by the Group amounted to HK\$134,311, HK\$111,736 for the years ended 31 December 2011 and 2010 respectively, which had been recognized as expense and included in staff costs in the consolidated statements of comprehensive income.

30. 退休福利計劃

本集團為香港所有合資格僱員參與根據香港強制性公積金計劃條例下的強制性公積金計劃(「強積金計劃」)。強積金計劃乃一個由獨立信託人管理的定額供款退休計劃。根據強積金計劃，本集團及其僱員各須按僱員的有關收入的5%向計劃作出供款，而上限為每月有關收入20,000港元。向計劃作出供款乃即時歸屬。強積金計劃的資產與本集團的資產分開持有，資金由信託人控制。本集團於截至2011年及2010年12月31日止年度向強積金計劃已付或應付的供款總額分別為134,311港元及111,736港元，該等金額已確認為支出及於綜合全面收益表中列為員工成本。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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30. Retirement Benefit Scheme (Continued)

The Group has no other material obligation for payment of retirement benefits beyond the contributions as described above.

31. Operating Lease Commitments

At the end of the year, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leased properties which fall due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二年至第五年， 包括首尾兩年

Operating lease payments mainly represent rentals payable by the Group for its office premises and a warehouse in Hong Kong. Leases are negotiated for an average term of 1 to 3 years with rentals fixed at the date of signing of lease agreements and do not include contingent rentals.

32. Contingent Liabilities

As at 31 December 2011 and 2010, six employees of the Group have completed the required number of years of service under the Hong Kong Employment Ordinance (the "Ordinance"), to be eligible for long service payments on termination of their employment. The Group is only liable to make such payments where the termination meets the circumstances specified in the Ordinance.

If the termination of all such employees met the circumstances set out in the Ordinance, the Group's liability as at 31 December 2011 and 2010 would be approximately HK\$140,700 and HK\$185,000 respectively. No provision has been made for these amounts in the consolidated financial statements as the directors of the Company are of the view that these amounts are not expected to crystallize in the foreseeable future.

Save as disclosed above, the Group did not have any significant contingent liabilities as at 31 December 2011 and 2010.

30. 退休福利計劃 (續)

本集團除上述供款外，並無其他重大的支付退休福利責任。

31. 經營租賃承擔

於年末，本集團就租用物業有以下根據不可撤銷經營租賃的日後最低租賃付款承擔，其到期情況如下：

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
301,343	353,165
82,000	184,543
383,343	537,708

經營租賃付款主要指本集團就其位於香港的辦公室單位及倉庫應付的租金。所磋商租賃平均為期一至三年，於簽訂租賃協議日期確定租金及不包括或然租金。

32. 或然負債

於2011年及2010年12月31日，本集團有六名僱員已完成根據香港僱傭條例（「該條例」）的所需服務年數而合資格於終止僱用時享有長期服務金。本集團只就符合該條例所指定的情況下須作出有關付款。

如所有上述僱員終止服務符合該條例所載列的情況，則本集團於2011年及2010年12月31日的負債分別約為140,700港元及185,000港元。本集團並無就這些金額於綜合財務報表中作出撥備，因為本公司董事認為預期這些金額於可見將來不會實現。

除以上所披露外，本集團於2011年及2010年12月31日並無任何重大或然負債。

Notes to the Financial Statements (Continued)

財務報表附註(續)

For the year ended 31 December 2011

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33. Related Party Transactions

In addition to the balances with related parties set out in the consolidated statements of financial position and respective notes, the Group had the following material transactions with its related parties during the year:

(a) Transactions with a related party

Purchase of goods from a fellow subsidiary — Kith Electronics Limited
("Kith Electronics") 向一間同系附屬公司採購
貨物—僑威電子有限公司("僑威電子")

The purchase price for the goods supplied by Kith Electronics to the Group was determined on the basis of the purchase price paid by Kith Electronics to a major subcontractor of the Group plus make up rate of 6%–8% for the extended credit term granted by Kith Electronics to the Group.

The above transactions have been discontinued since June 2010.

(b) Compensation of key management personnel

Remuneration for key management personnel of the Group, including the amounts paid to the Company's directors as disclosed in note 13(a) and one of the highest paid employees as disclosed in note 13(b), is as follows:

Short-term employee benefits 短期僱員福利
Retirement benefits scheme contribution 退休福利計劃供款

33. 關連人士交易

除於綜合財務狀況表及相關附註所載與關連人士之間的結餘外，本集團於年內與其關連人士有以下重大交易：

(a) 與一名關連人士的交易

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
—	2,855,369

就僑威電子向本集團供應貨物的採購價乃按僑威電子向本集團一名主要分包商支付的採購價另加就僑威電子延長本集團的信貸條款而加入的漲價率6%至8%。

上述交易已自2010年6月起終止。

(b) 主要管理人員的薪酬

本集團主要管理人員的酬金，包括如附註13(a)所披露已支付予本公司董事的金額及已支付如附註13(b)所披露的最高薪酬僱員之一的金額如下：

2011 2011年 HK\$ 港元	2010 2010年 HK\$ 港元
2,334,631	1,731,854
39,750	36,000
2,374,381	1,767,854

Notes to the Financial Statements (Continued)

財務報表附註(續)

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34. Events after the Reporting Period

On 19 January 2012, the Company was listed on the Growth Enterprise Market of the Stock Exchange by way of placing and completed the placing of 50,000,000 shares at a price of HK\$0.80 each. The proceeds in gross was HK\$40,000,000.

34. 報告期後事項

於2012年1月19日，本公司透過配售於聯交所創業板上市，並以每股0.80港元的價格完成配售50,000,000股股份。所得款項總額為40,000,000港元。

35. Particulars of the Subsidiaries of the Company

35. 本公司的附屬公司詳情

Name of subsidiaries 附屬公司名稱	Place and date of incorporation/ registration 註冊成立／註冊地點 及日期	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest/ voting power/ profit sharing 擁有權益／投票權／ 分佔溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Minilogic Investment Limited	British Virgin Islands 27 May 2011 英屬處女群島 2011年5月27日	1 ordinary share of US\$1 1股面值1美元的普通股	100%	—	Investment holding
MiniLogic Device Corporation Limited 微創高科有限公司	Hong Kong 12 January 2000 香港 2000年1月12日	7,651,200 ordinary share of HK\$1 7,651,200股每股面 值1港元的普通股	—	100%	Design, development and sales of ICs 設計、開發及銷售集 成電路

The balance with subsidiaries are unsecured, non-interest bearing and repayable on demand.

與附屬公司的結餘為無抵押、免息及可按要求償還。

36. Change of Company Name

Pursuant to a special resolution passed on 27 April, 2011, the Company's name was changed from "Magalogic Holdings Limited" to "Megalogic Technology Holdings Limited 宏創高科集團有限公司".

36. 更改本公司的名稱

經2011年4月27日所通過之特別決議案，本公司的名稱已由「Magalogic Holdings Limited」更改為「Megalogic Technology Holdings Limited 宏創高科集團有限公司」。

37. Authorisation of Issue of the Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 23 March 2012.

37. 授權刊發綜合財務報表

董事會已於2012年3月23日批准並授權刊發綜合財務報表。

