



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

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

(Stock Code 股份代號 : 8046)

2013

Annual Report
年報

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Xiao Yan (*Chief Executive Officer*)
Mr. Li Tao
Mr. Qiu Bin

Non-executive Director

Mr. Xu Lei

Independent Non-executive Directors

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

COMPANY SECRETARY

Mr. Tse Kam Fai, *FCIS, FCS, HKIoD*

AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

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

COMPLIANCE OFFICER

Mr. Xiao Yan

AUTHORISED REPRESENTATIVES

Mr. Xiao Yan
Mr. Tse Kam Fai

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

董事會

執行董事

肖彥先生 (*行政總裁*)
李濤先生
仇斌先生

非執行董事

徐雷先生

獨立非執行董事

梁和平先生，*太平紳士*
董石先生
胡定東先生

公司秘書

謝錦輝先生，*FCIS, FCS, HKIoD*

審核委員會、提名委員會及薪酬委員會

梁和平先生，*太平紳士 (主席)*
董石先生
胡定東先生

監察主任

肖彥先生

授權代表

肖彥先生
謝錦輝先生

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2, 24/F, Harcourt House
39 Gloucester Road, Wanchai, Hong Kong

STOCK CODE

8046

COMPANY INTERNET HOMEPAGE

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

BERMUDA PRINCIPAL SHARE REGISTRAR

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
18/F, Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China
1 Garden Road, Hong Kong

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

AUDITOR

Cheng & Cheng Limited
Certified Public Accountants
10/F, Allied Kajima Building
138 Gloucester Road, Wanchai, Hong Kong

LEGAL ADVISOR

Minter Ellison
Level 25 One Pacific Place
88 Queensway
Hong Kong

香港總辦事處暨主要營業地點

香港灣仔告士打道39號
夏慤大廈24樓2室

股份代號

8046

公司網頁

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

百慕達主要股份登記處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份登記分處

聯合證券登記有限公司
香港灣仔
駱克道33號中央廣場
福利商業中心18樓

主要往來銀行

中國銀行
香港花園道1號

永亨銀行有限公司
香港皇后大道中161號

核數師

鄭鄭會計師事務所有限公司
執業會計師
香港灣仔告士打道138號
聯合鹿島大廈10樓

法律顧問

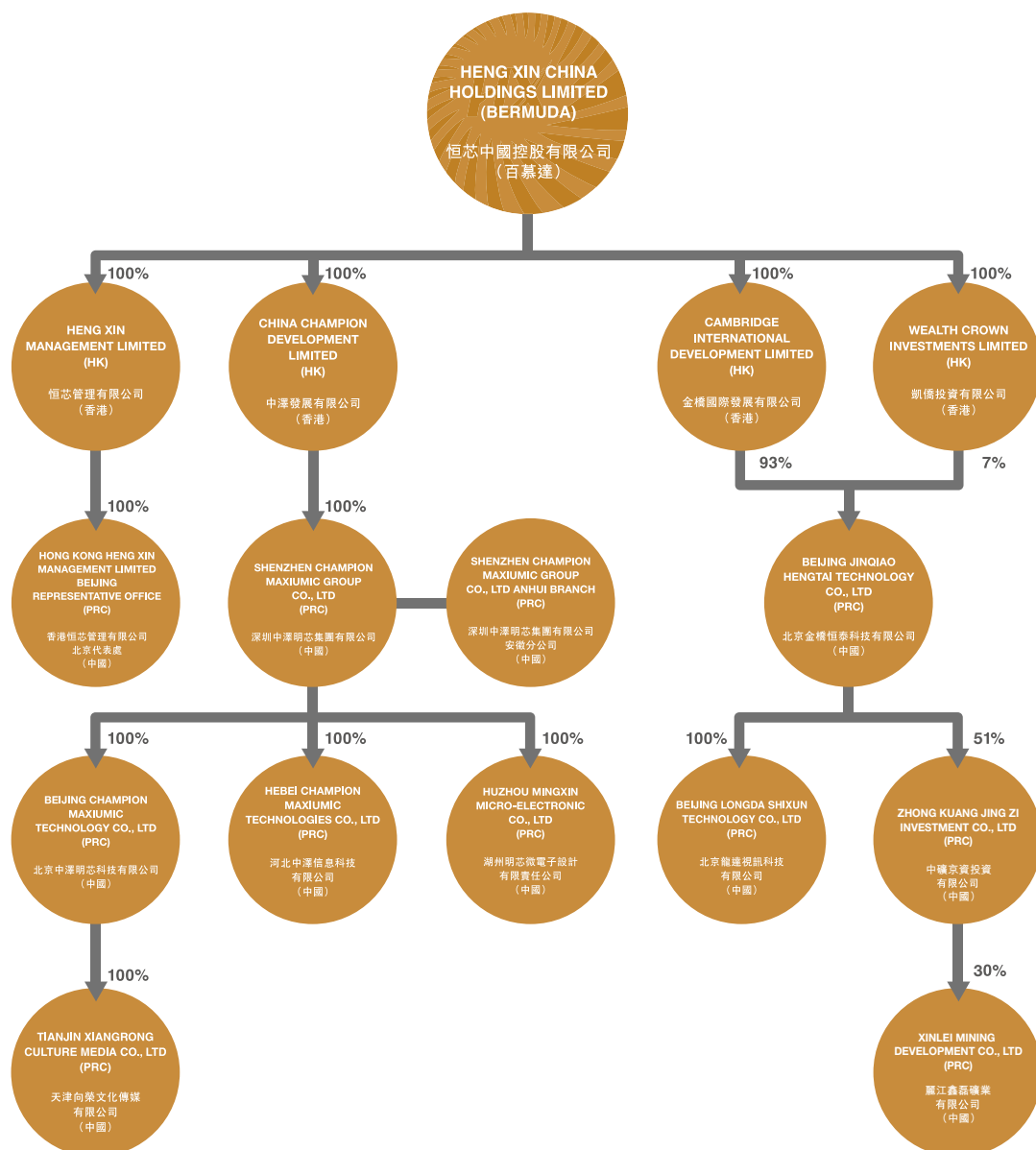
銘德律師事務所
香港
金鐘道88號
太古廣場一期25層

CORPORATE CHART

公司架構圖

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

I. THE GROUP

The Group recorded a decline in its overall results for the financial year end 31 December 2013 compared to the overall business results for the six months ended 31 December 2012. In response to the market structure and based on the overall plan of the Group, the Group had been investing its resources in the acquisition of new business and was prepared to enter into new business segments during the year.

II. BUSINESS REVIEW

Digital cable television business

During the year 2013, in response to the “three networks integration” policies, the Group fully completed its transformation, and established its position as an operator of television broadcasting integrated businesses in the industry.

The Group's existing operation right on value-added business covers areas such as Anhui and Nanchang of Jiangxi province. The Group has signed contracts on establishment and operation of value-added business for 5.5 million cable television subscribers. In Hebei province and Datong of Shanxi province, the Group has signed contracts on establishment and operation of basic television business for 3.7 million cable television subscribers. The contracted units and intended contracted units of the 301 remote medical treatment project are located in provinces and cities such as Shaanxi, Liaoning, Guangdong and Xinjiang.

On 31 December 2013, the Group entered into a termination agreement with 河北廣電網絡投資有限公司 (Hebei Guangdong Network Investment Limited) to restructure its businesses and deploy its resources out of the cable television market in Hebei province. Details of the disposal are set out in the Company's announcement dated 31 December 2013.

I. 本集團

與截至二零一二年十二月三十一日止六個月的整體業績相比較，本集團於截至二零一三年十二月三十一日止財政年度的整體業績錄得下降。因應市場結構以及本集團的整體規劃，本集團已於年內投資收購新業務，充分準備開拓新的業務分部。

II. 業務回顧

有線數位電視業務

二零一三年配合國家「三網融合」的政策推動，集團已經全面完成轉型，並在業界奠定了廣電綜合業務運營商的地位。

目前的增值業務運營權覆蓋安徽、江西南昌等地，已簽約了建設運營550萬戶有線廣電用戶的增值業務；在河北以及山西大同，已簽約了建設運營370萬戶有線廣電用戶的廣電基礎業務；301遠端醫療專案已簽約及意向簽約單位有陝西、遼寧、廣東、新疆等省市地區。

於二零一三年十二月三十一日，集團與河北廣電網絡投資有限公司簽定了「終止協定」，調整業務並將資源調出河北有線電視市場。出售事項之詳情載於本公司日期為二零一三年十二月三十一日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Wireless digital television value-added services

The Group signed contracts for the operation of wireless digital mobile television in Hebei province, under which value-added businesses such as advertisement displayed via 60,000 display panels in public areas will be carried out.

Wireless digital terrestrial television network equipment integration business

This business segment made less contribution to the gross profit of the Group as a result of relatively substantial impact from the weak demand for set-top boxes and related products. The disposed group which was disposed during the year includes 北京中廣視通科技有限公司 (Beijing Zhongguang Shitong Technology Co., Ltd ("Beijing Zhongguang")) which engages principally in the wireless digital terrestrial television network equipment integration business, and research, design, manufacturing and trading of information safety products. Details of the disposal are set out in the Company's circular dated 17 December 2012. The disposal was completed on 24 January 2013.

Information safety technology business

In order to improve its profitability, the Group has expanded distribution channel for encrypted integrated circuits. Although, changes in customer demand resulted in a large amount of inventories as at the end of the year, target customers have been identified and no effect of overstock will happen in the Group.

Wireless digital audio products business

During the year 2013, the Group's revenues mainly came from sales to domestic customers. The demand from domestic and overseas markets was mediocre. However, the Board expects the Group's market share will grow in the future with more projects cooperating with the domestic and overseas customers over the past few years, which may generate higher earnings for the Group's and would be a profit driver in the future.

無線數位電視增值服務

本集團在河北省簽約了無線移動數位電視運營協定，包含6萬塊公共位置顯示屏幕的廣告等增值業務的經營。

地面無線數位電視網路設備集成業務

因市場對機頂盒及相關產品的需求比較疲軟，對本集團影響較大，對集團毛利率的貢獻較少。本年度已出售集團包括北京中廣視通科技有限公司（「北京中廣」），主要從事地面無線數位電視網路設備集成業務以及研究、設計、製造及買賣資訊安全產品。出售事項之詳情載於本公司日期為二零一二年十二月十七日之通函。出售事項於二零一三年一月二十四日完成。

資訊安全技術業務

為了增加盈利，集團在加密芯片上開拓管道。雖然由於客戶需求的變化，致使年末產生了大量的庫存，但銷售目標客戶已確定，不會對集團產生庫存積壓的影響。

無線數位音訊產品業務

本集團二零一三年度銷售主要國內客戶的帶來的收益，由於國內外需求一般，隨著這幾年的合作國內外客戶的專案增大，董事會預期以後市場份額也將加大，為集團今後的高額收益提供了一個有效保障和利潤增長點。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

III. PROSPECTS

The Group is principally engaged in digital cable television business, wireless digital television value-added services, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services. After one year's strategic transformation, the Group has transformed into an enterprise with bulk commodity trading and energy investment and holding as its major businesses from one that principally engaged in electronic message business during the year 2013.

In year 2014, the Group will further consolidate and serve its contracted broadcasting television subscribers, and build a foundation for achieving the overall objectives of development of the Group. More importantly, the Group will seek cooperation opportunities in new provinces while sharply expand its business in the provinces in which cooperation has been established, so as to create more promising profit growth and long-term value for the Group.

In addition, as an integrated supplier of wireless short-range products from integrated circuits to solutions, the Company's new projects has increased by two to three folds in terms of number due to the recovery from the global European financial crisis, though the sales in the overseas markets decreased in the first quarter as compared to that of the last quarter of last year.

New projects will enter mass production in year 2014 as supported by purchase orders for integrated circuits, and many enterprises are exploring new profit drivers during the crisis. The number of new customers of the Group in the overseas markets has significantly increased. It is expected that the Group will greatly expand its market share.

The Group has been planning to explore the domestic market to expand the domestic market share before there is any greater impact on the export market, and has achieved remarkable results in terms of market shares and sales volume, which will be a great start for the domestic sales market. The Group will strive to enter into new consumer and automotive electronics markets in order to bring a new and rapid profit driver for the Group.

III. 前景

本集團主要從事有線數位電視業務、無線數位電視增值服務、研究、設計、開發及製造電子資訊安全產品、芯片，以及芯片之解決方案及相關服務。在二零一三年度，集團經過一年的戰略轉型，使由原來的電子資訊為主營的業務，轉向以大綜貿易和能源投資控股為業務主導方向的企業。

二零一四年集團將進一步鞏固和建設運營好已經簽約的廣電用戶，為完成集團的總體發展目標奠定基礎，更重要的是將在新的省份獲得一些合作機會，已合作的省份的業務也將進行一個大的擴展，為集團帶來較好的利潤增長和長遠價值。

另外，作為一家無線短距離從芯片到方案的全套供應商，由於全球歐洲危機復蘇，所以第一季度的外銷比第四季度有一定回落，但是把項目立項提高兩到三倍。

芯片訂單在二零一四年有新的專案量產，而且大多企業都在危機中找新的利潤增長點，外銷新客戶數量有大幅度增加。估計集團將大大提升自己的市場份額。

在外銷市場受到較大衝擊之前，集團就已著手規劃開拓國內市場以擴大國內的市場份額，且取得了較大的收穫，市場份額和銷售額都有所增加。將對內銷市場取得很好的開端。集團將加大力度進入新的消費和汽車電子領域的市場，為集團帶來新的利潤高速增長點。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Moreover, in order to promote its strategic transformation, the Group disposed Beijing Zhongguang at the beginning of the year, which secured necessary funding for the Group to carry out bulk commodity trading and acquire energy companies in the future. The termination of the acquisition of Yantai Xinmu Cable Co., Ltd. did not incur any loss to the Group.

With regard to new businesses, the acquisition of 中礦京資投資有限公司 (Zhong Kuang Jing Zi Investment Co., Ltd) (“Zhong Kuang”) by the Group laid down the foundation for its investment in energy companies. Zhong Kuang is principally engaged in (i) project investment; (ii) investment management; (iii) investment consulting; and (iv) the sale and trading of metal materials and mineral products. The acquisition was completed on 30 August 2013, which Zhong Kuang has become an indirect wholly-owned subsidiary of the Company and its financial results have been consolidated into the Group’s financial results during the year.

On 26 September 2013, 北京金橋恒泰科技有限公司 (Beijing Jinqiao Hengtai Technology Co., Ltd (“Beijing Jinqiao”)), an indirect wholly-owned subsidiary of the Company agreed to enter into the Sale and Purchase Agreement with Mr. Lin Anming (“Mr. Lin”), pursuant to which Mr. Lin agreed to sell to Beijing Jinqiao, and Beijing Jinqiao agreed to purchase from Mr. Lin in aggregate 70% of the equity interests in 雲南迪慶泰安礦業有限公司 (Yunnan Diqing Taidan Mining Co., Ltd) (“Yunnan Diqing”), at a total cash consideration of RMB100,000,000 (equivalent to approximately HK\$127,000,000). Yunnan Diqing was incorporated in the PRC on 19 December 2007 with a paid-up registered capital of RMB80 million. It is principally engaged in the ore and tailing treatment and processing, and trading of mineral products. It has obtained the production safety permit and pollutant emission permit from relevant local regulatory bodies. Yunnan Diqing has a wholly-owned subsidiary with a paid-up registered capital of RMB20 million, which owns a lead-zinc and copper mine in Yunnan province with a valid mining license covering a total area of 3.1003 sq.km. for a period from 26 August 2010 to 26 August 2017. Up to the date of this report, the acquisition has not been completed.

另外，為實現戰略轉型，年初集團出售北京中廣，為集團下一步在大綜貿易交易和資源類企業收購提供了資金的保障。對煙台新牟電纜有限公司的收購解約沒有給集團造成損失。

新業務方面，集團對中礦京資投資有限公司（「中礦」）進行的收購，奠定了投資資源類企業的基礎。中礦主要從事(i)項目投資；(ii)投資管理；(iii)投資諮詢；(iv)銷售金屬材料及礦產品。於二零一三年八月三十日，收購事項已完成，中礦已成為本公司之間接全資附屬公司，其財務業績已於本集團之財務業績綜合入帳。

於二零一三年九月二十六日，本公司的間接全資附屬公司北京金橋恒泰科技有限公司（「北京金橋」）同意與蘭安鳴先生（「蘭先生」）訂立買賣協議，據此，蘭先生同意向北京金橋出售，而北京金橋同意向蘭先生購買雲南迪慶泰安礦業有限公司（「雲南迪慶」）合共70%之股權，總現金代價為人民幣100,000,000元（相當於約127,000,000港元）。雲南迪慶於二零零七年十二月十九日於中國註冊成立，其繳足註冊股本為人民幣80,000,000元，主要從事礦資源及尾礦精選加工及礦產品貿易，並已自相關當地監管機構取得安全生產許可證及污染物排放許可證。雲南迪慶有一間全資附屬公司，其繳足註冊股本為人民幣20,000,000元，在雲南省擁有一座鉛、鋅及銅礦，其有效開採範圍總面積3.1003平方公里，年期由二零一零年八月二十六日至二零一七年八月二十六日止。截至本報告日期，收購尚未完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 17 January 2014, the Company entered into the Letter of Intent with an independent third party pursuant to which the Company intended to acquire the entire equity interest of a company incorporated in the PRC which is principally engaged in research and development on the application technologies and genetic engineering of castor seeds, manufacturing and selling of castor seeds, castor oil and other related products such as biodiesel, Nylon 11 plastics, lubricants and so on. The details of the Letter of Intent in respect of the possible acquisition is set out in the Company's announcement dated 17 January 2014.

During the past months, the Group has been investing its resources in the acquisition of new business and was prepared to enter into new business segments. In the foreseeable future, the Group will continue to consolidate and better serve its contracted broadcasting television subscribers, and build a foundation for achieving the overall objectives of development of the Group. Besides, the Group will expand the market share of existing products to optimize the profit and explore new businesses to establish new profit drivers and enhance the shareholders' value of the Company.

於二零一四年一月十七日，本公司與一名獨立第三方訂立意向書，本公司有意收購一家於中國註冊成立之公司之全部股權，其主要從事研發蓖麻籽應用技術及基因工程、生產及銷售蓖麻籽、蓖麻油及其他有關產品，例如生物柴油、尼龍11塑料、潤滑油等。有關可能收購事項之意向書的詳情載於本公司日期為二零一四年一月十七日的公告。

過去多個月以來，本集團致力將資源投放在收購新業務，並準備好營運新業務部份。於可見將來，本集團將繼續鞏固及用心服務已簽約之廣電用戶，為本集團之總體發展目標奠定基礎。此外，本集團將擴大現有產品的市場份額，以提高利潤，並拓展新業務領域，力爭新利潤增長點及提高本公司股東之價值。

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FINANCIAL REVIEW

For the year ended 31 December 2013, the Group recorded a consolidated revenue of approximately HK\$227.5 million, while the revenue for the six months ended 31 December 2012 was approximately HK\$300.3 million. Loss attributable to owners of the Company was approximately HK\$1,039.6 million, as compared to a profit attributable to the shareholders of the Company of approximately HK\$1.2 million for the six months ended 31 December 2012. Basic loss per share was approximately HK32.15 cent, as compared to basic earnings per share approximately HK0.04 cents for the six months ended 31 December 2012.

Revenue

During the year ended 31 December 2013, the revenue of the Group was principally derived from the following business segments:

(i) Digital cable television business

The revenue for the year ended 31 December 2013 generated from the digital cable television business amounted to approximately HK\$126.7 million (six month ended 31 December 2012: HK\$65.80 million) or approximately 56% (six months ended 31 December 2012: 22%) of the total revenue for this financial period, including operational revenues from basic subscription and other value-added technology and sales of digital cable television business related products.

(ii) Wireless digital television value-added services business

The revenue for the year ended 31 December 2013 generated from the wireless digital television value-added services business amounted to approximately HK\$24.5 million (six months end 31 December 2012: HK\$45.80 million) or 11% (six months ended 31 December 2012: 15%) of the total revenue.

財務回顧

於截至二零一三年十二月三十一日止年度，本集團錄得綜合收益約227,500,000港元，而截至二零一二年十二月三十一日止六個月的收益則約為300,300,000港元。本公司擁有人應佔虧損約1,039,600,000港元，而截至二零一二年十二月三十一日止六個月則錄得本公司股東應佔溢利約1,200,000港元。每股基本虧損約32.15港仙，而截至二零一二年十二月三十一日止六個月則為每股基本盈利約0.04港仙。

收益

截至二零一三年十二月三十一日止年度，本集團收益主要來自以下業務分部：

(i) 有線數字電視業務

截至二零一三年十二月三十一日止年度來自自有線數字電視業務之收益約126,700,000港元(截至二零一二年十二月三十一日止六個月：65,800,000港元)，佔本財政期間之總收益約56%(截至二零一二年十二月三十一日止六個月：22%)，包括基礎收視費及其他增值技術以及銷售有線數字電視業務相關產品所產生的營運收益。

(ii) 無線數字電視增值服務業務

截至二零一三年十二月三十一日止年度來自無線數字電視增值服務業務的收益約24,500,000港元(截至二零一二年十二月三十一日止六個月：45,800,000港元)，佔總收益約11%(截至二零一二年十二月三十一日止六個月：15%)。

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(iii) Information safety technology business

The revenue for the year ended 31 December 2013 generated from the encrypted integrated circuits and the derived integrated business amounted to approximately HK\$13.1 million (six months ended 31 December 2012: HK\$2.9 million) or approximately 6% (six months ended 31 December 2012: 1%) of the total revenue.

(iv) Wireless digital audio products business

The revenue for the year ended 31 December 2013 generated from the wireless digital audio products business and the related technical services amounted to approximately HK\$16.5 million (six months ended 31 December 2012: HK\$37.1 million) or approximately 7% (six months ended 31 December 2012: 12%) of the total revenue.

(v) Wireless digital terrestrial television network equipment integration business

The revenue for the year ended 31 December 2013 generated from the wireless digital terrestrial television network equipment integration business amounted to approximately HK\$46.8 million (six months ended 31 December 2012: HK\$148.7 million) or approximately 21% (six months ended 31 December 2012: 50%) of the total revenue.

Gross Profit Margin

Gross profit margin of the Group was approximately 58% (six months ended 31 December 2012: 12%).

(iii) 資訊安全技術業務

截至二零一三年十二月三十一日止年度來自加密芯片及所產生之集成業務之收益約13,100,000港元(截至二零一二年十二月三十一日止六個月: 2,900,000港元), 佔總收益約6%(截至二零一二年十二月三十一日止六個月: 1%)。

(iv) 無線數字音頻產品業務

截至二零一三年十二月三十一日止年度來自無線數字音頻產品業務及相關技術服務之收益約16,500,000港元(截至二零一二年十二月三十一日止六個月: 37,100,000港元), 佔總收益約7%(截至二零一二年十二月三十一日止六個月: 12%)。

(v) 地面無線數字電視網絡設備集成業務

截至二零一三年十二月三十一日止年度來自地面無線數字電視網絡設備集成業務之收益約46,800,000港元(截至二零一二年十二月三十一日止六個月: 148,700,000港元), 佔總收益約21%(截至二零一二年十二月三十一日止六個月: 50%)。

毛利率

本集團之毛利率約為58%(截至二零一二年十二月三十一日止六個月: 12%)。

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Other Income

Other income amounted to approximately HK\$7.4 million (six months ended 31 December 2012: HK\$11.7 million) which including interest income from bank deposit of approximately HK\$20 thousand during the year (six months ended 31 December 2012: HK\$96 thousand), gain on disposal of fixed assets of approximately HK\$1.3 million, discount received from early settlement of approximately HK\$2.7 million and value-added tax concession on fixed assets of approximately HK\$2.6 million and other non-operating income of approximately HK\$0.8 million.

Other Operating Expenses

Other operating expenses were approximately HK\$136.7 million for the year ended 31 December 2013, compared to approximately HK\$74.2 million for the six month ended 31 December 2012.

Finance Costs

Finance costs amounted to approximately HK\$9.7 million (six months ended 31 December 2012: HK\$4.5 million), of which approximately HK\$9.1 million (six months ended 31 December 2012: HK\$4.2 million) represented non-cash effective interest expenses on convertible notes issued by the Company before their full conversions.

Property, plant and equipment

Property, plant and equipment amounted to approximately HK\$94.1 million, representing a decrease of approximately 65% compared to HK\$265.6 million as at 31 December 2012. The decrease was mainly due to the group disposal of its telecommunication equipment to Hebei Guangdian Network Investment Limited and some of the property, plant and equipment were classified into assets classified as held for sale.

其他收入

其他收入約為7,400,000港元(截至二零一二年十二月三十一日止六個月: 11,700,000港元), 包括年內銀行存款利息收入約20,000港元(截至二零一二年十二月三十一日止六個月: 96,000港元)、出售固定資產收益約1,300,000港元、提前還款折讓約2,700,000港元及固定資產增值稅減免約2,600,000港元及其他非營運收入約800,000港元。

其他經營費用

截至二零一三年十二月三十一日止年度所錄得之其他經營費用約為136,700,000港元, 而截至二零一二年十二月三十一日止六個月約為74,200,000港元。

融資成本

融資成本約為9,700,000港元(截至二零一二年十二月三十一日止六個月: 4,500,000港元), 其中約9,100,000港元(截至二零一二年十二月三十一日止六個月: 4,200,000港元)為本公司發行之可換股票據獲悉數兌換前所產生之非現金實際利息開支。

物業、廠房及設備

物業、廠房及設備約為94,100,000港元, 較於二零一二年十二月三十一日的265,600,000港元減少約65%。錄得減少主要是由於集團向河北廣電網絡投資有限公司出售電訊設備及部份物業、廠房及設備被分類為持作出售之資產。

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Intangible assets

Intangible assets amounted to approximately HK\$14.6 million, representing a decrease of approximately 89% compared to HK\$127.7 million as at 31 December 2012. As the wireless television business of the Group was shrinking, the Group disposed some of its idol proprietary technology and intangible assets developed within this business for higher considerations during the year ended 31 December 2013.

The recoverable amount of cash generating units in intangible assets has been determined by the Group management based on value in use calculation using cash flow projection. As the cash generating units have been reduced to HK\$14,642,000 impairment losses of HK\$128,932,000 were recognised during the year.

Inventories

Inventories amounted to approximately HK\$257.9 million, representing an increase of approximately 783% compared to HK\$29.2 million as at 31 December 2012. The inventories comprised set-top boxes, software and equipment for trading. Impairment loss on inventories HK\$11.6 million incurred as at 31 December 2013. Those stocks were slow-moving and obsolete stock which kept in warehouse over 1 year. There is an impairment of inventories as at 31 December 2012.

Trade receivables

Total trade receivables (net of allowance for doubtful debts) amounted to approximately HK\$302.1 million, representing a decrease of approximately 24% compared to HK\$399.2 million as at 31 December 2012. The Directors determined trade receivable HK\$101.8 million due over 365 days need to be impaired.

無形資產

無形資產約為14,600,000港元，較於二零一二年十二月三十一日的127,700,000港元減少約89%。由於本集團的無線電視業務持續收縮，於截至二零一三年十二月三十一日止年度，本集團以較高代價出售該業務的若干閒置知識產權及已開發的無形資產。

本集團管理層乃根據按現金流量預測計算之使用價值釐定無形資產之現金產生單元之可收回金額。由於現金產生單元已削減至14,642,000港元，故年內已確認128,932,000港元之減值虧損。

存貨

存貨約為257,900,000港元，較於二零一二年十二月三十一日的29,200,000港元增加約783%。存貨包括作買賣用途的機頂盒、軟件及設備。於二零一三年十二月三十一日產生之存貨減值虧損為11,600,000港元。該等庫存為於倉庫存儲時間超逾一年之滯銷及陳舊庫存。於二零一二年十二月三十一日並無存貨減值虧損。

應收賬款

應收賬款(扣除呆賬撥備後)合共約為302,100,000港元，較於二零一二年十二月三十一日的399,200,000港元下跌約24%。董事釐定應收賬款101,800,000港元逾期365日以上須進行減值。

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Prepayments, deposits and other receivables

Prepayment, deposits and other receivables amounted to approximately HK\$484.5 million as at 31 December 2013, a increase of approximately 156% when compared to HK\$188.9 million as at 31 December 2012. The increase was mainly due to prepayments to suppliers for purchase of goods and services as a result of the Group's increased engagements for implementation of its businesses during the period under review. The prepayment was made in the Group's ordinary and usual course of business. The Director determined there are difficulties in recoverability of the prepayments, deposits and other receivable which due over 365 days therefore impairments HK\$151.3 million were made as at 31 December 2013.

Trade payables

Trade payables amounted to approximately HK\$265.9 million as at 31 December 2013, an increase of approximately 447% when compared to HK\$48.6 million as at 31 December 2012.

Other payables and accruals

Other payables and accruals amounted to approximately HK\$201.0 million as at 31 December 2013, an increase of approximately 448% when compared to HK\$36.7 million as at 31 December 2012.

Bonds

On 28 December 2010, an aggregate principal amount of HK\$200 million of redeemable convertible bonds ("Convertible Bonds") were issued to Sandmartin International Holdings Limited ("Sandmartin"). Further details are set out in the Company's announcements dated 17 December 2010 and 28 December 2010.

On 27 December 2012, the Company redeemed the Convertible Bonds upon their maturity.

預付款項、按金及其他應收款項

於二零一三年十二月三十一日，預付款項、按金及其他應收款項約為484,500,000港元，較二零一二年十二月三十一日的188,900,000港元增加約156%。增加主要由於在回顧期間本集團大力推行其業務，而向供應商支付預付款項以購買貨品及服務所致。預付款項乃於本集團日常及一般業務過程作出。董事認為收回逾365日以上之預付款項、按金及其他應收款項存在困難，因此，已於二零一三年十二月三十一日計提減值151,300,000港元。

應付賬款

於二零一三年十二月三十一日，應付賬項約為265,900,000港元，較二零一二年十二月三十一日的48,600,000港元增加約447%。

其他應付款項及應計費用

於二零一三年十二月三十一日，其他應付款項及應計費用約為201,000,000港元，較二零一二年十二月三十一日的36,700,000港元增加約448%。

債券

於二零一零年十二月二十八日，本金額合共200,000,000港元之可贖回可換股債券（「可換股債券」）已發行予聖馬丁國際控股有限公司（「聖馬丁」）。進一步詳情載於本公司日期為二零一零年十二月十七日及二零一零年十二月二十八日之公告內。

於二零一二年十二月二十七日，本公司贖回到期可換股債券。

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On the same day, the Company and Sandmartin entered into a subscription agreement pursuant to which Sandmartin subscribed for the bond in an aggregate principal amount of HK\$100 million. The bond carries interest at the rate of 6% per annum and will mature for redemption on 26 December 2014. Details are set out in the Company's announcement dated 27 December 2012.

On 22 November 2012, the Company entered into a conditional placing and underwriting agreement (the "Placing Agreement") with Emperor Securities Limited (the "Placing Agent") pursuant to which the Placing Agent agreed to act as placing agent for the purposes of arranging subscribers for the issue of (i) bonds in an aggregate principal amount of HK\$50 million on a fully underwritten basis (the "First Tranche Bonds"); and (ii) bonds in an aggregate principal amount of up to HK\$100 million on a best effort basis (the "Second Tranche Boards"). The placing of the First Tranche Bonds was completed on 21 December 2012 in accordance with the terms and conditions of the Placing Agreement. Each of the First Tranche Bonds and the Second Tranche Boards carries interest at the rate of 6% per annum and will mature for redemption on 20 December 2014. Details are set out in the Company's announcements dated 22 November 2012 and 21 December 2012.

Grant of Options

To capture the growth in the digital television market in the PRC, the Company has engaged the services of two consultants to provide marketing services and financial services to the Group and conditionally granted to each of the consultants the option to subscribe for 20,000,000 shares at an exercise price of HK\$0.32 per option share. Details of the agreements are set out in the Company's announcement dated 20 November 2012.

SUBSCRIPTION OF NEW SHARES

On 26 March 2013, the Company entered into a conditional subscription agreement with each of the two independent investors respectively. Pursuant to the said subscription agreements, such investors have conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 100,000,000 subscription shares at a price of HK\$0.25 per subscription share. The subscription was completed on 8 April 2013 and net proceeds amounted to approximately HK\$24.9 million, thereby providing the Group with additional cash resources for its operations.

同日，本公司與聖馬丁訂立認購協議，據此，聖馬丁按本金總額100,000,000港元認購債券。債券按6%之年利率計息，並可於二零一四年十二月二十六日到期贖回。有關詳情載於本公司日期為二零一二年十二月二十七日之公告。

於二零一二年十一月二十二日，本公司與英皇證券(香港)有限公司(「配售代理」)訂立一份有條件配售及包銷協議(「配售協議」)，據此，配售代理同意擔任配售之代理，以(i)按全數包銷基準發行本金總額為50,000,000港元之債券(「第一批債券」)；及(ii)按盡力基準發行本金總額最多為100,000,000港元之債券(「第二批債券」)安排認購人。本公司已根據配售協議之條款及條件於二零一二年十二月二十一日完成配售第一批債券。第一批債券及第二批債券分別按6%之年利率計息，並可於二零一四年十二月二十日到期贖回。有關詳情載於本公司日期為二零一二年十一月二十二日及日期為二零一二年十二月二十一日之公告。

授出購股權

為把握中國數字電視市場之增長，本公司已委聘兩位顧問向本集團提供市場推廣服務及財務服務，並有條件地向各顧問授出購股權，以按行使價每股購股權股份0.32港元認購20,000,000股股份。協議詳情載於本公司日期為二零一二年十一月二十日之公告。

認購新股份

於二零一三年三月二十六日，本公司與兩名獨立投資者分別訂立有條件認購協議。根據上述認購協議，該等投資者有條件同意認購，而本公司有條件同意配發及發行合共100,000,000股認購股份，價格為每股認購股份0.25港元。認購於二零一三年四月八日完成，所得款項淨額約為24,900,000港元，藉此為本集團的營運提供額外現金資源。

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On 10 September 2013, the Company entered into another conditional subscription agreement with an independent investor. Pursuant to the subscription agreement, such investor has conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 200,000,000 subscription shares at a price of HK\$0.25 per subscription share. The subscription was completed on 17 September 2013 and net proceeds amounted to approximately HK\$50.0 million, thereby providing the Group with additional cash resources for any possible acquisition and operations.

EMPLOYEE INFORMATION

As at 31 December 2013, the Group had 124 full-time employees in Hong Kong and the PRC (31 December 2012: 166). The total employees' remuneration, including that of the Directors, amounted to approximately HK\$22.9 million (six months ended 31 December 2012: HK\$11.9 million).

The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group. Remuneration to staff will be revised from time to time when warranted considering the performances of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also has a share option scheme whereby qualified participants may be granted options to acquire shares of the Company. There has been no major change in staff remuneration policies during the year ended 31 December 2013.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily financed its operations with internally generated cash flows. As at 31 December 2013, the cash and bank balances of the Group amounted to approximately HK\$137.9 million (31 December 2012: HK\$13.1 million). The Renminbi denominated balances of approximately HK\$130.3 million (31 December 2012: HK\$8.1 million) were placed with licensed banks in the PRC and the conversion of these balances into foreign currencies is subject to the rules and regulation of foreign exchange control promulgated by the PRC government.

於二零一三年九月十日，本公司與一名獨立投資者訂立另一份有條件認購協議。根據認購協議，該投資者有條件同意認購，而本公司有條件同意配發及發行合共200,000,000股認購股份，價格為每股認購股份0.25港元。認購於二零一三年九月十七日完成，所得款項淨額約為50,000,000港元，藉此為本集團的任何潛在收購及營運提供額外現金資源。

僱員資料

於二零一三年十二月三十一日，本集團在香港及中國聘有124名全職僱員(二零一二年十二月三十一日：166名)。僱員薪酬總額(包括董事薪酬)約為22,900,000港元(截至二零一二年十二月三十一日止六個月：11,900,000港元)。

本集團繼續按市場慣例、僱員經驗及表現提供僱員薪酬福利。薪酬政策主要根據僱員個人表現及本集團財務業績釐定，而僱員薪酬將於僱員有理想表現時，不時作出適當調整。其他福利包括醫療保險計劃及為僱員繳交法定強制公積金供款。本集團亦設有購股權計劃，合資格參與者可據此獲授購股權以認購本公司股份。截至二零一三年十二月三十一日止年度僱員薪酬政策並無重大變動。

資本結構、流動資金及財務資源

本集團主要撥付內部產生之現金流量作營運之用。於二零一三年十二月三十一日，本集團之現金及銀行結餘約為137,900,000港元(二零一二年十二月三十一日：13,100,000港元)。以人民幣計值之結餘約130,300,000港元(二零一二年十二月三十一日：8,100,000港元)存於中國之持牌銀行，而將該等結餘兌換為外幣須受中國政府頒佈之外匯管制法規所規限。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2013, the Group had current assets of approximately HK\$1,354.0 million (31 December 2012: HK\$1,220.3 million), while its current liabilities were approximately HK\$706 million (31 December 2012: HK\$228.4 million). The current ratio (current assets to current liabilities) of the Group was approximately 1.92 (31 December 2012: 5.34); and its gearing ratio (total borrowings over shareholders' funds) was approximately 17.77 (31 December 2012: 0.08). Net asset value per share was approximately HK\$0.27 as at 31 December 2013 (31 December 2012: HK\$0.66).

During the year ended 31 December 2013, an aggregate of 300,000,000 new shares were issued by the Company.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2013, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 31 December 2013, the management of the Company is of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 31 December 2013. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

於二零一三年十二月三十一日，本集團之流動資產約為1,354,000,000港元(二零一二年十二月三十一日：1,220,300,000港元)，而流動負債約為706,000,000港元(二零一二年十二月三十一日：228,400,000港元)。本集團之流動比率(流動資產比流動負債)約為1.92(二零一二年十二月三十一日：5.34)；而資本負債比率(總借款除以股東資金)約為17.77(二零一二年十二月三十一日：0.08)。於二零一三年十二月三十一日，每股資產淨值約為0.27港元(二零一二年十二月三十一日：0.66港元)。

截至二零一三年十二月三十一日止年度，本公司合共已發行300,000,000股新股份。

外匯風險

截至二零一三年十二月三十一日止年度，本集團之大部份收入及開支均以人民幣及港元列值。直至二零一三年十二月三十一日，本公司管理層認為本集團所面對之外匯風險較微。因此，本集團於截至二零一三年十二月三十一日止年度並無運用任何金融工具以對沖外匯波動帶來之影響。然而，本公司管理層將密切監察及不時重估本集團所面對之外匯風險，並在必要時訂立非投機性對沖安排。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CHARGES ON GROUP ASSETS

As at 31 December 2013, bank deposits amounting to HK\$7,140,000 (31 December 2012: HK\$7,055,000) have been pledged to banks for short term loans amounting to HK\$12,366,000 (31 December 2012: HK\$7,596,000) granted to subsidiaries of the Company. The Company has also provided guarantee to the extent of HK\$4,000,000 (31 December 2012: HK\$4,000,000).

CONTINGENT LIABILITIES

As at 31 December 2013, the Group had no significant contingent liabilities (31 December 2012: Nil).

ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

On 20 November 2012, America Assets Holding Group Limited ("America Assets") and Star Hub Investments Limited ("Star Hub"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement, pursuant to which Star Hub conditionally agreed to sell to America Assets, and America Assets conditionally agreed to purchase from Star Hub, the entire issued share capital of Magic Golden Limited, at a cash consideration of RMB328 million (equivalent to approximately HK\$403.4 million). The disposed group includes Beijing Zhongguang which engages principally in the wireless digital terrestrial television network equipment integrated business, and research, design, manufacturing and trading of information safety products. Details of the disposal are set out in the Company's circular dated 17 December 2012. The disposal was completed on 24 January 2013.

集團資產之抵押

於二零一三年十二月三十一日，銀行存款7,140,000港元(二零一二年十二月三十一日：7,055,000港元)已抵押予銀行作為授予本公司附屬公司之短期貸款12,366,000港元(二零一二年十二月三十一日：7,596,000港元)。短期貸款4,000,000港元(二零一二年十二月三十一日：4,000,000港元)已由本公司作擔保。

或然負債

於二零一三年十二月三十一日，本集團並無重大或然負債(二零一二年十二月三十一日：無)。

收購、出售及重大投資

於二零一二年十一月二十日，America Assets Holding Group Limited(「America Assets」)與本公司之間接全資附屬公司Star Hub Investments Limited(「Star Hub」)訂立買賣協議，據此，Star Hub有條件同意向America Assets出售，而America Assets有條件同意向Star Hub購買Magic Golden Limited之全部已發行股本，現金代價為人民幣328,000,000元(相當於約403,400,000港元)。已出售集團包括北京中廣，主要從事地面無線數字電視網絡設備集成業務，以及研究、設計、製造及買賣資訊安全產品。出售事項之詳情載於本公司日期為二零一二年十二月十七日之通函。出售事項於二零一三年一月二十四日完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 7 December 2012, Beijing Jinqiao, an indirect wholly-owned subsidiary of the Company, and 煙台新潮實業股份有限公司 (Yantai Xinchao Industry Co., Ltd (“Xinchao”)) entered into a sale and purchase agreement, pursuant to which Xinchao agreed to sell to Beijing Jinqiao, and Beijing Jinqiao agreed to purchase from Xinchao, 25% equity interests in 煙台新牟電纜有限公司 (Yantai Xinmu Cable Co., Ltd (“Xinmu”)) at a cash consideration of RMB139 million (equivalent to approximately HK\$170.97 million). Xinmu is principally engaged in (i) production and sales of small physical foamed cable, small coaxial cable, access network, and high-speed data transfer cable for broadband transmission cable television (CATV) and (ii) property development in the PRC. Details of the acquisition are set out in the Company’s announcement dated 7 December 2012. The acquisition is yet to be completed.

Acquisition of Zhong Kuang

On 22 July 2013, Beijing Jinqiao, an indirect wholly-owned subsidiary of the Company and Mr. Wang Long and Ms. Zhou Mei (the “Vendors”) entered into a sale and purchase agreement, pursuant to which the Vendors agreed to sell to Beijing Jinqiao, and Beijing Jinqiao agreed to purchase from the Vendors in aggregate 51% of the equity interests in Zhong Kuang at a total cash consideration of RMB25.5 million (equivalent to approximately HK\$32.1 million). Zhong Kuang is principally engaged in (i) project investment; (ii) investment management; (iii) investment consulting; and (iv) the sale and trading of metal materials and mineral products. Further details of the acquisition are set out in the Company’s announcement dated 22 July 2013. The acquisition was completed on 30 August 2013, which Zhong Kuang has become an indirect non-wholly-owned subsidiary of the Company and its financial results have been consolidated into the Group’s financial results.

於二零一二年十二月七日，本公司之間接全資附屬公司北京金橋與煙台新潮實業股份有限公司(「新潮」)訂立買賣協議，據此，新潮同意向北京金橋出售，而北京金橋同意向新潮購買煙台新牟電纜有限公司(「新牟」)之25%股權，現金代價為人民幣139,000,000元(相當於約170,970,000港元)。新牟主要於中國從事(i)生產及銷售小型物理發泡電纜、小同軸、接入網電纜，及寬帶傳輸領域有線電視高速數據傳輸電纜及(ii)物業發展。收購事項之詳情載於本公司日期為二零一二年十二月七日之公告。收購事項尚未完成。

收購中礦

於二零一三年七月二十二日，本公司之間接全資附屬公司北京金橋與王龍先生及周玫女士(「賣方」)訂立買賣協議，據此，賣方同意向北京金橋出售，而北京金橋同意向賣方購買中礦合共51%之股權，總現金代價為人民幣25,500,000元(相當於約32,100,000港元)。中礦主要從事(i)項目投資；(ii)投資管理；(iii)投資諮詢；及(iv)銷售金屬材料及礦產品。有關收購事項之進一步詳情載於本公司日期為二零一三年七月二十二日之公告。於二零一三年八月三十日，收購事項已完成，中礦已成為本公司之間接全資附屬公司，其財務業績已於本集團之財務業績綜合入賬。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Acquisition of Yunnan Diqing

On 26 September 2013, Beijing Jinqiao and Mr. Lin entered into a sale and purchase agreement, pursuant to which Mr. Lin agreed to sell to Beijing Jinqiao, and Beijing Jinqiao agreed to purchase from Mr. Lin in aggregate 70% of the equity interests in Yunnan Diqing, at a total cash consideration of RMB100 million (equivalent to approximately HK\$127 million). Yunnan Diqing was incorporated in the PRC on 19 December 2007 with a paid-up registered capital of RMB80 million and is principally engaged in the ore and tailing treatment and processing, and trading of mineral products. It has obtained the production safety permit and pollutant emission permit from relevant local regulatory bodies. Yunnan Diqing has a wholly-owned subsidiary with a paid up registered capital of RMB20 million, which owns a lead-zinc and copper mine in Yunnan with a valid mining license covering a total area of 3.1003 sq.km. for a period from 26 August 2010 to 26 August 2017. Further details of the acquisition are set out in the Company's announcement dated 26 September 2013. The acquisition is yet to be completed.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries or significant investment during the year ended 31 December 2013.

DIVIDEND

The Board of the Company does not recommend the payment of a final dividend for the year ended 31 December 2013 (31 December 2012: Nil).

收購雲南迪慶

於二零一三年九月二十六日，北京金橋與蘭先生訂立買賣協議，據此，蘭先生同意向北京金橋出售，而北京金橋同意向蘭先生購買雲南迪慶合共70%之股權，總現金代價為人民幣100,000,000元（相當於約127,000,000港元）。雲南迪慶於二零零七年十二月十九日於中國註冊成立，其繳足註冊股本為人民幣80,000,000元，主要從事礦資源及尾礦精選加工及礦產品貿易，並已自相關當地監管機構取得安全生產許可證及污染物排放許可證。雲南迪慶有一間全資附屬公司，其繳足註冊股本為人民幣20,000,000元，在雲南省擁有一座鉛、鋅及銅礦，其有效開採許可證可開採範圍總面積3.1003平方公里，年期由二零一零年八月二十六日至二零一七年八月二十六日止。收購事項之詳情載於本公司日期為二零一三年九月二十六日之公告內。收購尚未完成。

除上文所披露者外，本集團於截至二零一三年十二月三十一日止年度並無任何有關附屬公司之重大收購或出售或重大投資。

股息

本公司董事會不建議派發截至二零一三年十二月三十一日止年度之末期股息（二零一二年十二月三十一日：無）。

CORPORATE GOVERNANCE REPORT

企業管治報告

The board (the “Board”) of directors (the “Directors”) of Heng Xin China Holdings Limited is pleased to present this Corporate Governance Report for the year ended 31 December 2013.

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

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality board, sound internal controls, transparency and accountability to all shareholders. The Company has applied the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“CG Code”) contained in Appendix 15 of the GEM Listing Rules. Except for the deviations from code provisions A.2.1, A.4.2, C.3.3, C.3.7 and E.1.4 which are explained below, the Company was in compliance with all code provisions set out in the CG Code during the year ended 31 December 2013.

Distinctive Roles of Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Xiao Yan as the Chief Executive Officer (“CEO”) of the Company, supported by the senior management, is responsible for managing the Group’s businesses and responsibilities, implementing major strategies, executing Board decisions and coordinating the daily operations of the Group. Up to the date of this report, the position of chairman remained vacant. In view of the current operations of the Group, the management considered that there is no imminent need to change the arrangement.

恒芯中國控股有限公司董事(「董事」)會(「董事會」)欣然提呈截至二零一三年十二月三十一日止年度之企業管治報告。

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

企業管治常規

本公司之企業管治原則著重高質素的董事會、健全的內部監控，以及對全體股東的透明度及問責性。本公司已採用載於創業板上市規則附錄十五之企業管治守則及企業管治報告(「企業管治守則」)所載之守則條文。除下文闡述有關偏離守則條文A.2.1條、A.4.2條、C.3.3條、C.3.7條及E.1.4條外，截至二零一三年十二月三十一日止年度，本公司已遵守企業管治守則所載的所有守則條文。

主席與行政總裁之分工

企業管治守則之守則條文A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時擔任。主席與行政總裁間之職責分工應明確界定並以書面形式列載。肖彥先生獲高級管理層推薦出任本公司行政總裁(「行政總裁」)，彼負責管理本集團業務及職責、實施主要策略、執行董事會決策以及協調本集團之日常營運。直至本報告日期，主席一職仍然懸空。考慮到本集團現時之營運狀況，管理層認為不必立即更改此安排。

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors' Retirement by Rotation

Code provision A.4.2 of the CG Code provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Mr. Dong Shi, an independent non-executive Director, did not retire during the last three years. Mr. Dong Shi shall retire by rotation at the 2014 Annual General Meeting of the Company ("2014 AGM") and, being eligible, offers himself for re-election.

Terms of Reference of the Audit Committee

Code provision C.3.3 of the CG Code provides that the terms of reference of the audit committee should include at least, amongst others, members of the committee should liaise with the board and senior management and the committee must meet, at least twice a year, with the issuer's auditors. Code provision C.3.7 of the CG Code provides that the terms of reference of the audit committee should also require it: (a) to review arrangements employees of the issuer can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and (b) to act as the key representative body for overseeing the issuer's relations with the external auditor. The terms of reference of the audit committee of the Company (the "Audit Committee") only required the Audit Committee to meet with the Company's auditor at least once a year and it did not include the duties required under code provision C.3.7 until revision made on 25 March 2014. However, the Audit Committee had met the auditor four times and had performed such duties in code provision C.3.7 during the year ended 31 December 2013.

Shareholders' Communication Policy

Code provision E.1.4 of the CG Code provides that the board should establish a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. The Company did not adopt a shareholders' communication policy until 25 March 2014. However, the Company has disclosed all necessary information to the shareholders and investors in accordance with the GEM Listing Rules and the Hong Kong Company Ordinances, and reported the Company's performance

董事之輪值退任

企業管治守則之守則條文A.4.2條規定，每名董事（包括具有指定任期之董事）須至少每三年輪值退任一次。獨立非執行董事董石先生於過去三年並未退任，故董石先生須於本公司二零一四年股東週年大會（「二零一四年股東週年大會」）上輪值退任及合資格並願意膺選連任。

審核委員會之職權範圍

企業管治守則之守則條文C.3.3條規定，審核委員會之職權範圍應至少包括委員會成員應與董事會及高級管理人員聯絡，委員會須至少每年與發行人之核數師舉行兩次會議。企業管治守則之守則條文C.3.7條規定，審核委員會之職權範圍亦規定其須：(a) 檢討有關發行人之僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注之安排。審核委員會應確保有適當安排，以對此事宜作出公平獨立之調查及採取適當行動；及(b) 擔任監察發行人與外聘核數師關係之主要代表。本公司審核委員會（「審核委員會」）之職權範圍僅規定審核委員會與本公司核數師每年至少舉行一次會議，且並無包括守則條文C.3.7條規定之職責，直至二零一四年三月二十五日作出修訂。然而，於截至二零一三年十二月三十一日止年度，審核委員會已與核數師舉行四次會議並已履行守則條文C.3.7條之有關職責。

股東之溝通政策

企業管治守則之守則條文E.1.4條規定，董事會應制定股東之溝通政策及定期進行檢討以確保其有效性。本公司並無採納一套股東之溝通政策，直至二零一四年三月二十五日。然而，本公司已根據創業板上市規則及香港公司條例向股東及投資者披露所有必要的資料及透過各種溝通渠道報告本公司之表現。該等渠道包括股

CORPORATE GOVERNANCE REPORT

企業管治報告

through various communication channels. These include annual and extraordinary general meetings, quarterly, interim and annual reports, various notices, announcements and circulars. Regular press conferences and briefing meetings with investors, shareholders and analysts are set up from time to time on updated information of the Group.

Save as those mentioned above, in the opinion of the Directors, the Company has met the code provisions set out in the CG Code during the year ended 31 December 2013.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its Code of Conduct for Securities Transactions by Directors throughout the year ended 31 December 2013. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by Directors during the year ended 31 December 2013.

BOARD OF DIRECTORS

The Board is responsible for the overall management of the Company and is entitled to delegate its powers to any executive Director, committees of the Board and the management team. The Board is primarily responsible for approving and monitoring the Company's major corporate matters, the evaluation of the performance of the Company and oversight of the management. Specific tasks that the Board delegates to the Company's management include the implementation of strategies approved by the Board, determining the policy for the corporate governance, monitoring of operating budgets, the implementation of internal controls procedures, and ensuring of compliance with relevant statutory requirements and other rules and regulations. The Board is directly accountable to the shareholders and is responsible for preparing the accounts.

東週年大會及股東特別大會、季度、中期及年度報告、各種通告、公告及通函。本集團會就本集團之最新情況不時與投資者、股東及分析師舉行定期新聞發佈會及簡報會。

除上文所述者外，董事認為本公司於截至二零一三年十二月三十一日止年度已遵守企業管治守則所載之守則條文。

董事進行證券交易之操守準則

於截至二零一三年十二月三十一日止年度內，本公司已採納創業板上市規則第5.48至5.67條所規定之交易必守標準作為其董事進行證券交易之操守準則。本公司經向全體董事作出具體查詢後，得悉截至二零一三年十二月三十一日止年度內，並無任何違反有關董事進行證券交易之交易必守標準之事宜。

董事會

董事會負責本公司之整體管理並有權授權予任何執行董事、董事會委員會及管理層團隊代表其行使權力。董事會主要負責批准及監督本公司重大的企業事宜，評估本公司之表現及監察管理層。董事會授權本公司管理層的特定工作包括執行董事會批准的策略、決定企業管治的政策、監察營運預算、執行內部監控程序及確保符合相關法定規定及其他規則與規例。董事會直接對股東負責及負責編製賬目。

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

Executive Directors

Mr. Xiao Yan (*Chief Executive Officer*)

Mr. Li Tao

Mr. Qiu Bin

Non-Executive Director

Mr. Xu Lei

Independent Non-Executive Directors

Mr. Leung Wo Ping *JP*

Mr. Dong Shi

Mr. Hu Dingdong

Each Director has relevant experience, competence and skills appropriate to the business requirements of the Company. The biographical details of the Directors are set out on pages 37 to 39 of this annual report. To the knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has not appointed chairman, and the roles and functions of chairman of the Board have been performed by the three executive Directors collectively.

Mr. Xiao Yan as the CEO, supported by the senior management, is responsible for managing the Group's businesses and responsibilities, implementing major strategies, executing the Board decisions and coordinating the daily operations of the Group. Up to the date of this report, the position of chairman remained vacant. In view of the current operations of the Group, the management considered that there is no imminent need to change the arrangement.

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

執行董事

肖彥先生 (*行政總裁*)

李濤先生

仇斌先生

非執行董事

徐雷先生

獨立非執行董事

梁和平先生，*太平紳士*

董石先生

胡定東先生

每名董事均具有適合本公司業務要求之相關經驗、能力及技能。董事之履歷詳情載於本年報第37至39頁。就董事所知，董事會成員彼此之間並無任何財務、業務、親屬或其他重大／相關關係。

主席與行政總裁

本公司並未委任主席，董事會主席之角色及職能已由三名執行董事共同執行。

肖彥先生獲高級管理層推薦出任行政總裁，負責管理本集團業務及職責、實施主要策略、執行董事會決策及協調本集團之日常營運。直至本報告日期，主席一職仍然懸空。考慮到本集團現時之營運狀況，管理層認為不必立即更改此安排。

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The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The non-executive Director and the independent non-executive Directors are appointed for a fixed term of one year renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment, and they are subject to retirement and re-election in accordance with the Bye-Laws of the Company (the "Bye-Laws"). They are persons of high calibre, with academic and professional qualifications in the fields of media, taxation, legal and financial markets. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

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

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy on 11 September 2013 (the "Policy") which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

董事會相信現有安排之權力及職權之平衡不會受到損害，且現有董事會成員之豐富經驗及出眾能力以及獨立非執行董事之充足人數充分確保該平衡免受損害。

非執行董事及獨立非執行董事

非執行董事及獨立非執行董事之固定任期為一年，可自當屆任期屆滿後翌日起計自動續期一年，且彼等須根據本公司之公司細則（「公司細則」）輪值退任並膺選連任。彼等均為優秀人才，在傳媒、稅務、法律及金融市場各範疇擁有學術及專業資格。有賴彼等在各行業所累積之經驗，彼等對董事會有效履行其職責及責任方面提供有力之支持。

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條就其獨立性發出之年度書面確認函，並認為全體獨立非執行董事均為獨立。

董事會成員多元化政策

董事會已於二零一三年九月十一日採納董事會成員多元化政策（「該政策」），其載有達致董事會多元化之方針。本公司深知董事會多元化水平不斷提升將有助於達致本公司之策略目標及可持續發展。本公司綜合考量性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務時長等多個因素，致力達致董事會多元化。本公司亦會考慮其自身業務模式及特定需求，藉以釐定董事會之最佳組成。

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The Board delegated certain duties under the Policy to the nomination committee of the Company (the “Nomination Committee”). The Nomination Committee will discuss and review the measurable objectives for implementing the Policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

The Nomination Committee will review the Policy, as appropriate, to ensure its continued effectiveness from time to time.

BOARD MEETINGS

The Board met regularly during the year with additional meetings arranged if and when required. 20 Board meetings were held during the year ended 31 December 2013 and the attendance record of each member of the Board is set out in the table on page 30 of this annual report. Directors are appropriately notified in advance of the meetings with proposed agenda and are free to contribute alternative views at meetings. Major decisions are only adopted after deliberation at Board meetings. Directors who are considered having conflicts of interest or who have material interest in the proposed transactions or issues to be discussed will not be counted in the quorum of meetings and will abstain from voting on relevant resolutions.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are complied with, and in consultation with the compliance officer, advising the Board on compliance matters. Directors also has the liberty to seek external professional advice if so required.

董事會根據該政策授予本公司提名委員會（「提名委員會」）若干職責。提名委員會將不時討論及檢討實施該政策之重大目標，以確保其適當性及為達致該等目標取得之進展。

提名委員會將不時檢討該政策（倘適合），以確保其持續有效。

董事會會議

年內，本公司定期舉行董事會會議，如有需要則會安排其他會議。截至二零一三年十二月三十一日止年度，董事會共舉行了二十次會議，各董事之出席記錄載於年報第30頁之表格內。董事可於會上各抒己見，並於會前獲適當通知有關建議議程。任何重大決策均須經於董事會會議上審議始行落實。若任何董事就建議交易事項或待討論事項涉及利益衝突或擁有重大利益，則不得計入該次會議之法定人數內，亦將會就相關決議案放棄投票。

董事會之會議記錄由公司秘書保存，並可供董事查閱。每位董事會成員均有權查閱董事會文件及相關資料及全權獲取公司秘書之意見及服務；公司秘書負責確保董事會程序得以遵守，並於諮詢監察主任後就守規事宜向董事會提供意見。董事亦有權尋求外部專業顧問之意見（如需要）。

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GENERAL MEETING

During the year ended 31 December 2013, 2 general meetings of the Company were held, being the special general meeting of the Company held on 4 January 2013 and the 2013 annual general meeting of the Company held on 21 June 2013 ("2013 AGM"). The attendance record of each member of the Board is set out in the table on page 30 of this annual report.

AUDIT COMMITTEE

The Board established the Audit Committee on 30 September 2002 with written terms of reference in accordance with the GEM Listing Rules. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Leung Wo Ping *JP* (chairman), Mr. Dong Shi and Mr. Hu Dingdong.

The terms of reference of the Audit Committee is currently made available on the GEM website and on the Company's website.

The Audit Committee shall meet not less than four times a year in accordance with its terms of reference. The principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Company, and to review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor.

The Audit Committee held 4 meetings during the year ended 31 December 2013 and the attendance of each member of the committee is set out in the table on page 30 of this annual report.

During the year ended 31 December 2013, the Audit Committee discharged its duties by reviewing the financial matters, quarterly, interim and annual financial reports, financial statements and internal control system as well as audit related matters of the Company. The Audit Committee discussed the above as appropriate with the executive Directors, the management and the auditor of the Company, and made recommendations to the Board. The audited financial statements for the year ended 31 December 2013 have been reviewed by the Audit Committee and approved for issue by the Board.

股東大會

截至二零一三年十二月三十一日止年度，本公司舉行了兩次股東大會，即於二零一三年一月四日舉行之本公司股東特別大會及於二零一三年六月二十一日舉行之本公司二零一三年股東週年大會（「二零一三年股東週年大會」）。董事會各成員出席會議之記錄載於年報第30頁之表格內。

審核委員會

董事會已於二零零二年九月三十日根據創業板上市規則成立具明文職權範圍之審核委員會。現時審核委員會由三位獨立非執行董事組成，即梁和平先生，太平紳士（主席）、董石先生及胡定東先生。

審核委員會之職權範圍現時可於創業板網站及本公司網站查閱。

根據其職權範圍，審核委員會應每年至少舉行四次會議。審核委員會之主要職責為審閱及監督本公司之財務申報程序及內部監控制度，以及按年度基準檢討外聘核數師之委任及確保繼任核數師之獨立性。

截至二零一三年十二月三十一日止年度，審核委員會共舉行了四次會議，委員會各成員之出席記錄載於年報第30頁之表格內。

截至二零一三年十二月三十一日止年度，審核委員會已履行其職責，包括審閱本公司之財務事宜、季度、中期及全年財務報告、財務報表及內部監控制度，以及核數相關事宜。審核委員會與本公司之執行董事、管理層及核數師在適當時就上述事項進行商討，及向董事會作出推薦意見。截至二零一三年十二月三十一日止年度之經審核財務報表已經審核委員會審閱並由董事會批准刊發。

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The Audit Committee noted the existing internal control system of the Group and also noted that review of the same will be carried out annually.

REMUNERATION COMMITTEE

The Company has set up a remuneration committee (the “Remuneration Committee”) since 12 April 2005 with written terms of reference in compliance with the GEM Listing Rules. The Remuneration Committee currently consists of three independent non-executive Directors, namely Mr. Leung Wo Ping *JP* (chairman), Mr. Dong Shi and Mr. Hu Dingdong.

The terms of reference of the Remuneration Committee is currently made available on the GEM website and the Company’s website.

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

During the year ended 31 December 2013, the Remuneration Committee held 1 meeting to review the existing policy and structure of the remuneration for the Directors and senior management. The attendance record of each member of the Remuneration Committee is set out in the table on page 30 of this annual report.

審核委員會知悉本集團現有內部監控制度及須每年就此進行檢討。

薪酬委員會

本公司自二零零五年四月十二日起設有薪酬委員會（「薪酬委員會」），並採納符合創業板上市規則之明文職權範圍。現時薪酬委員會由三名獨立非執行董事組成，即梁和平先生，太平紳士（主席）、董石先生及胡定東先生。

薪酬委員會之職權範圍現時可於創業板網站及本公司網站查閱。

根據其職權範圍，薪酬委員會應每年至少舉行一次會議。薪酬委員會之主要職責包括制定本公司薪酬政策、批准或建議董事及高級管理層之薪酬待遇，以及依據企業目標及宗旨審閱和批准與表現掛鈎之薪酬。

截至二零一三年十二月三十一日止年度，薪酬委員會舉行了一次會議以檢討董事及高級管理層薪酬之現有政策及架構。薪酬委員會各成員之出席記錄載於本年報第30頁之表格內。

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NOMINATION COMMITTEE

The Company has set up the Nomination Committee since 12 April 2005 with written terms of reference in compliance with the GEM Listing Rules. The Nomination Committee currently consists of three independent non-executive Directors, namely Mr. Leung Wo Ping *JP* (chairman), Mr. Dong Shi and Mr. Hu Dingdong.

The terms of reference of the Nomination Committee is currently made available on the GEM website and the Company's website.

The principal responsibilities of the Nomination Committee include reviewing the structure, size, composition and diversity (including but not limited to skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service) of the Board; to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors; and to review the Policy and the measurable objectives that the Board has set for implementing the Policy.

According to its terms of reference, the Nomination Committee should meet at least once a year. During the year ended 31 December 2013, the Nomination Committee held 1 meeting to assess the independence of the independent non-executive Director and to consider the re-election of Directors. The attendance record of each member of the Nomination Committee is set out in the table on page 30 of this annual report.

提名委員會

本公司自二零零五年四月十二日起設有提名委員會，並採納符合創業板上市規則之明文職權範圍。現時提名委員會由三名獨立非執行董事組成，即梁和平先生，太平紳士(主席)、董石先生及胡定東先生。

提名委員會之職權範圍現時可於創業板網站及本公司網站查閱。

提名委員會之主要職責包括檢討董事會之架構、規模、組成及多元化(包括但不限於技能、經驗及背景、地區及行業經驗、種族、性別、知識及服務時長)。物色具備合適資格擔任董事會成員之個別人士，並就挑選提名董事之個別人士向董事會提供推薦意見；就委任或重新委任董事和董事繼任規劃等相關事宜向董事會提出推薦意見；以及檢討該政策及董事會為實施該政策而制定之可計量目標。

根據其職權範圍，提名委員會應每年至少舉行一次會議。截至二零一三年十二月三十一日止年度，提名委員會舉行了一次會議，以評估獨立非執行董事之獨立性及考慮董事重選事宜。提名委員會各成員之出席記錄載於本年報第30頁之表格內。

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Attendance records of the Directors and members of the Board committees for the year ended 31 December 2013:

截至二零一三年十二月三十一日止年度董事及董事委員會成員出席會議之記錄：

		General Meeting 股東大會	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議
Total Number of Meetings	會議總次數	2	20	4	1	1
Executive Directors:	執行董事：					
Mr. Xiao Yan	肖彥先生	2/2	20/20	—	—	—
Mr. Li Tao	李濤先生	1/2	18/20	—	—	—
Mr. Qiu Bin	仇斌先生	1/2	18/20	—	—	—
Non-Executive Director:	非執行董事：					
Mr. Xu Lei	徐雷先生	0/2	16/20	—	—	—
Independent Non-Executive Directors:	獨立非執行董事：					
Mr. Leung Wo Ping <i>JP</i>	梁和平先生， <i>太平紳士</i>	2/2	15/20	4/4	1/1	1/1
Mr. Dong Shi	董石先生	0/2	16/20	4/4	1/1	1/1
Mr. Hu Dingdong	胡定東先生	1/2	16/20	4/4	1/1	1/1

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The CEO and the chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee attended the special general meeting of the Company held on 4 January 2013 and the 2013 AGM to answer questions and collect views of shareholders.

董事會負責保持與股東之持續對話，特別是利用股東週年大會或其他股東大會與彼等溝通及鼓勵彼等參與。行政總裁以及審核委員會、薪酬委員會及提名委員會主席出席了本公司於二零一三年一月四日舉行之股東特別大會及二零一三年股東週年大會，以答股東提問及收集股東意見。

TRAINING AND SUPPORT FOR DIRECTORS

Directors must keep abreast of their collective responsibilities. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. According to the code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

董事之培訓及支援

董事必須清楚彼等之整體責任。每名新委任之董事均會獲提供有關本集團業務及上市公司董事法定及監管責任之入職手冊。根據企業管治守則之守則條文A.6.5條，所有董事須持續參與專業發展以獲取及提升彼等之知識及技能，確保彼等對董事會作出知情及相關貢獻。

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The Group provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Group also continuously updates Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

All Directors have participated in continuous professional development and provided a record of training they received for the year ended 31 December 2013 to the Company. The individual training record of each Director received for the year ended 31 December 2013 is set out below:

本集團提供簡介及其他培訓，讓董事學習及更新知識及技能。本集團亦持續提供有關創業板上市規則及其他適用監管規定之最新資訊予董事，以確保董事遵守該等規則及提高彼等對良好企業管治常規之認識，並向董事及高級管理層(倘合適)發出通函或指引，以確保瞭解最佳企業管治常規。

所有董事已參與持續專業發展及向本公司提供彼等於截至二零一三年十二月三十一日止年度接受之培訓記錄。截至二零一三年十二月三十一日止年度每名董事所接受個人培訓之記錄載列如下：

Name of Directors 董事名稱	Type of Trainings 培訓類別 (Notes) (附註)
Mr. Xiao Yan 肖彥先生	A,B
Mr. Li Tao 李濤先生	A,B
Mr. Qiu Bin 仇斌先生	A
Mr. Xu Lei 徐雷先生	B
Mr. Leung Wo Ping <i>JP</i> 梁和平先生， <i>太平紳士</i>	B
Mr. Dong Shi 董石先生	A
Mr. Hu Dingdong 胡定東先生	A

Notes:

A: attending seminars and/or conference and/or forums relating to directors' duties

B: reading newspaper, journals and updates relating to the economy, general business or directors' duties etc.

附註：

A: 出席有關董事職責之研討會及／或會議及／或答問會

B: 閱讀有關財經、一般事務或及董事職責之報章、期刊及最新資訊。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONFLICT OF INTEREST

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter will be considered at a Board meeting attended by Directors who have no material interest in the transaction.

COMPANY SECRETARY

Following the resignation of Ms. Cheng Kit Sum Clara as the Company Secretary of the Company on 1 January 2014, the Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited (“Uni-1”), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit difference commercial needs.

Mr. Tse Kam Fai (“Mr. Tse”), the representative of Uni-1, was appointed as the Company Secretary of the Company with effect from 1 January 2014.

Mr. Wong Chi Shing, the Financial Controller of the Company, is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 5.15 of the GEM Listing Rules, Mr. Tse, being a person who was a company secretary of an issuer before 31 December 1994, will take no less than 15 hours of relevant professional training for the financial year commencing on 1 January 2017.

DIRECTORS’ AND OFFICERS’ INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

利益衝突

若董事於董事會將予審議之交易或建議中存在利益衝突，該董事須申報有關利益及放棄投票。有關事項將經出席董事會會議之董事審議，彼等於交易中並無任何重大利益。

公司秘書

繼本公司之公司秘書鄭潔心女士於二零一四年一月一日辭任後，本公司聘請外部專業公司秘書服務提供商統一企業服務有限公司（「統一」），向本集團提供合規及全方位公司秘書服務，以協助本集團應對不斷變化的監管環境及適應不同商業需求。

統一之代表謝錦輝先生（「謝先生」）已獲委任為本公司之公司秘書，自二零一四年一月一日起生效。

本公司財務總監黃智成先生為本公司與公司秘書的主要聯絡人員。

根據創業板上市規則第5.15條之規定，謝先生（於一九九四年十二月三十一日前為一名發行人之公司秘書）將於二零一七年一月一日開始之財政年度參加不少於十五個小時的相關專業培訓。

董事及高級職員之保險

本公司已就其董事及高級職員可能面對之法律行動作出適當之投保安排。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION OF DIRECTORS

The Company adopted a share option scheme on 13 March 2003 (which was expired on 12 March 2013) and a new share option scheme on 30 December 2011 (jointly the “Share Option Schemes”). The purpose of the Share Option Schemes is to enable the Group to grant options to participants as incentives or rewards for their contributions to the Group. Details of the Share Option Schemes are set out in the Directors’ Report and note 32 to the financial statements.

The emolument payable to Directors and senior management will depend on their respective contractual terms under the service contracts, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, and their duties and responsibilities within the Company. Details of the remuneration of the Directors and senior management are set out in note 12 to the financial statements.

AUDITOR’S REMUNERATION

During the year ended 31 December 2013, the Company is required to pay an aggregate of approximately HK\$980,000 (for the six months ended 31 December 2012: HK\$650,000) to the external auditors for their audit services and Nil (for the six months ended 31 December 2012: Nil) for their non-audit services.

SHAREHOLDERS’ RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting. The Board may whenever it thinks fit call special general meetings.

董事酬金

本公司於二零零三年三月十三日採納一份購股權計劃(已於二零一三年三月十二日屆滿)及於二零一一年十二月三十日採納新購股權計劃(統稱「購股權計劃」)。購股權計劃旨在令本集團可向參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。購股權計劃詳情載於董事會報告及財務報表附註32。

向董事及高級管理層支付之酬金視乎服務合約(如有)項下彼等各自之合約條款及由董事會參考薪酬委員會之建議以及彼等於本公司之職責及責任作出決定。董事及高級管理層薪酬詳情載於財務報表附註12。

核數師酬金

截至二零一三年十二月三十一日止年度，本公司須為外聘核數師提供之核數服務共支付約980,000港元(截至二零一二年十二月三十一日止六個月：650,000港元)及非核數服務支付零港元(截至二零一二年十二月三十一日止六個月：無)。

股東權利

本公司股東大會為股東及董事會提供溝通之機會。本公司股東週年大會須每年舉行一次，地點由董事會釐定。股東週年大會以外之各股東大會均稱為股東特別大會。董事會可在其認為適當時召開股東特別大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

Shareholders to convene a special general meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-Laws and the Companies Act of Bermuda. Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act of Bermuda.

Putting enquiries by shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

Procedures for putting forward proposals by shareholders at shareholders' meeting

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members representing not less than one-twentieth of the total voting rights at the date of the requisition; or
- (b) not less than one hundred members.

股東召開股東特別大會

根據公司細則所載之條文及百慕達公司法，股東可召開本公司股東特別大會。於遞交請求書日期持有不少於附帶本公司股東大會投票權之本公司繳足股本十分之一之股東隨時有權透過向董事會或本公司秘書發出書面請求，要求董事會召開股東特別大會，以處理該請求書所載之任何事項；及該會議須於遞交請求書後兩個月內舉行。倘於遞交該請求書二十一日內，董事會未能召開該會議，則請求人士可根據百慕達公司法第 74(3) 條之規定自行召開該會議。

股東向董事會提出詢問

股東可於本公司之香港主要營業地點向本公司發出書面查詢，以提請公司秘書垂注。

股東於股東大會上提呈決議案之程序

於股東大會上提呈決議案所需之股東人數須為：

- (a) 代表不少於請求書日期總投票權之二十分之一之任何股東人數；或
- (b) 不少於一百名股東。

CORPORATE GOVERNANCE REPORT

企業管治報告

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:

- (i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirmation that the requisition is in proper and in order, the Board will proceed with the necessary procedures.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions set out in the notice of the 2014 AGM will be voted by poll.

PREPARATION OF FINANCIAL STATEMENTS

The respective responsibilities of the Directors and the auditor for preparing financial statements of the Company are set out in the "Independent Auditor's Report" on pages 53 to 55 of this annual report.

所有請求人簽署之請求書副本或多份副本，連同合理足以支付本公司發出有關建議決議案之通告或傳閱任何必要聲明所需費用之款項，應於下列時間內遞交本公司之香港主要營業地點：

- (i) 倘屬需發出決議案通告之請求書，須於有關會議舉行前不少於六個星期；及
- (ii) 倘屬任何其他請求書，須於有關會議舉行前不少於一個星期。

本公司將核實有關請求書，一旦確認有關請求屬合適及妥當，董事會將繼續進行必要之程序。

投票表決

根據創業板上市規則第17.47(4)條之規定，股東於股東大會上之任何表決均須以投票表決之方式進行，惟主席本著真誠決定允許純粹有關程序或行政事宜之決議案可以舉手方式表決者則除外。因此，載於二零一四年股東週年大會通告之所有決議案將以投票表決之方式進行表決。

編製財務報表

董事及核數師各自就編製本公司財務報表之責任載列於年報第53至55頁之「獨立核數師報告」內。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROLS

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

During the year ended 31 December 2013, the Board conducted a review on its systems of internal controls and to improve the Group's strategic planning, cash management, management in business operations, budgeting and financial reporting, supply and sales chain management and human resource management.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

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

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2013.

內部監控

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

截至二零一三年十二月三十一日止年度，董事會對其內部監控制度進行檢討及改進本集團之策略計劃、現金管理、業務經營管理、預算及財務申報、供應及銷售鏈管理以及人力資源管理。

投資者關係及與股東溝通

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

章程文件

截至二零一三年十二月三十一日止年度，本集團之章程文件概無任何變動。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Xiao Yan (“Mr. Xiao”), aged 52, is the Chief Executive Officer (“CEO”) of the Company and an executive Director. Mr. Xiao is a senior economist in the PRC and has over 25 years of experience in corporate planning, business development, corporate finance, investment, consulting and banking. Prior to joining the Group, Mr. Xiao was the deputy general manager of the capital operational department (investment department) of China Potevio Company Limited where he was responsible for overall business planning, management and investments. From 1997 to 2006, Mr. Xiao was the deputy general manager of China Everbright Bank and the Vice President of its Wuhan branch where he oversaw the overall operations. Mr. Xiao had previously held senior positions in international companies, and consulting and accounting firms. Mr. Xiao holds a master degree of business administration and is a member of the Chinese Institute of Certified Public Accountants. Mr. Xiao was appointed as an executive Director and the CEO in August 2008 and March 2009 respectively. Mr. Xiao is a director of various subsidiaries of the Company.

Mr. Li Tao (“Mr. Li”), aged 45, joined the Group as an executive Director in April 2008. Mr. Li had been the vice president of Yunnan Baiyao Technology (Beijing) Co., Ltd. Mr. Li has over 20 years of experience in the administration and management of different companies and businesses.

Mr. Qiu Bin (“Mr. Qiu”), aged 41, joined the Group as an executive Director in January 2013. Mr. Qiu was graduated from Beijing Union University with a bachelor degree in Business Administration. From 1992 to 2003, he was the department manager at the Bank of China Limited, Beijing Branch responsible for a wide range of banking and credit duties. From 2004 to 2008, he joined the Shanghai Pudong Development Bank, Beijing Branch and served as the business manager in charge of marketing and credit functions. Mr. Qiu then became the deputy general manager and director of the finance department in Beijing Dong Fang Chengrui Investment Consultants, Ltd. (“Dong Fang”). He was responsible for the overall operation and strategic decisions of the foreign investment and financing businesses of Dong Fang. Mr. Qiu is well versed with Chinese domestic banking system, settlement, foreign exchange and credit areas. He also has extensive experience in the fields of financial management and securities investment. Mr. Qiu is a director of various subsidiaries of the Company.

執行董事

肖彥先生(「肖先生」)，52歲，本公司行政總裁(「行政總裁」)兼執行董事。肖先生為中國高級經濟師，於企業規劃、業務發展、企業融資、投資、諮詢及銀行擁有逾二十五年經驗。於加入本集團之前，肖先生曾擔任中國普天信息產業股份有限公司資本運營部(投資部)副總經理，負責整體業務規劃、管理和投資。於一九九七年至二零零六年間，肖先生曾擔任中國光大銀行副總經理及武漢分行副行長，負責監管整體業務。肖先生過往曾於國際公司以及顧問機構和會計師行擔任高級職位。肖先生持有工商管理碩士學位，並且為中國註冊會計師協會會員。肖先生於二零零八年八月及二零零九年三月分別獲委任為執行董事及行政總裁。肖先生為本公司多間附屬公司之董事。

李濤先生(「李先生」)，45歲，於二零零八年四月加入本集團為執行董事。李先生曾為雲南白藥科技(北京)有限公司之副總經理。彼於不同公司及業務之行政及管理方面擁有超過二十年之經驗。

仇斌先生(「仇先生」)，41歲，於自二零一三年一月加入本集團為執行董事。仇先生畢業於北京聯合大學，獲頒工商管理學士專業學位。於一九九二年至二零零三年間，彼於中國銀行股份有限公司北京分行任職部門經理，負責廣泛之銀行及信貸工作。於二零零四年至二零零八年間，仇先生擔任上海浦東發展銀行北京分行之業務部經理，負責營銷及信貸工作。隨後，仇先生出任北京東方誠睿投資顧問有限公司(「東方」)副總經理及融資部總監，負責東方之全面營運及公司對外投資融資業務的決策。仇先生精通國內銀行結算、外匯及信貸業務等，在財務管理和證券投資方面亦有豐富之經驗。仇先生為本公司多間附屬公司之董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

NON-EXECUTIVE DIRECTOR

Mr. Xu Lei (“**Mr. Xu**”), aged 43, joined the Group as a non-executive Director in November 2009. Mr. Xu has had over 15 years of senior executive and operational experiences in the fields of mass media, technological development and cultural promotion in China since completion of a graduate study at Tongji University in China. Mr. Xu had been a senior manager of The China International Cultural Exchange Centre from 1997 to 2001; the president and editor-in-chief of Travel & Leisure Magazine from 2002 to the present. Since 2003, Mr. Xu has gained substantial corporate governance and operational control experiences in the field of broadcasting and media communications in China including as the vice president of an audio and video publishing house, an executive director of a communication technology development company and a cultural investment firm respectively. Through his association with these enterprises, Mr. Xu has built a broad based social and people resource network in the relevant industries. Mr. Xu is currently a non-executive director of Pearl River Tyre (Holdings) Limited, a company whose shares are listed on the Main Board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Wo Ping JP (“**Mr. Leung**”), aged 69, has been an independent non-executive Director and the chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee since August 2009. Mr. Leung is a Fellow of the Institute of Chartered Accountants in England of Wales. He is a tax professional, having engaged in UK tax, Hong Kong tax and international tax planning for over 30 years. Currently, he is a senior advisor of Crowe Horwath (HK) CPA Limited, one of the major accounting firms in Hong Kong. Apart from his professional work, Mr. Leung has actively participated in community affairs since 1983. He had been a Regional Councillor for 5 years and a District Councillor for 18 years. He is also a Councillor of the New Territories Heung Yee Kuk. He currently serves on various Boards and Committees including the Hospital Authority's Hospital Governing Committee of Tai Po Hospital and United Christian Nethersole Community Health Service Management Committee. He was a District Advisor to the Hong Kong Branch of Xinhua News Agency before 1997. Mr. Leung was awarded a Badge of Honour by Her Majesty Queen Elizabeth in 1994 for service to the community. He was also appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region in 2000. Mr. Leung is currently an independent non-executive director of Zhuguang Holdings Group Company Limited which is listed on the Stock Exchange.

非執行董事

徐雷先生(「徐先生」)，43歲，於二零零九年十一月加入本集團為非執行董事。於中國同濟大學完成研究院課程後，徐先生於中國大眾傳媒、技術發展及文化推廣之高級行政及營運方面擁有超過十五年經驗。於一九九七年至二零零一年間，徐先生為中國國際文化交流中心之高級經理；自二零零二年至今為《旅遊優閒》之總裁及總編輯。自二零零三年起，徐先生於中國廣播及傳媒獲得豐富企業管治及營運監控經驗，包括分別擔任一家音像出版公司之副總裁，以及一家通訊技術開發公司及一家文化投資公司之執行董事。徐先生透過與該等企業合作，於相關行業內已在社會及人脈資源網絡上建立廣泛基礎。徐先生現為珠江輪胎(控股)有限公司之非執行董事，該公司之股份於聯交所主板上市。

獨立非執行董事

梁和平先生，太平紳士(「梁先生」)，69歲，由二零零九年八月起獲委任為獨立非執行董事、審核委員會、提名委員會及薪酬委員會主席。梁先生為英格蘭威爾斯特許會計師公會資深會員。彼為稅務專業人士，曾從事英國、香港及國際稅務策劃逾三十年。彼現時為香港一間主要會計師事務所國富浩華(香港)會計師事務所有限公司之資深顧問。除專業工作外，梁先生自一九八三年起亦積極參與社會事務。彼曾擔任前區域市政局及區議會議員分別達五年及十八年。彼亦為新界鄉議局議員。彼現出任多項公職，包括醫院管理局之大埔醫院管治委員會委員及基督教聯合那打素社康服務管理委員會委員。彼於一九九七年前曾出任新華社香港分社區事顧問。梁先生於一九九四年因服務社會獲英女皇伊利莎伯二世頒發榮譽徽章。彼亦於二零零零年獲香港特別行政區政府封為太平紳士。梁先生現為聯交所上市公司珠光控股集團有限公司之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Dong Shi (“Mr. Dong”), aged 50, has been an independent non-executive Director since October 2008. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Dong graduated from Southwest University of Political Science and Law, China with a doctorate degree in law. From 1998 to present, Mr. Dong is a veteran lawyer in Shenzhen Rongguan Law Office. Currently, Mr. Dong is also a professor of international law in Southwest University of Political Science and Law, a researcher of the WTO Research Centre of Liaoning Academy of Social Science, an arbitrator of Shenzhen Arbitration Committee, and a part time professor of Chongqing Technology and Business University.

Mr. Hu Dingdong (“Mr. Hu”), aged 47, has been an independent non-executive Director since April 2009. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Hu has over 20 years of extensive experience in the investment industry and has had senior management positions with various investment and securities firms in China. Mr. Hu has completed a graduate program in finance from South Western University of Finance and Economics in China. He also has published numerous finance related articles in newspapers, magazines and journals.

COMPANY SECRETARY

Mr. Tse Kam Fai, aged 50, was appointed as the Company Secretary of the Company on 1 January 2014. Mr. Tse is a fellow member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries. He is also a member of The Hong Kong Institute of Directors. Mr. Tse is currently the company secretary of a company listed on the Main Board of the Stock Exchange and a two companies listed on the GEM of the Stock Exchange. He is also an executive director of a local professional firm providing regulatory compliance, corporate governance and corporate secretarial services to listed and unlisted corporations. Mr. Tse has more than 20 years’ experience in handling listed company secretarial and compliance related matters.

董石先生(「董先生」)，50歲，由二零零八年十月起獲委任為獨立非執行董事。彼分別為審核委員會、薪酬委員會及提名委員會之成員。董先生畢業於中國西南政法大學，取得法律博士學位。由一九九八年至今，董先生為深圳融關律師事務所之資深律師。目前，董先生也擔任西南政法大學國際法教授、遼寧省社會科學院WTO研究中心研究員、深圳市仲裁委員會仲裁員，以及重慶工商大學客座教授。

胡定東先生(「胡先生」)，47歲，由二零零九年四月起獲委任為獨立非執行董事。彼分別為本公司審核委員會、薪酬委員會及提名委員會之成員。胡先生於投資業擁有逾二十年之豐富經驗，並曾於多間中國投資及證券公司任職高級管理層。胡先生於中國西南財經大學之金融系修畢碩士研究生之課程。彼亦曾於報章、雜誌及期刊中發表大量金融相關文章。

公司秘書

謝錦輝先生，50歲，於二零一四年一月一日獲委任為本公司之公司秘書。謝先生為英國特許秘書及行政人員公會及香港特許秘書公會資深會士。彼亦為香港董事學會會員。謝先生現時為一間於聯交所主板上市之公司及兩間於聯交所創業板上市之公司的公司秘書。彼亦為一間為上市及非上市公司提供監管合規、企業管治及企業秘書服務之本地專業機構的執行董事。謝先生於處理上市公司之公司秘書及合規性相關事務方面擁有超過二十年的經驗。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

Dr. Tang Bin (“Dr. Tang”), aged 45, is the Chief Technology Officer of the Company. Dr. Tang possesses a profound knowledge, considerable experience of product development in specialized field of technology, and an extensive background in business management and operation. Dr. Tang is currently responsible for the product development plan and technology management of the Group. He is currently the chairman and the legal representative of Shenzhen Champion Maxiumic Group Co., Ltd., which is a wholly-owned indirect subsidiary of the Company principally responsible for digital cable television business and wireless digital television business. Dr. Tang was the chairman and the legal representative of Beijing Jinqiao Hengtai Technology Co., Ltd. During March 2008 to November 2010. Dr. Tang currently fills posts in many social activities in mainland China, such as an evaluation expert of innovation fund for small technology based firms of Ministry of Science and Technology, a standard examination expert of the National Information Standard Committee, a senior member of the Bluetooth technical professional committee of National 3C Union. Dr. Tang holds a master degree in engineering from Graduate Institute of Chinese Academy of Science and a doctor degree in engineering from University of Science and Technology of China.

Mr. Lo Ka Wai (“Mr. Lo”), aged 45, has been the Chief Financial Officer of the Company since December 2011. Mr. Lo graduated from the University of Wollongong, Australia with a bachelor degree in commerce. He is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. He has more than 20 years of experience in financial management and corporate finance. He had been chief financial officer and/or company secretary for various listed companies in Hong Kong and currently is an executive director of National United Resources Holdings Limited and Pearl River Tyre (Holdings) Limited and an independent non-executive director of Yusei Holding Limited and Sheng Yuan Holdings Limited which is listed on The Stock Exchange of Hong Kong Limited.

高級管理層

唐斌博士(「唐博士」)，45歲，本公司科技總裁。唐博士於科技專門領域之產品開發方面有深厚知識及卓越之經驗，兼備豐富之業務管理及營運經驗。唐博士現時負責本集團之產品開發計劃及技術管理。彼現時為深圳中澤明芯集團有限公司之董事長兼法人代表，該公司為本公司之間接全資附屬公司，主要負責有線數字電視業務和無線數字電視業務。唐博士曾於二零零八年三月至二零一零年十一月擔任北京金橋恒泰科技有限公司之董事長兼法人代表。目前，唐博士亦曾於中國內地擔任國家科技部中小企業創新基金評審專家、中國國家信息標準委員會標準審議專家、國家3C聯盟藍牙技術專業委員會高級會員等多項社會職務。唐博士持有中國科學院理學碩士學位及中國科技大學工學博士學位。

羅嘉偉先生(「羅先生」)，45歲，自二零一一年十二月起獲委任為本公司財務總裁。羅先生畢業於澳洲卧龍崗大學(University of Wollongong)，獲頒商學士學位。彼為香港會計師公會及澳洲會計師公會會員。彼於金融管理及企業融資方面擁有逾二十年經驗。彼曾於多間香港上市公司任職財務總裁及／或公司秘書，現時為國家聯合資源控股有限公司及珠江輪胎(控股)有限公司之執行董事，及友成控股有限公司及盛源控股有限公司(於香港聯合交易所有限公司上市)之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Tian Songlin (“Mr. Tian”), aged 44, currently is the general manager, the chairman and the legal representative of Beijing Jinqiao Hengtai technology Co., Ltd, a wholly-owned subsidiary of the Company, and is responsible for the overall management of Beijing Jinqiao. Prior to joining the Group, Mr. Tian was the deputy general manager of Beijing Hengtai Technologies Co. Ltd in where he was responsible for managing the overall sales division. Mr. Tian was educated in Japan and obtained a doctorate degree of economics. He has also worked at a real estate company in Japan for four years.

田松林先生(「田先生」)，44歲，現擔任本公司全資附屬公司北京金橋恒泰科技有限公司總經理、董事長兼法人代表，負責北京金橋之整體管理。於加入本集團前，田先生曾擔任北京華大恒泰科技有限責任公司副總經理，負責管理整個銷售部門。田先生於日本接受教育，並取得經濟學博士學位。彼曾在日本一間房地產公司工作達四年。

REPORT OF THE DIRECTORS

董事會報告

The Directors have pleasure in submitting their report and the audited financial statements of the Group for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in digital cable television business, wireless digital television value-added services, wireless digital terrestrial television network equipment integrated business, research, design, development on and manufacturing of electronic message security products, integrated circuits, and the integrated circuit solutions and the related services. Details of the principal activities of its subsidiaries are set out in note 44 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of profit or loss and other comprehensive income on page 56 of this annual report.

The Board do not recommend the payment of a dividend for the year ended 31 December 2013.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2013 are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital during the year ended 31 December 2013 are set out in note 31 to the financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2013 are set out in the consolidated statement of changes in equity on page 60 of this report.

董事欣然呈上彼等之報告以及本集團截至二零一三年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要從事有線數字電視業務、無線數字電視增值服務、地面無線數字電視網絡設備集成業務、研究、設計、開發及製造電子資訊安全產品、芯片，以及芯片之解決方案及相關服務。有關附屬公司之主要業務詳情載於財務報表附註44。

業績及分配

本集團截至二零一三年十二月三十一日止年度之業績載於本年報第56頁之綜合損益及其他全面收入表。

董事會不建議派發截至二零一三年十二月三十一日止年度之股息。

物業、廠房及設備

本集團於截至二零一三年十二月三十一日止年度之物業、廠房及設備變動詳情載於財務報表附註15。

股本

本公司於截至二零一三年十二月三十一日止年度之股本詳情載於財務報表附註31。

儲備

本集團於截至二零一三年十二月三十一日止年度之儲備變動詳情載於本報告第60頁之綜合權益變動表。

REPORT OF THE DIRECTORS

董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2013, the Company did not have any reserves available for cash distribution and/or distribution in specie, as computed in accordance with the Companies Act 1981 of Bermuda (as amended) (31 December 2012: Nil). In addition, the Company's share premium balance of HK\$1,466.4 million as at 31 December 2013 (31 December 2012: HK\$1,394.4 million) may be distributed in the form of fully paid bonus shares.

DIRECTORS

The Directors during the year ended 31 December 2013 and up to the date of this report were:

Executive Directors

Mr. Xiao Yan (*Chief Executive Officer*)

Mr. Li Tao

Mr. Qiu Bin

Non-Executive Director

Mr. Xu Lei

Independent Non-executive Directors

Mr. Leung Wo Ping *JP*

Mr. Dong Shi

Mr. Hu Dingdong

Pursuant to Bye-law 87(1) of the Bye-Laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Mr. Li Tao, Mr. Dong Shi and Mr. Hu Dingdong shall retire from office as Directors by rotation and, being eligible, offer themselves for re-election at the 2014 AGM.

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

可供分派儲備

於二零一三年十二月三十一日，本公司並無任何可作現金分派及／或實物分派之儲備（按照百慕達一九八一年公司法（經修訂）計算）（二零一二年十二月三十一日：無）。此外，本公司於二零一三年十二月三十一日之股份溢價結餘為1,466,400,000港元（二零一二年十二月三十一日：1,394,400,000港元），可以繳足紅股形式分派。

董事

截至二零一三年十二月三十一日止年度及截至本報告日期在任董事為：

執行董事

肖彥先生（*行政總裁*）

李濤先生

仇斌先生

非執行董事

徐雷先生

獨立非執行董事

梁和平先生，*太平紳士*

董石先生

胡定東先生

根據公司細則第87(1)條，在每屆股東週年大會上，當時的三分之一董事（或若其人數並非三之倍數，則最接近但不少於三分之一董事）須輪值退任，惟每位董事須最少每三年輪值退任一次。李濤先生、董石先生及胡定東先生須輪值退任董事職務，並符合資格且願意於二零一四年股東週年大會上膺選連任。

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

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 37 to 41.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a fixed term of one year renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment until terminated by either party giving not less than three-month's prior notice.

No Director proposed for re-election at the 2014 AGM has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance (as defined in Rule 18.25 of the GEM Listing Rules) to which the Company or its subsidiaries were a party and in which a director and substantial shareholder of the Company has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2013.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of their merits, qualifications and competence.

The emoluments of the Directors are decided by the Board with reference to the recommendations from the Remuneration Committee, having regard to the their duties and responsibilities.

The Company has adopted the Share Option Schemes as an incentive to Directors and eligible participants, details of the scheme is set out in the sub-section headed "EMPLOYEE SHARE OPTION SCHEME" below and note 32 to the consolidated financial statements.

董事及高級管理層

本公司董事及高級管理層之履歷詳情載於第37至41頁。

董事之服務合約

各董事已與本公司訂立固定任期為一年之服務合約，並可自動續期一年，各續期自當時委任之現有任期屆滿後翌日開始，直至任何一方發出不少於三個月之事先通知終止為止。

擬於二零一四年股東週年大會上膺選連任之董事概無與本集團訂立本集團不可在一年內毋須支付補償(法定補償除外)而終止之服務合約。

董事之合約權益

本公司或其附屬公司概無訂立任何於年末或截至二零一三年十二月三十一日止年度任何時間存續而本公司董事及主要股東於其中直接或間接擁有重大權益之重大合約(定義見創業板上市規則第18.25條)。

薪酬政策

本集團僱員之薪酬政策乃由董事會根據彼等之貢獻、資歷及能力制定。

董事之酬金乃由董事會參考薪酬委員會之建議並經考慮彼等之責任及職責而決定。

本公司已採納購股權計劃作為董事及合資格參與者之獎勵，該計劃之詳情載於下文「員工購股權計劃」分節及綜合財務報表附註32。

REPORT OF THE DIRECTORS

董事會報告

EMPLOYEE SHARE OPTION SCHEME

The terms of the Share Option Schemes of the Company adopted on 13 March 2003 (the “2003 scheme”) and on 30 December 2011 (the “2011 scheme”) are summarized as follows:

(a) Purpose

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

(b) Participants

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

(c) Maximum number of Shares available for issue

The maximum number of Shares available for issue after considering the share options already granted under the 2011 Scheme is 245,709,199, representing approximately 7.21% of the Shares of the Company in issue as at 31 December 2013.

Initially the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Schemes or any other share option schemes adopted by the Company (and to which the provisions of Chapter 23 of the GEM Listing Rules are applicable) shall not exceed 10% of the aggregate of the Shares in issue as at the date of adoption of the Share

員工購股權計劃

本公司於二零零三年三月十三日及二零一一年十二月三十日所採納之購股權計劃(分別稱「二零零三年計劃」及「二零一一年計劃」)之條款概述如下：

(a) 目的

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

(b) 參與者

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

(c) 可予發行之最高股份數目

經考慮根據二零一一年計劃已授出之購股權，可予發行之最高股份數目為245,709,199股，佔本公司於二零一三年十二月三十一日已發行之股份約7.21%。

因行使根據購股權計劃或本公司採納之任何其他購股權計劃將授出之所有購股權而可予發行之最高股份數目(及適用創業板上市規則第23章之條文)，初步不得超過於採納購股權計劃日期之已發行股份總數之10%。於計算10%限額時，已告失效

REPORT OF THE DIRECTORS

董事會報告

Option Schemes. Options which have lapsed shall not be counted in calculating the 10% limit. However (but subject to the 30% limit referred to in this paragraph below), the Company may refresh this 10% limit with shareholders' approval provided that each such limit (as refreshed) may not exceed the 10% of the Shares in issue as at the date of the shareholders' approval. Options previously granted under the Share Option Schemes and any other share option schemes adopted by the Company (and to which the provisions of Chapter 23 of the GEM Listing Rules are applicable), including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options, will not be counted for the purpose of calculating the limit to be refreshed. The Company may seek separate approval by shareholders in general meeting for granting options beyond the 10% limit provided that the options in excess of the limit are granted only to the Participants specially identified by the Company before such approval is sought.

The total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Schemes and any other share option schemes adopted by the Company (and to which the provisions of Chapter 23 of the GEM Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time.

(d) Maximum number of options to any one individual

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

之購股權不會計算在內。然而(惟受本段下文所指之30%限額所規限),本公司可在股東批准下更新此10%限額,惟每次獲更新之該限額不得超過於股東批准當日之已發行股份之10%。於計算更新限額時,以往根據購股權計劃及本公司採納之任何其他購股權計劃授出之購股權(及適用創業板上市規則第23章之條文),包括根據有關計劃尚未行使、已註銷或已失效之購股權或已行使之購股權將不會計算在內。本公司可於股東大會上另行尋求股東批准授出超過10%限額之購股權,惟超過限額之購股權僅可授予於尋求批准前本公司特別指定之參與者。

因行使根據購股權計劃及本公司採納之任何其他購股權計劃已授出但尚未行使之所有未行使購股權而可予發行之股份總數(及適用創業板上市規則第23章之條文),不得超過不時已發行股份之30%。

(d) 向任何個人授出之購股權上限

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

REPORT OF THE DIRECTORS

董事會報告

(e) Time of exercise of option

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. A nominal aggregate consideration of HK\$1.00 for each grantee is payable on acceptance of the grant of an option.

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

(f) Price of Shares

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

(e) 購股權之行使時間

參與者可於授出購股權要約提出當日起計28日內接納購股權。於接納授出購股權時每名承授人須支付名義總代價1.00港元。

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

(f) 股價

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

REPORT OF THE DIRECTORS

董事會報告

(g) Remaining life of the Share Options Scheme (g) 購股權計劃之剩餘有效期

The 2003 Scheme expired on 12 March 2013, while the 2011 Scheme will remain in force before 29 December 2021.

二零零三年計劃已於二零一三年三月十二日屆滿，而二零一一年計劃將於二零一一年十二月二十九日前保持有效。

The following table disclosed movements in the Company's share options granted under the Share Option Schemes during the year:

下表披露本公司於年內根據購股權計劃授出之購股權之變動：

Participants		Number of Shares (Note 1)					As of 31 December 2013	Date of grant	Exercise period	Exercise price per Share
		As of 1 January 2013	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year				
參與者		截至二零一三年一月一日	於年內授出	於年內行使	於年內註銷	於年內失效	截至二零一三年十二月三十一日	授出日期	行使期	每股行使價 HK\$ 港元
Directors and Chief executive	董事及主要行政人員									
Mr. Xiao Yan	肖彥先生	1,500,000	—	—	—	(1,500,000)	—	13/04/2011	13/05/2011-12/03/2013	1.54
Mr. Li Tao	李濤先生	1,500,000	—	—	—	(1,500,000)	—	13/04/2011	13/05/2011-12/03/2013	1.54
Mr. Xu Lei	徐雷先生	800,000	—	—	—	(800,000)	—	13/04/2011	13/05/2011-12/03/2013	1.54
Mr. Leung Wo Ping	梁和平先生	800,000	—	—	—	(800,000)	—	13/04/2011	13/05/2011-12/03/2013	1.54
Mr. Dong Shi	董石先生	800,000	—	—	—	(800,000)	—	13/04/2011	13/05/2011-12/03/2013	1.54
Mr. Hu Dingdong	胡定東先生	800,000	—	—	—	(800,000)	—	13/04/2011	13/05/2011-12/03/2013	1.54
Subtotal	小計	6,200,000	—	—	—	(6,200,000)	—			
Other participants	其他參與者	23,800,000 (Note 2) (附註2)	—	—	—	(23,800,000)	—	13/04/2011	13/05/2011-12/03/2013	1.54
		3,000,000	—	—	—	—	3,000,000	29/02/2012	01/03/2013-29/02/2016	0.84
Subtotal	小計	26,800,000	—	—	—	(23,800,000)	3,000,000			
Total	總計	33,000,000	—	—	—	(30,000,000)	3,000,000			

Notes:

- Number of shares in the Company over which options granted under the Share Option Schemes is exercisable.
- 1,500,000 Share Options granted to a Director who has resigned during the year were classified and added to the opening balance in the category "Other Participants" above.

Particulars of the Share Option Schemes are set out in note 32 to the financial statements.

附註：

- 根據購股權計劃授出而可予行使之購股權所涉及之本公司股份數目。
- 授予於年內已辭任董事之1,500,000份購股權已被分類並計入上述「其他參與者」之年初結餘。

購股權計劃之詳情載於財務報表附註32。

REPORT OF THE DIRECTORS

董事會報告

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

As at 31 December 2013, the interests and short positions of the Directors, the chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or pursuant to Rule 5.46 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

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

於二零一三年十二月三十一日，本公司董事、主要行政人員或彼等各自之聯繫人(定義見創業板上市規則)於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉)；或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益及淡倉；或根據有關董事進行證券交易之創業板上市規則第5.46條須知會本公司及聯交所之權益及淡倉如下：

Name of Director	Capacity	Long position/ short position	Number of Shares	Approximate percentage of interests the issued in share capital 佔已發行股本 權益之概約百分比
董事名稱	身份	好倉 / 淡倉	股份數目	權益之概約百分比
Mr. Xiao Yan 肖彥先生	Beneficial owner 實益擁有人	Long position 好倉	2,273,334	0.07%
Mr. Qiu Bin 仇斌先生	Beneficial owner 實益擁有人	Long position 好倉	2,408,000	0.07%

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions 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 SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 December 2013.

除上文所披露者外，於二零一三年十二月三十一日，本公司董事及主要行政人員及彼等之聯繫人概無於本公司及其相聯法團之股份、相關股份及債權證中擁有任何本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益及淡倉，或根據創業板上市規則第5.46條所述董事進行交易之規定準則須知會本公司及聯交所之權益及淡倉。

REPORT OF THE DIRECTORS

董事會報告

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

As at 31 December 2013, the following persons (other than the Directors and the chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in Shares of the Company

Name of shareholder 股東名稱	Number or attributable number of shares held 持有之股份數目或應佔數目	Type of Interests 權益類別	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
Choi Chung Lam (Note) 蔡忠林(附註)	623,542,451	Interest in controlled corporation 受控法團權益	18.29%
Team Effort Investments Limited (Note) (附註)	623,542,451	Beneficial owner 實益擁有人	18.29%
Yang Kui 楊魁	200,000,000	Beneficial owner 實益擁有人	5.87%

Note:

Mr. Choi Chung Lam ("Mr. Choi") is the legal and beneficial owner of the entire issued share capital of Team Effort Investments Limited. Hence, Mr. Choi is deemed to be interested in 623,542,451 shares through the shareholding interest of Team Effort Investments Limited in the Company.

Save as disclosed above, the Directors were not aware that there was any person (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and was recorded in the register kept by the Company pursuant to section 336 of the SFO.

主要股東於本公司之股份及相關股份之權益及淡倉

於二零一三年十二月三十一日，以下人士(本公司之董事及主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置登記冊所記錄之權益或淡倉：

於本公司股份之好倉

附註：

蔡忠林先生(「蔡先生」)為Team Effort Investments Limited全部已發行股本之合法實益擁有人。因此，蔡先生被視為透過Team Effort Investments Limited於本公司之股權擁有623,542,451股股份之權益。

除上文所披露者外，董事概不知悉有任何人士(並非本公司董事或主要行政人員)於本公司之股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露及按本公司根據證券及期貨條例第336條須予存置登記冊所記錄之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

主要客戶及供應商

		Percentage of the Group's 佔本集團百分比	
		Revenue 收益	Purchases 採購額
The largest customer	最大客戶	24.8%	
Five largest customers in aggregate	五大客戶合計	68.0%	
The largest supplier	最大供應商		80.9%
Five largest suppliers in aggregate	五大供應商合計		56.6%

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

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

PRE-EMPTIVE RIGHTS

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

優先購買權

公司細則或百慕達(本公司註冊成立所在之司法管轄區)法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司之上市證券

截至二零一三年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

SUFFICIENCY OF PUBLIC FLOAT

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

足夠公眾持股量

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

REPORT OF THE DIRECTORS

董事會報告

COMPETING INTERESTS

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

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial periods is set out on pages 163 to 164.

On behalf of the Board

Xiao Yan

Executive Director

25 March 2014

競爭權益

各董事或彼等之任何聯繫人(定義見創業板上市規則)概無於與本集團業務出現或可能出現競爭或與本集團出現任何其他權益衝突之業務中擁有任何權益。

五年財務概要

本集團過往五個財政期間之業績以及資產及負債概要載於第 163 至 164 頁。

代表董事會

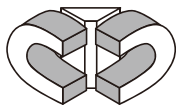
執行董事

肖彥

二零一四年三月二十五日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



CHENG & CHENG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

鄭 鄭 會 計 師 事 務 所 有 限 公 司

10/F., Allied Kajima Building,

138 Gloucester Road, Wanchai, Hong Kong

香港灣仔告士打道138號聯合鹿島大廈10樓

TO THE SHAREHOLDERS OF HENG XIN CHINA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Heng Xin China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 162, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致恒芯中國控股有限公司 各股東

(於百慕達註冊成立之有限公司)

本核數師已審核恒芯中國控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)第56至162頁之綜合財務報表，包括於二零一三年十二月三十一日之綜合財務狀況表，及截至該日止年度之綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他解釋性資料。

董事就綜合財務報表須承擔之 責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表以令其作出真實而公平之反映，並落實董事認為必須之內部控制，以使編製綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

核數師之責任

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OPINION

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

Cheng & Cheng Limited

Certified Public Accountants

Chan Shek Chi

Practising Certificate number P05540

Hong Kong, 25 March 2014

意見

本核數師認為，綜合財務報表乃根據香港財務報告準則真實而公平地反映 貴集團於二零一三年十二月三十一日之事務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定適當地編製。

鄭鄭會計師事務所有限公司

執業會計師

陳碩智

執業證書編號 P05540

香港，二零一四年三月二十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2013

截至二零一三年十二月三十一日止年度

			1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	收益	6	227,539	300,332
Cost of sales	銷售成本		(96,443)	(264,566)
Gross profit	毛利		131,096	35,766
Other income	其他收入	8	7,357	11,723
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之收益		—	390
Gain on disposal of a subsidiary	出售一間附屬公司之收益		1,897	—
Written back on provision for trade receivables	應收賬款撥備回撥		—	49,294
Impairment losses on goodwill	商譽減值虧損		(489,845)	—
Impairment losses on intangible assets	無形資產減值虧損		(128,932)	—
Impairment losses on inventories	存貨減值虧損		(11,605)	—
Impairment losses on trade receivables	應收賬款減值虧損		(101,811)	—
Impairment losses on prepayment, deposits and other receivables	預付款項、按金及其他應收款項減值虧損		(151,303)	—
Net loss on remeasurement of assets classified as held for sale	因重新計量分類為持作出售之資產所產生之虧損淨額		(127,734)	(28,230)
Selling and marketing expenses	銷售及市場推廣開支		(7,413)	(8,560)
Other operating expenses	其他經營費用		(136,652)	(45,985)
Finance costs	融資成本	9	(9,684)	(4,470)
Share of loss of associate	分佔聯營公司虧損		(232)	—
(Loss)/profit before taxation	除稅前(虧損)/溢利		(1,024,861)	9,928
Taxation	稅項	10	(16,698)	(8,766)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2013

截至二零一三年十二月三十一日止年度

		Notes 附註	1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
(Loss)/profit for the year/period	年/期內(虧損)/溢利	11	(1,041,559)	1,162
Other comprehensive (loss)/income	其他全面(虧損)/收入			
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益之項目：			
Exchange differences on translating foreign operations	換算海外業務之匯兌差額		62,460	4,329
Reclassification adjustments relating to foreign operation disposed of during the year	有關年內出售海外業務之重新分類調整		(29,031)	—
Total comprehensive (loss)/income for the year/period	年/期內全面(虧損)/收入總額		(1,008,130)	5,491
(Loss)/profit attributable to	以下人士應佔(虧損)/溢利：			
Owners of the Company	本公司擁有人		(1,039,559)	1,162
Non-controlling interests	非控股股東權益		(2,000)	—
			(1,041,559)	1,162
Total comprehensive (loss)/income attributable to:	以下人士應佔全面(虧損)/收入總額：			
Owners of the Company	本公司擁有人		(1,006,106)	5,491
Non-controlling interests	非控股股東權益		(2,024)	—
			(1,008,130)	5,491
(LOSS)/EARNINGS PER SHARE	每股(虧損)/盈利			
Basic and diluted	基本及攤薄	14	(32.15) cents 仙	0.04 cents 仙

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2013

於二零一三年十二月三十一日

			31.12.2013	31.12.2012
			二零一三年	二零一二年
			十二月三十一日	十二月三十一日
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	94,144	265,560
Goodwill	商譽	16	267,061	753,146
Intangible assets	無形資產	17	14,642	127,732
Interest in an associate	於一間聯營公司之權益	18,45	40,992	—
Deposits for acquisition of non-current assets	收購非流動資產之按金	19	148,008	127,291
			564,847	1,273,729
Current assets	流動資產			
Inventories	存貨	20	257,859	29,211
Trade receivables	應收賬款	21	302,107	399,160
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	484,536	188,884
Restricted bank deposits	有限制銀行存款	23	7,140	8,786
Cash and cash equivalents	現金及現金等價物	24	130,726	13,067
			1,182,368	639,108
Assets classified as held for sale	分類為持作出售之資產	25	171,678	581,152
			1,354,046	1,220,260
Current liabilities	流動負債			
Trade payables	應付賬款	26	265,901	48,579
Other payables and accruals	其他應付款項及應計費用		200,954	36,673
Receipts in advance	預收賬款	27	21,411	37,247
Obligations under finance leases	融資租約責任	28	26	286
Notes payable	應付票據	30	150,000	—
Short term loans	短期貸款	23	12,366	7,596
Tax payable	應繳稅項		55,334	49,977
			705,992	180,358
Liabilities directly associated with assets classified as held for sale	與分類為持作出售之資產直接相關之負債	25	—	48,048
			705,992	228,406
Net current assets	流動資產淨值		648,054	991,854
Total assets less current liabilities	總資產減流動負債		1,212,901	2,265,583

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2013

於二零一三年十二月三十一日

			31.12.2013	31.12.2012
			二零一三年	二零一二年
			十二月三十一日	十二月三十一日
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Non-current liabilities	非流動負債			
Receipts in advance	預收賬款	27	76,098	73,632
Obligations under finance leases	融資租約責任	28	—	26
Deferred tax liabilities	遞延稅項負債	29	—	2,021
Notes payable	應付票據	30	—	150,000
			76,098	225,679
Net assets	資產淨值		1,136,803	2,039,904
Capital and reserves	資本及儲備			
Share capital	股本	31	34,086	31,086
Reserves	儲備		1,077,025	2,008,818
Equity attributable to	以下人士應佔權益			
Owners of the Company	本公司擁有人		1,111,111	2,039,904
Non-controlling interests	非控股股東權益		25,692	—
Total equity	權益總額		1,136,803	2,039,904

Approved and authorised for issue by the Board of Directors on 25 March 2014.

於二零一四年三月二十五日經董事會批准及授權刊發。

Xiao Yan
肖彥
Director
董事

Qiu Bin
仇斌
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2013

截至二零一三年十二月三十一日止年度

Attributable to owners of the Company

本公司擁有人應佔

		Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Other reserve	Share option reserve	Convertible notes reserve	Retained profits/ losses (accumulated)	Sub-total	Non-controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2012	於二零一二年七月一日	28,086	1,307,760	2,325	62,492	(79,992)	10,652	14,917	597,822	1,944,062	—	1,944,062
Profit for the period	期內溢利	—	—	—	—	—	—	—	1,162	1,162	—	1,162
Other comprehensive income	其他全面收入											
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	—	—	—	4,329	—	—	—	—	4,329	—	4,329
Total comprehensive income	全面收入總額	—	—	—	4,329	—	—	—	1,162	5,491	—	5,491
Derecognition of convertible notes	終止確認可換股票據	—	—	—	—	—	—	(14,917)	14,917	—	—	—
Issue of new shares	發行新股份	3,000	87,000	—	—	—	—	—	—	90,000	—	90,000
Share issue expenses	發行股份開支	—	(319)	—	—	—	—	—	—	(319)	—	(319)
Recognition of share-based payments	確認以股份為基礎付款	—	—	—	—	—	670	—	—	670	—	670
		3,000	86,681	—	—	—	670	(14,917)	14,917	90,351	—	90,351
At 31 December 2012	於二零一二年十二月三十一日	31,086	1,394,441	2,325	66,821	(79,992)	11,322	—	613,901	2,039,904	—	2,039,904
At 1 January 2013	於二零一三年一月一日	31,086	1,394,441	2,325	66,821	(79,992)	11,322	—	613,901	2,039,904	—	2,039,904
Loss for the year	年內虧損	—	—	—	—	—	—	—	(1,039,559)	(1,039,559)	(2,000)	(1,041,559)
Other comprehensive income	其他全面收入											
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	—	—	—	62,484	—	—	—	—	62,484	(24)	62,460
Reclassification adjustments relating to foreign operation disposed of during the year	有關年內出售海外業務之重新分類調整	—	—	—	(29,031)	—	—	—	—	(29,031)	—	(29,031)
Total comprehensive loss	全面虧損總額	—	—	—	33,453	—	—	—	(1,039,559)	(1,006,106)	(2,024)	(1,008,130)
Acquisition of subsidiary	收購附屬公司	—	—	—	—	—	—	—	—	—	27,716	27,716
Issue of new shares	發行新股份	3,000	72,000	—	—	—	—	—	—	75,000	—	75,000
Share issue expenses	發行股份開支	—	(91)	—	—	—	—	—	—	(91)	—	(91)
Recognition of share-based payments	確認以股份為基礎付款	—	—	—	—	—	2,404	—	—	2,404	—	2,404
Share options lapsed during the year	於年內失效之購股權	—	—	—	—	—	(10,330)	—	10,330	—	—	—
		3,000	71,909	—	—	—	(7,926)	—	10,330	77,313	27,716	105,029
At 31 December 2013	於二零一三年十二月三十一日	34,086	1,466,350	2,325	100,274	(79,992)	3,396	—	(415,328)	1,111,111	25,692	1,136,803

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2013

截至二零一三年十二月三十一日止年度

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Cash flows from operating activities	經營活動所得現金流量		
(Loss)/profit before taxation	除稅前(虧損)/溢利	(1,024,861)	9,928
Adjustments for:	就以下各項作出調整：		
Depreciation	折舊	19,948	8,085
Impairment losses on goodwill	商譽減值虧損	489,845	—
Impairment losses on intangible assets	無形資產減值虧損	128,932	—
Impairment losses on inventories	存貨減值虧損	11,605	—
Impairment losses on /(written back) on trade receivables, net	應收賬款之 減值虧損/(回撥)淨額	101,811	(49,294)
Impairment losses on prepayment, deposits and other receivables	預付款項、按金及 其他應收款項減值虧損	151,303	—
Interest expenses	利息開支	9,684	4,470
Interest income	利息收入	(20)	(96)
Net loss on measurement of assets classified as held for sale	因計量分類為持作出售 之資產所產生之虧損淨額	127,734	28,230
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備 之(收益)/虧損	(1,321)	3,549
Property, plant and equipment written off	物業、廠房及設備 撇銷	25,622	—
Gain on disposal of a subsidiary	出售一間附屬公司之收益	(1,897)	—
Gain on disposal of financial assets at fair value through profit and loss	出售按公平值計入損益 之金融資產之收益	—	(390)
Share-based payment expenses	以股份支付款項	2,404	670
Share of profit of associate	分佔聯營公司溢利	232	—
Operating cash flows before movements in working capital	營運資本變動前 之經營現金流量	41,021	5,152
Increase in inventories	存貨增加	(240,253)	(27,780)
Increase in trade receivables	應收賬款增加	(54,668)	(103,166)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項(增加)/減少	(197,105)	34,072
(Increase)/decrease in trade payables	應付賬款(增加)/減少	(53,673)	45,833
Increase in other payables	其他應付款項增加	197,940	24,072
Decrease/(increase) in receipts in advance	預收賬款減少/(增加)	(13,371)	3,092
Decrease/(increase) in restricted bank deposits	有限制銀行存款減少/(增加)	1,645	(7,055)
Cash used in operations	經營所用之現金	(318,464)	(25,780)
Interest paid	已付利息	(9,684)	(320)
Tax refund/(paid)	退稅/(已付稅項)	7,861	(22,496)
Net cash used in operating activities	經營活動所用現金淨額	(320,287)	(48,596)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2013

截至二零一三年十二月三十一日止年度

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Cash flows from investing activities	投資活動所得現金流量		
Deposits for investment	投資之按金	(12,000)	(12,272)
Deposits for acquisition of intangible assets	收購無形資產之按金	—	(3,593)
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備之按金	(11,978)	(29,348)
Interest income	利息收入	20	96
Purchase of property, plant and equipment	購買物業、廠房及設備	(9,412)	(42,649)
Purchase of intangible assets	購買無形資產	(6,356)	(4,212)
Net cash outflow on acquisition of a subsidiary	收購一間附屬公司之現金流出淨額	(31,959)	—
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之所得款項	—	3,000
Proceeds from the disposal of asset held for sales	出售持作出售資產之所得款項	362,297	—
Proceeds from the disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	2,453	—
Net cash from/(used in) investing activities	投資活動所得／(所用)之現金淨額	293,065	(88,978)
Cash flow from financing activities	融資活動所得現金流量		
New bank and other loan raised	新籌得銀行及其他貸款	15,096	11,596
Repayment of bank and other loan	償還銀行及其他貸款	(10,326)	(4,000)
Repayment of convertible notes	償還可換股票據	—	(100,000)
Repayment of obligations under finance leases	償還融資租約責任	(286)	(199)
Proceeds from issuance of Notes	發行票據之所得款項	—	50,000
Proceeds from issue of shares	股份發行所得款項	75,000	90,000
Repayment of promissory note	償還承兌票據	—	(2,000)
Share issue expenses	發行股份開支	(91)	(319)
Net cash from financing activities	融資活動所得現金淨額	79,393	45,078
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨值	52,171	(92,496)
Cash and cash equivalents at beginning of year/period	於年／期初之現金及現金等價物	60,947	149,044
Effect of foreign exchange rate changes	匯率變動之影響	17,608	4,399
Cash and cash equivalents at end of year/period	於年／期末之現金及現金等價物	130,726	60,947
Analysis of the balance of cash and cash equivalents	現金及現金等價物之結餘分析		
Cash at bank and in hand	銀行存款及現金	130,726	60,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2013

截至二零一三年十二月三十一日止年度

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is Unit 2, 24/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

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

The Company acts as an investment holding company. The principal activities and other details of its subsidiaries and associate are set out in notes 44 and 45 respectively.

2. CHANGE OF FINANCIAL YEAR END DATE IN PREVIOUS PERIOD

On 12 November 2012, the Company announced that the financial year end date of the Company was changed from 30 June to 31 December (the “Change”). The Change is to coincide the financial year end date of the Company with the financial year end date of its subsidiaries which were incorporated in the People’s Republic of China, the financial results of which are consolidated in the Company’s consolidated financial statements and their financial statements are statutorily required to be closed with the financial year end date of 31 December. The Change has resulted in the consolidated financial statements for the year ended 31 December 2013 covering a period of 12 months while the comparative amounts for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes for the period from 1 July 2012 to 31 December 2012 cover a period of 6 months, and therefore they may not be comparable.

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

1. 一般資料

本公司乃於百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。本公司註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及其主要營業地點位於香港灣仔告士打道39號夏慤大廈24樓2室。

綜合財務報表乃以與本公司功能貨幣一致之港元呈列。

本公司為一間投資控股公司。其附屬公司及聯營公司之主要業務及其他詳情分別載於附註44及45。

2. 更改上一期間財政年度年結日

於二零一二年十一月十二日，本公司宣佈本公司之財政年度年結日由六月三十日更改為十二月三十一日（「更改」）。更改是為了使本公司之財政年度年結日與本公司於中華人民共和國註冊成立之附屬公司之財政年度年結日一致。該等附屬公司之財務業績均於本公司之綜合財務報表內綜合入賬，而該等附屬公司之財務報表之財政年度年結日根據法例須定為十二月三十一日。更改致使截至二零一三年十二月三十一日止年度之綜合財務報表涵蓋12個月，而二零一二年七月一日至二零一二年十二月三十一日期間之綜合損益及其他全面收入表、綜合權益變動表、綜合現金流量表及有關附註之比較金額涵蓋6個月期間，因此，該等報表或無法進行比較。

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

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

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

HKFRS (Amendments)	Annual Improvements to HKFRSs 2009 – 2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities — Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK (IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements, except as described below:

3. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

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

香港財務報告準則（修訂本）	二零零九年至二零一一年 週期香港財務報告 準則之年度改進
香港財務報告準則 第1號（修訂本）	政府貸款
香港財務報告準則 第7號（修訂本）	披露 — 抵銷金融資產 及金融負債
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 之修訂	綜合財務報表、合營安排 及其他實體之權益披露 — 過渡性指引
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	合營安排
香港財務報告準則第12號	其他實體之權益披露
香港財務報告準則第13號	公平值計量
香港會計準則第19號 （二零一一年經修訂）	僱員福利
香港會計準則第27號 （二零一一年經修訂）	獨立財務報表
香港會計準則第28號 （二零一一年經修訂）	於聯營公司及合營公司投資
香港（國際財務報告詮釋 委員會）— 詮釋第20號	露天採礦場生產階段之 剝採成本

於本年度採納新訂及經修訂香港財務報告準則並無對該等綜合財務報表所呈報之金額及／或該等綜合財務報表所載之披露事項造成重大影響，惟下文所述者除外：

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the requirements in HKAS 27, “Consolidated and Separate Financial Statements” relating to the preparation of consolidation financial statements and HK (SIC)-Int 12, “Consolidation-Special Purpose Entities”. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity’s interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. The Group has provided those disclosures.

3. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）(續)

香港財務報告準則第10號綜合財務報表

香港財務報告準則第10號取代香港會計準則第27號，有關綜合財務報表之編製之「綜合及獨立財務報表」及香港（常務詮釋委員會）— 詮釋第12號「綜合—特殊目的實體」之規定。該準則引入單一控制權模式，以釐定應否將投資對象綜合入賬，主要視乎實體是否有權控制投資對象、能否藉參與投資對象業務而承擔風險或有權獲得可變回報，以及能否運用其權力以影響該等回報。

因採納香港財務報告準則第10號，本集團已就釐定其是否控制投資對象改變其會計政策。該採納並無變更任何本集團就其於二零一三年一月一日參與其他實體業務達成之控制權結論。

香港財務報告準則第12號其他實體之權益披露

香港財務報告準則第12號將實體於附屬公司、聯合安排、聯營公司及非綜合入賬結構實體之權益之所有相關披露規定綜合為一項單一準則。香港財務報告準則第12號規定之披露範圍普遍較各項準則過往所規定者更為廣泛。本集團已作出有關披露。

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

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

Amendments to HKAS 19 (as revised in 2011)	Defined Benefit Plans: Employee Contribution ²
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ¹
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets ¹
HKAS 39 (Amendments)	Novation of Derivatives and Contribution of Hedge Accounting ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 – 2012 Cycle ²
HKFRSs (Amendments)	Financial Improvement to HKFRSs 2011-2013 Cycle ³
HKFRS 9	Financial Instruments ⁵
Amendments to HKFRS 9, HKFRS 7 and HKAS 39	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 ⁵
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (as revised in 2011)	Investment Entities ¹
HKFRS 14	Regulatory Deferral Accounts ⁴
HK (IFIRC) – Int 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning on or after 1 July 2014 with limited exception

⁴ Effective for annual periods beginning on or after 1 January 2016

⁵ No mandatory effective date yet determined but is available for adoption

3. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並未提早採納下列已頒佈但未生效之新訂及經修訂香港財務報告準則。

香港會計準則第19號之修訂（二零一一年經修訂）	界定福利計劃：僱員供款 ²
香港會計準則第32號（修訂本）	抵銷金融資產及金融負債 ¹
香港會計準則第36號（修訂本）	非金融資產之可收回金額披露 ¹
香港會計準則第39號（修訂本）	衍生工具更替及對沖會計法之延續 ¹
香港財務報告準則（修訂本）	二零一零年至二零一二年週期香港財務報告準則之年度改進 ²
香港財務報告準則（修訂本）	二零一一年至二零一三年週期香港財務報告準則之年度改進 ³
香港財務報告準則第9號	金融工具 ⁵
香港財務報告準則第9號、香港財務報告準則第7號及香港會計準則第39號之修訂	對沖會計及香港財務報告準則第9號、香港財務報告準則第7號及香港會計準則第39號之修訂 ⁵
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂（二零一一年經修訂）	投資實體 ¹
香港財務報告準則第14號	監管遞延賬目 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第21號	徵費 ¹

¹ 於二零一四年一月一日或之後開始之年度期間生效

² 於二零一四年七月一日或之後開始之年度期間生效

³ 於二零一四年七月一日或之後開始之年度期間生效，少數情況例外

⁴ 於二零一六年一月一日或之後開始之年度期間生效

⁵ 尚未釐定強制生效日期，惟目前可供採納

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

The Group has already commenced an assessment of the impact of these new and revised HKFRSs, certain of which may be relevant to the Group’s operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團已開始評估該等新訂及經修訂香港財務報告準則之影響，其中若干新訂及經修訂香港財務報告準則可能與本集團之業務有關，並可能導致會計政策之變動、披露之變動及綜合財務報表內若干項目之重新計量。

4. 重要會計政策

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

綜合財務報表乃根據歷史成本基準編製，惟若干金融工具乃以公平值計量（如下文會計政策所闡述）。歷史成本乃一般基於交換資產時付出之代價之公平值計算。

主要會計政策載列如下。

綜合賬目基準

綜合財務報表涵蓋本公司以及本公司及其附屬公司控制公司（包括結構性實體）之財務報表。倘屬以下情況，則本公司取得控制權：

- 對投資對象行使權力；
- 因藉參與投資對象之業務而可或有權獲得可變回報；及
- 有能力對投資對象行使其權力而影響其回報。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

4. 重要會計政策 (續)

綜合賬目基準 (續)

倘事實及情況表明以上所列控制權三個要素之一個或多個有所變動時，本集團重估其是否控制投資對象。

倘本集團擁有不足投資對象多數投票權，則當投票權足以賦予其單獨掌控投資對象相關活動之實際能力時，其對投資對象擁有控制權。本集團於評估本集團於投資對象之投票權是否充分賦予其權力時，會考慮所有相關事實及情況，包括：

- 本集團持有投票權之規模相較其他投票權持有人所持投票權之規模及分散度；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 可顯示於需要作出決定時，本集團當前能否掌控相關活動之任何其他事實及情況（包括於過往股東大會上之投票方式）。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4. 重要會計政策 (續)

綜合賬目基準 (續)

綜合附屬公司賬目於本集團獲得該附屬公司之控制權時開始及於本集團失去附屬公司之控制權時結束。具體而言，年內所收購或出售之附屬公司之收支將自本集團獲得該附屬公司之控制權當日起至本集團失去該附屬公司之控制權當日止期間計入綜合損益及其他全面收入表。

損益及其他全面收入各項目歸屬於本公司擁有人及非控股股東權益。附屬公司的全面收入總額歸屬於本公司擁有人及非控股股東權益，即使會導致非控股股東權益出現虧絀結餘。

附屬公司財務報表將按需調整，以使其會計政策與本集團會計政策保持一致。

所有集團內公司間有關本集團旗下各成員公司間交易之資產及負債、權益、收入、開支及現金流量於綜合賬目時全數對銷。

本集團於現有附屬公司之擁有權權益變動

本集團於現有附屬公司之擁有權權益變動（如本集團並無失去對附屬公司之控制權）當作股本交易入賬。本集團之權益及非控股股東權益之賬面值均予以調整，以反映於附屬公司之相對權益之變動。非控股股東權益之調整額與已經支付或收取之代價之公平值之間之任何差額，均直接於權益中確認，並歸屬於本公司擁有人。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

4. 重要會計政策 (續)

綜合賬目基準 (續)

本集團於現有附屬公司之擁有權權益變動 (續)

倘本集團失去一間附屬公司之控制權，則於損益確認盈虧並按(i)所收取代價之公平值及任何保留權益之公平值之總額與(ii)附屬公司及任何非控股股東權益之資產(包括商譽)及負債之過往賬面值之差額計算。先前於其他全面收入確認相關附屬公司之所有款額，會按猶如本集團已直接出售相關附屬公司資產或負債入賬(即重新分類至損益或轉撥至適用香港財務報告準則所規定/允許之其他權益範疇)。於失去控制權當日於前附屬公司保留之任何投資之公平值會根據香港會計準則第39號於其後入賬時被列作初步確認之公平值，或(如適用)於初步確認時於聯營公司或合營企業之投資成本。

業務合併

收購業務按收購法入賬。於業務合併中轉讓之代價以公平值計量，公平值則按本集團所轉讓資產、由本集團向被收購方之前擁有人所產生之負債以及本集團為換取被收購方之控制權而發行之股權之收購日期公平值總和計算。與收購有關之成本通常於產生時在損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4. 重要會計政策 (續)

業務合併 (續)

於收購日期，已收購之可識別資產及須承擔之負債按其公平值予以確認，惟以下情況除外：

- 遞延稅項資產或負債，及有關僱員福利安排之資產或負債，分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 有關被收購方以股份為基礎付款安排或由本集團所訂立以取代被收購方以股份為基礎付款安排之以股份為基礎付款安排之債務或權益工具，根據香港財務報告準則第2號「以股份為基礎付款」於收購日期進行計量；及
- 根據香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」分類為持作出售之資產（或出售組別），根據該準則進行計量。

商譽為已轉讓代價、於被收購方之任何非控股股東權益金額及收購方之前於被收購方所持股權（如有）之公平值總和超出已收購可識別資產及須承擔負債之收購日期金額淨額部份計量。倘（經重新評估過後）已收購可識別資產及須承擔負債之收購日期金額淨額超出已轉讓代價、於被收購方任何非控股股東權益之金額及收購方之前於被收購方所持股權（如有）之公平值總和，超出部份即時於損益中確認為議價購買收益。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets", as appropriate, with the corresponding gain or loss being recognised in profit or loss.

4. 重要會計政策 (續)

業務合併 (續)

屬現時擁有權權益且於清盤時賦予持有人權利按比例分佔實體資產淨值之非控股股東權益，可初步按公平值或按非控股股東權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類之非控股股東權益按其公平值或(如適用)按其他香港財務報告準則所指定之基準計量。

倘本集團轉讓之代價於業務合併中包括或然代價安排所產生之資產或負債，則或然代價按其於收購當日之公平值計量，並視為於業務合併中所轉讓代價之一部份。或然代價之公平值變動如合資格作出計量期調整，則會追溯調整，亦會對商譽作出相應調整。計量期調整為於「計量期」(計量期自收購日期起計不超過一年)內就於收購當日存在之事實及情況獲得之其他資料產生之調整。

或然代價之公平值變動之隨後會計處理如不合資格作出計量期調整，則會取決於或然代價如何分類。分類為權益之或然代價不會於隨後報告日期重新計量，而隨後結算於權益內入賬。分類為資產或負債之或然代價根據香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」(如適用)於隨後報告日期重新計量，而相應之收益或虧損於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interest in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

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

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

4. 重要會計政策 (續)

業務合併 (續)

倘業務合併分階段完成，則本集團過往所持被收購方之股權會重新計量至收購當日（即本集團獲得控制權當日）之公平值，而所產生之收益或虧損（如有）於損益中確認。過往於收購日期之前於其他全面收入中確認被收購方權益所產生款額會重新分類至損益（倘有關處理方法適用於出售權益）。

倘業務合併之初步會計處理於合併發生之報告期間完結前尚未完成，則本集團報告未完成會計處理之項目之臨時數額。該等臨時數額會於計量期（見上文）內調整，並確認額外資產或負債，以反映於收購日期已存在而據知可能影響該日已確認款額之事實與情況所取得之新資訊。

商譽

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

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

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

Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

4. 重要會計政策 (續)

商譽 (續)

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

於出售相關現金產生單元時，在釐定出售損益之數額時會計入應佔商譽數額。

於聯營公司之投資

聯營企業指本集團可施加重大影響力之實體。重大影響力指參與投資對象之財務及營運決策之權力，而非控制或共同控制有關政策之權力。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment in associate (continued)

The results and assets and liabilities of associate are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

4. 重要會計政策 (續)

於聯營公司之投資 (續)

聯營公司之業績、資產及負債均採用權益會計法計入該等綜合財務報表，惟倘投資或部份投資分類為持作出售，則根據香港財務報告準則第5號入賬。按照權益法，於聯營公司之投資初步於綜合財務狀況表按成本確認，並於其後就確認本集團分佔該聯營公司之損益及其他全面收益作出調整。倘本集團應佔某一聯營公司之虧損超逾其於該聯營公司之權益（包括基本構成本集團於聯營公司之部份淨投資之任何長期利息），本集團終止確認其分佔之進一步虧損。僅當本集團招致法定或推定責任或代表聯營公司支付時，方對額外虧損進行確認。

於聯營公司之投資由投資對象成為聯營公司當日起以權益會計法入賬。當收購於聯營公司之投資時，任何投資成本超出本集團應佔投資對象可識別資產及負債之淨公平值之差額確認為商譽，包括在投資賬面值中。任何本集團應佔可識別資產及負債之淨公平值高出投資成本之差額經重新評估後，即時於收購投資期間於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment in associate (continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date that the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

4. 重要會計政策 (續)

於聯營公司之投資 (續)

本集團採用香港會計準則第39號之規定，釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。於需要時，該項投資之全部賬面值（包括商譽）乃根據香港會計準則第36號「資產減值」以單一資產之方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本之較高者）與賬面值。任何已確認之減值虧損構成該項投資賬面值之一部份。倘該項投資之可收回金額於其後增加，則根據香港會計準則第36號確認減值虧損撥回。

本集團自投資不再為聯營公司或於投資（或部份投資）分類為持作出售時終止使用權益會計法。倘本集團保留於前聯營公司之權益且該保留權益為金融資產，則本集團於該日按公平值計量保留權益，根據香港會計準則第39號，該公平值乃視作初步確認時之公平值。於釐定出售聯營公司之收益或虧損時，計及終止使用權益會計法當日之聯營公司賬面值與任何保留權益之公平值及出售該聯營公司部份權益之任何所得款項之差額。此外，本集團對先前於其他全面收入確認相關聯營公司之所有款額，按倘該聯營公司已直接出售相關資產或負債所需之相同基準入賬。因此，倘該聯營公司先前於其他全面收入確認之盈虧於出售相關資產或負債時重新分類至損益，則本集團會於終止使用權益會計法時將盈虧由權益重新分類至損益（列作重新分類調整）。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment in associate (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits or losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Intangible assets

Intangible assets acquired separately

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

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

4. 重要會計政策 (續)

於聯營公司之投資 (續)

倘於聯營公司之投資成為於合營企業之投資，或於合營企業之投資成為於聯營公司之投資，則本集團繼續使用權益會計法。該等所有權權益之變動不會引致公平值重新計量。

倘本集團減少其於聯營公司之所有權，但繼續使用權益會計法，則本集團將先前於其他全面收入確認之所有權權益減少之相關盈虧部份重新分類至損益(倘當有關盈虧會於出售有關資產或負債時重新分類至損益)。

倘一間集團旗下實體與本集團一間聯營公司進行交易(如出售或注資)，則與該聯營公司交易所引致之損益於本集團之綜合財務報表內確認，惟僅限於與本集團無關之聯營公司權益。

無形資產

獨立收購之無形資產

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

由終止確認無形資產而產生之損益按出售所得款項淨額與資產賬面值兩者之差額計量，當資產終止確認時，於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets (continued)

Intangible assets acquired in a business combination

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

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

Research and development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

4. 重要會計政策 (續)

無形資產 (續)

於業務合併中收購之無形資產

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

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

研發開支

研究活動之開支於產生期間確認為開支。

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

- 完成無形資產乃技術上可行，將可供使用或出售；
- 完成、使用或出售無形資產之意向；
- 使用或出售無形資產之能力；
- 無形資產如何產生潛在未來經濟利益；

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets (continued)

Research and development expenditure (continued)

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

Property, plant and equipment

Property, plant and equipment other than construction in progress as described below are stated in the statement of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss, and is not depreciated. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use.

4. 重要會計政策 (續)

無形資產 (續)

研發開支 (續)

- 可充分取得完成無形資產開發及使用或出售無形資產之技術、財務及其他資源；及
- 可靠計量無形資產於開發時應佔開支之能力。

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

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

物業、廠房及設備

物業、廠房及設備（下文所述之在建工程除外）乃按成本減其後累計折舊及累計減值虧損（如有）於財務狀況表列賬。

在建工程包括處於工程階段作生產或自用之物業、廠房及設備。在建工程按成本減任何已確認減值虧損列賬，及不會計提折舊。在建工程於竣工及可作擬定用途時分類為物業、廠房及設備之適當類別。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their useful lives, using the straight-line method at the following rates per annum:

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

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

4. 重要會計政策 (續)

物業、廠房及設備 (續)

折舊乃採用直線法，於其可使用年期內按下列年度折舊率減其剩餘價值確認，以撇銷資產（在建工程除外）之成本：

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

物業、廠房及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時終止確認。出售或停止使用物業、廠房及設備項目產生之任何損益被釐定為銷售所得款項與資產賬面值間之差額，並於損益中確認。

存貨

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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 (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

4. 重要會計政策 (續)

有形及無形資產之減值 (商譽除外)

於各報告期末，本集團須審閱其有形及無限可使用年期之無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計資產可收回金額，以釐定減值虧損的幅度（如有）。當不可能估計個別資產之可收回金額時，本集團會估計該資產所屬現金產生單元之可收回金額。倘可識別合理及穩定之分配基準，則企業資產亦分配至個別現金產生單元，或分配至可識別合理及穩定之分配基準之最小組別之現金產生單元。

無限可使用年期之無形資產及尚未使用之無形資產至少每年進行一次減值測試，並於有跡象顯示該等資產可能出現減值時進行減值測試。

可收回金額為公平值減銷售成本後之金額與使用價值兩者中之較高者。於評估使用價值時，乃使用可反映現時市場對時間值之評估及該資產特有之風險（未來現金流量之估計並無就此作調整）之除稅前折現率，將估計未來現金流量折現至其現值。

倘某項資產（或某現金產生單元）之可收回金額估計低於其賬面值，則該項資產（或該現金產生單元）之賬面值須削減至其可收回金額。減值虧損即時於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment of tangible and intangible assets other than goodwill (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leasing

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

The Group as lessee

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

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. 重要會計政策 (續)

有形及無形資產之減值 (商譽除外) (續)

倘日後撥回減值虧損，有關資產（或現金產生單元）之賬面值須增至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產（或現金產生單元）並無於過往年度確認任何減值虧損所應釐定之賬面值。減值虧損撥回即時於損益中確認。

租約

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

本集團作為承租人

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

租約付款按比例分攤到融資開支和租賃責任減少，以達致責任餘額上之固定息率。融資開支直接於損益中確認，除非是直接涉及合資格資產，在這種情況下則按本集團之借貸成本政策資本化（請參閱下文會計政策）。

經營租約付款於租約年期以直線法確認為開支，惟倘有另一個系統性基準更能代表使用租賃資產產生經濟利益之時間模式則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

Effective interest method

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

4. 重要會計政策(續)

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文之一方時確認。

金融資產及金融負債乃初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益表之金融資產或金融負債除外)直接應佔之交易成本於初步確認時計入或扣除自金融資產或金融負債(如適用)之公平值。按公平值計入損益之收購金融資產或金融負債直接應佔之交易成本即時於損益中確認。

金融資產

金融資產分類為下列兩個類別之其中之一，包括按公平值計入損益(「按公平值計入損益」)之金融資產以及貸款及應收款項。該分類取決於金融資產之性質及用途，並於初步確認時釐定。所有金融資產之定期購買或出售乃按交易日基準確認及終止確認。定期購買或出售指金融資產之購買或出售須按市場之規則或慣例設定之時間框架內交付資產。

實際利率法

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method (continued)

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利率法 (續)

除該等金融資產歸類為按公平值計入損益外，收入按實際利率法就債務工具確認。

按公平值計入損益之金融資產

倘金融資產為持作買賣或指定為按公平值計入損益，則金融資產歸類為按公平值計入損益。

下列情況下金融資產歸類為持作買賣：

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss

(continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, deposits and other receivables, restricted bank deposits, cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

按公平值計入損益之金融資產 (續)

倘金融資產並非持作買賣，則可能按以下情況在初步確認後指定為按公平值計入損益：

- 該指定消除或大幅減少了可能出現之計量或確認方面之不一致性；或
- 該金融資產是一組金融資產或金融負債或兩者組合之一部份，而根據本集團制定之風險管理或投資策略，該項資產之管理及績效評估是以公平值為基礎進行，並且有關分組之資料是按此基礎向內部提供；或
- 其構成包含一項或多項嵌入衍生工具之合約之一部份，而香港會計準則第39號允許將整個組合合約（資產或負債）指定為按公平值計入損益。

按公平值計入損益之金融資產按公平值計量，因重新計量而產生之收益或虧損則於損益中確認。於損益中確認之收益或虧損淨額並不包括金融資產賺取之任何股息或利息。

貸款及應收款項

貸款及應收款項為有固定或可確定款項而並無於活躍市場報價之非衍生金融資產。貸款及應收款項（包括應收賬款、按金及其他應收款項、有限制銀行存款、現金及現金等價物）均按採用實際利率法計算之已攤銷成本減任何減值列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, 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, as well as observable changes in national or local economic conditions that correlate with default on receivables.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值

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

減值之客觀證據可包括：

- 發行人或對手方出現重大財務困難；或
- 違約，如欠繳或拖欠利息或本金；或
- 借款人可能面臨破產或財務重組；或
- 因財務困難而導致該金融資產失去活躍市場。

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets *(continued)*

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

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

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本列賬之金融資產而言，減值虧損之款額乃按該資產之賬面值與按金融資產原先之實際利率折現之估計未來現金流量之現值間之差額計量。

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Convertible notes with conversion option

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

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

4. 重要會計政策 (續)

金融工具 (續)

金融負債及權益工具

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

權益工具

權益工具乃任何證明經扣減所有負債後之資產剩餘權益之合同。本集團發行之權益工具乃按已收款項扣除直接發行成本後確認。

附帶轉換權之可換股票據

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Convertible notes with conversion option (continued)

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

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

Other financial liabilities

Other financial liabilities (including trade payables, other payables and accruals, obligations under finance leases, short term loans and notes payable) are subsequently measured at amortised cost, using the effective interest method.

4. 重要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

附帶轉換權之可換股票據 (續)

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

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

其他金融負債

其他金融負債(當中包括應付賬款、其他應付款項及應計費用、融資租約責任、短期貸款及應付票據)其後以實際利率法按攤銷成本計量。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

4. 重要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

實際利率法

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

除金融負債歸類為按公平值計入損益外，利息開支按實際利率法確認。

終止確認

本集團僅於資產收取現金流量之合約權益屆滿或其向另一實體轉讓金融資產及該資產所有權絕大部份風險及報酬時方會終止確認金融資產。倘本集團既無轉讓亦無保留所有權絕大部份風險及報酬並繼續控制該已轉讓資產，則本集團會繼續就其持續參與之部份確認資產，並確認相關負債。倘本集團保留已轉讓金融資產所有權絕大部份風險及報酬，則本集團會繼續確認該項金融資產，亦會確認已收所得款項之有抵押借款。

於終止確認全數金融資產時，資產賬面值與已收及應收代價及已於其他全面收入中確認及於權益中累計之累計收益或虧損之總和之差額，將於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Non-current assets held for sale

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

4. 重要會計政策 (續)

金融工具 (續)

終止確認 (續)

除全面終止確認外，於終止確認金融資產時，本集團會將金融資產之過往賬面值在其仍確認之部份及不再確認之部份之間，按照該兩者於轉讓日期之相對公平值作出分配。不再確認部份獲分配之賬面值與該部份已收代價及其已於其他全面收入確認獲分配之任何累計收益或虧損之總和間之差額，乃於損益中確認。已於其他全面收入確認之累計收益或虧損，將按繼續確認之部份及不再確認之部份之相對公平值在該兩者間作出分配。

當且僅當本集團之責任獲解除、取消或到期時，本集團方會終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之差額乃於損益中確認。

持作出售之非流動資產

非流動資產及出售組別之賬面值如可主要透過出售交易而非透過持續使用而收回，則會分類為持作出售。此條件僅於很可能達成出售及非流動資產(或出售組別)可於現況下即時出售時方告符合。管理層必須對出售作出承擔，而出售預期應可於分類日期起計一年內合資格確認為已完成出售。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Non-current assets held for sale (continued)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

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

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

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income 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.

4. 重要會計政策 (續)

持作出售之非流動資產 (續)

當本集團致力進行涉及失去附屬公司控制權之出售計劃時，於符合上述標準之情況下，該附屬公司之全部資產及負債均會被分類為持作出售，而不論本集團是否將於出售後在其前附屬公司保留非控股股東權益。

分類為持作出售之非流動資產（及出售組別）按其先前賬面值與公平值減出售成本兩者中之較低者計量。

收益確認

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

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

服務收入於提供服務期間確認。

來自金融資產之利息收入於經濟利益可能撥歸本集團所有及能可靠地計量收入金額時確認。利息收入乃按時間基準並參考尚餘本金及適用實際利率計算，該利率乃根據金融資產之預期年期將估計日後現金收入實際折現至該資產於初步確認時之賬面淨值。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on monetary item that forms part of the entity's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary item. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

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

4. 重要會計政策 (續)

外幣

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

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額，於產生期間在損益中確認，惟因構成實體於海外業務之淨投資之一部份之貨幣項目產生之匯兌差額則除外，在此情況下，該等匯兌差額於其他全面收入確認及由權益重新分類為償還貨幣項目產生之損益。重新換算按公平值列值之非貨幣項目所產生之匯兌差額計入期內之損益中。

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss.

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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 profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. 重要會計政策 (續)

外幣 (續)

就出售附屬公司部份權益(並無導致本集團失去附屬公司之控制權)而言，按比例所佔之累計匯兌差額乃重新計入非控股股東權益且不會在損益中確認。

借貸成本

直接因收購、興建或生產合資格資產(即需要一段相當時間方可用作擬定用途或出售之資產)而產生之借貸成本，加至該等資產之成本，直至該等資產大致上可作擬定用途或出售為止。

特定借款未供合資格資產支用前作短暫投資所賺取之投資收入，從合資格作資本化之借貸成本中扣除。

所有其他借貸成本於其產生期間在損益中確認。

稅項

所得稅開支指即期應付稅項及遞延稅項之總額。

即期應付稅項乃按本年度之應課稅溢利計算。由於在其他年度應課稅或可扣稅之收支項目，以及毋須課稅或不可扣稅之項目所致，應課稅溢利與綜合損益及其他全面收入表所呈報之溢利並不相同。本集團之即期稅項負債乃按於報告期末已實施或實質上已實施之稅率計算。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate 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 and interests 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 the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. 重要會計政策 (續)

稅項 (續)

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Retirement benefits costs

Payments to retirement benefit plans and government-managed retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

4. 重要會計政策 (續)

稅項 (續)

遞延稅項資產及負債乃按預期於負債獲償還或資產獲變現期間適用之稅率，以報告期末已實施或實質上已實施之稅率（及稅法）為基準計算。遞延稅項負債及資產之計量反映了本集團於報告期末所預期收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

即期及遞延稅項於損益中確認，惟倘有即期及遞延稅項與在其他全面收入或直接於權益確認之項目有關，則亦分別於其他全面收入或直接於權益內確認。當業務合併之初步會計處理產生即期稅項或遞延稅項時，稅務影響將計入業務合併之會計處理中。

退休福利成本

向退休福利計劃及政府管理之退休福利計劃支付之款項於員工提供之服務令其合資格享有供款時確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Equity-settled share-based payment transactions

Share options granted to employees and directors of the Group

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. The fair value is measured at grant date, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

4. 重要會計政策 (續)

以權益結算及以股份為基礎付款之交易

授予本集團僱員及董事之購股權

授予僱員購股權之公平值確認為僱員成本，並於權益相應增加購股權儲備。公平值在授出日期經考慮授出購股權之條款及條件而計量。倘僱員須符合歸屬條件才有權無條件獲授購股權，則購股權之估計總公平值會於考慮購股權將歸屬之可能性後在歸屬期內分攤。

於歸屬期內，會審閱預期將予歸屬之購股權數目。對過往年度確認之累計公平值之任何調整，於進行檢討之年度於損益扣除／計入損益，除非原僱員開支符合資格確認為資產，並對購股權儲備作出相應調整。於歸屬日期，確認為開支之金額須予調整，以反映實際上已歸屬之購股權數目（並對購股權儲備作出相應調整），惟倘只因未能達到與本公司股份市價有關之歸屬條件而導致被沒收則除外。權益金額於購股權儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬）或購股權屆滿（當其直接解除至保留溢利）為止。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Related parties

A person, or a close member of that person's family, is related to the Group if that person:

- has control or joint control over the Group;
- has significant influence over the Group; or
- is a member of the key management personnel of the Group or the Group's parent.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- The entity is controlled or jointly controlled by a person identified as above.
- A person, who has control or joint control over the Group, 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).

4. 重要會計政策(續)

關連人士

倘屬以下人士，則該人士或該人士之近親家庭成員與本集團有關連：

- 控制或共同控制本集團；
- 對本集團有重大影響；或
- 為本集團或本集團母公司之主要管理人員。

倘符合下列任何條件，即實體與本集團有關連：

- 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- 一間實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團成員公司之聯營公司或合營企業)。
- 兩間實體均為同一第三方之合營企業。
- 一間實體為第三方實體之合營企業，而另一實體為同一第三方實體之聯營公司。
- 實體為本集團或與本集團有關連之實體就僱員利益而設之離職後福利計劃。
- 實體受上述所識別人士控制或受共同控制。
- 控制或共同控制本集團之人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理人員。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4. 重要會計政策 (續)

關連人士 (續)

一名人士之近親家庭成員指預期在與實體之交易中可影響該人士或受該人士影響之家庭成員。

分部報告

經營分部及財務報表內呈報之每個分部項目之金額，乃根據就分配資源予本集團各項業務及地區分部以及評估其表現而定期提供予本集團最高行政管理層之財務資料而確定。

個別重大之經營分部不會為財務報告目的而合計，除非有關分部具有類似經濟特性，並且具有類似之產品及服務性質、生產工序性質、客戶類型或類別、分銷產品或提供服務方法，以及監管環境性質。個別非重大之經營分部倘符合上述大多數標準可予合計。

5. 估計不確定性之主要來源

於應用附註4所述之本集團會計政策時，本公司董事須就並不容易從其他來源顯示之資產及負債之賬面值作出估計及假設。估計及相關假設乃根據過往經驗及其他被認為相關之因素作出。實際結果可能與該等估計不同。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2013, the carrying amount of goodwill is HK\$267,061,000 (2012: HK\$753,146,000). Details of the recoverable amount calculation are disclosed in note 16.

Impairment of non-financial assets (other than goodwill)

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

5. 估計不確定性之主要來源 (續)

估計及相關假設會持續檢討。以下為有關未來之主要假設及於報告期末估計不確定性之其他主要來源，有關假設及不確定性會造成重大風險，引致須於下一財政年度對資產及負債之賬面值作出重大調整。

估計商譽減值

要確定商譽是否減值，須對將商譽所分配至之現金產生單元之使用價值作出估計。計算使用價值時，本集團須對預期現金產生單元所產生之未來現金流量作出估計，並確定一個用於計算現值之合適折現率。倘實際未來現金流量少於預期，則可能出現重大減值虧損。於二零一三年十二月三十一日，商譽之賬面值為267,061,000港元(二零一二年：753,146,000港元)。計算可收回金額之詳情於附註16披露。

非金融資產減值(商譽除外)

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

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Estimated impairment of trade receivables

When there is objective evidence of impairment loss for trade receivables, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2013, the carrying amount of the Group's trade receivables is HK\$302,107,000 (2012: carrying amount of HK\$399,160,000).

Estimated impairment of intangible assets

Determining whether intangible assets (i.e. acquired technology and development costs) are impaired requires an estimation of the value in use of the intangible assets. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the acquired technology fee and development costs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2013, the carrying amount of the Group's intangible assets is HK\$14,642,000 (2012: HK\$127,732,000).

5. 估計不確定性之主要來源 *(續)*

估計應收賬款減值

倘有客觀證據證明應收賬款出現減值虧損，則本集團會考慮估計未來現金流量。減值虧損金額按資產賬面值與按金融資產之原實際利率（即初步確認計算之實際利率）折現之估計未來現金流量之現值之差額計算。當實際未來現金流量少於預期，則可能出現重大減值虧損。於二零一三年十二月三十一日，本集團應收賬款之賬面值為302,107,000港元（二零一二年：賬面值為399,160,000港元）。

估計無形資產之減值

無形資產是否減值（即已收購之技術及開發成本）按無形資產使用價值之估計而釐定。使用價值計算需要本集團估計已收購之技術費用及開發成本所產生之未來現金流量及適當的折現率以計算現時價值。倘實際未來現金流量少於預期，則可能產生重大之減值虧損。於二零一三年十二月三十一日，本集團之無形資產之賬面值為14,642,000港元（二零一二年：127,732,000港元）。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated useful lives and impairment loss for property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses. The estimation of useful lives that the Group places the property, plant and equipment into productive use reflects the managements' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Property, plant and equipment are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. This process requires management's estimate of future cash flows generated by each asset or group of assets and the fair value of each asset or group of assets less cost to sell. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and comprehensive income.

Allowance for inventories

Management exercises its estimates in making allowance for inventories. Management reviews the inventory listing at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that no longer suitable for use in operation. As at 31 December 2013, the carrying amount of the Group's inventories is HK\$257,859,000 net of allowance for inventories of HK\$13,880,000 (2012: carrying amount of HK\$29,211,000 net of allowance for inventories of HK\$2,275,000). Those inventories were slow moving and obsolete which kept in warehouse for over 1 year.

Income taxes

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

5. 估計不確定性之主要來源 (續)

物業、廠房及設備之估計可使用年期及減值虧損

物業、廠房及設備乃按成本減累計折舊及已識別減值虧損列賬。對本集團將物業、廠房及設備用作生產用途之可使用年期之估計，反映管理層對本集團擬從使用本集團之物業、廠房及設備產生未來經濟利益之期間之估計。物業、廠房及設備乃按個別資產基準或按類似資產組別(如適用)評估可能出現之減值。此過程要求管理層估計各資產或資產組別產生之未來現金流量及各資產或資產組別之公平值減出售成本。如評估過程顯示出現減值，則將相關資產之賬面值撇減至可收回金額，並從綜合損益及全面收入表中扣除撇減金額。

存貨撥備

管理層就存貨撥備作出估計。管理層於各報告期末審閱存貨名單，並就識別為不再適合經營使用之過時及滯銷存貨項目作出撥備。於二零一三年十二月三十一日，本集團存貨之賬面值為257,859,000港元，扣除存貨撥備13,880,000港元(二零一二年：賬面值為29,211,000港元，扣除存貨撥備2,275,000港元)。該等存貨為於倉庫存儲時間超逾一年之滯銷及陳舊存貨。

所得稅

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

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6. REVENUE

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

6. 收益

收益指本集團每個期間向外來客戶銷售貨品及提供服務所收取及應收之淨值(經扣減折扣、退貨及銷售相關稅項後)，分析如下：

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Digital cable television business	有線數字電視業務	126,745	65,796
Wireless digital television value-added services	無線數字電視增值服務	24,485	45,796
Encrypted integrated circuits	加密芯片	13,085	2,891
Wireless digital audio integrated circuits	無線數字音頻芯片	16,451	37,130
Wireless digital terrestrial television network equipment integration	地面無線數字電視網絡設備集成	46,773	148,719
		227,539	300,332

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7. SEGMENT INFORMATION

The segment information for the year ended and as at 31 December 2013 is as follows:

7. 分部資料

截至二零一三年十二月三十一日止年度之分部資料如下：

		Digital cable television business	Wireless digital television value-added services	Encrypted integrated circuits	Wireless digital audio integrated circuits	Wireless digital terrestrial television network equipment integration	Total
		有線數字電視業務 HK\$'000 千港元	無線數字電視增值服務 HK\$'000 千港元	加密芯片 HK\$'000 千港元	無線數字音頻芯片 HK\$'000 千港元	地面無線數字電視網絡設備集成 HK\$'000 千港元	總計 HK\$'000 千港元
Revenue	收益						
Segment revenue from external customers	來自外來客戶之分部收益	126,745	24,485	13,085	16,451	46,773	227,539
Segment results	分部業績	109,595	20,014	551	1,376	1,082	132,618
Unallocated income	未分配收入						7,357
Share of loss of associate	分佔聯營公司虧損						(232)
Gain on disposal of a subsidiary	出售一間附屬公司收益						1,897
Unallocated expenses	未分配開支						(1,156,817)
Finance costs	融資成本						(9,684)
Loss before taxation	除稅前虧損						(1,024,861)
Taxation	稅項						(16,698)
Loss for the year	年內虧損						(1,041,559)
Assets	資產						
Segment assets	分部資產	521,444	102,503	671,773	419,874	—	1,715,594
Unallocated assets	未分配資產						31,621
Assets held for sale	持作出售之資產						171,678
Consolidated total assets	綜合總資產						1,918,893
Liabilities	負債						
Segment liabilities	分部負債	(142,359)	(141,062)	(208,562)	(45,413)	—	(537,396)
Unallocated liabilities	未分配負債						(244,694)
Consolidated total liabilities	綜合總負債						(782,090)
Other information	其他資料						
Capital expenditure	資本開支	5,809	4	2	—	—	5,815
Unallocated capital expenditure	未分配資本開支						2,664
Total capital expenditure	資本總開支						8,479
Depreciation	折舊	16,422	568	111	1,691	—	18,792
Unallocated depreciation	未分配折舊						1,156
Total depreciation	折舊總額						19,948
Impairment losses on goodwill	商譽減值虧損						489,845
Impairment losses on intangible assets	無形資產減值虧損						128,932
Impairment losses on inventories	存貨減值虧損						11,605
Impairment losses on trade receivables	應收賬款減值虧損						101,811
Impairment losses on prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值虧損						151,303
Net loss on remeasurement of assets classified as held for sale	因重新計量分類為持作出售之資產所產生之虧損淨額						127,734

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7. SEGMENT INFORMATION (continued)

The segment information for the six months ended and as at 31 December 2012 is as follows:

7. 分部資料(續)

截至二零一二年十二月三十一日止六個月之分部資料如下：

	Digital cable television business	Wireless digital television value-added services	Encrypted integrated circuits	Wireless digital audio integrated circuits	Wireless digital terrestrial television network equipment integration	Total	
	有線數字電視業務 HK\$'000 千港元	無線數字電視增值服務 HK\$'000 千港元	加密芯片 HK\$'000 千港元	無線數字音頻芯片 HK\$'000 千港元	地面無線數字電視網絡設備集成 HK\$'000 千港元	總計 HK\$'000 千港元	
Revenue	收益						
Segment revenue from external customers	來自外來客戶之分部收益	65,796	45,796	2,891	37,130	148,719	300,332
Segment results	分部業績	39,892	(28,944)	36,998	(3,185)	12,702	57,463
Unallocated income	未分配收入						206
Unallocated expenses	未分配開支						(43,271)
Finance costs	融資成本						(4,470)
Profit before taxation	除稅前溢利						9,928
Taxation	稅項						(8,766)
Profit for the period	期內溢利						1,162
Assets	資產						
Segment assets	分部資產	1,089,185	134,226	443,295	163,128	—	1,829,834
Unallocated assets	未分配資產						83,003
Assets held for sale	持作出售之資產						581,152
Consolidated total assets	綜合總資產						2,493,989
Liabilities	負債						
Segment liabilities	分部負債	(94,487)	(103,755)	(17,271)	(2,155)	—	(217,668)
Unallocated liabilities	未分配負債						(188,369)
Liabilities directly associated with assets classified as held for sale	與分類為持作出售之資產直接相關之負債						(48,048)
Consolidated total liabilities	綜合總負債						(454,085)
Other information	其他資料						
Capital expenditure	資本開支	41,103	260	7	8,678	—	50,048
Unallocated capital expenditure	未分配資本開支						52
Total capital expenditure	資本總開支						50,100
Depreciation	折舊	6,340	20	75	722	143	7,300
Unallocated depreciation	未分配折舊						785
Total depreciation	折舊總額						8,085
Allowance for doubtful debts on trade receivables, net	應收賬款呆賬撥備淨額						—
Allowance for inventories	存貨撥備						—
Impairment loss on intangible assets	無形資產減值虧損						—
Impairment loss on prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值虧損						—
Net loss on remeasurement of assets classified as held for sale	因重新計量分類為持作出售之資產所產生之虧損淨額						28,230
Written back on provision for trade receivables	應收賬款撥備回撥	6,417	—	39,752	231	2,894	49,294

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7. SEGMENT INFORMATION *(continued)*

7. 分部資料 *(續)*

Geographical information

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

地域資料

本集團分別按客戶及資產所在地域分類的來自外來客戶之收益及非流動資產資料載列如下。

		Revenue from external customers		Non-current assets	
		來自外來 客戶之收益		非流動資產	
		1.1.2013 to 31.12.2013	1.7.2012 to 31.12.2012	31.12.2013	31.12.2012
		二零一三年 一月一日至 二零一三年 十二月 三十一日	二零一二年 七月一日至 二零一二年 十二月 三十一日	二零一三年 十二月 三十一日	二零一二年 十二月 三十一日
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Hong Kong	香港	13,313	35,128	1,504	2,744
The People's Republic of China (the "PRC")	中華人民共和國 (「中國」)	214,226	265,204	563,343	1,270,985
		227,539	300,332	564,847	1,273,729

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7. SEGMENT INFORMATION *(continued)*

Information about major customers

Revenue from customers of the corresponding periods individually contributing over 10% of the total revenue of the Group are revenue from digital cable television business (six months ended 31 December 2012: revenue from digital cable television business, wireless digital television value-added services, wireless digital audio integrated circuits and wireless digital terrestrial television network equipment integration) and as follows:

7. 分部資料 *(續)*

主要客戶之資料

於相關期間內，來自個別客戶之收益貢獻(佔本集團總收益超過10%)乃來自有线數字電視業務之收益(截至二零一二年十二月三十一日止六個月：來自有线數字電視業務、無線數字電視增值服務、無線數字音頻芯片及地面無線數字電視網絡設備集成之收益)，詳情如下：

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Customer A	客戶甲	56,392	36,837
Customer B	客戶乙	56,392	36,837
Customer C	客戶丙	—	50,797
Customer D	客戶丁	—	39,592
		112,784	164,063

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8. OTHER INCOME

8. 其他收入

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Bank interest income	銀行利息收入	20	96
Exchange gain, net	匯兌收益淨額	—	38
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	1,321	—
Government grant	政府補貼	11	—
Sundry income	雜項收入	6,005	11,589
		7,357	11,723

9. FINANCE COSTS

9. 融資成本

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Effective interest expenses on convertible notes	可換股票據之實際利息開支	—	4,151
Interest element of finance leases	融資租約之利息	16	16
Interest on bank and other loans (wholly repayable within 5 years)	銀行及其他貸款利息 (須於五年內悉數償還)	668	131
Interest on redeemable notes	可贖回票據之利息	9,000	172
		9,684	4,470

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10. TAXATION

10. 稅項

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Current tax:	即期稅項：		
— Hong Kong	— 香港	—	45
— PRC Enterprise Income Tax	— 中國企業所得稅	18,719	8,721
Deferred tax (note 29):	遞延稅項(附註29)：		
— current year/period	— 本年度/期間	(2,021)	—
		16,698	8,766

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits (2012: 16.5%).

由於本集團並無應課稅溢利，故並未就香港利得稅計提撥備(二零一二年：16.5%)。

PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profit for both periods. Pursuant to the relevant laws and regulations in the PRC, some of the Company's PRC subsidiaries are entitled to exemption from PRC income tax for the two years commencing from the first profit-making year of operation and thereafter, those subsidiaries will be entitled to a 50% relief from PRC income tax for the following three years.

中國企業所得稅以兩個期間之估計應課稅溢利按稅率25%計算。根據中國相關法律及法規，本公司若干中國附屬公司獲豁免自其首個獲利經營年度起計兩年繳納中國所得稅，其後該等附屬公司於隨後三年則可享中國所得稅減半優惠。

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10. TAXATION (continued)

The tax charge for the year/period can be reconciled to the (loss)/profit per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 稅項 (續)

本年度／期間之稅項支出與綜合損益及其他全面收入表之(虧損)／溢利對賬如下：

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
(Loss)/profit before taxation	除稅前(虧損)／溢利	(1,024,861)	9,928
Tax at applicable tax rate	按適用稅率計算之稅項	(264,896)	2,482
Tax effect of expenses not deductible for tax purpose	就稅項目的不能扣除開支之稅項影響	257,907	4,674
Tax effect of income not taxable for tax purpose	就稅項目的非課稅收入之稅項影響	(890)	(6,831)
Tax effect of temporary difference	暫時差額之稅項影響	(2,021)	2,071
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	26,598	12,189
Effect of tax exemptions granted to PRC subsidiaries	中國附屬公司獲授稅項豁免之影響	—	(5,819)
Taxation charge	稅項支出	16,698	8,766

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11. (LOSS)/PROFIT FOR THE YEAR/PERIOD

11. 年／期內(虧損)／溢利

(Loss)/profit for the year/period has been arrived at after charging:

年／期內(虧損)／溢利乃經扣除下列各項後列賬：

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Auditor's remuneration	核數師酬金	980	650
Consultancy fee	顧問費		
— share-based payment expenses	— 以股份支付款項	2,163	268
Cost of inventories recognised as expense	確定為開支之存貨成本	36,369	264,566
Depreciation (note 15)	折舊(附註15)		
— owned assets	— 自置資產	19,389	7,892
— assets under finance leases	— 融資租約項下資產	559	193
Exchange loss	匯兌虧損	99	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	3,549
Property, plant and equipment written off	物業、廠房及設備撇銷	25,622	—
Research and development costs	研究及開發成本	18,157	6,414
Staff costs (including directors' emoluments — note 12)	員工成本(包括董事酬金 — 附註12)		
— salaries and allowances	— 薪金及津貼	20,293	11,184
— retirement benefits scheme contributions	— 退休福利計劃供款	2,336	370
— share-based payment expenses	— 以股份支付款項	241	402

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12. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

The emoluments paid or payable to each of the seven (six months ended 31 December 2012: seven) directors are as follows:

Year ended 31 December 2013

12. 董事及高級行政人員酬金

已付或應付七名(截至二零一二年十二月三十一日止六個月：七名)董事各自之酬金如下：

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		Fees	Other allowances	Retirement benefits scheme contributions	Total remuneration
		袍金	其他津貼	退休福利計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors:	執行董事：				
Xiao Yan	肖彥	1,300	—	—	1,300
Li Tao	李濤	1,300	—	15	1,315
Qiu Bin	仇斌				
(appointed on 1 January 2013)	(於二零一三年一月一日獲委任)	960	—	—	960
		3,560	—	15	3,575
Non-executive director:	非執行董事：				
Xu Lei	徐雷	260	—	—	260
Independent Non-executive directors:	獨立非執行董事：				
Dong Shi	董石	130	—	—	130
Hu Dingdong	胡定東	130	—	—	130
Leung Wo Ping	梁和平	156	—	—	156
		416	—	—	416
		4,236	—	15	4,251

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12. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

12. 董事及高級行政人員酬金 (續)

Six months ended 31 December 2012

截至二零一二年十二月三十一日止六個月

	Fees	Other allowances	Retirement benefits scheme contributions	Total remuneration
	袍金	其他津貼	退休福利計劃供款	總薪酬
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Executive directors: 執行董事：				
Feng Yongming (resigned on 1 January 2013) 馮永明(於二零一三年一月一日辭任)	492	120	8	620
Li Tao 李濤	593	—	8	601
Xiao Yan 肖彥	600	—	—	600
	1,685	120	16	1,821
Non-executive director: 非執行董事：				
Xu Lei 徐雷	120	—	—	120
Independent Non-executive directors: 獨立非執行董事：				
Dong Shi 董石	60	—	—	60
Hu Dingdong 胡定東	60	—	—	60
Leung Wo Ping 梁和平	72	—	—	72
	192	—	—	192
	1,997	120	16	2,133

There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 31 December 2013 (six months ended 31 December 2012: Nil).

截至二零一三年十二月三十一日止年度，概無任何董事放棄或同意放棄任何酬金之安排(截至二零一二年十二月三十一日止六個月：無)。

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12. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

The five highest paid employees during the year ended 31 December 2013 included two (six months ended 31 December 2012: three) directors, details of whose remuneration are set out above. Details of the remuneration of the remaining three (six months ended 31 December 2012: two) non-directors, highest paid employees for the period are as follows:

12. 董事及高級行政人員酬金 (續)

截至二零一三年十二月三十一日止年度，五名最高薪僱員包括二名(截至二零一二年十二月三十一日止六個月：三名)董事，彼等之薪酬詳情已於上文呈列。期內，餘下三名(截至二零一二年十二月三十一日止六個月：兩名)非董事最高薪僱員之薪酬詳情如下：

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,628	1,200
Retirement benefits scheme contributions	退休福利計劃供款	30	15
		2,658	1,215

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

薪金介乎以下範圍之最高薪高級行政人員人數如下：

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
HK\$1,000,001-HK\$2,000,000	1,000,001 港元 -2,000,000 港元	3	2

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12. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS *(continued)*

During the year ended 31 December 2013, no emolument was paid by the Group to the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (six months ended 31 December 2012: Nil).

13. DIVIDEND

The board of Directors (the "Board") does not recommend the payment of a final dividend for the year ended 31 December 2013 (six months ended 31 December 2012: Nil).

14. (LOSS)/EARNINGS PER SHARE

(a) Basic

The calculation of basic loss per share is based on the consolidated loss for the year attributable to the owners of the Company of HK\$1,039,559,000 (six months ended 31 December 2012: profit of HK\$1,162,000) and weighted average number of 3,233,452,000 (2012: 2,831,416,000) ordinary shares in issue during the year ended 31 December 2013.

(b) Diluted

No diluted loss per share has been presented as the exercise price of the Company's outstanding share options and warrants were higher than the average market price of the Company's shares for the year ended 31 December 2013 (six months ended 31 December 2012: Nil).

12. 董事及高級行政人員酬金 (續)

截至二零一三年十二月三十一日止年度，本集團概無向本公司董事或五位最高薪人士中任何一位支付酬金，作為吸引彼等加盟或作為彼等加盟本集團後之獎勵或離職補償（截至二零一二年十二月三十一日止六個月：無）。

13. 股息

本公司董事會（「董事會」）不建議派發截至二零一三年十二月三十一日止年度之末期股息（截至二零一二年十二月三十一日止六個月：無）。

14. 每股（虧損）／盈利

(a) 基本

每股基本虧損是根據本公司擁有人於年內應佔綜合虧損1,039,559,000港元（截至二零一二年十二月三十一日止六個月：溢利1,162,000港元）及截至二零一三年十二月三十一日止年度已發行普通股加權平均數3,233,452,000股（二零一二年：2,831,416,000股）計算。

(b) 攤薄

由於截至二零一三年十二月三十一日止年度本公司尚未行使購股權及認股權證之行使價高於本公司股份之平均市價，因此並無呈列每股攤薄虧損（截至二零一二年十二月三十一日止六個月：無）。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業，廠房及設備

		Computer equipment	Furniture and fixtures	Leasehold improvements	Motor vehicles	Office equipment	Plant and machinery	Transmission and other network equipment	Construction in progress	Total
		電腦設備 HK\$'000 千港元	傢具及 固定裝置 HK\$'000 千港元	租賃 物業裝修 HK\$'000 千港元	汽車 HK\$'000 千港元	辦公室 設備 HK\$'000 千港元	廠房及 機器 HK\$'000 千港元	傳輸 及其他 網絡設備 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
COST	成本									
At 1 July 2012	於二零一二年 七月一日	1,086	605	1,097	12,069	3,816	227	213,356	18,988	251,244
Additions	添置	259	72	499	—	62	4,468	—	40,528	45,888
Disposal	出售	(51)	(27)	—	—	—	—	—	—	(78)
Written off	撇銷	—	—	—	—	(1)	—	(3,569)	—	(3,570)
Exchange realignment	匯兌調整	—	—	—	—	—	(3)	(32)	(26)	(61)
Transferred to assets classified as held for sale	撥入分類為持作出售 之資產	(52)	(1)	—	(1,410)	—	—	—	—	(1,463)
At 31 December 2012	於二零一二年 十二月三十一日	1,242	649	1,596	10,659	3,877	4,692	209,755	59,490	291,960
Acquired on acquisition of subsidiaries	於收購附屬公司時 購入	—	56	—	—	—	—	—	—	56
Additions	添置	55	2	—	—	18	—	4,957	8,404	13,436
Disposal	出售	(230)	—	—	(1,799)	(1,235)	—	—	—	(3,264)
Written off	撇銷	—	—	(601)	—	—	—	(27,191)	—	(27,792)
Exchange realignment	匯兌調整	17	11	14	240	195	87	7,496	1,344	9,404
Transferred to assets classified as held for sale	撥入分類為持作出售 之資產	—	—	—	—	—	—	(160,695)	(3,440)	(164,135)
Transfer in/(out)	轉入/(出)	—	—	—	—	—	—	62,004	(62,004)	—
At 31 December 2013	於二零一三年 十二月三十一日	1,084	718	1,009	9,100	2,855	4,779	96,326	3,794	119,665
ACCUMULATED DEPRECIATION	累計折舊									
At 1 July 2012	於二零一二年 七月一日	368	227	376	5,212	1,616	180	10,913	—	18,892
Charge for the period	期內折舊	104	50	250	1,147	340	284	5,910	—	8,085
Eliminated on disposal	撇銷出售	(1)	(27)	—	—	—	—	—	—	(28)
Eliminated on written off	撇銷時對銷	—	—	—	—	—	—	(71)	—	(71)
Exchange realignment	匯兌調整	—	—	—	1	—	—	(5)	—	(4)
Transferred to assets classified as held for sale	撥入分類為持作出售 之資產	(41)	(1)	—	(432)	—	—	—	—	(474)
At 31 December 2012	於二零一二年 十二月三十一日	430	249	626	5,928	1,956	464	16,747	—	26,400
Charge for the year	年度折舊	211	114	376	1,899	1,096	418	15,834	—	19,948
Eliminated on disposal	撇銷出售	(153)	—	—	(1,048)	(931)	—	—	—	(2,132)
Eliminated on written off	撇銷時對銷	—	—	(151)	—	—	—	(2,019)	—	(2,170)
Exchange realignment	匯兌調整	7	5	1	144	94	21	730	—	1,002
Transferred to assets classified as held for sale	撥入分類為持作出售 之資產	—	—	—	—	—	—	(17,527)	—	(17,527)
At 31 December 2013	於二零一三年 十二月三十一日	495	368	852	6,923	2,215	903	13,765	—	25,521
CARRYING AMOUNT	賬面值									
At 31 December 2013	於二零一三年 十二月三十一日	589	350	157	2,177	640	3,876	82,561	3,794	94,144
At 31 December 2012	於二零一二年 十二月三十一日	812	400	970	4,731	1,921	4,228	193,008	59,490	265,560

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15. PROPERTY, PLANT AND EQUIPMENT

(continued)

The carrying amount of the Group's assets held under finance leases included in the total amount of motor vehicles at 31 December 2013 amounted to HK\$160,000 (2012: HK\$546,000).

15. 物業、廠房及設備 (續)

於二零一三年十二月三十一日，計入汽車總額之本集團根據融資租約持有之資產之賬面值為160,000港元(二零一二年：546,000港元)。

16. GOODWILL

16. 商譽

		HK\$'000 千港元
COST	成本	
At 1 July 2012 and 31 December 2012	於二零一二年七月一日及 二零一二年十二月三十一日	753,146
Additions	添置	3,760
At 31 December 2013	於二零一三年十二月三十一日	756,906
ACCUMULATED IMPAIRMENT LOSSES	累計減值虧損	
At 1 July 2012 and 31 December 2012	於二零一二年七月一日及二零一二年十二月三十一日	—
Impairment losses recognised in the year	年內確認之減值虧損	
At 31 December 2013	於二零一三年十二月三十一日	489,845
CARRYING VALUES	賬面值	
At 31 December 2013	於二零一三年十二月三十一日	267,061
At 31 December 2012	於二零一二年十二月三十一日	753,146

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16. GOODWILL (continued)

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

	31.12.2013	31.12.2012
	二零一三年	二零一二年
	十二月三十一日	十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
Wireless digital terrestrial television network equipment integration and information safety technology business (note a)	15,253	443,763
Digital cable television business (note b)	248,048	309,383
Investment in an associate (note 40)	3,760	—
	267,061	753,146

Notes:

- (a) The core technology used in wireless digital terrestrial television network equipment integration and information safety technology business is under the technology umbrella group of the encrypted integrated circuits business.
- (b) The design technology of the wireless digital audio integrated circuits business has grown and diversified to application in the digital cable television business.

The recoverable amount of the cash generating unit in the wireless digital terrestrial television network equipment integration and information safety technologies business has been determined based on value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 18% (2012: 15%).

16. 商譽 (續)

商譽分配至本集團現金產生單元如下：

	31.12.2013	31.12.2012
	二零一三年	二零一二年
	十二月三十一日	十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
地面無線數字電視網絡設備集成及資訊安全技術業務(附註a)	15,253	443,763
有線數字電視業務(附註b)	248,048	309,383
投資於一間聯營公司(附註40)	3,760	—
	267,061	753,146

附註：

- (a) 地面無線數字電視網絡設備集成及資訊安全技術業務所用之核心技術屬於加密芯片業務下之技術傘子小組。
- (b) 無線數字音頻芯片業務之設計技術已發展完善，並發展有線數字電視業務之應用。

地面無線數字電視網絡設備集成及資訊安全技術業務之現金產生單元之可收回金額乃以使用價值計算法，根據高級管理層批准之財政預算計算之現金流量預測而釐定，為期五年，用於現金流量預測之折現率為18% (二零一二年：15%)。

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16. GOODWILL (continued)

The recoverable amount of the cash generating unit in the digital cable television business has been determined based on value in use calculation using cash flow projections based on financial budgets approved by senior management covering a fourteen-year period. The discount rate applied to cash flow projections is 20% (2012: 17%).

The Group management's determined budgeted growth rate and gross profit margin based on past performance and market expectation. Besides the original business sectors, the Group has been investing its resources in the acquisition of new business and was prepared to enter into new business segments.

At the end of the reporting period, the valuation performed by the independent valuation firm under income-based approach was treated as the reference for the calculation of impairment of goodwill.

The impairment losses recognised during the year relate to the Group's wireless digital terrestrial television network equipment integration and information safety technology business and digital cable television business. As the cash generating units have been reduced to their recoverable amount of HK\$15,253,000 and HK\$248,048,000 respectively, any adverse change in the assumption used in the calculation of recoverable amount would result in further impairment losses.

16. 商譽 (續)

有線數字電視業務之現金產生單元之可收回金額乃以使用價值計算法，根據高級管理層批准之財政預算計算之現金流量預測而釐定，為期十四年，用於現金流量預測之折現率為20%（二零一二年：17%）。

本集團管理層之預算增長率和毛利率乃根據過往表現及市場預期釐定。除原有業務外，本集團已開始投資收購新業務，充分準備開拓新的業務分部。

於報告期末，由獨立估值公司根據收入法進行的估值被視作計算商譽減值的參考。

年內確認之減值虧損與本集團之地面無線數字電視網絡設備集成及資訊安全技術業務以及有線數字電視業務有關。由於現金產生單元已分別削減至其可收回金額15,253,000港元及248,048,000港元，計算可收回金額所用假設之任何不利變動將導致進一步減值虧損。

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17. INTANGIBLE ASSETS

17. 無形資產

		Technology fee	Development costs	Total
		技術費用	開發成本	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
COST				
	成本			
At 1 July 2012	於二零一二年七月一日	130,350	6,505	136,855
Additions	添置	4,212	—	4,212
Exchange realignment	匯兌調整	(24)	(1)	(25)
At 31 December 2012	於二零一二年十二月三十一日	134,538	6,504	141,042
Additions	添置	12,506	—	12,506
Exchange realignment	匯兌調整	3,564	218	3,782
At 31 December 2013	於二零一三年十二月三十一日	150,608	6,722	157,330
ACCUMULATED IMPAIRMENT				
	累計減值			
At 1 July 2012	於二零一二年七月一日	11,361	1,951	13,312
Exchange realignment	匯兌調整	(2)	—	(2)
At 31 December 2012	於二零一二年十二月三十一日	11,359	1,951	13,310
Impairment losses (note)	減值虧損(附註)	124,227	4,705	128,932
Exchange realignment	匯兌調整	380	66	446
At 31 December 2013	於二零一三年十二月三十一日	135,966	6,722	142,688
CARRYING VALUES				
	賬面值			
At 31 December 2013	於二零一三年十二月三十一日	14,642	—	14,642
At 31 December 2012	於二零一二年十二月三十一日	123,179	4,553	127,732

Note:

The recoverable amount of cash generating units in intangible assets has been determined by the Group management based on value in use calculation using cash flow projection. As the cash generating units have been reduced to HK\$14,642,000, impairment losses of HK\$128,932,000 were recognised during the year.

附註：

本集團管理層乃根據按現金流量預測計算之使用價值釐定無形資產之現金產生單元之可收回金額。由於現金產生單元已削減至14,642,000港元，故年內已確認128,932,000港元之減值虧損。

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18. INTEREST IN ASSOCIATE

18. 於聯營公司之權益

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted investment	非上市投資		
Share of net assets	分佔資產淨值	40,992	—

Aggregate information of associate that is not individually material:

匯總個別而言不屬重要之聯營公司之資料：

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Aggregate carrying amount of individually immaterial associate in the consolidated financial statements	綜合財務報表內個別非重要聯營公司之總賬面值	40,992	—
Aggregate amounts of the Group's share of that associate's	本集團分佔該聯營公司總值		
Loss from continuing operations	來自持續經營業務之虧損	232	—
Post-tax loss from discontinued operations	已終止經營業務之除稅後虧損	—	—
Other comprehensive income	其他全面收入	—	—
Total comprehensive loss	全面虧損總額	232	—

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19. DEPOSITS FOR ACQUISITION OF NON-CURRENT ASSETS

19. 收購非流動資產之按金

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Deposits for acquisition of intangible assets	收購無形資產之按金	76,262	79,523
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備之按金	59,746	47,768
Deposits for acquisition of subsidiaries	收購附屬公司之按金	12,000	—
		148,008	127,291

20. INVENTORIES

20. 存貨

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	9,151	9,574
Work in progress	在製品	—	2,674
Finished goods	製成品	248,708	16,963
		257,859	29,211

The written-down of inventories amounted to HK\$11,605,000 (six months ended 31 December 2012: Nil) has been recognised as expense during the year ended 31 December 2013. Those inventories were slow-moving and obsolete which kept in warehouse for over 1 year.

於截至二零一三年十二月三十一日止年度，存貨撇減11,605,000港元(截至二零一二年十二月三十一日止六個月：無)已確認為開支。該等存貨為於倉庫存儲時間超逾一年之滯銷及陳舊存貨。

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21. TRADE RECEIVABLES

21. 應收賬款

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	應收賬款	403,918	399,160
Less: allowance for doubtful debts	減：呆賬撥備	(101,811)	—
		302,107	399,160

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

逾期但並未減值之應收賬款(扣除呆賬撥備後)賬齡分析如下：

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Within 30 days	三十日內	—	91,467
31-90 days	三十一至九十日	—	23,386
91-180 days	九十一至一百八十日	24,390	53,076
Over 180 days	一百八十日以上	240,422	162,059
		264,812	329,988

The Group generally allows credit periods ranging from 30 days to 180 days to its trade customers.

本集團給予其貿易客戶之信貸期一般為三十日至一百八十日。

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

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

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21. TRADE RECEIVABLES (continued)

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

		31.12.2013 二零一三年 十二月三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
At beginning of year/period	於年／期初	—	49,294
Impairment losses recognised	已確認減值虧損	101,811	—
Amounts written back during the year/period	年／期內回撥之款額	—	(49,294)
At end of year/period	於年／期末	101,811	—

At the end of the reporting period, the Group has determined trade receivables of HK\$101,811,000 (2012: HK\$Nil) as impaired. The impaired trade receivables are due from the customers which due over 365 days. The director will take necessarily actions for the impaired trade receivables.

呆壞賬撥備之變動如下：

	31.12.2013 二零一三年 十二月三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
於報告期末，本集團已釐定101,811,000港元(二零一二年：零港元)之應收賬款為減值。減值應收賬款乃應收客戶逾期365日以上之款項。董事將就已減值之應收賬款採取必要行動。	101,811	—

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Advance to suppliers	向供應商墊款	586,241	116,201
Other deposits	其他按金	2,507	13,738
Other receivables	其他應收款項	40,615	42,582
Prepayments	預付款項	6,476	16,363
Less: provision for impairment losses	減：減值虧損撥備	(151,303)	—

The directors determined there are difficulties in recoverability of the prepayments, deposits and other receivable which due over 356 days, therefore impairment HK\$151.3 million were made as at 31 December 2013. The director will take further actions to follow up the impaired prepayments, deposits and other receivables.

22. 預付款項、按金及其他應收款項

	31.12.2013 二零一三年 十二月三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
董事認為收回逾期365日以上之預付款項、按金及其他應收款項存在困難，因此，已於二零一三年十二月三十一日計提減值151,300,000港元。董事將採取進一步行動跟進已減值之預付款項、按金及其他應收款項。	484,536	188,884

董事認為收回逾期365日以上之預付款項、按金及其他應收款項存在困難，因此，已於二零一三年十二月三十一日計提減值151,300,000港元。董事將採取進一步行動跟進已減值之預付款項、按金及其他應收款項。

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23. RESTRICTED BANK DEPOSITS

Bank deposits amounting to HK\$7,140,000 (2012: HK\$7,055,000) have been pledged to banks for short term loans amounting to HK\$12,366,000 (2012: HK\$7,596,000) granted to subsidiaries. The Company has also provided guarantee to the extent of HK\$4,000,000 of such loan (2012: HK\$4,000,000).

Trade deposit amounted to HK\$Nil (2012: HK\$1,731,000) whereas the trade deposit received in 2012 from a customer and the deposits have been released upon the delivery of goods to the customers.

24. CASH AND CASH EQUIVALENTS

		31.12.2013 二零一三年 十二月三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
Cash at bank and in hand	銀行存款及現金	130,726	13,067
Cash at bank and in hand included in assets classified as held for sale	計入分類為持作出售之資產之銀行存款及現金	—	47,880
		130,726	60,947

As at 31 December 2013, the cash at bank and in hand of the Group included currencies denominated in Renminbi ("RMB") which amounted to approximately HK\$130,282,000 (2012: HK\$8,124,000). RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

23. 有限制銀行存款

銀行存款7,140,000港元(二零一二年: 7,055,000港元)已抵押予銀行作為授予附屬公司之短期貸款12,366,000港元(二零一二年: 7,596,000港元)。本公司亦已就該貸款提供4,000,000港元(二零一二年: 4,000,000港元)之擔保。

已自客戶收取零港元(二零一二年: 1,731,000港元)之交易按金, 而於二零一二年收到一名客戶之交易按金, 該按金將於貨品交付予該客戶後獲解除。

24. 現金及現金等價物

於二零一三年十二月三十一日, 本集團之銀行存款及現金包括以人民幣(「人民幣」)計值之貨幣, 約為130,282,000港元(二零一二年: 8,124,000港元)。人民幣不可自由兌換為其他貨幣。然而, 根據中國之外匯管理條例及結匯、售匯及付匯管理規定, 本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

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

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25. ASSETS CLASSIFIED AS HELD FOR SALE

The Group intended to dispose of its telecommunication equipment and trade receivables from Hebei Guangdian Network Investment Limited and the disposal was approved by the shareholders of the Company at the special general meeting held on 10 March 2014.

In 2012, the Group intended to dispose of its subsidiary, Magic Golden Limited and the disposal was completed on 24 January 2013. The major classes of assets and liabilities at the end of the reporting period are as follows:

Assets classified as held for sale comprise:

25. 分類為持作出售之資產

本集團有意出售其電訊設備及應收河北廣電網絡投資有限公司之應收賬款，該出售事項已於二零一四年三月十日舉行之股東特別大會上獲本公司股東批准。

於二零一二年，本集團有意出售其附屬公司 Magic Golden Limited，而出售事項已於二零一三年一月二十四日完成。於報告期末資產及負債之主要類別如下：

分類為持作出售之資產包括：

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Property, plant and equipment	物業、廠房及設備	18,874	—
Inventories	存貨	—	164,238
Trade receivables	應收賬款	152,804	191,086
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	—	156,725
Tax credit	稅項抵免	—	21,223
Cash and cash equivalents	現金及現金等價物	—	47,880
Assets classified as held for sale	分類為持作出售之資產	171,678	581,152

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25. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

Liabilities associated with assets classified as held for sale comprise:

25. 分類為持作出售之資產 (續)

與分類為持作出售之資產相關之負債包括：

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	應付賬款	—	(47,816)
Other payables and accruals	其他應付款項及應計費用	—	(232)
Liabilities directly associated with assets classified as held for sale	與分類為持作出售之資產直接相關之負債	—	(48,048)
Net assets classified as held for sale	分類為持作出售之資產淨值	—	533,104
Exchange fluctuation reserve relating to assets classified as held for sale	有關分類為持作出售之資產之匯兌儲備	—	25,025

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26. TRADE PAYABLES

The ageing analysis of the trade payables as at the end of the reporting period is as follows:

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Within 30 days	三十日內	227,207	5,043
31 to 60 days	三十一至六十日	94	5,752
61 to 90 days	六十一至九十日	2,698	18,646
Over 90 days	九十日以上	35,902	19,138
		265,901	48,579

26. 應付賬款

於報告期末應付賬款之賬齡分析如下：

27. RECEIPTS IN ADVANCE

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Cooperation development fee (Note)	合作開發費用 (附註)	88,781	98,192
Other receipts in advance	其他預收賬款	8,728	12,687
		97,509	110,879

27. 預收賬款

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27. RECEIPTS IN ADVANCE (continued)

27. 預收賬款 (續)

	31.12.2013	31.12.2012
	二零一三年	二零一二年
	十二月三十一日	十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
Analysed for reporting purpose as: 就呈報作出分析：		
Current liabilities 流動負債	21,411	37,247
Non-current liabilities 非流動負債	76,098	73,632
	97,509	110,879

Note:

On 24 August 2011, the Group has entered into a cooperation agreement (the "Cooperation Agreement") with Beijing Huaxia Innomedia Technology Co., Ltd ("Beijing Huaxia"), pursuant to which the parties agreed to jointly operate and develop the advertising business and value-added services of the digital mobile television project and 60,000 electronic displays in Hebei province for 10 years ("Hebei Mobile Advertising Business").

Under the Cooperation Agreement, Beijing Huaxia shall contribute to the Hebei Mobile Advertising Business a cooperation development fee of RMB200,000,000 (equivalent to HK\$245,440,000). The Group has already received RMB100,000,000 (equivalent to HK\$122,720,000) as cooperation development fee at 31 December 2013. On 3 December 2012, pursuant to a supplemental agreement, both parties agreed that the remaining RMB100,000,000 (equivalent to HK\$122,720,000) shall be contributed by Beijing Huaxia in terms of equivalent amount of intangible assets and equipment. As the Cooperation Agreement with Beijing Huaxia is for 10 years, the cooperation development fee will be amortised over the 10 years.

附註：

於二零一一年八月二十四日，本集團與北京華夏力通傳媒科技有限公司（「北京華夏」）訂立合作協議（「合作協議」），據此，訂約方同意於十年內共同營運及發展於河北省之移動數字電視項目以及60,000塊電子顯示屏之廣告業務及增值服務（「河北移動廣告業務」）。

根據合作協議，北京華夏須就河北移動廣告業務支付合作開發費用人民幣200,000,000元（相當於245,440,000港元）。於二零一三年十二月三十一日，本集團已收取人民幣100,000,000元（相當於122,720,000港元），作為合作開發費用。於二零一二年十二月三日，根據補充協議，雙方同意餘額人民幣100,000,000元（相當於122,720,000港元）應由北京華夏按無形資產及設備之等額出資。由於與北京華夏之合作協議為期十年，故合作開發費將於十年內攤銷。

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28. OBLIGATIONS UNDER FINANCE LEASES

The Group leased certain motor vehicles under finance leases. The average lease term is 4.5 years (2012: 4.5 years). The interest rates underlying the obligations under finance leases are fixed at respective contract dates and range from 7.6% to 8.4% per annum (2012: 7.6% to 8.4% per annum).

28. 融資租約責任

本集團根據融資租約租賃若干汽車。平均租賃年期為四年半(二零一二年：四年半)。融資租約責任之相關利率乃於各自之訂約日期訂定為每年7.6%至8.4%(二零一二年：每年7.6%至8.4%)。

		Minimum lease payments		Present value of minimum lease payments	
		最低租金		最低租金之現值	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
		二零一三年	二零一二年	二零一三年	二零一二年
		十二月	十二月	十二月	十二月
		三十一日	三十一日	三十一日	三十一日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Amounts payable under finance leases:	根據融資租約應付款項：				
Within one year	一年內	26	295	26	286
In the second year	第二年	—	27	—	26
		26	322	26	312
Less: Future finance charges	減：未來融資費用	—	(10)		
Present value of lease obligations	租約責任之現值	26	312		
Less: Amount due for settlement within one year (shown under current liabilities)	減：須於一年內清償之款項(列為流動負債)			(26)	(286)
Amount due after one year	一年後到期之款項			—	26

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29. DEFERRED TAX LIABILITIES

29. 遞延稅項負債

		Intangible assets 無形資產 HK\$'000 千港元
At 1 July 2012	於二零一二年七月一日	1,983
Exchange realignment	匯兌調整	38
At 31 December 2012	於二零一二年十二月三十一日	2,021
Credit to profit and loss	計入損益	(2,021)
At 31 December 2013	於二零一三年十二月三十一日	—

30. NOTES PAYABLE

- (a) On 21 December 2012, an aggregate of HK\$50,000,000 principal amount of redeemable notes were issued. Further details are set out in the Company's announcement dated 22 November 2012 and 21 December 2012. The notes carry interest at 6% per annum and will mature for redemption on 20 December 2014.
- (b) On 27 December 2012, an aggregate of HK\$100,000,000 principal amount of redeemable notes were issued to Sandmartin International Holdings Limited. Further details are set out in the Company's announcement dated 27 December 2012. The notes carry interest at 6% per annum and will mature on redemption on 26 December 2014.

30. 應付票據

- (a) 於二零一二年十二月二十一日，本金額合共 50,000,000 港元之可贖回票據已發行。進一步詳情載於本公司日期為二零一二年十一月二十二日及二零一二年十二月二十一日之公告內。該等票據之利息為每年 6%，且將於二零一四年十二月二十日到期贖回。
- (b) 於二零一二年十二月二十七日，本金額合共 100,000,000 港元之可贖回票據已發行予聖馬丁國際控股有限公司。進一步詳情載於本公司日期為二零一二年十二月二十七日之公告內。該等票據之利息為每年 6%，且將於二零一四年十二月二十六日到期贖回。

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31. SHARE CAPITAL

31. 股本

		31.12.2013		31.12.2012	
		二零一三年十二月三十一日		二零一二年十二月三十一日	
		Number		Number	
		of share		of share	
		股份數目		股份數目	
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元
Authorised:	法定：				
Ordinary shares of	每股面值0.01港元				
HK\$0.01 each	之普通股	10,000,000	100,000	10,000,000	100,000
Issued and fully paid:	已發行及繳足：				
At beginning of year/period	於年／期初	3,108,590	31,086	2,808,590	28,086
Issue of shares upon	因配售事項而				
placing (Note)	發行之股份(附註)	300,000	3,000	300,000	3,000
At end of year/period	於年／期末	3,408,590	34,086	3,108,590	31,086

Note:

On 26 March 2013, the Company entered into a conditional subscription agreement with each of the two independent investors respectively. Pursuant to the subscription agreements, the subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 100,000,000 subscription shares at a price of HK\$0.25 per subscription share. The subscription was completed on 8 April 2013 and net proceeds amounted to approximately HK\$24.9 million, thereby providing the Group with additional cash resources for its operation.

On 10 September 2013, the Company entered into another conditional subscription agreement with an independent investor. Pursuant to the subscription agreement, the subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 200,000,000 subscription shares at a price of HK\$0.25 per subscription share. The subscription was completed on 17 September 2013 and net proceeds amounted to approximately HK\$50.0 million, thereby providing the Group with additional cash resources for any possible acquisition and its operations.

附註：

於二零一三年三月二十六日，本公司與兩名獨立投資者分別訂立有條件認購協議。根據認購協議，認購人有條件同意認購，而本公司有條件同意按每股認購股份0.25港元之價格配發及發行合共100,000,000股認購股份。認購事項已於二零一三年四月八日完成，所得款項淨額約為24,900,000港元，為本集團之業務提供額外現金資源。

於二零一三年九月十日，本公司與一名獨立投資者訂立另一份有條件認購協議。根據認購協議，認購人有條件同意認購，而本公司有條件同意按每股認購股份0.25港元之價格配發及發行合共200,000,000股認購股份。認購事項已於二零一三年九月十七日完成，所得款項淨額約為50,000,000港元，為本集團任何可能之收購及其業務提供額外現金資源。

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31. SHARE CAPITAL (continued)

Note: (continued)

On 12 December 2012, the Company entered into a conditional subscription agreement with each of two subscribers. Pursuant to the subscription agreement, the subscribers conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 300,000,000 subscription shares at a price of HK\$0.30 per subscription share. The subscription was completed on 18 December 2012 and net proceeds amounted to approximately HK\$89,700,000, thereby providing the Group with additional cash resources for general working capital of the Group and for any possible acquisition in the future.

32. EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) The Company had adopted an employee share option scheme ("the Scheme") on 13 March 2003. A new employee share option scheme ("the New Scheme") was approved by the shareholders of the Company in the Company's annual general meeting held on 30 December 2011. Details of which are set out in the Company's circular dated 28 November 2011. The purpose of the Scheme and the New Scheme is to enable the Group to grant options to selected participants, which include any person who is a full time or part time employee or director of the Group, a consultant or agent of the Group, as incentives or rewards for their contributions to the Group.

31. 股本 (續)

附註：(續)

於二零一二年十二月十二日，本公司與兩名認購人分別訂立有條件認購協議。根據認購協議，認購人有條件同意認購，而本公司有條件同意按每股認購股份0.30港元之價格配發及發行合共300,000,000股認購股份。認購事項已於二零一二年十二月十八日完成，所得款項淨額約為89,700,000港元，用作本集團之一般營運資金及於日後作任何可能之收購。

32. 以權益結算及以股份為基礎交易

(a) 本公司已於二零零三年三月十三日採納一項員工購股權計劃(「該計劃」)。新員工購股權計劃(「新計劃」)已於二零一一年十二月三十日舉行之本公司股東週年大會上獲本公司股東批准，詳情載於本公司日期為二零一一年十一月二十八日之通函內。該計劃及新計劃旨在令本集團可向指定參與者(包括本集團全職或兼職僱員或董事、本集團之顧問或代理等任何人士)授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。

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32. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

32. 以權益結算及以股份為基礎交易 (續)

(a) (continued)

(a) (續)

Details of the share options granted under the Scheme and the New Scheme and their subsequent movements are as follows:

以下為根據該計劃及新計劃授出購股權之詳情及其後變動：

31 December 2013

二零一三年十二月三十一日

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Outstanding at 1 January 2013 於二零一三年一月一日 未行使 '000 千份	Granted during the year 於年內授出 '000 千份	Exercised during the year 於年內行使 '000 千份	Lapsed during the year 於年內失效 '000 千份	Outstanding at 31 December 2013 於二零一三年十二月三十一日 未行使 '000 千份
Directors 董事	13 April 2011 二零一一年四月十三日	HK\$1.54 1.54港元	13 May 2011 to 12 March 2013 二零一一年五月十三日至二零一三年三月十二日	13 May 2011 二零一一年五月十三日	6,200	-	-	(6,200)	-
					6,200	-	-	(6,200)	-
Employees 僱員	13 April 2011 二零一一年四月十三日	HK\$1.54 1.54港元	13 May 2011 to 12 March 2013 二零一一年五月十三日至二零一三年三月十二日	13 May 2011 二零一一年五月十三日	22,300	-	-	(22,300)	-
Employees 僱員	29 February 2012 二零一二年二月二十九日	HK\$0.84 0.84港元	1 March 2013 to 29 February 2016 二零一三年三月一日至二零一六年二月二十九日	1 March 2013 二零一三年三月一日	3,000	-	-	-	3,000
Other participant 其他參與者	13 April 2011 二零一一年四月十三日	HK\$1.54 1.54港元	13 May 2011 to 12 May 2013 二零一一年五月十三日至二零一三年五月十二日	13 May 2011 二零一一年五月十三日	1,500 (note) (附註)	-	-	(1,500)	-
					26,800	-	-	(23,800)	3,000
					33,000	-	-	(30,000)	3,000
Number of options exercisable at the end of the year 於年末可行使之購股權數目									3,000
Weighted average exercise price 加權平均行使價					HK\$1.48 港元	-	-	-	HK\$0.84 港元

Note:

1,500,000 Share Options granted to a Director who has resigned during the year were classified and added to the opening balance in the category "Other participant" above.

附註：

年內一名辭任董事獲授之1,500,000份購股權已分類並計入上述「其他參與者」類別之年初結餘。

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32. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

32. 以權益結算及以股份為基礎交易 (續)

(a) (continued)

(a) (續)

31 December 2012

二零一二年十二月三十一日

Category of Eligible Scheme Participants	Date of grant	Exercise price per share	Exercisable period	Vesting date	Outstanding at 1 July 2012 於二零一二年七月一日 未行使 '000 千份	Granted during the period 於期內授出 '000 千份	Exercised during the period 於期內行使 '000 千份	Outstanding at 31 December 2012 於二零一二年十二月三十一日 未行使 '000 千份
合資格計劃參與者類別	授出日期	每股行使價	行使期	歸屬日期				
Directors 董事	13 April 2011 二零一一年四月十三日	HK\$1.54 1.54港元	13 May 2011 to 12 March 2013 二零一一年五月十三日至二零一三年三月十二日	13 May 2011 二零一一年五月十三日	7,700	–	–	7,700
					7,700	–	–	7,700
Employees 僱員	13 April 2011 二零一一年四月十三日	HK\$1.54 1.54港元	13 May 2011 to 12 March 2013 二零一一年五月十三日至二零一三年三月十二日	13 May 2011 二零一一年五月十三日	22,300	–	–	22,300
Employees 僱員	29 February 2012 二零一二年二月二十九日	HK\$0.84 0.84港元	1 March 2013 to 29 February 2016 二零一三年三月一日至二零一六年二月二十九日	1 March 2013 二零一三年三月一日	3,000	–	–	3,000
					25,300	–	–	25,300
					33,000	–	–	33,000
Number of options exercisable at the end of the period 於期末可行使之購股權數目								33,000
Weighted average exercise price 加權平均行使價					HK\$1.48 港元	–	–	HK\$1.48 港元

Note:

The options outstanding at 31 December 2013 had an exercise price of HK\$0.84 (2012: HK\$0.84 or HK\$1.54) and a weighted average remaining contractual life of 2.17 years (2012: 0.47 years).

附註：

於二零一三年十二月三十一日尚未行使購股權之行使價為0.84港元(二零一二年：0.84港元或1.54港元)，加權平均餘下合約年期為2.17年(二零一二年：0.47年)。

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32. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

(a) (continued)

Fair value of share options and assumptions

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

Grant date

授出日期

29.2.2012

二零一二年

二月二十九日

13.4.2011

二零一一年

四月十三日

Fair value at measurement date	於計算日之公平值	HK\$0.322 港元	HK\$0.344 港元
Share price	股價	HK\$0.83 港元	HK\$1.51 港元
Exercise price	行使價	HK\$0.84 港元	HK\$1.54 港元
Expected volatility	預期波幅	64.37%	62.28%
Option life	購股權年期	2.5 years 年	1.0 years 年
Expected dividends	預期股息	—	—
Risk free interest rate	無風險利率	0.29%	0.29%

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

32. 以權益結算及以股份為基礎交易 (續)

(a) (續)

購股權之公平值及假設

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

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

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32. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

(b) Pursuant to general mandates (“General Mandates”) granted to the directors of the Company at the annual general meeting of the Company held on 30 December 2011, the directors of the Company were authorised, at their discretion, to allot and issue shares of the Company up to 20% of the aggregate nominal amount of the share capital of the Company in issue on 30 December 2011. The following options were granted under the General Mandates.

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

32. 以權益結算及以股份為基礎交易 (續)

(b) 根據本公司董事於本公司於二零一一年十二月三十日舉行之股東週年大會上獲授之一般授權(「一般授權」)，本公司董事獲授權酌情配發及發行不超過於二零一一年十二月三十日本公司已發行股本面值總額20%之本公司股份。以下購股權乃根據一般授權授出。

(i) 以下為授出購股權之條款及條件：

	Number of instruments 工具數目 '000 千份	Vesting conditions 歸屬條件	Exercise period 行使期
Options granted to consultants of the Company 授予本公司顧問之購股權			
— on 20 November 2012	40,000	Immediately from the date of grant	20 November 2012 to 19 November 2014
— 於二零一二年十一月二十日	40,000	於授出日期即時歸屬	二零一二年十一月二十日至二零一四年十一月十九日
Total share options 購股權總數	40,000 40,000		

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32. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

32. 以權益結算及以股份為基礎交易 (續)

(b) (continued)

(b) (續)

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

- (ii) 以下為購股權之數目及加權平均行使價：

		31.12.2013 二零一三年十二月三十一日		31.12.2012 二零一二年十二月三十一日	
		Weighted average exercise price 加權平均 行使價	Number of option 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價	Number of option 購股權數目 '000 千份
Outstanding at the beginning of the year/period	年/期初 未行使	HK\$0.32 港元	40,000	—	—
Granted during the year/period	於年/期內授出	—	—	HK\$0.32 港元	40,000
Outstanding at the end of the year/period	年/期末 未行使	HK\$0.32 港元	40,000	HK\$0.32 港元	40,000

The options outstanding at 31 December 2013 had an exercise price of HK\$0.32 and a weighted average remaining contractual life of 0.89 years.

於二零一三年十二月三十一日尚未行使購股權之行使價為0.32港元，加權平均餘下合約年期為0.89年。

- (iii) Fair value of share options and assumptions

- (iii) 購股權之公平值及假設

For the options granted to the consultants, due to the uniqueness of the services provided by them, the fair value of the options is measured by the services performed by them, taking into account the nature and number of working hours of the professional spent, along with other out-of-pocket expenses. Details are set out in the Company's announcement dated 20 November 2012.

就授予顧問之購股權而言，由於顧問所提供服務之獨特性，購股權之公平值乃於考慮專業顧問所用工時性質及時數以及其他實繳費用後，按顧問所提供之服務計量。有關詳情載於本公司日期為二零一二年十一月二十日之公告。

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32. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

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

Exercise period 行使期	Exercise price 行使價	31.12.2013	31.12.2012
		二零一三年 十二月三十一日	二零一二年 十二月三十一日
		Number of option 購股權數目 '000 千份	Number of option 購股權數目 '000 千份
13 May 2011 to 12 March 2013 二零一一年五月十三日至二零一三年三月十二日	HK\$1.54 1.54 港元	—	30,000
1 March 2013 to 29 February 2016 二零一三年三月一日至二零一六年二月二十九日	HK\$0.84 0.84 港元	3,000	3,000
20 November 2012 to 19 November 2014 二零一二年十一月二十日至二零一四年十一月十九日	HK\$0.32 0.32 港元	40,000	40,000
		43,000	73,000

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

每份購股權賦予其持有人認購本公司一股普通股之權利。

32. 以權益結算及以股份為基礎交易 (續)

- (c) 於報告期末未到期及未行使購股權之條款如下：

31.12.2013	31.12.2012
二零一三年 十二月三十一日	二零一二年 十二月三十一日
Number of option 購股權數目 '000 千份	Number of option 購股權數目 '000 千份
—	30,000
3,000	3,000
40,000	40,000
43,000	73,000

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33. RESERVES

Share premium

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

Capital reserve

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

Exchange fluctuation reserve

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

Share option reserve

The share option reserve comprises the fair value of the actual or estimated number of unexercised share options granted to directors, employees and advisors of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 4.

Other reserve

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

33. 儲備

股份溢價

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

資本儲備

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

匯兌儲備

匯兌儲備包括換算海外業務財務報表之所有匯兌差額。

購股權儲備

購股權儲備包括根據附註4有關以股份為基礎付款所採用會計政策確認之授予本公司董事、僱員及顧問之實際或估計未行使購股權數目之公平值。

其他儲備

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

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34. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of debt, which includes obligations under finance leases, short-term loans and notes payable, and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through new share issues, repurchase of shares and the issue of new debt or the redemption of the existing debt.

34. 資本管理

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

本集團之資本結構為債務，其中包括融資租約責任、短期貸款及應付票據及本公司股權持有人應佔權益（包括已發行股本及儲備）。

本集團管理層持續檢討資本結構，包括考慮資本之成本及與資本相關之風險。本集團將透過發行新股份、購回股份及發行新債務或贖回現有債務以使其整體資本結構保持平衡。

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35. OPERATING LEASES COMMITMENTS

35. 經營租約承擔

The Group as lessee

本集團作為承租人

		1.1.2013 to	1.7.2012 to
		31.12.2013	31.12.2012
		二零一三年	二零一二年
		一月一日至	七月一日至
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Minimum lease payments	年／期內根據		
paid under operating leases	經營租約已付		
during the year/period:	之最低租金：		
— office premises	— 辦公室物業	7,620	3,453
— staff quarters	— 員工住房	769	327
		8,389	3,780

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35. OPERATING LEASES COMMITMENTS

(continued)

The Group as lessee (continued)

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

	31.12.2013	31.12.2012
	二零一三年	二零一二年
	十二月三十一日	十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
Within one year 一年內	6,875	5,848
In the second to fifth years inclusive 第二至第五年(首尾兩年包括在內)	10,946	12,900
	17,821	18,748

Operating lease payments represent rental payable by the Group for certain of its office premises, staff quarters and equipment. Leases are negotiated for the terms of one to three years.

35. 經營租約承擔 (續)

本集團作為承租人 (續)

於報告期末，本集團根據不可撤銷經營租約應付之未來最低租金總額如下：

經營租約付款指本集團應付之若干辦公室物業、員工住房及設備租金。租期乃訂立為一至三年。

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36. CAPITAL COMMITMENTS

36. 資本承擔

		31.12.2013	31.12.2012
		二零一三年	二零一二年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	以下各項之已簽署但未於綜合財務報表作出撥備之資本開支：		
— acquisition of intangible assets	— 收購無形資產	11	—
— acquisition of investment	— 收購投資	—	158,309
— acquisition of subsidiary	— 收購附屬公司	114,830	—
— contribution to property, plant and equipment in related to digital cable television business	— 就有線數字電視業務出資物業、廠房及設備	334,768	402,907
		449,609	561,216

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

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

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

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

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

37. 向本公司授出股票掛鈎信貸及發行認股權證

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

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

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

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

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37. GRANT OF THE EQUITY LINE OF CREDIT TO THE COMPANY AND ISSUE OF WARRANTS (continued)

37. 向本公司授出股票掛鈎信貸及發行認股權證 (續)

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

年內認股權證變動載列如下：

Date of grant	Exercise period	Subscription price	Balance at 30.6.2012 and 31.12.2012	Granted during the year ended 31.12.2013	Utilised during the year ended 31.12.2013	Balance at 31.12.2013
授出日期	行使期	認購價	於二零一二年六月三十日及二零一二年十二月三十一日之結餘	於截至二零一三年十二月三十一日止年度授出	於截至二零一三年十二月三十一日止年度動用	於二零一三年十二月三十一日之結餘
			'000 千份	'000 千份	'000 千份	'000 千份
17 February 2011	17 February 2012 to 16 February 2016	HK\$2	95,000	—	—	95,000
二零一一年二月十七日	二零一二年二月十七日至二零一六年二月十六日	2港元				

During the six months ended 31 December 2012 and year ended 31 December 2013, no Option was exercised by the Company and no warrant was utilised to subscribe for the shares of the Company.

於截至二零一二年十二月三十一日止六個月及截至二零一三年十二月三十一日止年度，本公司並無行使選擇權，亦無任何認股權證獲動用以認購本公司股份。

The Company paid GEMML a commitment fee of HK\$8,000,000, equivalent to 2% of the total commitment amount of HK\$400 million. The commitment fee is capitalised in other receivables and will be deducted from proceeds received from the issuing equity instruments.

本公司已向GEMML支付相等於承擔總額400,000,000港元2%之承擔佣金8,000,000港元。承擔佣金於其他應收款項中撥充資本，且將於發行權益工具收取之所得款項中扣減。

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38. RELATED PARTY TRANSACTIONS

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

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,646	1,820
Post-employment benefits — defined contribution plans	退休後福利 — 定額供款計劃	67	15
Total compensation paid to key management personnel	已付主要管理人員 之薪酬總額	2,713	1,835

Further details of directors' emoluments are included in note 12 to the consolidated financial statements.

有關董事酬金之進一步詳情載於綜合財務報表附註 12。

38. 關連人士交易

(a) 本集團主要管理人員之薪酬：

		1.1.2013 to 31.12.2013 二零一三年 一月一日至 二零一三年 十二月三十一日 HK\$'000 千港元	1.7.2012 to 31.12.2012 二零一二年 七月一日至 二零一二年 十二月三十一日 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,646	1,820
Post-employment benefits — defined contribution plans	退休後福利 — 定額供款計劃	67	15
Total compensation paid to key management personnel	已付主要管理人員 之薪酬總額	2,713	1,835

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		31.12.2013 二零一三年 十二月三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
Financial assets	金融資產		
Loan and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金 及現金等價物)	483,095	477,333
Financial liabilities	金融負債		
Amortised cost	攤銷成本	629,247	243,160

39. 金融工具

(a) 金融工具之分類

		31.12.2013 二零一三年 十二月三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
Financial assets	金融資產		
Loan and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金 及現金等價物)	483,095	477,333
Financial liabilities	金融負債		
Amortised cost	攤銷成本	629,247	243,160

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39. FINANCIAL INSTRUMENTS (continued)

39. 金融工具 (續)

(b) Financial risk management objectives and policies

(b) 財務風險管理目標及政策

The Group's major financial instruments include trade receivables, deposits and other receivables, restricted bank deposits, cash and cash equivalents, trade payables, other payables and accruals, obligations under finance leases, short term loans and notes payable. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團之主要金融工具包括應收賬款、按金及其他應收款項、有限制銀行存款、現金及現金等價物、應付賬款、其他應付款項及應計費用、融資租約責任、短期貸款及應付票據。金融工具之詳情於有關附註中披露。與此等金融工具有關之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何降低此等風險之政策載列如下。管理層管理並監控此等風險，以確保及時有效地採取適當措施。

Market risk

市場風險

Currency risk management

貨幣風險管理

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

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

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

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

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

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

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39. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Interest rate risk management

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

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

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

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

利率風險管理

本集團承受與融資租約責任及應付票據有關之公平值利率風險。本集團亦承受與浮息短期貸款金融負債及銀行結餘金融資產有關之現金流量利率風險。本集團並無採用任何利率掉期合約以降低其所承受與現金流量利率波動有關之風險。

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

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

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39. FINANCIAL INSTRUMENTS (continued)

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

Credit risk management

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 arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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

The credit risk on liquid funds is limited because the majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk on trade receivables as at 31 December 2013 is mainly from five major customers which accounted for 66% (2012: 88%) of trade receivables. The Group has closely monitored the recoverability of trade receivables and other receivables and taken effective measures to ensure timely collection of outstanding balances.

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險管理

本集團就對手方未能履行其責任而將導致本集團財務損失之最高信貸風險乃由綜合財務狀況表所列各類別之已確認金融資產之賬面值產生。

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

流動資金之信貸風險有限，因為大部份對手方為獲國際信貸評級機構評為高信貸評級之銀行。

於二零一三年十二月三十一日，本集團應收賬款之集中信貸風險主要來自五大主要客戶，彼等佔應收賬款之66% (二零一二年：88%)。本集團已密切監察應收賬款及其他應收款項之可收回情況及採取有效措施，以確保能及時收回未收回餘額。

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39. FINANCIAL INSTRUMENTS *(continued)*

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

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Such non-derivative financial liabilities outstanding at the end of the reporting period are considered as if outstanding for whole period.

39. 金融工具 *(續)*

(b) 財務風險管理目標及政策 *(續)*

流動資金風險管理

於管理流動資金風險時，本集團監察及維持管理層認為足以為本集團之營運撥付資金及減低現金流量波動之影響之現金及現金等價物水平。

下表載列本集團之非衍生金融負債餘下合約年期。該表乃根據本集團於可被要求償還金融負債之最早日期之金融負債按未折現現金流量編製。該等非衍生金融負債於報告期末未償還則被視為於整個期間未曾償還。

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39. FINANCIAL INSTRUMENTS (continued)

39. 金融工具 (續)

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

(b) 財務風險管理目標及政策 (續)

Liquidity risk management (continued)

流動資金風險管理 (續)

		Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years
		賬面值	合約非折現現金流量總額	一年內或按要求	一年以上兩年以內
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
31 December 2013	二零一三年十二月三十一日				
Trade payables, other payables and accruals	應付賬款、其他應付款項及應計費用	466,855	466,855	466,855	—
Obligations under finance leases	融資租約責任	26	27	27	—
Short term loans	短期貸款	12,366	12,366	12,366	—
Notes payable	應付票據	150,000	150,000	150,000	—
		629,247	629,248	629,248	—
			Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years
		Carrying amount	合約非折現現金流量總額	一年內或按要求	一年以上兩年以內
		賬面值	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
31 December 2012	二零一二年十二月三十一日				
Trade payables, other payables and accruals	應付賬款、其他應付款項及應計費用	85,252	85,252	85,252	—
Obligation under finance lease	融資租約責任	312	322	295	27
Short term loans	短期貸款	7,596	7,596	7,596	—
Notes payable	應付票據	150,000	150,000	—	150,000
		243,160	243,170	93,143	150,027

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39. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2013 and 31 December 2012.

40. BUSINESS COMBINATION

On 22 July 2013, the Group, through Beijing Jinqiao Hengtai Technology Co., Ltd (“Beijing Jinqiao”) an indirect wholly-owned subsidiary of the Company acquired 51% of the equity interests in the Zhong Kuang Jing Zi Investment Co., Ltd (“Zhong Kuang”) at a total cash consideration of RMB25,500,000 (equivalent to approximately HK\$32,070,000). Zhong Kuang is principally engaged in (i) project investment; (ii) investment management; (iii) investment consulting; and (iv) the sale and trading of metal materials and mineral products. Further details of the acquisition are set out in the Company's announcement dated 22 July 2013. The acquisition was completed on 30 August 2013, and Zhong Kuang became an indirect non wholly-owned subsidiary of the Company.

39. 金融工具 (續)

(c) 金融工具之公平值

金融資產及金融負債之公平值釐定如下：

- 附帶標準條款及條件並於活躍市場買賣之金融資產及金融負債之公平值乃分別參考所報市場買入價及賣出價釐定；及
- 其他金融資產及金融負債之公平值乃按公認定價模式，根據折現現金流量分析釐定。

本集團按成本或按攤銷成本列賬之金融工具之賬面值與其於二零一三年十二月三十一日及二零一二年十二月三十一日之公平值並無重大差異。

40. 業務合併

於二零一三年七月二十二日，本集團透過本公司之間接全資附屬公司北京金橋恒泰科技有限公司（「北京金橋」）收購中礦京資投資有限公司（「中礦」）之51%股權，總現金代價為人民幣25,500,000元（相當於約32,070,000港元）。中礦主要從事(i)項目投資；(ii)投資管理；(iii)投資諮詢；及(iv)銷售及交易金屬材料及礦產品。有關收購事項之進一步詳情載於本公司日期為二零一三年七月二十二日之公告。收購事項已於二零一三年八月三十日完成，中礦成為本公司之間接全資附屬公司。

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截至二零一三年十二月三十一日止年度

40. BUSINESS COMBINATION (continued)

40. 業務合併 (續)

		2013 二零一三年 HK\$'000 千港元
Details of the net assets acquired and goodwill are as follows:	所收購資產淨值及商譽之詳情如下：	
Purchase consideration	購買代價	
— cash paid	— 已付現金	32,070
Non-controlling interests	非控股股東權益	27,716
Fair value of net assets acquired	所收購資產淨值之公平值	(56,026)
Goodwill	商譽	3,760

The recognised amounts of identifiable assets acquired and liabilities assumed as at the date of acquisition are as follows:

於收購日期收購之可識別資產及承擔之負債之確認金額如下：

		2013 二零一三年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	56
Interest in an associate	於一間聯營公司之權益	40,881
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	250,367
Cash and cash equivalents	現金及現金等價物	111
Other payables and accruals	其他應付款項及應計費用	(235,389)
Net assets acquired	所收購資產淨值	56,026
Non-controlling interests	非控股股東權益	(27,716)
Goodwill	商譽	3,760
Consideration	代價	32,070
Purchase consideration settled in cash	以現金結算之購買代價	32,070
Cash and cash equivalents in a subsidiary acquired	所收購一間附屬公司之現金及現金等價物	(111)
Cash outflow on acquisition	收購時之現金流出	31,959

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40. BUSINESS COMBINATION (continued)

The non-controlling interests of 49% in Zhong Kuang recognised at the acquisition date was measured at the non-controlling interests' proportionate share of the recognised amounts of Zhong Kuang's identifiable net assets.

The acquired business contributed revenue of HK\$Nil and net loss of HK\$2,000,000 to the Group for the period from 30 August 2013 to 31 December 2013. If the acquisition had occurred on 1 January 2013 consolidated revenues and consolidated loss of the Group for the year would have been increased by HK\$Nil and HK\$2,225,000 respectively.

Goodwill can be attributable to the anticipated profitability of the acquired business.

40. 業務合併 (續)

收購日期確認之於中礦之49%非控股股東權益乃以非控股股東權益按比例分佔中礦可識別資產淨值之已確認金額計量。

自二零一三年八月三十日至二零一三年十二月三十一日期間，所收購業務為本集團貢獻收益零港元及淨虧損2,000,000港元。倘收購事項已於二零一三年一月一日完成，則年內本集團之綜合收益及綜合虧損將分別增加零港元及2,225,000港元。

商譽可歸因於所收購業務之預期盈利能力。

41. DISPOSAL OF A SUBSIDIARY

41. 出售一間附屬公司

		2013 二零一三年 HK\$'000 千港元
Net assets disposed:	所出售資產淨值：	
Inventories	存貨	121,927
Trade receivables	應收賬款	195,364
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	160,235
Tax credit	稅項抵免	17,384
Cash and cash equivalents	現金及現金等價物	48,786
Trade payables	應付賬款	(48,833)
Other payables and accruals	其他應付款項及應計費用	(56,646)
Net assets	資產淨值	438,217
Realised of exchange fluctuation reserve upon disposal	出售時變現匯兌波動儲備	(29,031)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	1,897
Consideration received in cash and cash equivalent	已收現金及現金等價物之代價	411,083
Cash and cash equivalent disposed	出售現金及現金等價物	(48,786)
Net cash inflow on disposal of a subsidiary	出售一間附屬公司之現金流入淨額	362,297

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AT 31 DECEMBER 2013

42. 本公司於二零一三年十二月三十一日之財務狀況表

		31.12.2013 二零一三年 十二月三十一日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產	1,000	1,000
Current assets	流動資產	1,271,268	1,382,408
Current liabilities	流動負債	150,401	811
Net current asset	流動資產淨值	1,120,867	1,381,597
Total assets less current liabilities	總資產減流動負債	1,121,867	1,382,597
Non-current liabilities	非流動負債	—	150,000
Net asset	資產淨值	1,121,867	1,232,597
Capital and reserve	資本及儲備		
Share capital	股本	34,086	31,086
Share premium	股份溢價	1,466,350	1,394,441
Share option reserve	購股權儲備	3,396	11,322
Accumulated losses (Note)	累計虧損(附註)	(381,965)	(204,252)
Total equity	權益總額	1,121,867	1,232,597
Note:	附註:		
Movements of the Company's accumulated losses are as follows:	本公司累計虧損之變動如下:		
At beginning of year/period	於年/期初	204,252	208,550
Loss/(profit) for the year/period	年/期內虧損/(溢利)	188,043	(4,298)
Share option lapsed during the year	於年內失效之購股權	(10,330)	—
At end of year/period	於年/期末	381,965	204,252

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43. EVENTS AFTER THE REPORTING PERIOD

On 17 January 2014, the Group entered into letter of intent with an independent third party, pursuant to which the Group intended to acquire the entire equity interest of Shanxi Jingzuo Bima Technology Limited, a company incorporated in the People's Republic of China and principally engaged in research and development on the application technologies and genetic engineering of castor seeds, manufacturing and selling of castor seeds, castor oil and other related products. Subject to the due diligence to be conducted by the Group, the consideration is expected to be in the range from RMB800 million (approximately HK\$1,024 million) to RMB1,200 million (approximately HK\$1,536 million). Further details are set out in the Company's announcement dated 17 January 2014.

43. 報告期後事項

於二零一四年一月十七日，本集團與獨立第三方訂立意向書，據此，本集團擬收購山西經作蓖麻科技有限公司（一間於中華人民共和國註冊成立之公司，主要從事研發蓖麻籽應用技術及基因工程、生產及銷售蓖麻籽、蓖麻油及其他有關產品）之全部股權。視乎本公司將進行之盡職審查而定，預期代價介乎人民幣800,000,000元（相當於約1,024,000,000港元）至人民幣1,200,000,000元（相當於約1,536,000,000港元）。進一步詳情載於本公司日期為二零一四年一月十七日之公告。

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

44. 本公司主要附屬公司之詳情

Details of the Company's principal subsidiaries as at 31 December 2013 are as follows:

本公司主要附屬公司於二零一三年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Heng Xin Management Limited 恒芯管理有限公司	Hong Kong 香港	1,000,000 ordinary shares of HK\$1 each 1,000,000 股每股面值 1 港元之普通股	100%	—	Provision for management services 提供管理服務
China Champion Development Limited 中澤發展有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000 股每股面值 1 港元之普通股	—	100%	Investment holding and trading of electronic parts 投資控股及買賣電子零配件
Shenzhen Champion Maxiumic Group Co., Ltd. 深圳中澤明芯集團有限公司	The PRC 中國	RMB200,000,000 人民幣 200,000,000 元	—	100%	Investment holding, digital cable television business, general trading and provision for technical services and related value-added services, technology development and technology consultant 投資控股、有線數字電視業務、一般貿易及提供技術服務及相關增值服務、技術開發及技術顧問

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

44. 本公司主要附屬公司之詳情

(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hebei Champion Maxiumic Technologies Co., Ltd.	The PRC	RMB10,000,000	—	100%	Investment holding, digital cable television business, general trading and provision for technical services and related value-added services, technology development and technology consultant
河北中澤信息科技有限公司	中國	人民幣 10,000,000 元	—	100%	投資控股、有線數字電視業務、一般貿易及提供技術服務及相關增值服務、技術開發及技術顧問
Huzhou Mingxin Micro — Electronic Co., Ltd.	The PRC	RMB10,000,000	—	100%	Research, design, manufacturing and trading of wireless digital audio products and related solutions and services
湖州明芯微電子設計有限責任公司	中國	人民幣 10,000,000 元	—	100%	研究、設計、製造及買賣無線數字音頻產品及相關解決方案及服務

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

44. 本公司主要附屬公司之詳情

(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Beijing Champion Maxiumic Technology Co., Ltd.	The PRC	RMB16,550,000	—	100%	Wireless digital television value-added services, general trading and provision for technical services and related value-added services, technology development and technology consultant
北京中澤明芯科技有限公司	中國	人民幣 16,550,000 元	—	100%	無線數字電視增值服務、一般貿易及提供技術服務及相關增值服務、技術開發及技術顧問
Beijing Jinqiao Hengtai Technology Co., Ltd.	The PRC	HK\$200,000,000	—	100%	Investment holding, wireless digital terrestrial television network equipment integrated business, research, design, manufacturing and trading of information safety products
北京金橋恒泰科技有限公司	中國	200,000,000 港元	—	100%	投資控股、地面無線數字電視網絡設備集成業務、研究、設計、製造及買賣信息安全產品

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

44. 本公司主要附屬公司之詳情

(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Zhong Kuang Jing Zi Investment Co., Ltd	The PRC	RMB50,000,000元	—	51%	Project investment, investment management, investment consulting and sale and trading of metal materials and mineral products
中礦京資投資有限公司	中國	人民幣50,000,000元	—	51%	項目投資、投資管理、投資諮詢以及銷售金屬材料及礦產品

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the reporting period.

上表所列乃本公司董事認為對本集團業績或資產有重大影響之本公司附屬公司。本公司董事認為，列出其他附屬公司之詳情會過於冗長。

報告期末概無附屬公司已發行任何債務證券。

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45. PARTICULARS OF ASSOCIATE OF COMPANY

Details of the Company's associate as at 31 December 2013 are as follows:

45. 本公司聯營公司之詳情

本公司聯營公司於二零一三年十二月三十一日之詳情如下：

Name of associate 聯營公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and paid up capital/ registered capital 已發行及繳足股本／註冊資本	Percentage of equity interest held by the Company 本公司所持股權之百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Xinlei Mining Development Co., Limited 麗江鑫磊礦業有限公司	The PRC 中國	RMB100,000,000 人民幣 100,000,000 元	—	30%	Sale of copper mine products 銅礦產品銷售

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

A summary of the results and assets and liabilities of the Group for each of the five financial periods is as follows:

本集團五個財政期間各期間之業績以及資產及負債概要如下：

RESULTS

業績

		Year ended 30 June 截至六月三十日止年度			Period from 1 July 2012 to 31 December 2012 二零一二年 七月一日至 二零一二年 十二月 三十一日 期間	Year ended 31 December 2013 截至 二零一三年 十二月 三十一日 止年度
		2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Revenue	收益	653,260	676,624	612,460	300,332	227,539
Profit/(loss) before taxation	除稅前溢利／(虧損)	204,375	234,369	166,977	9,928	(1,024,861)
Taxation	稅項	(8,730)	(27,766)	(14,073)	(8,766)	(16,698)
Profit/(loss) for the period	期內溢利／(虧損)	195,645	206,603	152,904	1,162	(1,041,559)
Attributed to:	其中：					
Owners of the Company	本公司擁有人	181,042	201,942	152,904	1,162	(1,039,559)
Non-controlling interests	非控股股東權益	14,603	4,661	—	—	(2,000)
		195,645	206,603	152,904	1,162	(1,041,559)
Basic earnings/(loss) per share (HK cents)	每股基本盈利／(虧損) (港仙)	11.50	9.50	6.12	0.04	(32.15)
Diluted earnings/(loss) per share (HK cents)	每股攤薄盈利／(虧損) (港仙)	10.28	8.53	6.12	0.04	N/A 不適用

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

ASSETS AND LIABILITIES

資產及負債

		As at 30 June 於六月三十日			As at 31 December 2012 於二零一二年 十二月 三十一日	As at 31 December 2013 於二零一三年 十二月 三十一日
		2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Non-current assets	非流動資產	1,022,244	1,044,679	1,206,635	1,273,729	564,847
Current assets	流動資產	551,757	1,124,400	1,151,490	639,108	1,182,368
Assets classified as held for sale	分類為持作出售之資產	—	—	—	581,152	171,678
Current liabilities	流動負債	(306,536)	(216,353)	(338,293)	(180,358)	(705,992)
Liabilities directly associated with assets classified as held for sale	與分類為持作出售 之資產直接相關之負債	—	—	—	(48,048)	—
Non-current liabilities	非流動負債	(179,847)	(266,998)	(75,770)	(225,679)	(76,098)
Net assets	資產淨值	1,087,618	1,685,728	1,944,062	2,039,904	1,136,803
Equity attributable to owners of the Company	本公司擁有人 應佔權益	1,058,043	1,685,728	1,944,062	2,039,904	1,111,111
Non-controlling interests	非控股股東權益	29,575	—	—	—	25,692
Total equity	權益總額	1,087,618	1,685,728	1,944,062	2,039,904	1,136,803



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

Unit 2, 24/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong
香港灣仔告士打道39號夏慤大廈24樓2室

Tel 電話 : (852) 3678 5500
Fax 傳真 : (852) 3178 9884
Website 網址 : www.hengxinchina.com.hk



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恒芯中國

www.hengxinchina.com.hk