



高陽科技(中國)有限公司*

HI SUN TECHNOLOGY (CHINA) LIMITED

(於百慕達註冊成立之有限公司) (*Incorporated in Bermuda with limited liability*)
(股份代號 Stock code: 0816)



Annual Report 2007年報

* For identification
purpose only
僅供識別

Contents

目錄

2	Corporate Information	公司資料
4	Simplified Corporate Chart	公司架構簡表
6	Notice of Annual General Meeting	股東週年大會通告
13	Chairman's Statement	主席報告
16	Directors and Senior Management	董事及高層管理人員
21	Corporate Governance Report	企業管治報告
38	Report of the Directors	董事會報告
57	Management Discussion and Analysis	管理層之討論與分析
74	Independent Auditor's Report	獨立核數師報告
78	Consolidated Income Statement	綜合收益表
79	Consolidated Balance Sheet	綜合資產負債表
81	Balance Sheet	資產負債表
83	Consolidated Statement of Changes in Equity	綜合權益變動表
85	Consolidated Cash Flow Statement	綜合現金流量表
87	Notes to the Consolidated Financial Statements	綜合財務報表附註
204	Summary Financial Information	財務資料摘要

BOARD OF DIRECTORS

Executive Directors

CHEUNG Yuk Fung (*Chairman*)
KUI Man Chun
XU Wensheng
LI Wenjin
XU Chang Jun
CHAN Yiu Kwong (*resigned on 3 December 2007*)

Independent Non-Executive Directors

TAM Chun Fai
LEUNG Wai Man, Roger
XU Sitao

COMPANY SECRETARY

CHAN Yiu Kwong

BERMUDA RESIDENT REPRESENTATIVE

John Charles Ross Collis

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS

As to Hong Kong Law

Woo, Kwan, Lee & Lo

As to Bermuda Law

Conyers Dill & Pearman

董事會

執行董事

張玉峰 (主席)
渠萬春
徐文生
李文晉
徐昌軍
陳耀光 (於二零零七年十二月三日辭任)

獨立非執行董事

譚振輝
梁偉民
許思濤

公司秘書

陳耀光

百慕達註冊處代表

John Charles Ross Collis

核數師

羅兵咸永道會計師事務所

法律顧問

香港法律

胡關李羅律師事務所

百慕達法律

Conyers Dill & Pearman

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation
Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2416, 24th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

SHARE REGISTRAR IN BERMUDA

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tengis Limited
Level 25
Three Pacific Place
No.1 Queen's Road East
Hong Kong

主要往來銀行

恒生銀行有限公司
香港上海滙豐銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港主要營業地點

香港
灣仔
港灣道30號
新鴻基中心
24樓2416室

百慕達股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

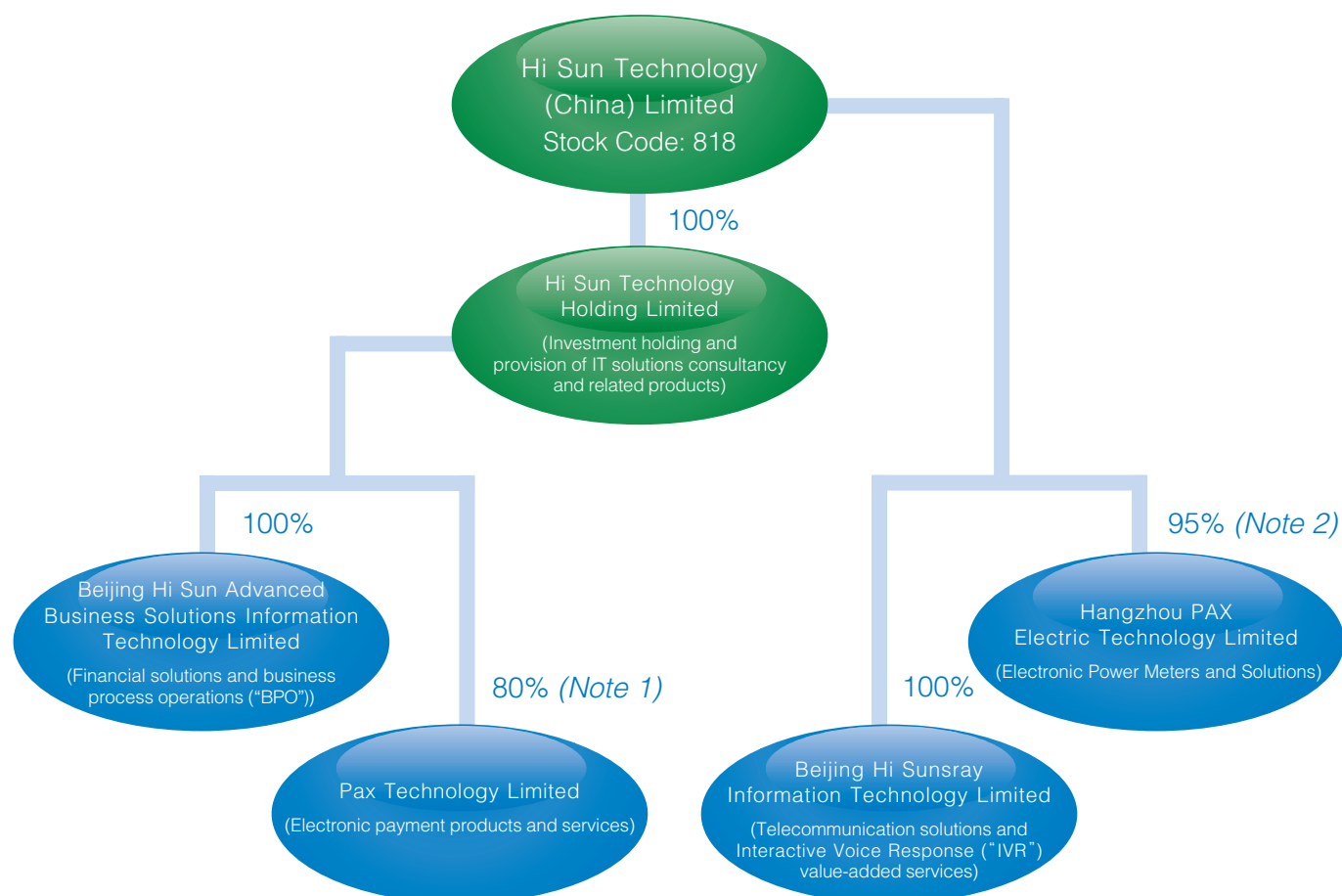
股份過戶登記處香港分處

登捷時有限公司
香港
皇后大道東1號
太古廣場三座
25樓

Simplified Corporate Chart

公司架構簡表

The following is a simplified corporate chart of the Group's principal operating subsidiaries up to the date of this report.



Note 1: Pursuant to a subscription agreement (the "PAX Subscription Agreement") dated 4 April 2007 entered into between PAX Technology Limited ("PAX"), and Digital Investment Limited (the "PAX Subscriber") in relation to the subscription by the PAX Subscriber of 8,750,000 preference shares of PAX of HK\$1.00 each (the "PAX Preference Shares") at a total subscription price of US\$10 million (equivalent to approximately HK\$78.1 million) (the "PAX Subscription"). The PAX Preference Shares represent 25% of the then existing issued share capital of PAX and 20% of the issued share capital of PAX as enlarged by the PAX Subscription. The Subscriber is a third party independent of the Group. The PAX Subscription was completed on 23 May 2007.

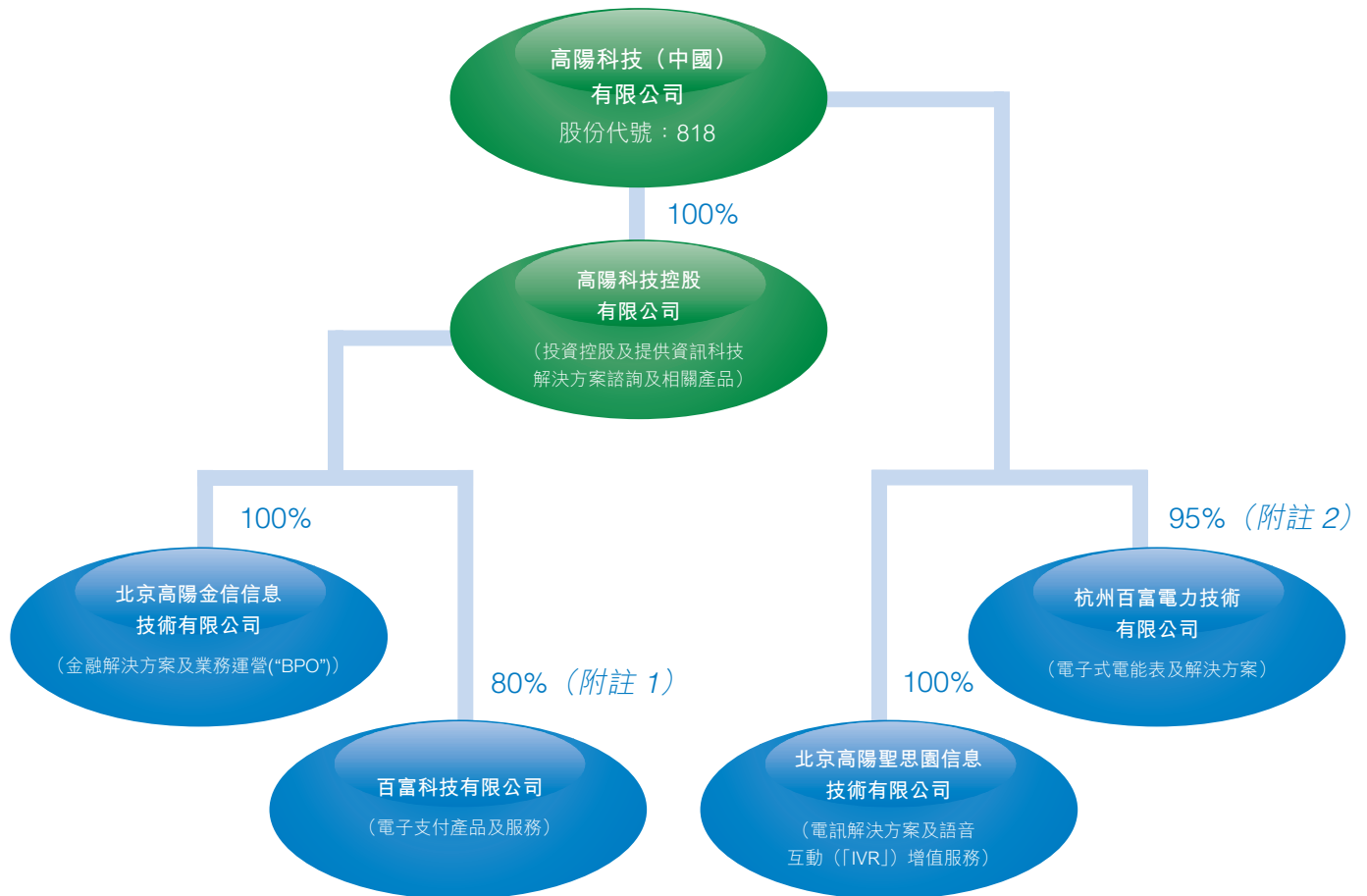
Note 2: The Company currently owns 95% of the entire issued share capital of New Concept Services Limited ("New Concept"). On 8 April 2008, the Company entered into an agreement with Universal Star Group Ltd. (the "Vendor"), pursuant to which the Company conditionally agreed to purchase, and the Vendor agreed to sell the 5 ordinary shares of nominal value USD1.00 each in New Concept, representing 5% of the entire issued share capital of New Concept, owned by the Vendor, for a cash consideration of approximately HK\$15.5 million (the "Acquisition").

The Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and approval by the independent shareholders at the special general meeting of the Company to be convened and held to consider and if thought appropriate, to approve the Acquisition and the transaction contemplated under the acquisition agreement by the independent shareholders of the Company (the "SGM"). Details of the Acquisition and the SGM are disclosed in the announcement of the Company of 10 April 2008.

Simplified Corporate Chart

公司架構簡表

下表為截至本報告日期本集團主要營運附屬公司之公司架構簡表：



附註 1： 根據於二零零七年四月四日百富科技有限公司(「百富」)與Digital Investment Limited(「百富認購人」)訂立之認購協議(「百富認購協議」)，百富認購人按總認購價10,000,000美元(約相等於78,100,000港元)認購8,750,000股每股面值1.00港元之百富優先股(「百富優先股」)(「百富認購」)。百富優先股佔百富當時現有已發行股本25%及經百富認購擴大後百富已發行股本20%。認購人乃獨立於本集團之第三方。百富認購於二零零七年五月二十三日完成。

附註 2： 本公司現時擁有新創服務有限公司(「新創」)全部已發行股本95%。於二零零八年四月八日，本公司與Universal Star Group Ltd.(「賣方」)訂立協議，據此，本公司有條件同意認購及賣方同意出售賣方所擁有之新創每股面值1.00美元之5股普通股，佔新創全部已發行股本5%，代價為現金約15,500,000港元(「收購事項」)。

收購事項根據上市規則第14A章構成本公司之關連交易，須遵守申報、公告及於將召開及舉行之本公司股東特別大會(「股東特別大會」)上獲本公司獨立股東批准之規定，而該股東特別大會上獨立股東將考慮及(倘認為適當)批准收購事項及收購協議下擬進行之交易。收購事項及股東特別大會之詳情在本公司二零零八年四月十日之公佈中有所披露。

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN that an annual general meeting (the “Annual General Meeting”) of Hi Sun Technology (China) Limited (the “Company”) will be held at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Friday, 23 May 2008 at 10:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and of the auditors for the year ended 31 December 2007;
2. To re-elect retiring Directors and to authorise the Board of Directors to fix their remuneration;
3. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration;

As special business, to consider and, if thought fit, pass the following resolutions, with or without modifications, as Ordinary Resolutions:

4. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.0025 each in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

茲通告高陽科技(中國)有限公司(「本公司」)謹定於二零零八年五月二十三日星期五上午十時半假座香港灣仔港灣道30號新鴻基中心24樓2416室舉行股東週年大會(「股東週年大會」)，以處理下列事項：

1. 省覽及採納截至二零零七年十二月三十一日止年度之經審核綜合財務報表及本公司董事(「董事」)與核數師之報告；
2. 重選退任董事，並授權董事會釐定董事酬金；
3. 續聘核數師，並授權董事會釐定其酬金；

作為特別事項，考慮並酌情通過(不論有否修訂)下列決議案為普通決議案：

4. **「動議：**
 - (a) 在本決議案(c)段之規限下，一般及無條件批准董事於有關期間(按下文之定義)內行使本公司之一切權力以配發、發行及處理本公司股本中每股面值0.0025港元之額外股份以及作出或授予將須或可能須行使此等權力方可作出或授予之售股建議、協議及購股權(包括認股權證、債券、票據及附有權利認購或轉換為本公司股份之其他證券)；

Notice of Annual General Meeting

股東週年大會通告

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to allot, issue and deal with additional shares of HK\$0.0025 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any option granted under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time; or (iv) an issue of shares in the Company upon the exercise of rights of subscription or
- (b) 本決議案(a)段之批准乃授權董事於有關期間(按下文之定義)內配發、發行及處理本公司股本中每股面值0.0025港元之額外股份以及作出或授予將須或可能須於有關期間結束後行使此等權力方可作出或授予之售股建議、協議及購股權(包括債券、認股權證、公司債券、票據及附有權利認購或轉換為本公司股份之任何證券)；
- (c) 董事依據本決議案(a)段之批准而配發或有條件或無條件同意配發(不論是否依據購股權)之股本面值總額不得超過於本決議案獲通過當日本公司已發行股本面值總額之20%，惟依據(i)供股(按下文之定義)；或(ii)行使根據本公司購股權計劃或當時採納以向本公司及／或其任何附屬公司之高級職員及／或僱員發行股份或授出認購本公司股份之權利之任何其他購股權計劃或類似安排已授出購股權；或(iii)任何根據本公司不時有效之公司細則配發股份以代替本公司股份之全部或部分股息而設之以股代息或類似

Notice of Annual General Meeting

股東週年大會通告

conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

安排；或(iv)根據本公司現有任何認股權證或本公司現有附有權利認購或轉換為本公司股份之任何證券之條款，因行使認購權或轉換權而發行本公司股份而配發者除外，而上述批准亦須受此數額限制；及

- (d) 就本決議案而言，「有關期間」指由本決議案獲通過之日起至下列最早日期止期間：
- (i) 本公司下屆股東週年大會結束時；
 - (ii) 本公司股東在股東大會通過普通決議案撤銷或修訂本決議案所授予董事會授權。

Notice of Annual General Meeting

股東週年大會通告

“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to the holders of shares of the Company, or any class thereof, whose name appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

「供股」乃指於董事指定期間內，向於指定記錄日期名列本公司股東名冊內持有本公司股份或本公司任何類別股份之人士（及倘合適，向有權獲得該建議之本公司其他證券持有人），按彼等當日持有股份（或倘合適，該等其他證券）之比例，提呈發售本公司股份或提呈發行購股權、認股權證或其他有權認購本公司股份之證券之建議，惟董事可就零碎股權或經考慮本公司適用之香港以外任何地區之任何法律限制或責任或本公司適用之香港以外任何地區內任何認可監管機構或任何證券交易所之規定後認為必要或權宜之情況下，取消有關權利或作出其他安排。」

Notice of Annual General Meeting

股東週年大會通告

5. “THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of HK\$0.0025 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“Securities and Futures Commission”) and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

5. 「動議：

- (a) 在本決議案(b)段之規限下，一般及無條件批准董事於有關期間(按下文之定義)內行使本公司一切權力，於香港聯合交易所有限公司(「聯交所」)或本公司股份可能上市並經由香港證券及期貨事務監察委員會(「證券及期貨事務監察委員會」)及聯交所就此認可之任何其他證券交易所，按照證券及期貨事務監察委員會、聯交所或任何其他證券交易所不時修訂之規則及規例及就此而言之所有適用法例，購回本公司股本中每股面值0.0025港元之股份；
- (b) 本公司獲授權根據本決議案(a)段之批准於有關期間購回之股份面值總額不得超過於本決議案獲通過之日，本公司已發行股本面值總額之10%，而上述批准亦須受此數額限制；及

Notice of Annual General Meeting

股東週年大會通告

- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; and
 - (ii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. “**THAT** subject to the passing of Resolutions No.4 and No.5 set out in this notice convening this meeting, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to Resolution No.4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No.5 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”
- (c) 就本決議案而言，「有關期間」指由本決議案獲通過之日起至下列最早日期止期間：
- (i) 本公司下屆股東週年大會結束時；及
 - (ii) 本公司股東在股東大會通過普通決議案撤銷或修訂本決議案所授予董事授權。」
6. 「**動議**須待召開大會通告所載第4及5項決議案獲通過後，擴大根據召開本大會通告所載第4項決議案授予董事以配發、發行及處理額外股份之一般授權，加入本公司根據召開本大會通告所載第5項決議案所授出之權力購回本公司股本中之股份面值總額，惟購回股份之數額不得超過本決議案獲通過之日，本公司已發行股本之面值總額之10%。」

By Order of the Board
Li Wenjin
Executive Director

承董事會命
李文晉
執行董事

Hong Kong, 28 April 2008

香港，二零零八年四月二十八日

Notice of Annual General Meeting

股東週年大會通告

Notes:

- (1) A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is enclosed.
- (3) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting if the member so desires.
- (4) To be valid, a form of proxy must be duly completed and signed in accordance with the instructions printed thereon and lodged, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the principal place of the business of the Company at Room 2416, 24th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be).
- (5) With regard to resolution no.2 in this notice, the Board of Directors proposes that the retiring Directors, namely, Mr. Cheung Yuk Fung, Mr Tam Chun Fai and Mr. Leung Wai Man, Roger be re-elected as Directors. The biographies of these Directors are also set out in Appendix II to the circular of the Company to be despatched to the shareholders accompanying with this annual report.

附註：

- (1) 凡有權出席本通告召開之大會並於會上投票之股東，均可委派一名或以上受委代表出席及代其投票。委任代表毋須為本公司股東。
- (2) 大會適用之代表委任表格隨函附上。
- (3) 填妥及交回代表委任表格後，股東屆時仍可依願親身出席大會或其任何續會，並於會上投票。
- (4) 代表委任表格必須根據其所印列指示填妥及簽署，連同簽署表格之授權書或其他授權文件（如有），或經證明之授權書或授權文件副本，最遲須於大會或任何續會（視適用情況而定）指定舉行時間四十八小時前送達本公司之主要營業地點，地址為香港灣仔港灣道30號新鴻基中心24樓2416室，方為有效。
- (5) 就通告中第2項決議案而言，董事會建議退任董事張玉峰先生、譚振輝先生及梁偉民先生獲重選為董事。該等董事之簡歷亦載於本公司隨附本年報寄交股東之本公司通函附錄二內。

Dear Shareholders,

The Group reported profit of HK\$192.52 million for the year ended 31 December 2007 as compared to HK\$133.60 million in 2006. The increase in the profit for the year was mainly contributed by strong growth in our recurring profits from electronic payment products and services and telecommunication solutions and information technology operation value-added services.

In year 2007, we continued to maintain an optimal growth of our existing business sectors while seeking new investment opportunities to strengthen the Group's growth momentum. It was a challenging year for us which was further exemplified by the development of the business process operations ("BPO") business under our financial solutions arm and the acquisition of Hualong Group, in the electronic power meters and solutions industry. We believe the resulting new income streams will enhance the Group's overall profitability and help to deliver the best values to our shareholders over the long term.

In May 2007, we attracted new investments of US\$10 million (approximately HK\$78 million) from institutional investors subscribing approximately 20% interests in PAX, providing additional working capital for PAX's business operation and positive exploration of the international markets.

各位股東：

截至二零零七年十二月三十一日止年度，本集團錄得溢利192,520,000港元，而二零零六年的則為133,600,000港元。年內溢利上升主要是由於來自電子支付產品及服務以及電訊解決方案及資訊科技運營增值服務經常性溢利的強勁增長。

於二零零七年，本集團繼續維持現有業務分部的理想增長，與此同時尋求新的投資契機以加強集團的增長動力。本年對本集團乃極富挑戰性的一年，從可經開發金融解決方案業務下的業務運營（「BPO」）業務，及收購從事電子式電能表及解決方案行業的華隆集團等事項得到印證。本集團相信長遠而言，這些新的收入來源將提升本集團的整體盈利能力並為股東帶來最佳的價值。

於二零零七年五月，本集團吸引機構投資者10,000,000美元（約78,000,000港元）的新投資額，認購百富約20%的權益，為百富的業務經營提供額外營運資金及助其開拓國際市場。

Chairman's Statement

主席報告

The financial solution segment incurred a segmental loss of HK\$8.11 million which was attributable to certain delays in certain projects and organisation restructure. With a vision to strive for more stable, sustainable and recurring income streams, we have refocused our strategies and implemented certain measures to leverage our expertise into BPO and out-sourcing services to financial institutions. By the end of 2007, our ATM network consisted of 700 ATMs located in 5 major cities in China, providing convenient and timely access to millions of local residents.

Subsequent to the acquisition of 95% interest of Hualong Group in July 2007, we spent approximately six months in restructuring and reorganisation. Hualong Group continued to uphold its dominant position in the domestic market, and formed strategic partnership with international leader aiming at the export markets.

Looking ahead, we are confident of the underlying competencies of our core and developing businesses and of the economies in which they operate. China, with its continuously growing trade across the region and gradually easing trade restrictions, is poised to become the largest consumption market in the world. The Group has established its foothold in the telecommunication, financial and energy sectors, which are expected to experience the most robust growth in the coming years. We are poised to capitalize on the business opportunities in these fast-growing industries, and is backed by a seasoned and dedicated management team. We are confident that our model to develop a high value-added business operation will be a great success.

金融解決方案業務錄得分部虧損8,110,000港元，此乃由於延遲若干項目及架構重組。本集團致力尋求更穩定、持續及經常的收入來源，因此我們將策略重新定位及實行若干措施，將我們的專長用於向金融機構提供BPO及外包服務。於二零零七年底，本集團的自動櫃員機網絡包括在中國五大城市的700台自動櫃員機，為國內數以百萬計的居民提供方便快捷的服務。

二零零七年七月收購華隆集團95%的權益後，本集團耗時約六個月於重整及重組。華隆集團繼續維持其於國內市場的領導地位，並與國際性的市場領導者建立策略夥伴關係開拓出口市場。

展望未來，對於本集團核心業務和發展中業務的內在能力，以及該等業務營運所處區域經濟狀況，我們均充滿信心。隨著中國於整個區內的貿易持續增長，以及其貿易限制逐步放寬，勢必成為全球最大的消費市場。本集團已於電訊、金融和能源界建立基礎，預期於未來年間將呈現最強勁的增長。憑藉努力不懈的資深管理團隊，本集團準備全力抓緊該等高速增長行業所湧現的商機。本集團深信，我們發展高增值業務的營運模式將會取得豐碩成果。

Chairman's Statement

主席報告

On behalf of the Board, I would like to thank the management and employees for their concerted efforts and contributions to the Group. Particularly, I would like to extend my sincerest appreciation to Mr Chan Yiu Kwong, who has resigned as executive director and retained his position as the Company Secretary of the Company during the year for his dedication and commitment throughout these years.

Also, I take this opportunity to express my utmost gratitude to our customers, bankers, suppliers, business associates and most valued shareholders for their continuous trust and support to the Group.

Cheng Yuk Fung
Chairman

Hong Kong, 18 April 2008

本人代表董事會謹此對管理層及各職員的群策群力及為集團作出的貢獻深表感激。尤其，本人謹此對於本年度辭任本公司執行董事而留任公司秘書的陳耀光先生多年以來的努力及承擔致以衷心謝意。

此外，本人藉此機會向各客戶、銀行、供應商、業務夥伴及最尊貴的股東對本集團的持續信賴及支持致以由衷感謝。

主席
張玉峰

香港，二零零八年四月十八日

Directors and Senior Management

董事及高層管理人員

As at 18 April 2008, the date of the Report of the Directors, the biographical details of the directors and senior management of the Company are as follows:

BOARD OF DIRECTORS

Executive Directors

CHEUNG YUK FUNG *Chairman*

Mr. Cheung, aged 62, has been the Chairman and Director of the Company since November 2001. He graduated from the Faculty of Radio Electronics at Peking University in the People's Republic of China (the "PRC") and worked as a professor at Peking University thereafter. Prior to joining the Group, Mr. Cheung was a chairman of a company listed in the PRC and a director of a company listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and has working experience in international trade, finance, asset management and strategic planning. Mr. Cheung was honoured many awards, including being selected as the young entrepreneur with outstanding contribution to China, and won the first prize of national golden award for enterprise initiators in the 4th National Technology Industrialist Award and many other awards.

KUI MAN CHUN

Mr. Kui, aged 42, has been the Director of the Company since June 2001. He graduated from Peking University in the PRC with a master's degree in international relations and has over 15 years of experience in the information technology industry and investment activities. Mr. Kui is also the chairman and chief executive officer of Hi Sun Limited ("HSL"), the Company's controlling shareholder. Prior to joining HSL in 2000, Mr. Kui was the president of an enterprise in the PRC.

於二零零八年四月十八日(即董事會報告日期)，本公司董事及高層管理人員之履歷詳情如下：

董事會 執行董事

張玉峰 主席

張先生，62歲，自二零零一年十一月起出任本公司主席兼董事。彼畢業於中華人民共和國(「中國」)北京大學之無線電系，並於其後出任北京大學之教授。在加入本集團前，張先生分別為一間於國內上市公司之董事長及一間於香港聯合交易所有限公司(「香港聯交所」)上市公司之董事，擁有國際貿易、金融、資產管理及策劃籌謀之經驗。張先生曾獲選為對中國具傑出貢獻之中青年企業家，並於第四屆國家科技企業家大獎榮獲企業創辦人金獎及其他多項殊榮。

渠萬春

渠先生，42歲，自二零零一年六月起出任本公司董事。彼畢業於中國北京大學，持有國際關係學碩士學位，在資訊科技業及投資業務方面積逾十五年豐富經驗。渠先生亦為本公司之控股股東Hi Sun Limited(「HSL」)之主席兼行政總裁。在二零零零年加入HSL前，渠先生乃國內一家企業之董事長。

Directors and Senior Management

董事及高層管理人員

XU WENSHENG

Mr. Xu, aged 39, has been the Director of the Company since February 2003. He graduated from the Dalian University of Technology with a bachelor's degree in computer science and engineering. Mr. Xu is also the director of HSL. Prior to joining the Company, Mr. Xu was the president of a system integration company and has an extensive experience in computer systems integration of the financial industry.

LI WENJIN

Mr. Li, aged 44, has been the Director of the Company since June 2001. He graduated from Peking University in the PRC with a master's degree in law. He has over 15 years of experience in investment and administrative affairs. Mr. Li is also the managing director of HSL. Prior to joining HSL in 1999, he had worked for several companies in the PRC and Hong Kong.

XU CHANG JUN

Mr. Xu, aged 41, has been the Director of the Company since July 2001. He graduated from Peking University in the PRC with a master's degree in international economics. Prior to joining the Company, Mr. Xu had worked for several companies in the PRC and Hong Kong. He has over 15 years of experience in corporate management of enterprise in Hong Kong and the PRC.

徐文生

徐先生，39歲，自二零零三年二月起出任本公司董事。彼畢業於大連理工大學，持有電腦科學及工程學士學位。徐先生亦為HSL的董事。加入本公司前，徐先生為一間系統集成公司之總裁，於金融業之電腦系統集成方面擁有豐富經驗。

李文晉

李先生，44歲，自二零零一年六月起出任本公司董事。彼畢業於中國北京大學，持有法律碩士學位，於投資及行政事務方面積逾十五年豐富經驗。李先生亦為HSL董事總經理。在一九九九年加入HSL前，彼曾任職中港兩地多家公司。

徐昌軍

徐先生，41歲，自二零零一年七月起出任本公司董事。彼畢業於中國北京大學，持有國際經濟學碩士學位。加入本公司前，彼曾任職中、港兩地多家公司。徐先生於中、港兩地企業管理方面積逾十五年豐富經驗。

Directors and Senior Management

董事及高層管理人員

Independent Non-executive Directors

TAM CHUN FAI

Mr. Tam, aged 46, has been an independent non-executive Director of the Company since May 2004. He graduated from the Hong Kong Polytechnic University with a bachelor of arts degree in accountancy. Mr. Tam is a member of Hong Kong Institute of Certified Public Accountants and is a member of Chartered Financial Analyst and has over 20 years' experience in auditing, corporate advisory services as well as financial management and compliance work. Mr. Tam is currently the financial controller and company secretary of Beijing Enterprises Holdings Limited, a major red chip company listed on the Main Board of the Hong Kong Stock Exchange.

LEUNG WAI MAN, ROGER

Mr. Leung, aged 51, has been an independent non-executive Director since September 2004. He graduated with a Bachelor's degree in Law and a Postgraduate Certificate in Laws from The University of Hong Kong. He also graduated with a bachelor's degree in Law from the University of Western Ontario, Canada. Mr. Leung has been a practicing solicitor in Hong Kong since 1984 and is now a partner of the law firm, Messrs Foo, Leung & Yeung. He is also admitted as a solicitor in England and Wales and as a barrister, solicitor and notary public in Ontario, Canada. Mr. Leung has extensive working experience in law both in Hong Kong and in Canada. He served as a member of the Inland Revenue Board of Review from 1997 to 2005 and is appointed as a China-appointed Attesting Officer since January 2003. Mr. Leung is currently an independent non-executive director of a company listed on the Hong Kong Stock Exchange.

獨立非執行董事

譚振輝

譚先生，46歲，自二零零四年五月起出任本公司獨立非執行董事。彼畢業於香港理工大學，持有會計文學士學位。譚先生為香港會計師公會會員及特許金融分析師成員。彼於核數、公司顧問服務以及財務管理及守章方面積逾二十年經驗。彼現為北京控股有限公司之財務總監兼公司秘書，該公司為一家於香港聯交所主板上市之大紅籌公司。

梁偉民

梁先生，51歲，自二零零四年九月起出任獨立非執行董事。彼畢業於香港大學，持有法律學士學位及法學專業證書。彼亦畢業於加拿大University of Western Ontario，持有法律學士學位。自一九八四年開始，梁先生為香港執業律師，現為傅梁楊律師行之合夥人。彼亦為英國及威爾斯認可律師及加拿大安大略省之律師、大律師及公證人。梁先生分別在香港和加拿大擁有豐富之法律經驗。一九九七年至二零零五年間，彼為稅務上訴委員會會員。自二零零三年一月起獲委任為中國委託公證人。梁先生現為香港聯交所一家上市公司的獨立非執行董事。

Directors and Senior Management

董事及高層管理人員

XU SITAO

Mr Xu, aged 44, has been an independent non-executive Director of the Company since July 2001. He graduated from Peking University in the PRC with a bachelor of arts degree in economics and from the University of Connecticut with a master of arts degree in economics. He also holds a master of science degree in Finance from Boston College. Mr. Xu is currently the Chief Representative China of the Economist Group and a director of Advisory Services (China) of Economist Intelligence Unit. Prior to the Economist Group, he was a senior economist at Industrial and Commercial Bank of China (Asia) Limited in Hong Kong from May 2003 to May 2004 and was the Chief Asian Economist of Societe Generale from September 2000 to November 2002. Between 1996 and 2000, he was a Regional Treasury Economist at Standard Chartered Bank. Prior to that, he was an Emerging Asia Economist of Standard & Poor's MMS International in Singapore.

SENIOR MANAGEMENT

As at 18 April 2008, the date of the Report of the Directors, Messrs Li Xiaoguang, Yao Cheng Chang, Nie Guoming, Jiang Hongchun and Miss Hui Lok Yan were the Company's senior management.

許思濤

許先生，44歲，自二零零一年七月起出任本公司獨立非執行董事。彼畢業於中國北京大學，持有經濟學文學學士學位，並持有University of Connecticut頒發之經濟學文學碩士學位。彼亦持有Boston College頒發之金融理學碩士學位。許先生現為經濟學人集團之中國首席代表兼中國經濟學人企業組織之中國諮詢服務總監。在經濟學人集團之前，彼於二零零三年五月至二零零四年五月曾為香港中國工商銀行(亞洲)有限公司高級經濟師，並於二零零零年九月至二零零二年十一月出任法國興業銀行之首席亞洲經濟師。一九九六年至二零零零年間，彼曾出任渣打銀行之地區庫務經濟師，之前則擔任新加坡之標準普爾博訊國際之新興亞洲市場經濟師。

高層管理人員

於二零零八年四月十八日(即董事會報告日期)，李曉光先生、姚誠彰先生、聶國明先生、蔣洪春先生及許諾恩小姐均為本公司高層管理人員。

Directors and Senior Management

董事及高層管理人員

LI XIAO GUANG

Mr. Li, aged 45, has been the Chief Executive Officer of Beijing Hi Sunray Information Technology Limited since September 2003. He graduated from Peking University in the PRC master's degree in Computer Science. Prior to joining the Company, Mr. Li was a member of a company's senior management in Beijing. He has over 20 years of experience in corporate management.

YAO CHENG CHANG

Mr. Yao, aged 44, has been the Chief Executive Officer of Beijing Hi Sun Advanced Business Solutions Information Technology Limited since August 2007. Prior to joining the Company, Mr. Yao was the vice president of a multi-national company. He has over 15 years experience in financial IT services.

NIE GUOMING

Mr. Nie, aged 46, has been the President of Pax Technology Limited since July 2001. He graduated from Tsinghua University with degree in Electronic Engineering and from Southeast University in PRC with a master's degree in Electronic Engineering. He has over 12 years payment industry experience.

JIANG HONGCHUN

Mr. Jiang, aged 38, is the Chief Executive Officer of Hangzhou Pax Electronic Technology Limited. He graduated from Shanghai Jiao Tong University. He has over 15 years of experience in banking solutions and meter solutions.

HUI LOK YAN

Miss. Hui, aged 29, has been the Group Deputy Financial Controller of the Company since March 2007. She graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration. Miss. Hui is currently a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, She was a manager of an international public accountancy Firm.

李曉光

李先生，45歲，自二零零三年九月起任職北京高陽聖思園信息技術有限公司行政總裁。彼畢業於中國北京大學，獲授計算機科學碩士學位。加盟本公司前，李先生曾任北京一家公司的高級管理層成員。彼擁有逾20年企業管理經驗。

姚誠彰

姚先生，44歲，自二零零七年八月起任職北京高陽金信信息技術有限公司行政總裁。加盟本公司前，姚先生為一家跨國公司的副總裁。彼擁有逾15年金融資訊科技經驗。

聶國明

聶先生，46歲，自二零零一年七月起任職百富科技有限公司總裁。彼畢業於清華大學，獲授電子工程學位及中國東南大學，獲授電子工程學碩士學位。彼擁有逾12年支付行業經驗。

蔣洪春

蔣先生，38歲，為杭州百富電力技術有限公司行政總裁。彼畢業於上海交通大學，擁有逾15年銀行解決方案及電能表解決方案經驗。

許諾恩

許小姐，29歲，自二零零七年三月起任職本公司之集團副財務總監。彼畢業於香港中文大學，獲授工商管理學士學位。許小姐現為香港會計師公會執業會計師。加盟本公司前，彼為一家國際執業會計師行經理。

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2007.

The Company wishes to highlight the importance of its Board of Directors ("Board") in ensuring effective leadership and control of the Company and transparency and accountability of all operations.

The Company recognises the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company's corporate governance practices are based on the principles ("Principles"), code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules").

The Company has complied with most of the Code Provisions save for certain deviations from the Code Provisions in respect of Code Provisions A.2.1, A.4.1 and E.1.2, details of which will be explained below.

The Company periodically reviews its organisational structure to ensure that operations are conducted in accordance with the standards of the CG Code.

董事會欣然於本集團截至二零零七年十二月三十一日止年度之年報提呈其企業管治報告。

本公司謹此表明，董事會（「董事會」）確保本公司有效領導及監控以及所有營運之透明度及問責性之重要性。

本公司明瞭良好企業管治對本公司穩健發展之重要性，已努力確立及制定符合本公司需要之企業管治常規。

本公司之企業管治常規乃以香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「企業管治守則」）當中原則（「原則」）、守則條文（「守則條文」）為基礎。

除若干事宜偏離守則條文第A.2.1、A.4.1及E.1.2條外，本公司一直遵守大部分守則條文，詳情於下文闡釋。

本公司定期檢討其組織架構，確保業務運作符合企業管治守則之準則。

Corporate Governance Report

企業管治報告

The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors should take decisions objectively in the interests of the Company.

The Board reserves for its decisions all major matters of the Company which include the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

本公司主要企業管治原則及常規概述如下：

董事會 職責

本公司業務整體管理賦予董事會負責，董事會承擔領導及監控本公司之責任，並透過指導及監管事務，集體負責促進本公司之成就。全體董事均客觀就本公司利益作出決定。

董事會保留就本公司所有重要事項作出決策之權力，包括批准及監控所有政策、整體策略及預算、內部監控及風險管理制度、重大交易（特別是或涉及利益衝突者）、財務資料、委任董事及其他重大財務與營運事宜。

全體董事可全面及時取得所有相關資料以及獲取公司秘書之意見及服務，以確保董事會會議程序及所有適用規則及規例獲得遵守。

各董事一般可於合適情況下，經向董事會提出要求，徵求獨立專業意見，而費用由本公司承擔。

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has the full support of the senior management to discharge its responsibilities.

Composition

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Company and to the exercising of independent judgement.

The Board currently comprises eight members, consisting of five executive directors and three independent non-executive directors.

The Board of the Company comprises the following directors:

Executive directors:

Cheung Yuk Fung (*Chairman*)

Kui Man Chun

Xu Wensheng

Li Wenjin

Xu Chang Jun

Independent non-executive directors:

Tam Chun Fai (*Chairman of Audit Committee*)

Leung Wai Man, Roger (*Member of Audit Committee*)

Xu Sitao (*Member of Audit Committee*)

本公司日常管理、行政及營運授權予高級管理層負責。獲指派之職能及工作會定期檢討。上述任何高級職員訂立任何重大交易前，須獲得董事會批准。

董事會履行職責時可獲得高級管理層全面支援。

組成

董事會之組成確保在技巧和經驗方面取得平衡，適合本公司業務所需及行使獨立判斷。

董事會現由8名成員組成，包括5名執行董事及3名獨立非執行董事。

本公司董事會由以下董事組成：

執行董事：

張玉峰 (*主席*)

渠萬春

徐文生

李文晉

徐昌軍

獨立非執行董事：

譚振輝 (*審核委員會主席*)

梁偉民 (*審核委員會成員*)

許思濤 (*審核委員會成員*)

Corporate Governance Report

企業管治報告

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

None of the directors of the Company had any relationship among the members of the Board of the Company.

During the year ended 31 December 2007, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The independent non-executive directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. By taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors make various contributions to the effective direction of the Company.

上列董事(按類別計)亦於本公司根據上市規則不時發出之所有企業通訊披露。

概無本公司董事與本公司董事會成員有任何關連。

截至二零零七年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事而其中最少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識之規定。

本公司已接獲各獨立非執行董事根據上市規則規定所作出有關其獨立身分之年度確認書。本公司認為，根據上市規則所載獨立身分指引，全體獨立非執行董事均屬獨立人士。

獨立非執行董事為董事會帶來廣泛商業及財務專業知識、經驗及獨立判斷。全體獨立非執行董事透過主導處理涉及潛在利益衝突事宜及參與董事會委員會，對本公司有效方針作出各方面貢獻。

Appointment and Succession Planning of Directors

The Company has established formal, considered and transparent procedures for the appointment and succession planning of directors.

Each of the non-executive director of the Company is subject to retirement by rotation once every three years.

Deviation from Code Provision A.4.1 (& reasons):

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Although the independent non-executive directors are not appointed for a specific term, all directors of the Company are subject to retirement by rotation once every three years and any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment pursuant to the Company's Bye-laws. Up to the date of this report, the Company has entered into services agreement with all the independent non-executive directors respectively providing for specific term.

Training for Directors

Each newly appointed director receives induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company. Besides, the Company shall consider to engage external legal and other professional advisors for providing professional development and training programmes to directors on an occasional basis.

董事委任及繼任規劃

本公司已訂立正式經考慮且具透明度之董事委任及繼任規劃程序。

本公司各非執行董事須最少三年輪值告退一次。

偏離守則條文第A.4.1條(及原因)：

守則條文第A.4.1條訂明非執行董事須按特定任期委任，並膺選連任。

儘管獨立非執行董事並非按特定任期委任，本公司全體董事均須每三年輪值告退一次，而任何就填補臨時空缺委任之新任董事，須根據本公司之公司細則，於獲委任後首個股東大會由股東重選。直至本報告日期，本公司已與所有獨立非執行董事訂立服務合約並標明特定任期。

董事培訓

各新委任董事於最初獲委任時獲得就職介紹，確保彼恰當瞭解本公司業務及運作。此外，本公司將考慮委聘外聘法律及其他專業顧問，以按非經常性質，向董事提供專業發展及培訓計劃。

Corporate Governance Report

企業管治報告

Board Meetings

Regular Board meetings were held four times during the year for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

Number of Meetings and Directors' Attendance

The Board met four times during the year ended 31 December 2007 for approving the final results for the year ended 31 December 2006, interim results for the period ended 30 June 2007 and reviewing the quarterly results. In addition, the Board held twenty six meetings for formulating policies and implementing laid-down policies during the year ended 31 December 2007.

董事會會議

年內曾舉行四次常規董事會會議，審閱及批准財務及營運表現，並考慮及批准本公司整體策略及政策。

會議次數及董事出席情況

董事會於截至二零零七年十二月三十一日止年度曾舉行四次會議，批准截至二零零六年十二月三十一日止年度全年業績、截至二零零七年六月三十日止期間中期業績，以及審閱季度業績。此外，董事會於截至二零零七年十二月三十一日止年度曾舉行二十六次會議，制訂政策及推行已訂政策。

Corporate Governance Report

企業管治報告

The individual attendance record of each director at the meetings of the Board and Audit Committee during the year ended 31 December 2007 is set out below:

各董事於截至二零零七年十二月三十一日止年度出席董事會會議及審核委員會會議之個別記錄載列如下：

Name of Directors	董事姓名	Attendance/Number of meetings 會議出席／舉行次數		
		Audit Committee Meetings 審核委員會	Regular Meetings 常規會議	Others 其他
Cheung Yuk Fung	張玉峰	N/A 不適用	4/4	Note 2 附註2
Kui Man Chun	渠萬春	N/A 不適用	4/4	12/26
Xu Wensheng	徐文生	N/A 不適用	4/4	11/26
Li Wenjin	李文晉	N/A 不適用	4/4	25/26
Chan Yiu Kwong (Note 1)	陳耀光 (附註1)	N/A 不適用	4/4	22/26
Xu Chang Jun	徐昌軍	N/A 不適用	4/4	15/26
Tam Chun Fai	譚振輝	2/2	4/4	Note 2 附註2
Leung Wai Man, Roger	梁偉民	2/2	4/4	Note 2 附註2
Xu Sitao	許思濤	2/2	4/4	Note 2 附註2

Notes:

1. Mr. Chan Yiu Kwong has resigned as executive director on 3 December 2007.
2. The Directors have not attended these meetings, the purpose of which were mainly to deal with implementation of policies and administrative routine.

附註：

1. 陳耀光先生於二零零七年十二月三日辭任執行董事。
2. 該等董事並無出席此等會議，此等會議主要處理政策推行及日常行政。

Corporate Governance Report

企業管治報告

Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Qualified Accountant and Company Secretary attend all regular Board meetings and when necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

會議常規及程序

週年會議時間表及每次會議議程草擬本一般預先發給董事。

常規董事會會議通告最少於會議日期前十四天發給全體董事。其他董事會及委員會會議，則一般給予合理通知。

董事會文件連同所有合適、完整及可靠資料，最少於各董事會會議及委員會會議前三天交全體董事，致令董事知悉本公司最新發展及財務狀況，以便作出知情決定。董事會及各董事亦可於有需要時個別及獨立接觸高級管理人員。

合資格會計師及公司秘書出席所有常規董事會會議及於有需要時出席其他董事會會議及委員會會議，就業務發展、財務及會計事宜、法定守章、企業管治及本公司其他重大事宜提供意見。

公司秘書負責於所有董事會會議及委員會會議作出會議記錄並加以存管。會議記錄草擬本一般於各會議後合理時間內，交董事傳閱，作出意見，而最終會議記錄可供董事查閱。

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's bye-laws also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Deviation from Code Provision A.2.1 (& reason):

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Cheung Yuk Fung is the Chairman and four of the other executive directors who share the role of the Chief Executive Officer. The Company has intention to appoint a Chief Executive Officer.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the Company Secretary and the senior management, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings, and that all key and appropriate issues are discussed by the Board in a timely manner.

根據現行董事會常規，任何涉及主要股東或董事利益衝突之重大交易，須經由董事會於正式召開之董事會會議考慮及處理。本公司之公司細則亦載有要求董事就批准該董事或彼任何聯繫人士擁有重大權益之交易之會議放棄表決及不計入法定人數內。

主席及行政總裁

偏離守則條文第A.2.1條(及原因)：

守則條文第A.2.1條訂明主席及行政總裁之角色應加以劃分，不應由同一人擔任。

張玉峰先生為主席，而行政總裁之職務由其他四名執行董事分擔。本公司有意委任一名行政總裁。

主席領導及對董事會根據良好企業管治常規有效運作負責。在公司秘書及高級管理人員之支援下，主席亦負責確保董事適時獲得充份、完整及可靠資料，並獲適當簡介董事會會議事宜，而所有主要及合適事務均由董事會適時討論。

Corporate Governance Report

企業管治報告

The role of the Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He/She is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

The Board considers that due to the scale of operations of the Group and the daily operations of the Group's business are delegated to the senior management and department heads, the appointment of a Chief Executive Officer is not necessary.

BOARD COMMITTEES

The Board has established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and are available to shareholders upon request.

The majority of the members of each Board committees are independent non-executive directors and the list of the chairman and members of each Board committee as at the date of this report is set out below:

Audit Committee

Tam Chun Fai (*Chairman*)
Leung Wai Man, Roger
Xu Sitao

行政總裁之職務集中於推行董事會批准及授權之目標、政策及策略。彼負責本公司日常管理及營運。行政總裁亦負責拓展策略計劃以及制定組織架構、監控制度及內部監控程序及董事會審批程序。

董事會認為，鑑於集團業務規模及日常營運授權予高級管理人員及部門主管負責，故無需要委任行政總裁。

董事會委員會

董事會下設三個委員會：提名委員會、薪酬委員會及審核委員會，以掌管本公司特定事務。本公司所有董事會委員會均設有明確職權範圍，於本公司網站刊載，亦可供股東索閱。

各董事會委員會大部分成員均為獨立非執行董事，而於本報告日期，各董事會委員會主席及成員名單如下：

審核委員會

譚振輝 (*主席*)
梁偉民
許思濤

Nomination Committee

Leung Wai Man, Roger (*Chairman*)
Tam Chun Fai
Li Wenjin (*appointed on 3 December 2007*)
Chan Yiu Kwong (*resigned on 3 December 2007*)

Remuneration Committee

Tam Chun Fai (*Chairman*)
Leung Wai Man, Roger
Li Wenjin

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Nomination Committee

The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, developing and formulating relevant procedures for nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessment of the independence of the independent non-executive directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the requirements of the business of the Group and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

提名委員會

梁偉民 (*主席*)
譚振輝
李文晉 (*於二零零七年十二月三日獲委任*)
陳耀光 (*於二零零七年十二月三日辭任*)

薪酬委員會

譚振輝 (*主席*)
梁偉民
李文晉

董事會委員會獲提供充足資源履行職責及可於適當情況下，合理要求徵求獨立專業意見，費用由本公司承擔。

提名委員會

提名委員會之主要職責包括審閱董事會之架構、規模及組成、制定有關董事提名及委任程序以及就董事委任及繼任規劃向董事會作出意見，並評估獨立非執行董事之獨立身分。

提名委員會負責就均衡專業知識、技能、經驗、專業知識、個人誠信及投入時間以及就本集團業務需要及其他相關法定規則及規例，甄選及推薦候任董事人選。有需要時或會委任外界招聘代理進行招聘及甄選程序。

Corporate Governance Report

企業管治報告

In accordance with the Company's bye-laws 87(1) and 87(2), Mr. Cheung Yuk Fung, executive directors of the Company, Mr. Tam Chun Fai and Mr. Leung Wai Man, Roger, independent non-executive directors of the Company, shall retire by rotation and being eligible, offer themselves for re-election at the 2008 annual general meeting.

The Board recommended the re-appointment of the directors standing for re-election at the 2008 annual general meeting of the Company.

The Company's circular dated 28 April 2008 contains detailed information of the directors standing for re-election.

Remuneration Committee

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

根據本公司之公司細則第87(1)及87(2)條，本公司執行董事張玉峰先生、本公司獨立非執行董事譚振輝先生及梁偉民先生將輪值告退，惟符合資格並願意於二零零八年股東週年大會膺選連任。

董事會推薦重選於本公司二零零八年股東週年大會膺選連任之董事。

本公司日期為二零零八年四月二十八日之通函載有膺選連任董事詳細資料。

薪酬委員會

薪酬委員會主要職責包括就董事及高級管理人員薪酬政策及結構與薪酬待遇作出推薦意見及加以批准。薪酬委員會亦負責制定該等薪酬政策及結構之具透明度程序，確保並無董事或彼任何聯繫人士參與釐定本身薪酬，而薪酬將參考個人及公司表現以及市場常規及情況後釐定。

The Remuneration Committee normally meets for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the directors and the senior management and other related matters. The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman and/or the Board of the Company about these recommendations on remuneration policy and structure and remuneration packages.

Audit Committee

The Audit Committee comprises three independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the external auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

薪酬委員會一般就審閱薪酬政策及結構以及釐定董事及高級管理人員年度薪酬待遇與其他相關事務舉行會議。人力資源部門負責收集及管理人力資源數據，並向薪酬委員會作出意見，以供其考慮。薪酬委員會須就該等薪酬政策及結構與薪酬待遇意見諮詢主席及／或本公司董事會。

審核委員會

審核委員會由三名獨立非執行董事組成，當中包括一名具備合適專業資歷或會計或相關財務管理專業知識之獨立非執行董事。審核委員會全體成員均非本公司現任外聘核數師之前合夥人。

審核委員會之主要職責包括：

- (a) 審閱財務報表及報告，並於提交董事會前，考慮合資格會計師或外聘核數師提出之任何重大或不尋常項目。
- (b) 參考外聘核數師所進行工作、費用及聘用條款，檢討與外聘核數師之關係，並就委任、續聘及罷免外聘核數師向董事會提出意見。

Corporate Governance Report

企業管治報告

(c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held two meetings during the year ended 31 December 2007 to review the financial results and reports, financial reporting and compliance procedures, internal control system and risk management review and processes and the re-appointment of the external auditors.

There is no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no different view taken by the Audit Committee from the Board regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31 December 2007 has been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry had been made to all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2007.

(c) 審閱本公司財務報告制度、內部監控制度、風險管理制度及相關程序是否充份及具備效益。

審核委員會於截至二零零七年十二月三十一日止年度曾舉行兩次會議，審閱財務業績及報告、財務報告及守章程序、內部監控制度及風險管理審閱與程序以及續聘外聘核數師。

並無有關或會對本公司按持續基準經營之能力產生重大疑問之事件或情況。

審核委員會就外聘核數師甄選、委任、辭任或罷免所持意見與董事會無異。

本公司截至二零零七年十二月三十一日止年度業績已經由審核委員會審閱。

證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。

經向全體董事作出具體查詢後，董事已確認彼等於截至二零零七年十二月三十一日止年度一直符合標準守則。

The Company has also established written guidelines with exact terms as set out in Appendix 10 to the Listing Rules for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2007.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the “Auditors’ Report” on page 74 to 77.

INTERNAL CONTROL

For the internal control system of the Company, the Board has developed the Group’s systems of internal control and risk assessment and management. The Board has overall responsibility for reviewing and maintaining an adequate and effective internal control system to safeguard the interests of the shareholders and the assets of the Group. During the year, the Board has conducted reviews of the internal control system and considered the internal control system of the Group has been implemented effectively.

本公司已制定可能取得本公司未公佈股價敏感資料之僱員進行證券交易之書面指引，該等指引與上市規則附錄10所載條款相同。

有關財務報表之責任

董事會須負責提呈年報及中期報告的均衡、清晰及易於理解評估、上市規則與其他監管規則所規定的股價敏感公佈及其他披露資料。

董事明瞭彼等編製本公司截至二零零七年十二月三十一日止年度財務報表之責任。

本公司外聘核數師有關彼等申報財務報表責任之聲明載於第74至77頁「核數師報告」。

內部監控

董事會就本公司內部監控制度制定本集團的內部監控及風險評估及管理制度，董事會對檢討及維持足夠及有效的內部監控措施負有全面責任，以保障股東利益及本集團資產。年內，董事會曾檢討其內部監控制度，並認為本集團之內部監控制度一直行之有效。

AUDITORS' REMUNERATION

The external auditors have rendered certain non-audit services to the Company for the year ended 31 December 2007 amounted to approximately of HK\$2.65 million. The remuneration paid to the external auditor of the Company in respect of audit services for the year ended 31 December 2007 amounted to approximately of HK\$3.4 million.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's bye-laws. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be published in newspapers on the business day following the shareholders' meeting and posted on the website of the Stock Exchange.

Deviation from Code Provision E.1.2 (& reason):

Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. The Chairman did not attend the annual general meeting held on 30 May 2007, however, Mr. Li Wenjin, as an executive director of the Company, took the chair pursuant to the bye-laws of the Company.

核數師酬金

外聘核數師曾於截至二零零七年十二月三十一日止年度向本公司提供非核數服務，金額約2,650,000港元。就截至二零零七年十二月三十一日止年度之核數服務，本公司向外聘核數師支付之酬金約3,400,000港元。

股東權利及投資者關係

股東權利及在股東大會要求按股數投票表決之程序，載於本公司之公司細則。要求按股數投票表決權利及程序詳情，載於致各股東之所有通函，並將於會上講解。

按股數投票表決結果將於股東大會後之營業日，在報章及聯交所網站刊載。

偏離守則條文第E.1.2條(及原因)：

守則條文第E.1.2條訂明董事會主席須出席股東週年大會，而主席並未出席於二零零七年五月三十日舉行之股東週年大會，然而，本公司執行董事李文晉先生則根據本公司之公司細則出席會議並擔任主席。

Corporate Governance Report

企業管治報告

The Board recognises that the general meetings of the Company provide a forum for communication between the shareholders and the Board. The Chairman of the Board, or at his absence, an executive director of the Company, as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the independent Board committee, will be available to answer questions at future shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company maintains a website at www.hisun.com.hk, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

On behalf of the Board

Cheung Yuk Fung
Chairman

Hong Kong, 18 April 2008

董事會確認，本公司股東大會提供股東與董事會溝通之平台。董事會主席或(倘彼未能出席)本公司執行董事以及提名委員會、薪酬委員會及審核委員會與(如適用)獨立董事委員會主席或(倘彼等未能出席)各委員會成員，將出席日後股東會議，回答提問。

須於股東大會就各重大事項提呈獨立決議案，包括選舉個別董事。

本公司繼續加強與投資者之溝通及關係。指定高級管理人員與機構投資者及分析員經常聯繫，以簡報本公司發展。投資者查詢均盡快處理以提供有用資料。

為促進有效溝通，本公司設有網站 www.hisun.com.hk，刊載本公司業務發展及營運、財務資料、企業管治常規之廣泛及最新資料與其他資料。

代表董事會

主席
張玉峰

香港，二零零八年四月十八日

Report of the Directors

董事會報告

The Directors submit their report together with the audited financial statements for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of the Group during the year were sales of information technology products, provision of business process operation services, provision of information system consultancy and integration services, and information technology operation value-added services.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement on page 78.

The Directors do not recommend the payment of a dividend (2006: Nil).

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 25 to the financial statements.

董事會謹此提呈彼等之報告及截至二零零七年十二月三十一日止年度之經審核財務報表。

主要業務及地區業務分析

本公司之主要業務為投資控股。年內，本集團之主要業務為銷售資訊科技產品、提供業務運營服務、提供資訊系統諮詢及集成服務，以及資訊科技運營增值服務。

本集團於本年度之表現按業務及地區劃分之分析載於財務報表附註5。

業績及分配

本集團截至二零零七年十二月三十一日止年度之業績載於第78頁之綜合收益表。

董事並不建議派付任何股息(二零零六年：無)。

儲備

年內本集團及本公司之儲備變動詳情載於財務報表附註25。

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$21,400 (2006: HK\$490,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital and share options are set out in note 24 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2007, the Company had other reserves of HK\$133,244,000 available for distribution as calculated under the Companies Act 1981 of Bermuda (as amended) (2006: HK\$108,089,000). However, the Company's share premium account, in the amount of HK\$776,034,000 (2006: HK\$269,586,000) may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there was no restriction against such rights under the laws of Bermuda.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 204.

捐獻

本集團於本年度作出的慈善及其它捐獻金為21,400港元(二零零六年: 490,000港元)。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於財務報表附註15。

股本及購股權

本公司股本及購股權之變動詳情載於財務報表附註24。

可供分派儲備

根據百慕達一九八一年公司法(經修訂)計算,本公司於二零零七年十二月三十一日有其他儲備133,244,000港元可供分派(二零零六年: 108,089,000港元)。然而,本公司可以繳足紅股方式分派股份溢價賬中為數776,034,000港元(二零零六年: 269,586,000港元)之款項。

優先認股權

本公司之公司細則並無有關優先認股權之條文規定,而百慕達法例亦無有關該等權利之限制。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第204頁。

Report of the Directors

董事會報告

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

DIRECTORS

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

Executive Directors:

CHEUNG Yuk Fung
KUI Man Chun
XU Wensheng
LI Wenjin
XU Chang Jun
CHAN Yiu Kwong (*resigned on 3 December 2007*)

Independent non-executive Directors:

TAM Chun Fai
LEUNG Wai Man, Roger
XU Sitao

In accordance with the Company's bye-laws 87(1) and 87(2), one-third of the Directors of the Company are subject to retirement by rotation and re-election at the annual general meeting of the Company.

Messrs. Cheung Yuk Fung, Tam Chun Fai and Leung Wai Man, Roger will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

購買、出售或贖回證券

本公司於年內並無贖回其任何股份。年內，本公司或其任何附屬公司概無購買或出售本公司任何股份。

董事

年內及直至本報告日期之董事為：

執行董事：

張玉峰
渠萬春
徐文生
李文晉
徐昌軍
陳耀光 (於二零零七年十二月三日辭任)

獨立非執行董事：

譚振輝
梁偉民
許思濤

根據本公司之公司細則第87(1)及第87(2)條，本公司三分之一董事須於本公司股東週年大會上輪值告退並可膺選連任。

張玉峰先生、譚振輝先生及梁偉民先生將退任，而彼等符合資格並願意於應屆股東週年大會膺選連任。

DIRECTORS' SERVICE CONTRACTS

As at the date of this report, each of Mr. KUI Man Chun, Mr. LI Wenjin, Mr. XU Wensheng and Mr. XU Chang Jun has entered into a service contract with the Company for a term of one year from 1 January 2004 and shall continue thereafter unless and until terminated by either the Company or the Directors giving to the other not less than a notice of three months. Save as disclosed herein, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 16 to 20.

董事之服務合約

於本報告日期，渠萬春先生、李文晉先生、徐文生先生及徐昌軍先生已各自與本公司訂立服務合約，任期自二零零四年一月一日起計，為期一年，並於其後繼續有效，除非及直至本公司或董事向對方發出不少於三個月之通知而終止。除本報告披露者外，各董事概無與本公司或本集團任何成員公司訂有或擬訂立任何服務合約，惟不包括於一年內屆滿或可遭本公司終止而毋須賠償（法定賠償除外）之服務合約。

董事於合約之權益

本公司、其共同系附屬公司或其控股公司概無於本年度終結時或年內任何時間訂有任何本公司董事於當中直接或間接擁有任何重大權益，且與本集團業務有關之重大合約。

董事及高級管理人員之履歷詳情

董事及高級管理人員之履歷詳情概要載於第16頁至20頁。

Report of the Directors

董事會報告

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

As at 31 December 2007, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company were as follows:

Ordinary shares of HK\$0.0025 each in the Company

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零七年十二月三十一日，各董事及行政總裁於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））之股份、相關股份及債券中擁有，已記入本公司根據證券及期貨條例第352條存置之登記冊或已知會本公司之權益及淡倉如下：

本公司每股面值0.0025港元之普通股

Name of Director	董事姓名	Number of shares held		
		Personal interest	Corporate interest	Total
		個人權益	公司權益	總數
Kui Man Chun	渠萬春	25,200,000	757,083,636 <i>(note (i)) (附註(i))</i>	782,283,636
Xu Wensheng	徐文生	18,696,000	—	18,696,000
Li Wenjin	李文晉	26,400,000	—	26,400,000
Xu Changjun	徐昌軍	22,200,000	—	22,200,000
Xu Sitao	許思濤	600,000	—	600,000
Chan Yiu Kwong	陳耀光	8,548,000	— <i>(note (ii)) (附註(ii))</i>	8,548,000

Note:

- (i) These shares are held by Kui Man Chun through Hi Sun Limited, a company which Kui Man Chun holds a 99.16% interest, and Rich Global Limited, a wholly-owned subsidiary of Hi Sun Limited.
- (ii) Mr. Chan Yiu Kwong has resigned as Director of the Company on 3 December 2007.

附註：

- (i) 該等股份由渠萬春透過Hi Sun Limited（渠萬春持有99.16%權益之公司）及Hi Sun Limited之全資附屬公司Rich Global Limited持有。
- (ii) 陳耀光先生於二零零七年十二月三日已辭任本公司董事。

SHARE OPTION SCHEME

(a) The Company

The Company operates a share option scheme (the "Scheme") for the purpose of attracting, retaining and motivating talented employees in order to strive for future developments and expansion of the Group. Eligible participants of the Scheme include the Group's full-time employees, and executive and non-executive Directors. The Scheme became effective on 29 November 2001 and unless otherwise cancelled or amended, will remain valid and effective for a period of 10 years from that date.

The total number of shares in respect of which options may be granted shall not (together with all the other Schemes, if any) exceed 10% of the total issued capital of the Company as at date of approval of the Scheme unless the Company obtains a fresh approval from shareholders to renew the 10% limit.

The maximum number of shares in respect of which options may be granted under the Scheme, together with any unexercised share options granted under the Scheme and any other share option schemes of the Company in issue, may not exceed 30% of the relevant class of securities of the Company in issue at any time. On 18 March 2004, 33,000,000 share options were granted to certain directors and employees at an exercise price of HK\$0.374 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by the Stock Exchange of Hong Kong Limited for the five business days immediately preceding 18 March 2004) with an expiry date of 17 March 2014.

購股權計劃

(a) 本公司

本公司之購股權計劃（「該計劃」）乃就吸引、留聘及鼓勵具實力員工為本集團之未來發展及拓展努力工作而設。該計劃之合資格參與者包括本集團全職僱員、執行董事及非執行董事。該計劃已於二零零一年十一月二十九日生效，除非另行撤銷或修訂，否則該計劃將自生效當日起十年期間一直有效。

除非本公司就更新10%限額取得股東之新批准，否則可予授出之購股權（連同其他所有計劃，如有）所涉及之股份總數，不得超過本公司於該計劃批准日期之全部已發行股本10%。

就該計劃可授出之購股權，連同根據該計劃及本公司任何其他購股權計劃已授出惟尚未行使之任何購股權涉及之股份數目，最多不得超過本公司於任何時間已發行之有關類別證券之30%。於二零零四年三月十八日，33,000,000份購股權按行使價每股0.374港元（香港聯合交易所有限公司緊接二零零四年三月十八日前五個營業日發出的每日報價單所報股份平均收市價）授予若干董事及僱員，到期日為二零一四年三月十七日。

Report of the Directors

董事會報告

Pursuant to an ordinary resolution passed on 17 August 2005, a refreshment of the limit on grant of options under the Scheme was approved by the shareholders. Upon refreshing the 10% limit on grant of options under the Scheme, 33,305,403 shares may be issued pursuant to the grant of further options under the Scheme.

On 26 September 2005, 33,300,000 share options were granted to certain directors and employees at an exercise price of HK\$0.768 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by the Stock Exchange of Hong Kong Limited for the five business days immediately preceding 26 September 2005) with an expiry date of 25 September 2015.

Pursuant to an ordinary resolution passed on 28 June 2006, each of the existing issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company was subdivided into four ordinary shares of HK\$0.0025 each (the "Share Subdivision"), which was approved by the shareholders of the Company and became effective on 29 June 2006.

根據二零零五年八月十七日通過的普通決議案，股東批准更新根據該計劃授出的購股權限額。該計劃項下授出購股權限額10%經更新後，33,305,403股股份可根據該計劃項下進一步授出的購股權發行。

於二零零五年九月二十六日，33,300,000份購股權按行使價每股0.768港元(香港聯合交易所有限公司緊接二零零五年九月二十六日前五個營業日發出的每日報價單所報股份平均收市價)授出予若干董事及僱員，到期日為二零一五年九月二十五日。

根據於二零零六年六月二十八日通過之普通決議案，本公司股本中每股面值0.01港元之現有已發行及未發行普通股已分拆成為四股每股面值0.0025港元之普通股(「股份分拆」)。本公司股東已批准股份分拆，並於二零零六年六月二十九日生效。

The Share Subdivision has led to an adjustment to the exercise prices of the outstanding options and the number of shares to be issued by the Company upon exercise of the outstanding options. For share options with exercise period from 18 March 2004 to 17 March 2014, the number of shares to be issued by the Company upon full exercise of such outstanding options immediately before the Share Subdivision has been increased from 23,000,000 shares to 92,000,000 shares and the exercise price has been adjusted from HK\$0.374 to HK\$0.0935 per share. For share options with exercise period from 26 September 2005 to 25 September 2015, the number of shares to be issued by the Company upon full exercise of such options immediately before the Share Subdivision has been increased from 33,300,000 shares to 133,200,000 shares and the exercise price has been adjusted from HK\$0.768 to HK\$0.192 per Share.

Pursuant to an ordinary resolution passed on 11 December 2006, a refreshment of the limit on grant of options under the Scheme was approved by the shareholders. Upon the refreshment of the 10% limit on grant of options under the Scheme, an additional 43,000,000 shares may be issued pursuant to the grant of further options under the Scheme.

On 2 January 2007, 43,000,000 share options were granted to certain employees at an exercise price of HK\$2 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by Stock Exchange of Hong Kong Limited for the five business days immediately preceding 2 January 2007) with an expiry date of 1 January 2010.

股份分拆導致須調整未行使購股權之行使價及本公司於未行使購股權獲行使時將予發行之股份數目。就行使期由二零零四年三月十八日至二零一四年三月十七日之購股權而言，本公司於緊接股份分拆前，在有關尚未行使購股權獲悉數行使時將予發行之股份數目，由23,000,000股增至92,000,000股，而行使價則由每股股份0.374港元調整至每股股份0.0935港元。就行使期由二零零五年九月二十六日至二零一五年九月二十五日之購股權而言，本公司於緊接股份分拆前，在有關購股權獲悉數行使時將予發行之股份數目，由33,300,000股增至133,200,000股，而行使價則由每股股份0.768港元調整至每股股份0.192港元。

根據於二零零六年十二月十一日通過的普通決議案，股東批准更新該計劃項下可授出購股權之限額。更新該計劃項下可授出購股權之10%限額後，可根據該計劃項下進一步授出之購股權發行額外43,000,000股股份。

於二零零七年一月二日，本公司向若干僱員授出43,000,000份購股權，行使價每股2港元（香港聯合交易所有限公司緊接二零零七年一月二日前五個營業日發出之每日報價單所報股份平均收市價），到期日為二零一零年一月一日。

Report of the Directors

董事會報告

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company or to any of their associates, in excess of 1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and commences either immediately or after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the Directors, but may not be less than the higher of (i) the Hong Kong Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Hong Kong Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

授出購股權予董事、本公司行政總裁或主要股東或彼等之任何聯繫人士須得到獨立非執行董事之事先批准。此外，授出任何購股權予本公司之主要股東或獨立非執行董事或彼等之任何聯繫人士，以致彼等可藉此獲得之股份於任何十二個月期間超過本公司於任何時間之已發行股份1%或其總值（根據本公司股份於授出當日之價格計算）超過5,000,000港元，均須於股東大會上取得股東事先批准。

建議授出之購股權可於建議授出當日起計21日內接納，而承授人須於接納建議時支付合共1港元作為象徵式代價。已授出購股權之行使期乃由董事釐定，於即時或若干歸屬期後開始，惟最遲不得於授出購股權當日起十年或該計劃屆滿日期（以較早之日期為準）時終止。

購股權之行使價由董事釐定，惟不得低於以下之較高者：(i)本公司股份在建議授出購股權當日於香港聯交所之收市價；(ii)本公司股份於緊接建議授出日期前五個交易日於香港聯交所之平均收市價；及(iii)本公司股份面值。

Report of the Directors

董事會報告

As at 31 December 2007, the particulars of the options granted to each of the Directors and employees of the Company under the Scheme are as follows:

於二零零七年十二月三十一日，根據該計劃授予各董事及本公司僱員之購股權詳情如下：

Movements in the Share Options:

購股權變動：

Name 姓名	Date of grant 授出日期	Exercise price after Share Subdivision (HK\$) 股份分拆 後之行使價 (港元)	Number of options held at 1 January 2007 於二零零七年 一月一日所持 之購股權數目	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效	Number of options held at 31 December 2007
							於二零零七年 十二月三十一日 所持之 購股權數目
Directors							
董事							
Mr. Kui Man Chun 渠萬春先生	18 March 2004* 二零零四年三月十八日*	0.0935	12,000,000	-	(12,000,000)	-	-
	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Xu Wensheng 徐文生先生	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Li Wenjin 李文晉先生	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Xu Chang Jun 徐昌軍先生	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Chan Yiu Kwong 陳耀光先生 (Note 1) (附註1)	26 September 2005** 二零零五年九月二十六日**	0.192	4,000,000	-	(4,000,000)	-	-
			68,800,000	-	(68,800,000)	-	-
Employees							
僱員							
(In aggregate) (總計)	18 March 2004* 二零零四年三月十八日*	0.0935	13,200,000	-	(13,200,000)	-	-
	2 January 2007 *** 二零零七年一月二日 ***	2.00	-	43,000,000	(1,210,000)	(332,000)	41,458,000
			82,000,000	43,000,000	(83,210,000)	(332,000)	41,458,000

Report of the Directors

董事會報告

* The exercisable period of the above share options is from 18 March 2004 to 17 March 2014 (both dates inclusive).

** The option period commences on 26 September 2005 and expires 10 years thereafter. Options granted are vested as follows:

On 26 September 2005	Up to 50%
On 26 September 2006	Up to 100%

*** The exercisable period of the above share options is from 2 January 2007 to 1 January 2010 (both dates inclusive).

Note 1: On 3 December 2007, Mr. Chan has resigned as Executive Director of the Company.

During the year, the weighted average closing price immediately before the dates on which the options were exercised was HK\$2.38 per share.

As at the date of this report, the Company has 41,458,000 share options outstanding.

(b) Employee incentive scheme of a subsidiary

On 4 April 2005, the Company approved its wholly-owned subsidiary, Turbo Speed Technology Limited ("Turbo Speed"), to adopt an employee incentive scheme (the "Employee Incentive Scheme") to motivate the employees of Turbo Speed and its subsidiary (the "Turbo Speed Group"). Eligible participants of the Employee Incentive Scheme include the full-time employees of Turbo Speed or any of its subsidiary, including any directors of Turbo Speed or any of its subsidiary (but excluding any person who is a Director of the Company) provided always that such term shall exclude any person who has tendered his resignation or who at the relevant time is working out his period of notice pursuant to his employment contract or otherwise. The Scheme became effective from 4 April 2005 to 31 December 2008, unless terminated by resolution of a remuneration committee formed by the Board to administer the Employee Incentive Scheme (the "Committee").

* 上述購股權之行使期由二零零四年三月十八日至二零一四年三月十七日(包括首尾兩日)。

** 購股權期間由二零零五年九月二十六日開始，10年後到期。已授出購股權歸屬情況如下：

二零零五年九月二十六日	最多50%
二零零六年九月二十六日	最多100%

*** 上述購股權之行使期由二零零七年一月二日至二零一零年一月一日(包括首尾兩日)

附註1：於二零零七年十二月三日，陳先生辭任本公司執行董事。

年內，緊接購股權行使日期前之加權平均收市價為每股2.38港元。

於本報告日期，本公司有41,458,000份購股權尚未行使。

(b) 一家附屬公司之僱員獎勵計劃

於二零零五年四月四日，本公司批准其全資附屬公司 Turbo Speed Technology Limited (「Turbo Speed」) 採納僱員獎勵計劃 (「僱員獎勵計劃」)，以鼓勵 Turbo Speed 及其附屬公司 (「Turbo Speed 集團」) 之僱員。僱員獎勵計劃之合資格參與者包括 Turbo Speed 或其任何附屬公司之全職僱員，包括 Turbo Speed 或其任何附屬公司的任何董事 (但不包括為本公司董事之任何人士)，惟上述計劃不適用於已遞交辭呈或根據彼之僱傭合約或以其他形式的僱用條款，已於有關時間發出離職通知的人士。除非董事會就執行僱員獎勵計劃而成立的薪酬委員會 (「委員會」) 以決議案終止該計劃外，僱員獎勵計劃於二零零五年四月四日起生效，直至二零零八年十二月三十一日止。

The total number of shares in respect of which options may be granted shall not exceed 4,682,275 ordinary shares of Turbo Speed (“Turbo Speed Shares”), representing approximately 13.0% of the existing issued share capital of Turbo Speed, currently held by a wholly-owned subsidiary of the Company. Share options may be offered to any employee determined by the Committee in its absolute discretion from time to time by reference to: (i) the performance of that Employee; and (ii) the financial performance of the Turbo Speed Group and the extent to which the Turbo Speed Group has achieved its intended business plans. The maximum number of the Turbo Speed Shares which may be offered to an employee who is also a director of companies within the Turbo Speed Group in any 12-month period may not exceed 1% of the entire issued share capital of Turbo Speed.

On 8 July 2005, 1,425,000 share options had been granted to certain directors and employees of a subsidiary of Turbo Speed to subscribe ordinary shares of Turbo Speed at an exercise price of HK\$1.922 per share. The exercisable period of the above share options is from 8 July 2005 to 31 December 2008 (both dates inclusive). During the year ended 31 December 2006, 1,245,000 share options have been lapsed. During the year ended 31 December 2007 and up to the date of this report, no share options have been exercised. As at the date of this report, Turbo Speed has 180,000 share options outstanding.

有關授出購股權所涉及的股份總數不得超過Turbo Speed的4,682,275股普通股（「Turbo Speed股份」），相當於Turbo Speed現時由本公司一家全資附屬公司持有之已發行股本約13.0%。購股權可由委員會不時參考下列各項後全權酌情決定向任何僱員提呈：(i)該名僱員之表現；及(ii)Turbo Speed集團之財務表現及其可達致其擬定業務計劃的程度。於任何十二個月期間，可向同時為Turbo Speed集團內公司董事之僱員提呈的Turbo Speed股份，最多不得超過Turbo Speed全部已發行股本的1%。

於二零零五年七月八日，已向Turbo Speed一家附屬公司若干董事及僱員授出1,425,000份購股權，可按每股1.922港元之行使價認購Turbo Speed普通股。上述購股權之行使期為二零零五年七月八日至二零零八年十二月三十一日（包括首尾兩日）。截至二零零六年十二月三十一日止年度，已有1,245,000份購股權失效。截至二零零七年十二月三十一日止年度及直至本報告日期，並無任何購股權獲行使。於本報告日期，Turbo Speed有180,000份購股權尚未行使。

Report of the Directors

董事會報告

During the year ended 31 December 2007, no share options have been exercised and lapsed. The Group has no legal or constructive obligation to repurchase or settle the options in cash. As at the date of this report, Turbo Speed has 180,000 share option outstanding.

截至二零零七年十二月三十一日止年度，並無任何購股權獲行使及失效。本集團並無以現金購回或償付購股權之法律或推定責任。於本報告刊發日期，Turbo Speed有180,000份尚未行使購股權。

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 December 2007, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and chief executive.

主要股東於股份及相關股份之權益及淡倉

按本公司根據證券及期貨條例第336條存置之主要股東登記冊所顯示，於二零零七年十二月三十一日，本公司獲知會下列主要股東擁有本公司已發行股本5%或以上之權益及淡倉。該等權益不包括上文所披露有關就董事及行政總裁之權益。

Name of Shareholder 股東名稱	Number of ordinary shares 普通股數目	Number of underlying shares 相關股份數目	Total 總數	Approximate percentage of shareholding* 股權之概約百分比*
Rich Global Limited ("RGL")**	757,083,636 (L)	–	757,083,636	33.92%
Hi Sun Limited ("HSL")** (Note 2) (附註2)	757,083,636 (L)	–	757,083,636	33.92%
Kui Man Chun 渠萬春	757,083,636	25,200,000	782,283,636	35.05%

Notes:

1. The Letter "L" denotes a long position in shares.
 2. HSL is interested in the Company's share capital by virtue of its 100% shareholding in RGL, and these shares are held by Kui Man Chun through HSL, a company which Mr. Kui Man Chun holds a 99.16% interest.
- * The percentage is calculated based on the total issued number of shares of the Company as at 31 December 2007.
- ** Mr. Kui Man Chun and Mr. Li Wenjin are Directors of RGL and Mr. Kui Man Chun, Mr. Li Wenjin and Mr. Xu Wensheng are Directors of HSL which were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

CONNECTED TRANSACTIONS

Other significant related party transactions entered by the Group during the year ended 31 December 2007 and up to the date of this report, which also constitute transactions under the Listing Rules, are disclosed in Notes 36 and 37 to the financial statements.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases

- | | |
|-----------------------------------|-----|
| – the largest supplier | 14% |
| – five largest suppliers combined | 44% |

附註：

1. 「L」表示股份之好倉。
 2. HSL因持有RGL之100%股權而於本公司股本擁有權益。該等股份由渠萬春先生通過HSL(渠萬春持有99.16%權益之公司)持有。
- * 百分比乃根據本公司於二零零七年十二月三十一日之已發行股份總數計算。
- ** 渠萬春先生及李文晉先生為RGL董事及渠萬春先生、李文晉先生及徐文生先生為HSL董事，而其於本公司股份或相關股份中，被視作或當作擁有須根據證券及期貨條例第XV部第2及3分部規定披露之權益或淡倉。

關連交易

本集團於截至二零零七年十二月三十一日止年度內及截至本報告日期訂立之若干重大有關連人士交易構成上市規則項下交易，於財務報表附註36及37披露。

管理合約

年內，概無訂立或存在任何與本公司全部或任何重大業務部分相關之管理及行政合約。

主要客戶及供應商

年內，本集團主要供應商和客戶的應佔採購和銷售百分比如下：

採購

- | | |
|-----------|-----|
| – 最大供應商 | 14% |
| – 五大供應商合計 | 44% |

Report of the Directors

董事會報告

Sales

- the largest customer 25%
- five largest customers combined 46%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major customers or suppliers noted above.

CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES

(a) Convertible preference shares issued by Turbo Speed

On 9 November 2004, Turbo Speed, a subsidiary of the Company, entered into a subscription agreement with independent third parties in relation to the subscription of 6,837,608 convertible preference shares of US\$0.10 each of Turbo Speed for a total subscription price of US\$4 million (approximately HK\$31.2 million) (the "TS Subscription").

Pursuant to an ordinary resolution passed on 4 April 2005, the Company approved the TS Subscription and the TS Subscription was completed on 29 April 2005.

On 18 January 2007 and 27 April 2007, 6,837,608 convertible preference shares in Turbo Speed were converted into 103,733,334 new ordinary shares of the Company of HK\$0.0025 each at a conversion price of HK\$0.3 per share.

As at 31 December 2007, no convertible preference share in Turbo Speed was outstanding.

銷售

- 最大客戶 25%
- 五大客戶合計 46%

董事、彼等之聯繫人士或據董事所知擁有本公司股本超過5%之股東，概無於上述主要客戶或供應商中擁有任何權益。

附屬公司發行可換股優先股

(a) Turbo Speed發行之可換股優先股

於二零零四年十一月九日，本公司附屬公司Turbo Speed與獨立第三方就認購6,837,608股每股面值0.10美元之Turbo Speed可換股優先股訂立認購協議，總認購價為4,000,000美元（約31,200,000港元）（「TS認購」）。

根據於二零零五年四月四日通過之普通決議案，本公司批准TS認購，而TS認購已於二零零五年四月二十九日完成。

於二零零七年一月十八日及二零零七年四月二十七日，6,837,608股Turbo Speed可換股優先股按兌換價每股0.3港元兌換為103,733,334股每股面值0.0025港元之本公司新普通股。

於二零零七年十二月三十一日，概無已發行的Turbo Speed可換股優先股。

(b) Convertible preference shares issued by Emerging Technology Limited (“Emerging Technology”)

On 21 August 2006, Emerging Technology, a subsidiary of the Company, entered into a subscription agreement with independent third parties and connected persons in relation to the subscription of 760,778 convertible preference shares of US\$1.00 each of Emerging Technology for a total subscription price of US\$18 million (approximately HK\$140 million) (the “ET Subscription”).

Pursuant to an ordinary resolution passed on 25 September 2006, the Company approved the ET Subscription and the ET Subscription was completed on 12 October 2006.

On 28 September 2007 and 22 November 2007, 760,778 convertible preference shares in Emerging Technology were converted into 128,713,235 new ordinary shares of the Company of HK\$0.0025 each at a conversion price of HK\$1.088 per share.

As at 31 December 2007, no convertible preference share in Emerging Technology was outstanding.

(b) Emerging Technology Limited (「Emerging Technology」) 發行之可換股優先股

於二零零六年八月二十一日，本公司附屬公司Emerging Technology與獨立第三方及關連人士就認購Emerging Technology 760,778股每股面值1.00美元之可換股優先股訂立認購協議，總認購價為18,000,000美元（約140,000,000港元）（「ET認購」）。

根據於二零零六年九月二十五日通過之普通決議案，本公司批准ET認購，而ET認購已於二零零六年十月十二日完成。

於二零零七年九月二十八日及二零零七年十一月二十二日，760,778股Emerging Technology可換股優先股按兌換價每股1.088港元兌換為128,713,235股每股面值0.0025港元之本公司新普通股。

於二零零七年十二月三十一日，概無已發行的Emerging Technology可換股優先股。

SUBSEQUENT EVENTS

Acquisition of 5% interest in New Concept Services Limited (“New Concept”)

The Company currently owns 95% of the entire issued share capital of New Concept. On 8 April 2008, the Company entered into an agreement with Universal Star Group Ltd. (the “Vendor”), pursuant to which the Company conditionally agreed to purchase, and the Vendor agreed to sell the 5 ordinary shares of nominal value USD1.00 each in New Concept, representing 5% of the entire issued share capital of New Concept, owned by the Vendor, for a cash consideration of approximately HK\$15.5 million (the “Acquisition”).

The Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and approval by the independent shareholders at the special general meeting (the “SGM”) of the Company to be convened and held to consider and if thought appropriate, to approve the Acquisition and the transaction contemplated under the acquisition agreement by the independent shareholders of the Company. Details of the Acquisition and the SGM are disclosed in the announcement of the Company of 10 April 2008.

結算日後事項

收購新創服務有限公司(「新創」)5%權益

本公司現時擁有新創全部已發行股本95%。於二零零八年四月八日，本公司與Universal Star Group Ltd.(「賣方」)訂立協議，據此，本公司有條件同意認購及賣方同意出售賣方所擁有之新創每股面值1.00美元之5股普通股，佔新創全部已發行股本5%，代價為現金約15,500,000港元(「收購事項」)。

收購事項根據上市規則第14A章構成本公司之關連交易，須遵守申報、公告及於將召開及舉行之本公司股東特別大會(「股東特別大會」)上獲本公司獨立股東批准之規定，而該股東特別大會上獨立股東將考慮及(倘認為適當)批准收購事項及收購協議下擬進行之交易。收購事項及股東特別大會之詳情在本公司二零零八年四月十日之公佈中有所披露。

PENSION SCHEME

The subsidiaries operating in Hong Kong are required to participate in a defined contribution retirement scheme or the Group or Company set up in accordance with the Hong Kong Mandatory Provident Fund Ordinance. Under the scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HK\$1,000 and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of the employee's monthly salaries up to a maximum of HK\$1,000 (the "Mandatory Contributions"). The employees are entitled to 100% of the employer's Mandatory Contributions upon their retirement at the age of 65 years old, death or total incapacity.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 7% to 20% of the wages for the year of those workers in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those workers of the Group.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors have an interest in any business constituting a competing business to the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, the Directors confirm that the Company has maintained during the year the amount of public float as required under the Listing Rules.

退休金計劃

於香港營運之附屬公司須參加本集團或本公司根據香港強制性公積金條例成立之定額供款退休計劃。根據計劃，僱員須按月薪5%作出供款，上限為1,000港元，而彼等可選擇作出額外供款。僱主每月供款按僱員月薪5%計算，上限為1,000港元（「強制性供款」）。僱員年屆65歲退休、身故或喪失工作能力時，享有全部僱主強制供款。

此外，根據中華人民共和國（「中國」）政府法規規定，本集團須按中國僱員該年薪金約7%至20%，向若干退休福利計劃作出供款。當地市政府對本集團的該類僱員作出退休福利責任保證。

董事於競爭業務的權益

概無任何董事於任何與本集團構成競爭的業務中擁有任何權益。

足夠公眾持股量

根據本公司現有公開資料及就董事所知，董事確認，本公司於年內維持上市規則規定的公眾持股量。

Report of the Directors

董事會報告

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Cheung Yuk Fung

Chairman

Hong Kong, 18 April 2008

核數師

羅兵咸永道會計師事務所已審核財務報表，而羅兵咸永道會計師事務所即將任滿告退，惟符合資格獲重新委任。

代表董事會

主席

張玉峰

香港，二零零八年四月十八日

Management Discussion and Analysis

管理層之討論與分析

Financial Highlights

財務概覽

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	Change 變動 + / (-) %
RESULTS	業績			
Turnover	營業額	779,605	473,122	+65%
Profit before income tax	除所得稅前溢利	216,768	145,242	+49%
Profit for the year	年內溢利	192,521	133,600	+44%
Attributable to:	應佔：			
– Equity shareholders of the Company	– 本公司權益持有人	184,276	133,600	
– Minority interests	– 少數股東權益	8,245	–	
		192,521	133,600	

Earnings per share for profit attributable to the equity holders of the Company:	本公司權益持有人應佔溢利之每股盈利：			
– Basic	– 基本	HK\$0.090	HK\$0.083	+8%
– Diluted	– 攤薄	HK\$0.083	HK\$0.070	+19%

As at 31 December

於十二月三十一日

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	Change 變動 + / (-) %
KEY BALANCE SHEET ITEMS	主要資產負債表項目			
Total equity	權益總額	1,100,860	679,672	+62%
Net current assets	流動資產淨值	778,581	592,099	+31%
Total assets	資產總值	1,490,745	847,110	+76%
		HK\$ 港元	HK\$ 港元	
Net assets per share	每股資產淨值	0.493	0.362	+36%

Management Discussion and Analysis

管理層之討論與分析

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segmental turnover	分類營業額			
Electronic payment products and services	電子支付產品及服務	323,143	197,843	133,073
Telecommunication solutions, services and related products, and information technology operation value-added services	電訊解決方案、服務及相關產品及資訊科技運營增值服務	210,810	110,805	147,756
Financial solutions, services and related products	金融解決方案、服務及相關產品	111,847	162,953	157,784
Business process operations	業務運營	12,282	1,521	-
Electronic power meters and solutions	電子式電能表及解決方案	120,472	-	-
Others	其他	1,051	-	150
		779,605	473,122	438,763

Management Discussion and Analysis

管理層之討論與分析

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segmental results	分類業績			
Electronic payment products and services	電子支付產品及服務	62,890	30,081	12,912
Telecommunication solutions, services and related products, and information technology operation value-added services	電訊解決方案、服務及相關產品及資訊科技運營增值服務	115,504	44,599	68,024
Financial solutions, services and related products	金融解決方案、服務及相關產品	(8,106)	35,157	13,103
Business process operations	業務運營	(6,236)	(4,246)	-
Electronic power meters and solutions	電子式電能表及解決方案	1,711	-	-
Others	其他	-	-	150
		165,763	105,591	94,189
Other gains, unallocated	其他收益，未分配			
Gain on disposal of investment securities	出售投資證券之收益	43,101	59,727	-
Gain on revaluation of investment securities	投資證券重估收益	6,155	2,699	-
Gain on deemed disposal of a subsidiary	視作出售一家附屬公司之收益	43,258	-	-
Interest income	利息收入	9,303	4,831	1,403
Others	其他	11,599	1,102	1,184
		113,416	68,359	2,587
Other expenses	其他開支			
Share-based compensation	股本酬金	(27,616)	(2,387)	(4,493)
Overheads	間接成本	(31,998)	(22,518)	(21,343)
		(59,614)	(24,905)	(25,836)
Finance costs	融資成本	(2,797)	(3,803)	(3,998)
Income tax expenses	所得稅開支	(24,247)	(11,642)	(4,638)
Net profit	純利	192,521	133,600	62,304

Management Discussion and Analysis

管理層之討論與分析

Our results for 2007 reflected increases in total turnover, gross profit and net profit from that for 2006. The Group's turnover amounted to HK\$779.61 million, representing a growth of 65% compared to 2006. The gross profit and net profit amounted to HK\$356.84 million and HK\$192.52 million respectively, representing an increase of 71% and 44% respectively compared to 2006. With strong growth in our recurring profits from electronic payment products and services and information technology operation value-added services, we continuously strive to deliver the best values to our shareholders with new and exciting investment opportunities. During the year, we have further enhanced our developments in the business process operations business under our financial solutions arm and successfully completed the acquisition of Hangzhou PAX Electronic Technology Company Limited (formerly known as Hangzhou Baifu Hualong Holding Company Limited), Pacific Sheen International Limited and their respective subsidiaries (collectively the "Hualong Group") in the electronic power meters and solutions industry. The overall gross profit margin improved as a result of operation efficiencies and effective cost management.

On 2 January 2007, 43,000,000 share options were granted to certain employees at an exercise price of HK\$2.00 per share, resulting in share-based compensation of HK\$27.62 million recognised in 2007. Convertible preference shares issued by two subsidiaries have been fully converted into ordinary shares of the Company during the year.

本集團的二零零七年業績反映總營業額、毛利及純利較二零零六年均有上升。本集團營業額為779,610,000港元，相較二零零六年增加65%。毛利及純利分別為356,840,000港元及192,520,000港元，分別較二零零六年上升71%及44%。隨著來自電子支付產品及服務以及資訊科技運營增值服務的經常性溢利強勁增長，本集團不斷致力以新的良好投資機會，為股東提供最佳回報。年內，本集團進一步提升金融解決方案屬下業務運營業務的發展，並於電子式電能表及解決方案行業方面順利完成對杭州百富電力技術有限公司(前稱杭州百富控股有限公司)及富順國際有限公司及其各自之附屬公司(統稱「華隆集團」)的收購行動。整體毛利率因運營效率及具成本效益的管理而得以改善。

於二零零七年一月二日，向若干僱員授予43,000,000份購股權，其行使價為每股2.00港元，導致於二零零七年確認股本酬金27,620,000港元。年內兩家附屬公司發行之可換股優先股已全數兌換為本公司普通股。

Management Discussion and Analysis

管理層之討論與分析

With regard to our balance sheet, at the end of 2007, the total assets as at 31 December 2007 amounted to HK\$1,490.75 million, compared with HK\$847.11 million as at 31 December 2006. Current assets as at 31 December 2007 was HK\$1,156.94 million, compared with HK\$737.05 million as at 31 December 2006.

Electronic payment solutions and products

Turnover	營業額	323,143	197,843	+63%
Gross profit	毛利	113,939	71,478	+59%
Gross profit margin (%)	毛利率(%)	35%	36%	
Operating profit	經營溢利	62,890	30,081	+109%
Operating profit margin (%)	經營溢利率(%)	19%	15%	
Research and development costs	研究及開發成本	9,657	7,224	+34%
Capital expenditure	資本開支	607	1,502	-60%
Net assets employed	所動用資產淨值	236,210	82,736	+185%

PAX continued to be the leader in the EFT-POS terminals market in Mainland China. In May 2007, we attracted new investments of US\$10 million (approximately HK\$78 million) from institutional investors subscribing approximately 20% interests in PAX, providing additional working capital for PAX's business operation and positive exploration of the international markets. R&D costs rose by 34% with more exertion placed in development of new models such as our latest mobile EFT-POS terminal and contactless payment device.

至於二零零七年底的資產負債表方面，於二零零七年十二月三十一日的資產總值為1,490,750,000港元，於二零零六年十二月三十一日則為847,110,000港元。流動資產於二零零七年十二月三十一日為1,156,940,000港元，於二零零六年十二月三十一日則為737,050,000港元。

電子付款解決方案及產品

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	Change 變動 +/(-)%
Turnover	323,143	197,843	+63%
Gross profit	113,939	71,478	+59%
Gross profit margin (%)	35%	36%	
Operating profit	62,890	30,081	+109%
Operating profit margin (%)	19%	15%	
Research and development costs	9,657	7,224	+34%
Capital expenditure	607	1,502	-60%
Net assets employed	236,210	82,736	+185%

百富繼續在中國內地電子轉賬售點終端機市場穩佔領先地位。於二零零七年五月，本集團引入機構投資者認購百富約20%權益，吸納新投資額達10,000,000美元（約78,000,000港元），為百富業務運營提供額外營運資金，並有助拓展國際市場。研發成本上升34%，更多資源投放在新模式開發，例如本集團的最新移動電子轉賬售點終端機及非接觸式付款裝置。

Management Discussion and Analysis

管理層之討論與分析

PAX experienced strong volume growth of 63% on a year-on-year basis, with a new sales record of 170,000 units in 2007. The shipment contribution of Mainland China market was 84% while the international market contributed the rest. Despite the keen market competition, we managed to maintain healthy gross and operating profit margins through new product designs and leverage from volume growth.

During the year, sales volume of PAX's EFT POS-terminals in Mainland China grew by 70%. By the end of 2007, the total numbers of EFT-POS terminals in Mainland China amounted to approximately 1 million terminals, reflecting a relatively low penetration rate as compared to most developed countries. It provides ample room for the expansion of PAX's EFT-POS terminals business. On the other hand, bank payment cards issuance in Mainland China kept surging and total number of bank payment cards exceeding 1.4 billion by Q4 2007. In 2007, card payment transaction volume grew by 20% to 15.4 billion, while total transaction sum increased by 30%, reaching RMB62.0 billion and representing about 21% of the community commodity retail amount in the region. In 2008, PAX's EFT-POS terminals sales in Mainland China are expected to keep its momentum, as fueled by the rising acceptance of card payments incessant improvement of the payment transactions and processing infrastructure.

百富錄得63%的按年銷量強勁增長，二零零七年的新銷售額為破紀錄的170,000個單位。於中國內地市場之出貨量佔84%，其餘為於國際市場之出貨量。儘管市場上競爭激烈，本集團仍成功通過新產品設計及善用銷量增長優勢，維持穩健的毛利率及經營溢利率。

年內，百富的電子轉賬售點終端機在中國內地的銷量增長70%。二零零七年底，中國內地電子轉賬售點終端機的總數約達1,000,000部，反映滲透率相對大部份發達國家為低，使百富的電子轉賬售點終端機業務有龐大拓展空間。另一方面，在中國內地的銀行付款咭發卡量維持上升趨勢，二零零七年第四季的銀行付款咭總數已超過1,400,000,000張。於二零零七年，銀行咭付款交易量增長20%至15,400,000,000次，而交易總額增長為30%，達人民幣62,000,000,000元，約佔區內社區商品零售的21%。於二零零八年，百富在中國內地的電子轉賬售點終端機銷售預期維持增長勢頭，此乃由銀行咭付款接受程度上升、付款交易及處理基建設施的不斷改良所帶動。

Management Discussion and Analysis

管理層之討論與分析

In addition, PAX further established presence in the international market. Sales volume grew by 72% in 2007. Currently, our products are sold to certain European countries, such as Denmark, France, Russia. Markets in the Middle East included the UAE and Saudi Arabia while in Africa, our market covered South Africa and Ghana. In 2008, we will look for new opportunities and delve into the North and South American markets and Oceania countries. With the first class products and services, we endeavor to make PAX an international brand symbolizing top quality electronic payment products and solutions.

Telecommunication solutions, services and related products, and information technology operation value-added services

此外，百富進一步在國際市場樹立據點。於二零零七年，銷量增加72%。現時，本集團的產品出售予若干歐洲國家，如丹麥、法國、俄羅斯。中東市場包括阿聯酋及沙地阿拉伯，而在非洲，本集團的市場覆蓋南非及加納。於二零零八年，本集團將尋找新機遇，並深入開拓北美及南美市場以及大洋洲國家。憑藉一流產品及服務，本集團致力將百富打造成為代表優質電子支付產品及解決方案的國際品牌。

電訊解決方案、服務及相關產品以及資訊科技運營增值服務

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	Change 變動 + / (-) %
Turnover	營業額	210,810	110,805	+90%
Gross profit	毛利	181,617	85,227	+113%
Gross profit margin (%)	毛利率(%)	86%	77%	
Operating profit	經營溢利	115,504	44,599	+159%
Operating profit margin (%)	經營溢利率 (%)	55%	40%	
Capital expenditure	資本開支	3,895	11,165	-65%
Net assets employed	所動用資產淨值	196,554	97,680	+101%

Management Discussion and Analysis

管理層之討論與分析

During the year, we further extended our exclusive nation-wide IVR platform for China Mobile. Market size of IVR business continued to grow and recovered from the market reorganisations in prior year. Benefited from the centralisation of IVR platforms, turnover contributed by the IVR platform operations grew by 97%. Further improvement was noted in the gross and operating profit margins as compared to 2006, while operating profit points to reach 55%. Entertainment content, songs dedication and interactive games remained the top three popular voice data contents.

For the year 2008, we anticipate more modest growth in the IVR business after three consecutive years of significant increases in the traffic volume since 2005. Whilst, we expect a steady growth in the operating profit through a combination of operation efficiencies and effective cost management.

It is expected that 3G trial spots will be initiated upon the opening of Beijing Olympic Games in mid 2008. While the Olympic Games will be the world's focus, the Group is technically prepared for the launch of IVVR platform featuring video contents, and actively seek new ideas and innovations in our business.

年內，本集團為中國移動進一步開拓專有全網IVR平台。IVR業務之市場規模持續增長，並從上年度之整頓中復甦。受惠於IVR平台集中，IVR平台運營所佔的營業額增長97%。其他改善情況反映於相比二零零六年的毛利率及經營溢利率，而經營溢利達55%。娛樂內容、歌曲點播及互動遊戲維持在最受歡迎之三種語音數據內容之列。

我們預期，IVR業務經過自二零零五年連續三年錄得重大交易量增長後，其於二零零八年將錄得更為平穩的增長。與此同時，本集團預期經營溢利將通過運營效率及有效的成本管理而獲得穩定增長。

預期3G試點將於二零零八年中的北京奧運開幕後開展。由於奧運會將令全球矚目，本集團在技術上已準備好隨時推出具錄像內容功能的IVVR平台，並積極於業務中尋求新意念及創意。

Management Discussion and Analysis

管理層之討論與分析

Financial solutions, applications, services and related products

金融解決方案、應用、服務及相關產品

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	Change 變動 + / (-)%
Turnover	營業額	111,847	162,953	-31%
Gross profit	毛利	6,404	52,043	-88%
Gross profit margin (%)	毛利率(%)	6%	32%	
Operating loss/(profit)	經營虧損 / (溢利)	(8,106)	35,157	-123%
Operating profit margin (%)	經營溢利率 (%)	n/a 不適用	22%	
Capital expenditure	資本開支	3,446	121	+2,748%
Net assets employed	所動用資產淨值	160,302	169,844	-6%

In 2007, operating loss of HK\$8.11 million and decreased margins were mainly attributable to certain delays in the Bank of China core banking project.

於二零零七年，經營虧損為8,110,000港元，而溢利率下降主要是由於中國銀行之核心銀行項目有所延誤。

With a vision to strive for more stable, sustainable and recurring income streams, we have placed certain refocusing measures to leverage our underlying strength and expertise into business operations and out-sourcing services to financial institutions. Nevertheless, financial solutions will remain our core competencies and continue to create values and opportunities for us to break through.

為爭取更穩定、可持續及經常性的收入來源，本集團已作出若干重新定位措施，以在業務運營中善用我們的相關優勢及專業知識，以及向金融機構外判服務。然而，金融解決方案將仍為我們的核心能力及繼續為我們創造價值及機遇，使我們邁進其他增值服務領域。

Management Discussion and Analysis

管理層之討論與分析

Business process operations

業務運營

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	Change 變動 +/(-)%
Turnover	營業額	12,282	1,521	+707%
Gross profit/(loss)	毛利／(虧損)	6,700	(496)	n/a 不適用
Gross profit margin (%)	毛利率(%)	55%	n/a 不適用	
Operating loss	經營虧損	(6,236)	(4,246)	n/a 不適用
Capital expenditure	資本開支	24,878	34,192	-27%
Net assets employed	所動用資產淨值	51,962	33,575	+55%

With our trusty relationships with several Chinese national and regional banks and core competencies developed under our financial solutions arm in previous years, we have migrated into business process operations (“BPO”) for financial institutions and achieved significant progress. Our services include payment operation solutions, such as ATMs as well as other outsourcing services. Our strategy is to enhance our position and become a significant service provider to financial institutions in Mainland China. Total turnover grew by over 8 times in 2007, with strong growth of 119% in the second half as compared to 1H 2007. Currently, our ATMs are deployed under a multiple-year contract with Bank of Communications (“BoCom”), making us one of the largest non-bank owners and operators of bank-branded ATMs in Mainland China. Capital expenditure continued to grow with an addition of 440 ATMs successfully deployed and connected during the year. The transaction and revenue growth were primarily driven by investments that we made in certain strategic growth initiatives and we expect these initiatives will continue to drive revenue growth and improve profit margin.

基於過往年間我們與多家中國國家及地區銀行的互信關係以及於金融解決方案業務下發展的核心實力，本集團已進軍金融機構的業務運營環節（「業務運營」），並有重大進展。本集團服務包括支付業務解決方案（如ATM）以及其他外判服務。本集團策略為提高自身地位，成為中國內地金融機構一大服務供應商。二零零七年總營業額增加超過八倍，二零零七年下半年較上半年大幅長119%。目前，本集團ATM乃根據與交通銀行的多年期合約配置，令本集團成為中國內地具銀行品牌ATM的最大非銀行擁有者及經營商。年內資本開支隨著成功增添並連接440台ATM而持續增長。交易及收益增長主要由若干策略增長措施下作出的投資帶動，本集團預期該等措施將繼續帶動收益增長及提高溢利率。

Management Discussion and Analysis

管理層之討論與分析

Our management team has significant financial services and payment processing-related experience and has developed extensive network and market leadership, which continue to attract new business opportunities for the Group. By the end of 2007, total number of ATMs is approximately 120,000 and total number of EFT-POS terminals is approximately 1 million in China. The relatively low penetration rate of ATMs and EFT-POS terminals are beneficial to the Group's further expansion in the sector. In 2008, our ATM operations will expand incessantly. We believe there are ample opportunities ahead for us to become the operator of the largest non-financial payment network in Mainland China to provide advanced-functionality services, such as customized branding solutions to financial institutions, including one-to-one marketing and advertising services on the ATM screen, off-premise deposit taking using electronic imaging, money transfer, and bill payment. Our relatively low-cost operations and significant experience in financial solutions and ATM management provide us with future revenue opportunities as banks and other financial institutions look to outsource certain management functions to simplify operations and lower their costs.

本集團管理層有重大金融服務及支付程序相關經驗，並已發展出廣泛網絡及市場領導地位，從而為本集團繼續招徠新商機。截至二零零七年底，於中國境內，ATM總數約達120,000台，而EFT-POS終端機總數約達1,000,000台。ATM及EFT-POS終端機相對偏低的滲透率有助於本集團於有關領域的進一步拓展。於二零零八年，本集團ATM業務將不斷擴展。本集團相信，未來我們有很大空間可成為中國內地提供先進功能服務的最大非金融支付網絡經營商，如向金融機構提供客戶化品牌解決方案，包括於ATM屏幕的一對一營銷及廣告服務、利用電子影像於室外接收存款、貨幣轉賬及票據付款。本集團於金融解決方案及ATM管理上相對低成本的運營及寶貴經驗，為我們提供了未來收益來源的機會，因為銀行及其他金融機構會尋求外判若干管理職能以簡化經營及降低成本。

Management Discussion and Analysis

管理層之討論與分析

Electronic power meters and automated solutions

電子式電能表及自動解決方案

For the period
from 30 July 2007
to 31 December 2007
二零零七年
七月三十日至
二零零七年
十二月三十一日期間
HK\$'000
千港元

Turnover	營業額	120,472
Operating profit	經營溢利	1,711
Research and development costs	研究及開發成本	4,175
Amortisation of intangible assets	無形資產攤銷	2,892
Capital expenditure	資本開支	
– property, plant and equipment	– 物業、廠房及設備	95,178
– intangible assets	– 無形資產	120,015
Net assets employed	所動用資產淨值	306,682

Subsequent to the acquisition of an effective interest of 95% in the Hualong Group in July 2007, we spent approximately six months in restructuring and reorganisation. Certain retrenchment measures are now in place to improve cost efficiency. We continued to uphold our dominant position in the domestic market. Currently, demand for power meters and solutions is experiencing significant growth given the booming economy and reformation in the energy sector in Mainland China. Power grid investments, energy supply and efficiency control became one of the top agenda of the Central Government's Eleventh Five Year Plan. State Power Grid and Southern Power Grid will be investing over RMB1 trillion during the five-year plan period while electronic power meters and automated systems/solutions are prerequisite for the reformation.

二零零七年七月收購華隆集團95%的實際權益後，本集團耗時約六個月於重整及重組。本集團正實施若干緊縮措施以提升成本效益。本集團繼續維持其於國內市場的領導地位。現時，鑒於中國經濟蓬勃發展及能源界的革新，電能表及解決方案的需求錄得大幅增長。電網投資、能源供應及效益控制成為中央政府第十一個五年計劃的主要綱領之一。國家電網及南方電網將於五年計劃期間投資逾人民幣一萬億元，而電子式電能表及自動化系統／解決方案為該項革新中不可或缺的部分。

Management Discussion and Analysis

管理層之討論與分析

Our strategic partnership with international leaders aiming at the export markets, mainly the European and Asia Pacific countries under the IEC standards progressed satisfactory during the year. We are receiving orders from diverse overseas countries such as Sweden and New Zealand. The need to replace the traditional mechanical meters with the more technologically advanced and automated electronic meters and solutions is rapidly growing.

Increased R&D expenses were due to more exertion placed to improve the quality of existing products and development of new series. We are also introducing various software to improve our R&D quality and productivity. Likewise, we consistently launch new and innovative products to meet the ever-changing technology and market demand.

年內，本集團與國際性的市場領導者建立策略夥伴關係開拓出口市場（以採用IEC標準的歐洲及亞太國家為主）的進展令人滿意。本集團收到來自瑞典及新西蘭等多個海外國家的訂單。以技術上較先進的自動電子式電能表及解決方案取代傳統機械電能表的需求正急劇上升。

研發開支增加是由於投放了更多資源以提升現有產品的質量及新系列產品的開發。本集團亦引入了多項軟件以提升本集團的研發質素及產能。與此同時，本集團貫徹始終地推出創新產品以迎合千變萬化的科技及市場需求。

Management Discussion and Analysis

管理層之討論與分析

PROSPECT

We are confident in the underlying competencies of our core and developing businesses and of the economies in which they operate. China, with its fast growing economy, evidenced by mounting trade across the region and gradually easing trade restrictions, is poised to become the largest consumption market in the world. We have established our foothold in the telecommunication, financial and energy sectors, which are expected to benefit from the growing consumption market in China with the most robust growth. Backed by a seasoned and dedicated management team, we manage to seize every business opportunity in these fast-growing industries and aim to provide high value-added solutions and services to our customers.

Going forward, financial solutions segment will remain our core competencies and continues to create values and opportunities for us to migrate into other related service areas. While BPO and electronic power meters and solutions will bring in new income streams to further enhance the Group's profitability. Electronic payment products and services, and telecommunication solutions and information technology operation value-added services are expected to grow and generate stable and recurring profit to the Group. We shall continue to devote our greatest effort to achieve the best values and returns to our shareholders over the long term.

展望

對於本集團核心業務和發展中業務的內在能力，以及該等業務營運所處區域經濟狀況，我們均充滿信心。中國經濟急速發展，整個地區內的貿易持續增長以及逐步放寬貿易限制，將促使其成為全球最大的消費市場。本集團已於電訊、金融和能源界奠立根基，預期將受惠於國內發展最蓬勃的消費市場。憑藉努力不懈的資深管理團隊，本集團得以抓緊該等高速增長行業所湧現的商機，致力為客戶提供高增值解決方案及服務。

展望未來，金融解決方案業務將仍為本集團的核心實力，並繼續締造價值及商機，助我們進軍其他相關服務領域。BPO與電子式電能表及解決方案將引進新收入來源，進一步增強本集團的盈利能力；與此同時，電子付款產品及服務以及電訊解決方案及資訊科技運營增值服務可望出現增長，並為本集團提供穩定的經常性溢利。未來長遠期間，我們將不斷為股東傾力爭取最佳利益和回報。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2007, the Group reported total assets of HK\$1,490.75 million (2006: HK\$847.11 million), which were financed by total liabilities of HK\$389.89 million (2006: HK\$167.44 million) and equity of HK\$1,100.86 million (2006: HK\$679.67 million). The net asset value was HK\$1,100.86 million (2006: HK\$679.67 million). It amounted to HK\$0.49 per share as compared to HK\$0.36 per share as at 31 December 2006.

As at 31 December 2007, the Group had cash of HK\$569.72 million (2006: HK\$528.08 million) and short term borrowings of HK\$42.55 million (2006: HK\$7.00 million). The net cash position as at 31 December 2007 was HK\$527.17 million as compared to HK\$521.08 million as at 31 December 2006. The short term borrowings included short term bank loan to fund the Group's working capital requirements. As at 31 December 2006, the Group had financial liability portion of convertible preference shares issued by a subsidiary of HK\$22.49 million, which were fully converted into ordinary shares of the Company during the year 2007. The gearing ratio (defined as total borrowings divided by shareholders' equity) was 0.04 compared to 0.04 as at 31 December 2006. The gearing ratio is considered healthy and suitable for the continued growth of the Group's business.

CAPITAL STRUCTURE AND DETAILS OF CHARGES

As at 31 December 2007, the Group's short term borrowings included short term bank loan which was denominated in Renminbi, amounting to RMB39.77 million. The short term bank loan was charged at interest of range from 7.13% to 7.60% per annum.

流動資金及財務資源

於二零零七年十二月三十一日，本集團錄得資產總值為1,490,750,000港元（二零零六年：847,110,000港元），相應負債總額為389,890,000港元（二零零六年：167,440,000港元）及權益總額1,100,860,000港元（二零零六年：679,670,000港元）。資產淨值則為1,100,860,000港元（二零零六年：679,670,000港元）。每股資產淨值為0.49港元，相對於二零零六年十二月三十一日則為每股0.36港元。

於二零零七年十二月三十一日，本集團有現金569,720,000港元（二零零六年：528,080,000港元）及短期借貸42,550,000港元（二零零六年：7,000,000港元）。於二零零七年十二月三十一日之現金淨額為527,170,000港元，相對於二零零六年十二月三十一日則為521,080,000港元。短期借貸包括短期銀行貸款，乃撥作應付本集團營運資金需求。於二零零六年十二月三十一日，本集團擁有由一家附屬公司發行的可換股優先股之財務負債部分22,490,000港元，其已於二零零七年內獲全數轉換為本公司普通股。資本負債比率（界定為借貸總額除以股東資金）為0.04，相對於二零零六年十二月三十一日則為0.04。此資本負債比率屬穩健，且符合本集團業務持續增長之需要。

資本架構及抵押詳情

於二零零七年十二月三十一日，本集團之短期借貸包括以人民幣列值之短期銀行貸款人民幣39,770,000元。短期銀行貸款按介乎7.13厘至7.60厘之年利率計息。

Management Discussion and Analysis

管理層之討論與分析

As at 31 December 2006, the financial liability portion of convertible preference shares issued by a subsidiary was HK\$22.49 million which was denominated in Hong Kong dollars and the effective interest rate was 8.27% per annum. These convertible preference shares were fully converted into ordinary shares of the Company during the year 2007.

Approximately HK\$270.29 million, HK\$113.49 million, HK\$184.99 million and HK\$0.95 million of the Group's cash balances were denominated in Renminbi, Hong Kong dollar, US dollar and Euro respectively as at 31 December 2007.

As at 31 December 2007, short term bank loans of HK\$42.55 million were secured by:

於二零零六年十二月三十一日，本公司以港元列值之一家附屬公司發行的可換股優先股的財務負債部分為22,490,000港元，實際利率為每年8.27厘。該等可換股優先股已於二零零七年內獲全數轉換為本公司普通股。

於二零零七年十二月三十一日，本集團之現金結餘分別約270,290,000港元、113,490,000港元、184,990,000港元及950,000港元乃分別以人民幣、港元、美元及歐羅列值。

於二零零七年十二月三十一日，42,550,000港元之短期銀行借貸以下列各項作抵押：

		HK\$ million 百萬港元
The leasehold land and building of a subsidiary of the Company and the corporate guarantee from an independent third party, Shenzhen High and New Technology Investment Guarantee Company Limited	本公司一家附屬公司之租賃土地及樓宇及獨立第三方深圳市高新技術投資擔保有限公司之企業擔保	5.37
The leasehold land and building of a subsidiary	一家附屬公司之租賃土地及樓宇	20.58
Bills receivables of a subsidiary	一家附屬公司應收票據	10.55
		36.50

EXCHANGE RATES EXPOSURE

The Group derives its revenue, makes purchases and incurs expenses denominated mainly in US dollars, Renminbi and Hong Kong dollars. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of Hong Kong dollar or Renminbi may have impact on the operating results of the Group.

匯率風險

本集團產生之收益、所作採購及支付之費用主要以美元、人民幣及港元列值。目前，本集團並無訂有任何協議或購買任何工具對沖本集團之匯率風險。倘港元或人民幣之匯率出現任何重大波動，均可能對本集團之經營業績造成影響。

Management Discussion and Analysis

管理層之討論與分析

CONTINGENT LIABILITIES

The Group had no material contingent liability as at 31 December 2007.

EMPLOYEES

The total number of employees of the Group as at 31 December 2007 was 1,591. The breakdown of employees by division is as follows:

Electronic payment products and services	電子支付產品及服務	174
Telecommunications solutions, services and related products, and information technology operation value-added services	電訊解決方案、服務及相關產品及資訊科技運營增值服務	280
Financial solutions, services and related products and business process operations	金融解決方案、服務及相關產品及業務營運	420
Electronic power meters and solutions	電子式電能表及解決方案	701
Corporate office	企業辦公室	16
		<hr/>
		1,591

The Group ensures that its remuneration packages are comprehensive and competitive. Employees are remunerated with a fixed monthly income plus annual performance related bonuses. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's businesses.

或然負債

於二零零七年十二月三十一日，本集團並無任何重大或然負債。

僱員

本集團於二零零七年十二月三十一日之僱員總數為1,591人。僱員按部門細分如下：

本集團確保其薪酬待遇全面且具有競爭性，而僱員之薪酬包括每月固定薪金，另加與表現有關之年度花紅。本集團亦資助獲挑選之僱員參與符合本集團業務所需之外界培訓課程。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

To the shareholders of Hi Sun Technology (China) Limited

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Hi Sun Technology (China) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 78 to 203, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation

of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Companies Act 1981 of Bermuda 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 as to whether the financial statements are free from material misstatement.

Independent Auditor's Report

獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 April 2008

Independent Auditor's Report

獨立核數師報告



羅兵咸永道會計師事務所

羅兵咸永道會計師事務所
香港中環
太子大廈二十二樓

致高陽科技(中國)有限公司股東 (於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第78至203頁高陽科技(中國)有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零零七年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他解釋附註。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部監控，以使財務報表不存在由

於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照百慕達一九八一年《公司法》第90條僅向整體股東報告，除此之外本報告別無其他目的，我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零七年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零零八年四月十八日

Consolidated Income Statement

綜合收益表

		For the year ended		
		31 December		
		截至十二月三十一日止年度		
		2007	2006	
		二零零七年	二零零六年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		Note		
		附註		
Turnover	營業額	5	779,605	473,122
Cost of sales	銷售成本	6	(422,767)	(264,870)
Gross profit	毛利		356,838	208,252
Other gains	其他收益	5	113,416	68,359
Selling expenses	銷售開支	6	(70,198)	(28,899)
Administrative expenses	行政費用	6	(180,491)	(98,667)
Operating profit	經營溢利		219,565	149,045
Finance costs	融資成本	9	(2,797)	(3,803)
Profit before income tax	除所得稅前溢利		216,768	145,242
Income tax expense	所得稅開支	10	(24,247)	(11,642)
Profit for the year	年內溢利		192,521	133,600
Attributable to:	應佔：			
– Equity shareholders of the Company	– 本公司權益持有人		184,276	133,600
– Minority interests	– 少數股東權益		8,245	–
			192,521	133,600
Earnings per share for profit attributable to the equity holders of the Company:	本公司權益持有人應佔溢利之每股盈利			
– Basic	– 基本	13	HK\$0.090 港元	HK\$0.083 港元
– Diluted	– 攤薄	13	HK\$0.083 港元	HK\$0.070 港元

The notes on pages 87 to 203 are an integral part of these consolidated financial statements.

第87至203頁的附註乃綜合財務報表之其中部分。

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December	
		於十二月三十一日	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
		Note	
		附註	
ASSETS	資產		
Non-current assets	非流動資產		
Investment properties	投資物業	14	3,363
Property, plant and equipment	物業、廠房及設備	15	164,817
Leasehold land	租賃土地	16	43,377
Intangible assets	無形資產	17	122,244
			333,801
Current assets	流動資產		
Inventories	存貨	19	138,581
Trade and other receivables, prepayments and deposits	應收賬款及其他應收款項、預付款項及按金	20	405,548
Due from a fellow subsidiary	應收一家同系附屬公司款項	28, 36(b)	1,111
Due from a related company	應收一家關連公司款項	28,36(b)	-
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	21	34,488
Restricted cash	受限制現金	22	7,500
Cash and cash equivalents	現金及現金等價物	23	569,716
			1,156,944
Total assets	資產總額		1,490,745
EQUITY	權益		
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備		
Share capital	股本	24	5,580
Other reserves	其他儲備	25	1,049,267
			1,054,847
Minority interest	少數股東權益		46,013
Total equity	權益總額		1,100,860

The notes on pages 87 to 203 are an integral part of these consolidated financial statements.

第87至203頁的附註乃綜合財務報表之其中部分。

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December	
		於十二月三十一日	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
	Note 附註		
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Financial liability portion of convertible preference shares issued by a subsidiary	一家附屬公司發行之可換股優先股金融負債部分	27, 29	22,485
Deferred tax liabilities	遞延稅項負債	30	-
		11,522	-
		11,522	22,485
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款項	26	117,282
Due to a fellow subsidiary	應付一家同系附屬公司款項	28,36(b)	13,497
Taxation payable	應付稅項		7,174
Borrowings	借款	29	7,000
		378,363	144,953
Total liabilities	負債總額	389,885	167,438
Total equity and liabilities	權益及負債總額	1,490,745	847,110
Net current assets	流動資產淨值	778,581	592,099
Total assets less current liabilities	資產總值減流動負債	1,112,382	702,157

On behalf of the Board
代表董事會

XU WENSHENG

徐文生
Director
董事

LI WENJIN

李文晉
Director
董事

The notes on pages 87 to 203 are an integral part of these consolidated financial statements.

第87至203頁的附註乃綜合財務報表之其中部分。

Balance Sheet

資產負債表

		As at 31 December		
		於十二月三十一日		
		2007		2006
		二零零七年		二零零六年
		Note	HK\$'000	HK\$'000
		附註	千港元	千港元
ASSETS				
資產				
Non-current assets				
非流動資產				
Investment properties	投資物業	14	4,888	5,146
Property, plant and equipment	物業、廠房及設備	15	–	1
Leasehold land	租賃土地	16	29,587	30,347
Investments in subsidiaries	於附屬公司之投資	18	4,136	4,136
			38,611	39,630
Current assets				
流動資產				
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	20	485	382
Due from subsidiaries	應收附屬公司款項	18	757,929	100,822
Tax recoverable	稅項收回		1,056	–
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	21	34,488	41,281
Restricted cash	受限制現金	22	7,500	–
Cash and cash equivalents	現金及現金等價物	23	121,113	247,802
			922,571	390,287
Total assets	資產總額		961,182	429,917

Balance Sheet

資產負債表

		As at 31 December	
		於十二月三十一日	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
		Note	
		附註	
EQUITY	權益		
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備		
Share capital	股本	24	4,699
Other reserves	其他儲備	25	377,675
Total equity	權益總額		914,858
			382,374
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計款項	26	10,789
Due to subsidiaries	應付附屬公司款項	18	35,535
Due to a fellow subsidiary	應付一家同系附屬公司款項	28	-
Taxation payable	應付稅項		14,500
			3,100
Total liabilities	負債總額		46,324
			47,543
Total equity and liabilities	權益及負債總額		961,182
			429,917
Net current assets	流動資產淨值		876,247
			342,744
Total assets less current liabilities	資產總額減流動負債		914,858
			382,374

On behalf of the Board
代表董事會

XU WENSHENG

徐文生
Director
董事

LI WENJIN

李文晉
Director
董事

The notes on pages 87 to 203 are an integral part of these consolidated financial statements.

第87至203頁的附註乃綜合財務報表之其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Attributable to the equity holders of the Company 本公司權益持有人應佔					Minority interests 少數股東權益		Total 合計
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Exchange reserve 外匯儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Minority interests 少數股東權益 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Balance at 1 January 2007	於二零零七年一月一日之結餘	4,699	269,586	168,434	156,494	7,688	72,771	-	679,672
Profit for the year	年內溢利	-	-	-	-	-	184,276	8,245	192,521
Shares issued under share options scheme of the Company (Note 24)	根據本公司購股權計劃發行股份(附註24)	208	15,474	-	-	-	-	-	15,682
Issue of new shares upon the conversion of convertible preference shares issued by subsidiaries (Note 24)	於轉換附屬公司發行之可換股優先股時發行新股份(附註24)	581	171,112	-	(149,614)	-	-	-	22,079
Employee share option scheme - value of employee services (Note 24)	僱員購股權計劃 - 僱員服務價值(附註24)	-	-	-	27,616	-	-	-	27,616
Deemed disposal of a subsidiary (Note 34)	視作出售一家附屬公司(附註34)	-	-	-	-	-	-	34,868	34,868
Acquisition of subsidiaries (Note 24 and 35)	收購附屬公司(附註24及35)	92	92,158	-	-	-	-	776	93,026
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	-	-	33,272	-	2,124	35,396
Balance at 31 December 2007	於二零零七年十二月三十一日之結餘	5,580	548,330	168,434	34,496	40,960	257,047	46,013	1,100,860

Consolidated Statement of Changes in Equity

綜合權益變動表

Attributable to the equity holders of the Company
本公司權益持有人應佔

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Exchange reserve 外匯儲備 HK\$'000 千港元	Retained earnings/ (accumulated losses) 保留盈利/ (累計虧損) HK\$'000 千港元	Total 合計 HK\$'000 千港元
Balance at 1 January 2006	於二零零六年 一月一日之結餘	3,330	100,556	125,310	15,627	872	(118,261)	127,434
Profit for the year	年內溢利	-	-	-	-	-	133,600	133,600
Issue of convertible preference shares by a subsidiary (Note 27)	一家附屬公司 發行可換股優先股 (附註27)	-	-	-	138,480	-	-	138,480
Shares issued under share options scheme of the Company (Note 24)	根據本公司購股權 計劃發行股份 (附註24)	459	24,196	-	-	-	-	24,655
Issue of new shares (Note 24)	發行新股份 (附註24)	910	245,450	-	-	-	-	246,360
Share issuance expenses (Note 24)	股份發行開支 (附註24)	-	(60)	-	-	-	-	(60)
Share premium reduction (Note 24)	削減股份溢價 (附註24)	-	(100,556)	43,124	-	-	57,432	-
Employee share option scheme - value of employee services (Note 24)	僱員購股權計劃 - 僱員服務價值 (附註24)	-	-	-	2,387	-	-	2,387
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司 財務報表產生 之匯兌差額	-	-	-	-	6,816	-	6,816
Balance at 31 December 2006	於二零零六年 十二月三十一日之結餘	4,699	269,586	168,434	156,494	7,688	72,771	679,672

The notes on pages 87 to 203 are an integral part of these consolidated financial statements.

第87至203頁的附註乃綜合財務報表之其中部分。

Consolidated Cash Flow Statement

綜合現金流量表

		Year ended 31 December	
		截至十二月三十一日止年度	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
	Note 附註		
Cash flows from operating activities	經營業務的現金流量		
Cash generated from operations	經營所得現金	31(a) 121,722	84,370
Interest paid	已付利息	(2,464)	(2,069)
Preferred dividend paid by a Subsidiary	一家附屬公司已付優先股股息	(603)	(422)
Hong Kong income tax paid	已付香港所得稅	(4,156)	-
Overseas income tax paid	已付海外利得稅	(10,520)	(5,183)
Net cash generated from operating activities	經營業務所得現金淨額	103,979	76,696
Cash flows from investing activities	投資活動的現金流量		
Acquisition of 95% equity interest subsidiaries, net of cash required	收購附屬公司之95%股權，不含現金收購淨額	35 (154,155)	-
Purchase of investment properties	購置投資物業	14 -	(3,548)
Purchase of property, plant and equipment	購置物業、廠房及設備	15 (34,131)	(49,140)
Purchase of leasehold land	購置租賃土地	16 -	(30,378)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備所得款項	31(b) 5,240	39
Proceeds from deemed disposal of 20% equity interest in a subsidiary	視作出售於一家附屬公司之20%股權之所得款項	34 78,125	-
Interest received	已收利息	9,303	4,831
Net cash used in investing activities	投資活動現金流出淨額	(95,618)	(78,196)

The notes on pages 87 to 203 are an integral part of these consolidated financial statements.

第87至203頁的附註乃綜合財務報表之其中部分。

Consolidated Cash Flow Statement

綜合現金流量表

		Year ended 31 December	
		截至十二月三十一日止年度	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
	Note 附註		
Cash flows from financing activities	融資活動的現金流量		
Proceeds from inception of short term bank loans	訂立短期銀行貸款所得款項	12,011	7,000
Repayment of short term bank loans	償還短期銀行貸款	(8,390)	(48,077)
Proceeds from issuance of convertible preference shares by a subsidiary	附屬公司發行可換股優先股所得款項	27(b) —	138,480
Issue of new ordinary shares	發行新普通股	15,682	271,015
Payment of share issuance expense	支付發行股份費用	—	(60)
Increase in restricted cash	受限制現金增加	(7,500)	—
Net cash generated from financing activities	融資活動所得現金淨額	11,803	368,358
Net increase in cash and cash equivalents	現金及現金等價物之增加淨額	20,164	366,858
Exchange gains on cash and cash equivalents	現金及現金等價物的匯兌收益	21,476	4,639
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	528,076	156,579
Cash and cash equivalents at the end of the year	年終現金及現金等價物	23 569,716	528,076

The notes on pages 87 to 203 are an integral part of these consolidated financial statements.

第87至203頁的附註乃綜合財務報表之其中部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1. GENERAL INFORMATION

The principal activity of Hi Sun Technology (China) Limited (the “Company”) is investment holding.

The Company and its subsidiaries (collectively referred to as the “Group”), are principally engaged in the sales of information technology products, provision of business process operation services, provision of information system consultancy and integration services, and information technology operation valued-added services.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is listed on the Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 18 April 2008.

1. 一般資料

高陽科技(中國)有限公司(「本公司」)之主要業務為投資控股。

本公司及其附屬公司(合稱為「本集團」)主要從事銷售資訊科技產品、提供業務運營服務、提供資訊系統諮詢及集成服務以及資訊科技運營增值服務。

本公司為於百慕達註冊成立的有限公司，其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司於香港聯合交易所有限公司上市。

除另有所指外，綜合財務報表以千港元(千港元)為單位呈列。此等綜合財務報表於二零零八年四月十八日獲董事會批准刊發。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2. 重大會計政策概要

編製此等綜合財務報表時採用的主要會計政策載列如下。除另有所指外，該等政策於呈報的所有年度貫徹採用。

2.1 編製基準

本公司的綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）編製。該等綜合財務報表按歷史成本法編製，並就按公平值計入溢利或虧損之金融資產及金融負債（包括衍生工具）（乃按公平值列賬）重估作修訂。

為與香港財務報告準則相符，編製財務報表時須作出若干重要的會計估計，管理層亦須在應用本集團會計政策之過程中作出判斷。涉及高度判斷性或複雜性，或對綜合財務報表而言有重大影響之假設和估計等範圍於附註4披露。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) Standards, amendment and interpretations effective in 2007

HKFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to HKAS 1, 'Presentation of financial statements - Capital disclosures', introduces new disclosures relating to financial instruments. The Group has assessed the impact of these new and revised accounting standards and concluded that there is no material impact on the classification and valuation of the Group's financial instruments, or the disclosures relating to taxation and trade and other payables, except for the additional disclosures on sensitivity analysis to market risk and capital disclosure.

HK(IFRIC) - Int 8, 'Scope of HKFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of HKFRS 2. This standard does not have any material impact on the Group's financial statements.

HK(IFRIC) - Int 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any material impact on the Group's financial statements.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(a) 在二零零七年已生效之準則、修訂及詮釋

香港財務報告準則第7號「金融工具：披露」，及香港會計準則第1號「財務報表之呈報 - 資本披露」之補充修訂引入了有關金融工具之新披露規定。本集團已評估該等新訂及經修訂會計準則，並斷定其對本集團金融工具之分類和估值，或稅項和應付賬款及其他應付款項相關之披露並無重大影響，惟有關市場風險及資本披露敏感度分析之額外披露除外。

香港（國際財務報告詮釋委員會）－詮釋第8號「香港財務報告準則第2號之範圍」規定凡涉及發行權益工具之交易－當中所收取之可識別代價低於所發行權益工具之公平值－必須確定其是否屬於香港財務報告準則第2號之範圍內。此項準則並無對本集團之財務報表有任何重大影響。

香港（國際財務報告詮釋委員會）－詮釋第10號「中期財務報告和減值」禁止在中期期間確認按成本值列賬之商譽、權益工具之投資和金融資產投資之減值虧損在之後之結算日撥回。此項準則並無對本集團之財務報表有任何重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) Interpretation early adopted by the Group

HK(IFRIC) - Int 11, 'HKFRS 2 - Group and treasury share transactions', was early adopted in 2007. HK(IFRIC) - Int 11 provides guidance on whether share-based transactions involving treasury shares or involving Group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and Group companies. This interpretation does not have material impact on the Group's financial statements.

(c) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

- HK(IFRIC) - Int 7, 'Applying the restatement approach under HKAS 29, Financial reporting in hyper-inflationary economies'; and
- HK(IFRIC) - Int 9, 'Re-assessment of embedded derivatives'.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(b) 本集團提早採納之詮釋

本集團提早於二零零七年採納香港(國際財務報告詮釋委員會)－詮釋第11號「香港財務報告準則第2號－集團及庫存股份交易」。香港(國際財務報告詮釋委員會)－詮釋第11號對涉及庫存股份或牽涉集團實體之以股份為基礎交易(如有關母公司股份之購股權)應否在母公司及集團公司之獨立賬目中入賬為權益結算或現金結算之以股份為基礎之支付提供指引。此項詮釋對本集團之財務報表並無重大影響。

(c) 於二零零七年已生效但與本集團無關之準則、修訂及詮釋

以下準則、修訂及對已公佈準則之詮釋必須在二零零七年一月一日或之後開始之會計期間採納，但與本集團營運無關：

- 香港(國際財務報告詮釋委員會)－詮釋第7號「香港會計準則第29號嚴重通脹經濟中之財務報告下之重列法」；及
- 香港(國際財務報告詮釋委員會)－詮釋第9號「重新評估勘入式衍生工具」。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods, but the Group has not early adopted them:

- HKAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The amendment requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRS. The Group will apply HKAS 1 (Revised) from 1 January 2009.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(d) *仍未生效而本集團亦無提早採納之準則、修訂及對現有準則之詮釋*

以下為已公佈之準則、修訂及對現有準則之詮釋，而本集團必須在二零零八年一月一日或之後開始之會計期間或較後期間採納，但本集團並無提早採納：

- 香港會計準則第1號(修訂)「財務報表列報」(由二零零九年一月一日起生效)。該項修訂要求權益中所有權益人變動之部分在一張權益變動表中列報。所有綜合收益在一張綜合收益表中或兩張表中(一張單獨之收益表和一張綜合收益表)列報。當存在追溯調整或重分類調整時，此項準則要求在一套完整之財務報表中列報前期最早期初財務狀況。但此項準則沒有改變由其他香港財務報告準則規定之特定交易和其他事件之確認、計量或披露。本集團將從二零零九年一月一日起應用香港會計準則第1號(修訂)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKFRS 2 Amendment “Share-based Payment Vesting Conditions and Cancellations” (effective from 1 January 2009). The amendment clarifies the definition of “vesting conditions” and specifies the accounting treatment of “cancellations” by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All “non-vesting conditions” and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The Group will apply HKFRS 2 Amendment from 1 January 2009, but it is not expected to have any impact on the Group’s accounts.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(d) *仍未生效而本集團亦無提早採納之準則、修訂及對現有準則之詮釋 (續)*

- 香港財務報告準則第2號(修訂)「股份支付歸屬條件及註銷」(由二零零九年一月一日起生效)。該修訂澄清了「歸屬條件」的釋義，並指定了對手方「註銷」股份付款安排之會計處理。歸屬條件僅為服務條件(要求對手方完成指定服務期間)及表現條件(要求實現指定服務期間及指定表現目標)。估計所授出權益工具之公平值時，須考慮所有「非歸屬條件」及為市場條件之歸屬條件。所有註銷作為加速歸屬入賬，本應於歸屬期間之餘下期間確認之金額即時確認。本集團將由二零零九年一月一日起應用香港財務報告準則第2號(修訂)，惟預期不會對本集團之賬目構成任何影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKFRS 3 (Revised) “Business Combination” (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). The amendment may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are “capable of being conducted” rather than “are conducted and managed”. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other IFRSs. They are income taxes, employee benefits, share-based payment and non current assets held for sale and discontinued operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets. The Group will apply HKFRS 3 (Revised) from 1 January 2010.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(d) *仍未生效而本集團亦無提早採納之準則、修訂及對現有準則之詮釋 (續)*

- 香港財務報告準則第3號(修訂)「企業合併」(適用於收購日期為二零零九年七月一日或之後首個年度申報期間之企業合併)。由於純粹以合約進行之合併及互控實體之合併均屬此準則範圍，而企業之定義已略作修訂，故此準則之修訂可能將更多交易納入收購會計範圍。此準則現指該等元素「可予進行」而非「予以進行及管理」，規定代價(包括或然代價)、各項可辨認資產及負債須按其收購日期之公允價值計量，惟租賃及保險合約、重新收購權利、彌償資產及須根據其他香港財務報告準則計量之若干資產及負債則除外，當中包括所得稅、僱員福利、股份支付及持作銷售之非流動資產及已終止業務。被收購公司之任何非控股股東權益按公允價值或按該非控股股東權益佔被收購公司之可辨認淨資產之比例計量。本集團將於二零一零年一月一日起應用香港財務報告準則第3號(修訂)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Amendment) from 1 January 2009 but is currently not applicable to the Group as there are no qualifying assets.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(d) *仍未生效而本集團亦無提早採納之準則、修訂及對現有準則之詮釋 (續)*

- 香港會計準則第23號(修訂本)「借貸成本」(由二零零九年一月一日起生效)。此項修訂要求實體將收購、興建或生產一項合資格資產(即需要頗長時間籌備作使用或出售之資產)直接應佔之借貸成本資本化,作為該資產之部份成本,並取消立即支銷該等借貸成本之選擇權。本集團將自二零零九年一月一日起應用香港會計準則第23號(修訂本),但由於本集團目前並無合資格資產,因此該準則現時並未適用。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKAS 27 (Revised) “Consolidated and Separate Financial Statements” (effective from annual period beginning on or after 1 July 2009). The amendment requires non-controlling interests (i.e. minority interests) to be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When control of a subsidiary is lost, the assets and liabilities and related equity components of the former subsidiary are derecognised. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. The Group will apply HKAS 27 (Revised) from 1 January 2010.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(d) *仍未生效而本集團亦無提早採納之準則、修訂及對現有準則之詮釋 (續)*

- 香港會計準則第27號(修訂)「綜合及獨立財務報表」。 (於二零零九年七月一日或之後開始之年度期間生效)。該修訂要求非控股股東權益(即少數股東權益)在綜合財務狀況報表中呈報為權益，獨立於母公司所有者之權益。綜合收入總額必須由母公司所有者及非控股股東權益分佔，即使由此引致非控股股東權益出現結餘赤字。母公司於附屬公司之所有權權益出現不致失去控制權之變動應於權益內入賬。當失去附屬公司之控制權時，前附屬公司之資產及負債以及相關權益部份均終止確認。任何盈虧於損益確認。任何保留在前附屬公司之投資按其於失去控制權當日之公允價值計量。本集團將於二零一零年一月一日應用香港會計準則第27號(修訂)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKFRS 8, 'Operating segments' (effective from 1 January 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated to groups of cash-generating units based on segment level, the change will also require management to reallocate goodwill to the newly identified operating segments. Management does not anticipate that this will result in any material impairment to the goodwill balance.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(d) 仍未生效而本集團亦無提早採納之準則、修訂及對現有準則之詮釋 (續)

- 香港財務報告準則第8號「經營分部」，自二零零九年一月一日起生效。香港財務報告準則第8號取代香港會計準則第14號，使分部申報方式符合美國財務會計準則第131號「企業及相關資料之分部披露」(US standard SFAS 131 'Disclosures about segments of an enterprise and related information')之規定。新準則規定遵從「管理方法」，據此，分部資料按內部申報採用之相同基準呈列。本集團將自二零零九年一月一日起應用香港財務報告準則第8號。管理層仍在詳細評估其預期影響，惟可申報分部及分部申報之方式似乎將與向營運總決策人提供之內部申報所採用者貫徹一致。由於商譽會按各分部分配至現金產生單位類別，有關變動亦導致管理層須重新分配商譽至新識別之經營分部。管理層預期，此舉將不會對商譽結餘造成任何重大減值。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HK(IFRIC) - Int 14, 'HKAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). HK(IFRIC) - Int 14 provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group will apply HK(IFRIC) - Int 14 from 1 January 2008, but it is not expected to have any material impact on the Group's financial statements.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(d) *仍未生效而本集團亦無提早採納之準則、修訂及對現有準則之詮釋 (續)*

- 香港 (國際財務報告詮釋委員會) - 詮釋第14號「香港會計準則第19號 - 界定福利資產限額、最低資金規定及其相互關係」，自二零零八年一月一日起生效。該準則就評估香港會計準則第19號內有關可確認為資產之盈餘金額限制提供指引，並解釋退休金資產或負債如何受法定或合約最低資金需求影響。本集團將自二零零八年一月一日起應用香港 (國際財務報告詮釋委員會) - 詮釋第14號，惟預期會對集團之財務報表並無任何重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(e) *Interpretations to existing standards that are not yet effective and not relevant for the Group's operations*

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Group's operations:

- HK(IFRIC) - Int 12, 'Service concession arrangements' (effective from 1 January 2008). HK(IFRIC) - Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. HK(IFRIC) - Int 12 is not relevant to the Group's operations because none of the Group's companies provide public sector services.
- HK(IFRIC) - Int 13, 'Customer loyalty programmes' (effective from 1 July 2008). HK(IFRIC) - Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. HK(IFRIC) - Int 13 is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(e) *尚未生效且與本集團業務無關之現行準則之詮釋*

下列已頒佈現行準則之詮釋須於二零零八年一月一日或之後開始之本集團會計期間或往後期間強制採納，惟與本集團業務並不相關：

- 香港(國際財務報告詮釋委員會)－詮釋第12號「服務特許權安排」，自二零零八年一月一日起生效。該準則適用於私人營運商參與公營服務基礎建設之開發、融資、營運及保養之合約安排。由於本集團旗下公司概無向公營機構提供服務，故香港(國際財務報告詮釋委員會)－詮釋第12號與本集團業務無關。
- 香港(國際財務報告詮釋委員會)－詮釋第13號「顧客長期支持計劃」，於二零零八年七月一日起生效。該準則闡明，倘貨品或服務連同顧客長期支持優惠售出(如長期支持積分或贈品)，有關安排屬多元安排，應收客戶代價應按公平值於安排元素間分配。由於本集團旗下公司概無實行任何長期支持計劃，故香港(國際財務報告詮釋委員會)－詮釋第13號與本集團業務無關。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

2. 重大會計政策概要 (續)

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(a) 附屬公司

附屬公司乃指本集團控制其半數以上投票權，並有權監管其財務及營運政策之所有實體。於評估本集團是否控制另一實體時，已考慮現時可予行使或轉換之潛在投票權之存在及影響。

附屬公司之賬目自控制權轉讓予本集團之日起綜合計入，而有關賬目將於該控制權終止之日剔除綜合計入賬目。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. (Note 2.7(a))

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

2. 重大會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

收購會計法用於計算本集團收購附屬公司。收購成本按於所給予資產、所發行股本工具及所產生或承擔負債於交換日期之公平值計量，另加收購之直接應佔成本。於業務合併取得之可識別資產以及承擔之負債及或然負債，初步按收購日期之公平值計量，而不論任何少數股東權益的數額。收購成本超出本集團所佔可識別資產淨值公平值之差額乃記錄為商譽。倘收購成本少於所收購附屬公司資產淨值之公平值，則有關差額直接於收益表確認。(附註2.7(a))

集團內公司間之交易、集團內公司間交易之結餘及未變現收益均予以對銷。未變現虧損亦會對銷，惟有證據顯示所轉讓資產出現減值之交易除外。附屬公司之會計政策於有需要時已作出更改，以確保本集團採納之政策貫徹一致。

在本公司之資產負債表內，附屬公司之投資以成本值減去減值虧損準備入賬。附屬公司之業績由本公司按已收及應收股息為基準入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2. 重大會計政策概要 (續)

2.2 綜合賬目 (續)

(b) 與少數股東權益有關之交易

本集團採納了一項政策，將其與少數股東進行之交易視為與本集團以外的人士進行的交易。向少數股東進行的出售而導致本集團的盈虧於綜合收益表記賬。向少數股東進行購置而導致的商譽，相當於所支付的任何代價與相關應佔所收購附屬公司淨資產之賬面值的差額。

2.3 分類報告

業務分類指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報與其他業務分類有別。地區分類乃在特定經濟環境下從事提供產品或服務，而該分類之風險及回報與在其他經濟環境經營之分類有別。

2.4 外幣換算

(a) 功能和呈報貨幣

本集團旗下各實體的財務報表所列項目均採用有關實體營業所在的主要經濟環境通用的貨幣（「功能貨幣」）為計算單位。綜合財務報表以港幣呈報，而港幣為本公司的功能貨幣及呈報貨幣。

(b) 交易及結餘

外幣交易按交易當日適用的匯率兌換為功能貨幣。因結算交易及按結算日匯率換算貨幣資產和負債產生的外匯損益均於收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

2. 重大會計政策概要 (續)

2.4 外幣換算 (續)

(b) 交易及結餘 (續)

非貨幣項目(例如按公平值計入溢利或虧損之股本工具)之換算差額乃呈報為公平值損益之部分。非貨幣項目(例如分類為可供出售金融資產之股本)之換算差額則計入權益項下公平值儲備。

(c) 集團旗下公司

集團旗下所有功能貨幣與呈報貨幣不同之實體(全部均非高通脹經濟之貨幣)之業績及財務狀況,按以下方式換算為呈報貨幣:

- (i) 各資產負債表所呈列資產及負債,按結算日之收市匯率換算;
- (ii) 各收益表之收入及支出,按平均匯率換算,惟此平均值並非該等交易日期通行匯率具累積效果之合理約數除外。在此情況下,收入及支出將於交易日期換算;及
- (iii) 所有匯兌差額將確認為個別權益項目。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

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

2.5 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2. 重大會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團旗下公司(續)

綜合賬目時，換算於海外實體之淨投資所產生匯兌差額及指定用作對沖該等投資之借款及其他貨幣工具之匯兌差額均計入股東權益。出售海外業務時，匯兌差額於收益表確認為出售收益或虧損之一部分。

收購海外實體產生之商譽及公平值調整視為該海外實體之資產和負債，並按收市匯率換算。

2.5 物業、廠房及設備

所有物業、廠房及設備按歷史成本減折舊及減值虧損入賬。歷史成本包括收購此等項目直接應佔開支。

當與項目有關之未來經濟利益可能流入本集團，以及項目成本能可靠計算時，其後成本才會計入資產之賬面值或確認為獨立資產(視適用情況而定)。所有其他維修及保養費於產生財政期間於收益表支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings	5-10%
Leasehold improvements	20%
Office furniture and equipment	18%-25%
Plant and equipment	9%-25%
Motor vehicles	18% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other gains/ (losses) – net, in the income statement.

2.6 Investment properties

Property that is held for long-term yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

The cost of an investment property comprises its purchase price and any costs directly attributable to bringing the property to its intended use.

2. 重大會計政策概要 (續)

2.5 物業、廠房及設備 (續)

物業、廠房及設備之折舊以直線法於其估計可用年期內分配其成本至剩餘價值。所採用年率如下：

樓宇	5-10%
租約物業裝修	20%
辦公室傢俬及設備	18%-25%
廠房及設備	9%-25%
汽車	18%-25%

資產之剩餘價值及可用年期會於各結算日審閱及調整(如適用)。

倘資產之賬面值超過其估計可收回金額，則其賬面值將即時撇減至其可收回金額(附註2.8)。

出售資產之收益或虧損指出售所得款項與有關資產賬面值之間差額，並於收益表之其他收益／(虧損)淨額確認。

2.6 投資物業

持作取得長期收益或資本升值或兩者之物業，及並非由綜合本集團旗下成員本公司佔用之物業，均分類為投資物業。

投資物業成本包括其買入價及與令物業達致其擬定用途直接有關之成本。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

After initial recognition, investment property is stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated using the straight-line method to allocate cost of the investment property over its estimated useful lives, as follows:

Buildings	5%
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Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment.

2. 重大會計政策概要 (續)

2.6 投資物業 (續)

初步確認後，投資物業按成本減累計折舊及減值虧損列賬。

投資物業乃按以下比率，就其估計可用年期，以直線法分配成本計算折舊：

樓宇	5%
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其後開支僅於與該項目相關之日後經濟利益將流入本集團，及該項目成本能可靠計量時，自資產賬面值扣除。所有其他維修及保養成本於產生之財政期間在收益表支銷。

倘投資物業成為業主自用，則重新分類為物業、廠房及設備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2. 重大會計政策概要 (續)

2.7 無形資產

(a) 商譽

商譽指收購成本超過於收購日期本集團應佔所收購附屬公司的可識辨資產淨值的公平值之數額。收購附屬公司的商譽包括在無形資產內。獨立確認之商譽每年進行減值測試，並按成本減累計減值虧損列賬。商譽之減值虧損不予撥回。出售實體的盈虧包括有關實體商譽之賬面值內。

就減值測試而言，商譽會分配至現金生產單位。商譽乃分配予預期可受惠於產生商譽之業務合併之現金產生單位或一組現金產生單位。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets (continued)

(b) Brand name and customer list

Acquired brand name and customer list are shown at historical cost. Brand name and customer list have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of brand name and customer list over their estimated useful lives (2-5 years).

(c) Software development costs

Acquired software development costs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

2. 重大會計政策概要 (續)

2.7 無形資產 (續)

(b) 品牌及顧客名單

品牌及顧客名單按歷史成本列賬。品牌及顧客名單有限定的可使用年期，並按成本減累計攤銷列賬。攤銷利用直線法將品牌及顧客名單的成本分攤至其估計可使用年期(2至5年)計算。

(c) 軟件開發成本

購入的軟件開發成本根據購買及使用該特定軟件所引起的成本資本化。有關成本按其估計可用年期(五年)攤銷。

與開發或維修電腦軟件程式相關的成本已確認為費用支銷。直接與開發由集團控制的可識別及獨有軟件產品，並很可能產生超逾一年經濟效益的成本，已確認為無形資產。直接成本包括軟件開發員工的成本，以及適當的相關經常費用。

已確認為資產的電腦軟件開發成本已按其估計可用年期攤銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. 重大會計政策概要 (續)

2.8 投資附屬公司及非金融資產的減值

並無可用期限的資產毋須攤銷，但此等資產每年均作出至少一次減值評估。如發生任何可能導致未能收回資產賬面值的事項或情況變化，本集團亦會檢討該資產的減值情況。就資產而言，倘發生任何可能導致未能收回資產賬面值之事項或情況變化，本集團將檢討該資產的減值情況。減值虧損為資產賬面值超越其可收回價值之數額。可收回金額為資產公平值減出售成本後之價值，與其使用價值之間的較高者。就評估資產減值而言，本集團按可個別可識別其現金流量（現金產生單位）的最低水平劃分資產類別。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以撥回進行檢討。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

2. 重大會計政策概要 (續)

2.9 金融資產

本集團將其金融資產分類為：按公平值計入溢利或虧損之金融資產與貸款及應收款項。分類取決於收購金融資產之目的。管理層於初步確認時釐定其金融資產之分類，並於每個申報日期重新評估有關決定。

(a) *按公平值計入溢利或虧損之金融資產*

按公平值計入溢利或虧損之金融資產乃持作買賣的金融資產。倘收購旨在於短期內售出，則於此類別分類。除非衍生工具設定作對沖用途，否則，衍生工具分類為持作買賣。此類別之資產獲分類為流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables and cash and cash equivalents in the balance sheet (Notes 2.11 and 2.12).

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

2. 重大會計政策概要 (續)

2.9 金融資產 (續)

(b) 貸款及應收款項

貸款及應收款項為並無於活躍市場掛牌而有固定或待付款的非衍生金融資產。貸款及應收款項計入流動資產，惟到期日為結算日起計12個月以上者除外。此等貸款及應收款項分類為非流動資產。貸款及應收款項於資產負債表計入應收賬款及其他應收款項及現金及現金等價物(附註2.11及2.12)。

定期買賣金融資產於成交日期確認，即本集團承諾買賣資產之日期。投資初步按公平值加所有未有按公平值計入溢利或虧損之金融資產之交易成本確認。按公平值計入溢利或虧損之金融資產初步按公平值確認，而交易成本則在收益表支銷。金融資產於投資收取現金流量之權利屆滿或轉讓後，而本集團亦已轉讓擁有權的絕大部分風險及回報時，將會被剔除。按公平值計入溢利或虧損之金融資產其後按公平值列賬。貸款及應收款項以實際利率法按攤銷成本列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

(b) Loans and receivables (continued)

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains - net', in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establish fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2. 重大會計政策概要 (續)

2.9 金融資產 (續)

(b) 貸款及應收款項 (續)

「按公平值計入溢利或虧損之金融資產」之公平值變動產生之收益或虧損，於產生期間計入收益表之「其他(虧損)/收益-淨額」中。按公平值計入溢利或虧損之金融資產所產生之股息收入，在本集團收取付款的權利確立以後，於收益表列作其他收入部份。

上市投資之公平值，乃以當時買入價計算。若某項金融資產之市場並不活躍(及就非上市證券而言)，本集團利用估值技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同之其他工具、貼現現金流量分析和盡量以市場資訊而非發行人個別情況為輸入之期權定價模式。

本集團於每個結算日評估是否有客觀證據顯示金融資產或一組金融資產已出現減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials and direct labour. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indication that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

2. 重大會計政策概要 (續)

2.10 存貨

存貨乃以以成本值及可變現淨值兩者中較低者列賬。成本以先入先出方法釐定。製成品及在建工程之成本包括原材料及直接工資。變現淨值為正常業務過程中之估計售價扣除適用之可變銷售開支。

2.11 應收賬款及其他應收款項

應收賬款及其他應收款項初步按公平價值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據顯示本集團未能根據應收款項之原訂條款收回所有到期款項，即就應收賬款及其他應收款項設定減值撥備。債務人之重大財務困難、債務人可能破產或進行債務重組，以及拖欠或逾期付款，均被視為應收賬款已減值的跡象。撥備金額為資產之賬面值與按原實際利率折現之估計未來現金流量之現值之差額。資產之賬面值通過備抵賬調減，虧損金額在收益表中行政費用內確認。當應收賬款不可收回時，該金額在備抵賬中撇銷。其後收回早前撇銷的金額則撥回扣除收益表中之行政費用。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings under current liabilities on the balance sheet.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition and issue of borrowings including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2. 重大會計政策概要 (續)

2.12 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款、原定到期日為三個月或以下之其他短期高流通量投資及銀行透支。銀行透支於資產負債表流動負債下列作借款。

2.13 股本

普通股分類為權益。發行新股份或購股權直接有關的增量成本於權益列示為自所得款項扣除稅項之扣減。

2.14 應付賬款

應付賬款初步按公平值確認，其後使用實際利率法按攤銷成本計算。

2.15 借款

借款初步以公平值確認(減去所產生之交易成本)。交易成本為收購及發行負債的遞增直接成本，包括支付予代理人、顧問、經紀及經銷商之費用及佣金，以及監管機構及證券交易所徵收之徵費，以及轉讓稅項及徵稅。借款其後以攤銷成本列賬。所得款項(扣除交易成本)與贖回價值間之差額，乃以實際利率法於借款期間在收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Borrowings (continued)

The fair value of the liability portion of convertible preference shares issued by a subsidiary is determined using a market interest rate for an equivalent non-convertible preference shares. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or on maturity. The remainder of the proceeds is allocated to the equity component and is included in shareholders' equity, net of income tax effects.

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

2.16 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. 重大會計政策概要 (續)

2.15 借款 (續)

由一家附屬公司發行之可換股優先股之負債部分之公平值以等額非可換股優先股市場利率釐定。有關款項按攤銷成本基準記錄為負債，直至獲轉換或到期為止。所得款項之餘下部分分配至權益部分，並於扣除所得稅影響後計入股東權益。

借款歸類為流動負債，除非本集團有權無條件將債項延長至結算日後最少12個月後清償則作別論。

2.16 當期及遞延所得稅

當期所得稅支出根據本公司及其附屬公司營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Current and deferred income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.17 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision, where appropriate, is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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

2. 重大會計政策概要 (續)

2.16 當期及遞延所得稅 (續)

遞延所得稅乃就資產與負債的稅基及有關資產與負債於綜合財務報表中的賬面值兩者的暫時差額，以負債法作出全數撥備。然而，倘遞延所得稅乃產生自於交易（業務合併除外）初步確認資產或負債，而當時之交易並無影響會計或應課稅溢利或虧損，則不會列賬。遞延所得稅乃以於結算日訂明或實質訂明之稅率（及法例）釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

遞延所得稅資產之確認以預期日後可能出現應課稅溢利用作抵銷暫時差額為限。

本集團就附屬公司投資產生之暫時差額作出遞延所得稅撥備，除非本集團可控制撥回該暫時差額之時間，且該暫時差額可能不會於可預見將來撥回則屬例外。

2.17 僱員福利

(a) 僱員有薪假期

僱員獲享之年度休假在僱員可享有時確認。本集團會對僱員服務至結算日所累積之年度休假估算負債作出撥備（倘適用）。

僱員獲享之病假及產假不會確認，直至僱員休假之時。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

(b) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Pension Scheme") set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the Pension Scheme. The assets of the Pension Scheme are held separately from those of the Group in an independently administrated fund. The Group's employer contributions vest fully with the employees when contributed to the Pension Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to vesting fully in the contributions, in accordance with the rules of the Pension Scheme.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 7% to 20% of the wages for the year of those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group. Contributions to these retirement benefits schemes are charged to the income statement as incurred.

2. 重大會計政策概要 (續)

2.17 僱員福利 (續)

(b) 退休金責任

本集團為其所有香港僱員運作一個根據強制性公積金計劃條例設立之定額供款強制性公積金退休福利計劃(「退休計劃」)。退休計劃之供款按僱員基本薪金之某個百分比計算，並於根據退休計劃規定應支付供款時在收益表扣除。退休計劃之資產與本集團之資產分開持有，並由獨立管理基金保管。本集團之僱主供款在向退休計劃作出供款時悉數歸屬僱員，惟本集團作出之僱主自願供款，會按照退休計劃之規則在僱員於有關供款全數歸屬前離職時退回予本集團。

本集團於支付供款後即無其他付款責任。供款於到期時確認為僱員福利支出，並扣減僱員於供款全數歸屬前離職而被沒收之供款。預付供款於退回現金或削減未來供款時確認為資產。

此外，根據中華人民共和國(「中國」)政府之規例，本集團須按中國員工該年度之工資約7%至20%就若干退休福利計劃作出供款，由當地市政府承擔該等本集團員工之退休福利責任。就該等退休福利計劃作出之供款於產生時在收益表中扣除。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

(c) *Share-based compensation*

The Group operates two equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(d) *Profit sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. 重大會計政策概要 (續)

2.17 僱員福利 (續)

(c) 股本酬金

本集團設有以股本結算並以股份支付之酬金計劃。就僱員所提供服務授出之購股權之公平值確認為開支。歸屬期內支銷總額參考所授出購股權之公平值釐定，不包括任何非市場性質歸屬條件（例如盈利能力及銷售額增長指標）所產生影響。於各結算日，實體檢討預期可予行使購股權數目之估計。倘需修訂原有估計，則於收益表確認有關影響（如有），並就餘下歸屬期間對權益作出相應調整。

當購股權獲行使時，已收所得款項扣除任何直接應計交易成本計入股本（面值）及股份溢價。

(d) 溢利分享及花紅計劃

本集團按照特定計算方法就花紅及溢利分享確認負債及開支，該計算方法已計入本公司股東應佔溢利並作出若干調整。當出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

2. 重大會計政策概要 (續)

2.18 撥備

當本集團因過往事件承擔現有法律或推定責任，而解除責任很有可能導致資源流出，且金額能夠可靠計算之情況下，便會確認撥備。

倘承擔若干類似責任，於釐定解除責任是否需要流出資源時，將以整類責任類別為考慮。即使同類責任當中任何一項導致資源流出可能性甚低，亦會確認撥備。

2.19 收入確認

收入包括本集團於日常業務中銷售貨品及提供服務收回或應收之代價的公平值。所示收入已扣除增值稅、退貨、回扣及折扣，並沖銷集團內公司間之銷售。收入按以下方式確認：

(a) 銷售貨品

當集團旗下實體交付產品予客戶及客戶接納產品時，且合理確定可以收回相關應收款項，即確認銷售貨品收入。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition (continued)

(b) Sales of services

Services are provided on a transaction basis or as a fixed-price contract, with contract terms generally ranging from less than one year to seven years.

Revenue from transaction contracts is recognised at the contractual rates as services are delivered and direct expenses incurred.

Revenue from fixed-price contracts is recognised using the stage of completion method, measured by reference to the agreed milestones of work performed and is shown after eliminating sales within the Group.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the income statement in the period in which the circumstances that give rise to the revision become known by management.

(c) Interest income

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

2. 重大會計政策概要 (續)

2.19 收入確認 (續)

(b) 提供服務

服務乃按交易基準或以固定價格合約提供，合約條款一般由少於一年至七年不等。

來自交易合約的收益乃於交付服務及產生直接開支時按合約所訂的收費率確認。

來自固定價格合約的收益乃按完成階段方法確認，經參考工作所達致的協定重要階段作出計量，並於對銷集團內的銷售後列賬。

倘發生情況，使收益、成本或完工進度的原有估計有所變動，便會對估計作出修改。有關修改可能導致估計收益或成本增加或減少，以及在管理層得悉引致修改的情況的期間在收益表中反映。

(c) 利息收入

利息收入以實際利率法按時間比例確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition (continued)

(d) Lease income – finance lease

Lease income under finance lease is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

(e) Lease income – operating lease

Lease income under operating lease is recognised over the term of the lease in a straight line basis.

2.20 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

2.21 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are deducted from the carrying amount of the asset. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

2. 重大會計政策概要 (續)

2.19 收入確認 (續)

(d) 租金收入 – 融資租約

融資租約項下租金收入以淨投資法於租約年期確認，以反映各期間之穩定回報。當根據融資租約出租資產時，租金現值確認為應收款項。應收款項總額與應收款項現值間之差額確認為未賺取融資收入。

(e) 租金收入 – 經營租約

經營租約項下租金收入按直線法於租期內確認。

2.20 租約 (經營租約之承租人)

凡擁有權所涉及大部分風險及回報由出租人保留之租約，均列作經營租約。根據經營租約所付租金在扣除來自出租人之任何優惠後，在租約年內以直線法在收益表支銷。

2.21 政府資助

倘存合理保證可收到政府資助而本集團亦將會遵行有關條款時，該資助將會以公平值確認為收入。

與收購物業、廠房及設備有關的政府資助會於資產賬面值扣除。有關資助會以扣減折舊法，按該須予折舊資產可用年期確認為收益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Research and development

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.24 Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation in current year.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's operations are subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment and competition in the industry.

2. 重大會計政策概要 (續)

2.22 研發

研究開支於產生時支銷。考慮其商業及技術可行性而認為該項目將成功且成本能可靠地作出計量時，於發展項目產生的成本（有關設計及測試新或改良產品）確認為無形資產。其他發展開支於產生時支銷。過往確認為開支的發展成本不會於其後期間確認為資產。

2.23 股息分派

向本公司股東分派的股息於本集團的財務報表內於本公司股東批准股息期內，確認為負債。

2.24 比較數字

倘需要，比較數字已重新分類，以符合本年度之呈列方式變動。

3. 財務風險管理

3.1 財務風險因素

本集團的業務經營受特定考慮因素及重大風險影響，其中包括與政治、經濟、法律環境及與行業競爭有關的風險。

3. FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(i) Foreign exchange risk

The Group operates mainly in the People's Republic of China ("PRC") and Hong Kong. The exchange rate of Renminbi to HK dollars is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. At present, the Group does not have any financial instruments for hedging purposes.

Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The executive Directors are responsible for managing the net position in each foreign currency.

The Group's foreign currency transactions are mainly denominated in Renminbi ("RMB"), Hong Kong dollar ("HKD") and US dollar ("USD"). The majority of assets and liabilities are denominated in RMB, HKD and USD, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than HKD. The Group currently does not have a foreign currency hedging policy. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(i) 外匯風險

本集團主要於中華人民共和國(「中國」)及香港經營業務。人民幣兌港元的匯率須受中國政府頒布的外匯管制規則及法規所規限。目前，本集團並無任何作對沖用途的金融工具。

倘未來有商業交易，則會產生外匯風險，已確認資產及負責以實體功能貨幣以外的貨幣兌換。執行董事負責監管各外幣的淨狀況。

本集團主要以人民幣、港元及美元計值進行外匯交易。資產及負債大部分以人民幣、港元及美元計值。本集團並無其他貨幣定值的重大資產及負債。本集團面對非以港元計值的未來商業交易及已確認的資產及負債所產生的外匯風險。本集團現時並無制定任何外幣對沖政策。本集團透過密切監控外幣匯率的變動來控制其外匯風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(i) Foreign exchange risk (continued)

The carrying amount of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(i) 外匯風險 (續)

本集團及本公司於各結算日以外幣計值的貨幣資產及貨幣負債的賬面值如下：

		Group 本集團		Company 本公司	
		As at 31 December 於十二月三十一日		As at 31 December 於十二月三十一日	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Assets	資產				
RMB	人民幣	647,860	161,244	—	—
USD	美元	196,385	152,832	64,720	429
EUR	歐羅	949	—	—	—
Liabilities	負債				
RMB	人民幣	328,525	94,509	—	—
USD	美元	242	86	—	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(i) Foreign exchange risk (continued)

The following table shows the sensitivity analysis of a 5% increase/decrease in HKD against other foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. If HKD strengthens/weakens by 5% against the other foreign currencies, the effect on the profit for the year is as follows:

		Group 集團		Company 公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
RMB	人民幣				
Decrease/increase in profit for the year	年度溢利減少/ 增加	15,206	3,178	-	-
USD	美元				
Decrease/increase in profit for the year	年度溢利減少/ 增加	9,340	7,274	3,082	20

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(i) 外匯風險 (續)

下表展示港元對其他外幣升值／貶值5%的敏感度分析。該分析僅包括以外幣計值的貨幣項目，於年終因應外幣匯率變動5%而調整換算。倘港元對其他外幣升值／貶值5%，則對年度溢利的影響如下：

3. FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(ii) Price risk

The Group is exposed to equity securities price risk because the Group has publicly traded equity investments classified as financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the investment portfolio is continuously reviewed and carefully monitored in accordance with the limits set by the executive Directors.

(iii) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, and cash deposits with banks.

The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(ii) 價格風險

由於本集團公開買賣分類為按公平值計入溢利或虧損之金融資產之股本投資，故本集團面對股本證券價格風險。為管理股本證券投資產生之價格風險，本集團按照執行董事制定之限制，持續審閱及審慎監控投資組合。

(iii) 信貸風險

本集團承受與其應收賬款及其他應收款項以及銀行現金存款有關的信貸風險。

應收賬款及其他應收款項、受限制現金、現金及現金等值項目的賬面值乃本集團面對與金融資產有關的的最大信貸風險。

3. FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(iii) Credit risk (continued)

To manage this risk, deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. The Group has policies in place to ensure that sales are made to reputable and credit-worthy customers with an appropriate financial strength, credit history and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group has concentration of credit risk. Sales of goods and services to the top five customers constituted 46% of the Group's turnover for the year ended 31 December 2007.

(iv) Liquidity risk

With prudent liquidity risk management, the Group aims to maintain sufficient cash and cash equivalents and ensure the availability of funding through an adequate amount of available financing, including short-term bank loans. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and flexibility in funding through having available sources of financing.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(iii) 信貸風險 (續)

為控制該風險，存款主要存入國有銀行及有良好信譽銀行，國有銀行及有良好信譽銀行均為高信貸質量金融機構。本集團制定政策以確保銷售予擁有相當財政實力、信用歷史及支付適當百分比首期付款的信譽良好客戶。本集團亦制定其他監控程序以確保採取跟進措施收回逾期債務。此外，本集團定期審核個人客戶的信用限額授權及每項個別應收賬款的可收回金額，以確保已就不可收回款項計提充分的減值虧損。

本集團有信貸風險集中。向五大客戶銷售的貨物及服務構成本集團截至二零零七年十二月三十一日止年度營業額的46%。

(iv) 流動資金風險

透過審慎的流動資金風險管理，本集團致力維持充足的現金及現金等值項目，或透過充足融資金額（包括短期銀行貸款）取得資金。由於有關業務的多變性質，本集團的融資部門透過維持充足的現金及現金等值項目以及可動用融資來源維持資金的靈活性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(iv) Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(iv) 流動資金風險 (續)

下表根據結算日餘下期間至合約到期日的分析，將本集團的非衍生財務負債分為有關到期日組別。該表所披露的金額為合約未貼現現金流。由於折現的影響不大，故於十二個月內到期的結餘相等於其賬面結餘。

		Less than 1 year 少於一年 HK\$'000 千港元	Between 1 and 2 years 一年至二年 HK\$'000 千港元	Between 2 and 5 years 二年至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2007	於二零零七年 十二月三十一日					
Borrowings	借款	42,551	-	-	-	42,551
Trade and other payables	應付賬款及 其他應付款項	288,653	12,836	-	-	301,489
Total	總計	331,204	12,836	-	-	344,040
At 31 December 2006	於二零零六年 十二月三十一日					
Borrowings	借款	7,000	-	-	22,485	29,485
Trade and other payables	應付賬款及其他應付 款項	115,469	1,813	-	-	117,282
Total	總計	122,469	1,813	-	22,485	146,767

3. FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(v) Interest rate risk

The Group

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets, except for cash placed with banks. The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. As at year end, all borrowings were at fixed rates.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(v) 利率風險

本集團

本集團的收入及經營現金流量大部分不受市場利率變動影響，而本集團亦無重大計息資產（存於銀行的現金除外）。本集團承受的利率變動風險主要來自借款。本集團按浮動利率計息的借款受現金流量利率風險影響。定息借款令本集團承受公平值利率風險。截至年底，所有借款均屬定息。

本集團以活躍方式分析其利率風險。本集團利用多個模擬方案，以計入再融資、現有持倉的續訂、其他可採用的融資和對沖。根據此等方案，本集團計算界定利率轉移對利潤和虧損的影響。就每個模擬方案，所有貨幣均採用同一利率轉移。此等方案只就相當於主要計息持倉的負債運行。

本集團現時並無利用任何利率掉期對沖利率風險。然而，本集團將於有需要時考慮對沖重大利率風險。

3. FINANCIAL RISK MANAGEMENT

(continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

3. 財務風險管理 (續)

3.2 資本風險管理

本集團管理資本的目的為保障本集團繼續以持續經營方式為權益所有人提供回報以及為其他利益相關者帶來利益，並且維持最佳資本結構以減少資金成本。

為維持或調整資本結構，本集團可調整向權益所有人支付股息的金額、發行新股份或出售資產以減少債項。

與業內其他公司一樣，本集團根據資本負債比率監控資本。資本負債比率乃按借貸總額除以權益總額計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT

(continued)

3.2 Capital risk management (continued)

The gearing ratios at 31 December 2007 and 2006 were as follows:

		As at 31 December 於十二月三十一日	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total borrowings (Note 29)	借款總額 (附註29)	42,551	29,485
Total equity	總權益	1,100,860	679,672
Gearing ratio	權益負債比率	0.04	0.04

3.3 Fair value estimation

The nominal value less impairment provision of trade receivable and payables approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of financial assets at fair value through profit or loss of the Group is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

3. 財務風險管理 (續)

3.2 資本風險管理 (續)

於二零零七年及二零零六年十二月三十一日之資本負債比率如下：

3.3 公平值估計

貿易應收賬款及應收款項之面值減減值撥備與其公平值相若。就披露資料而言，金融負債的公平值按本集團就類似金融工具所得現行市場利率折算日後合約現金流量估計。

本集團按公平值計入溢利或虧損之金融資產公平值，乃按於結算日所報市價釐定，而不會扣除任何交易成本。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate 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 difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4. 關鍵會計估計及判斷

用於編製綜合財務報表的估計及判斷，乃基於過往經驗及其他因素，包括預期日後在有關情況下相信合理出現的事件而作出。本集團作出有關未來的估計及假設。按此規範，所作的會計估計甚少與有關的實際結果相同。下文所述的估計及假設可能會對下一個財政年度資產與負債的賬面值造成重大影響。

(a) 所得稅及遞延稅款

對所得稅釐定撥備時，需要作出重要的判斷。在正常業務過程中，許多交易及計算的最終釐定是不確定的。當最終的稅款結果與最初記賬金額不同時，有關差額將影響釐定期間的所得稅和遞延稅款撥備。

當管理層認為將來很有可能應課稅利潤以抵銷暫時性差異或可使用稅務虧損時，有關若干暫時性差異及稅務虧損的遞延稅項資產予以確認。實際使用的結果可能不同。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

(b) Contract revenue recognition

According to the accounting policies of fixed-price contracts as stated in note 2.19, the Group uses the “percentage of completion method” to determine the appropriate revenues, costs and work-in-progress (“WIP”) to be recognised in a given period. The stage of completion is measured by reference to the service performed and accepted by the customers up to the balance sheet date as a percentage of total services to be performed.

Upon applying the percentage of completion method, the Group need to estimate the gross profit margin of each contract, which was determined based on the estimated total contract costs and total contract sum. If the actual gross profit margin of each contract differs from the management's estimates, the contract cost and WIP to be recognised within the next year will need to be adjusted accordingly.

In addition, the directors of the Company are of the opinion that there were no expected losses, where the estimated total contract costs exceed the total estimated contract revenue, and needed to be recognised in the income statement.

(c) Impairment of receivables

The executive Directors determine the provision for impairment of trade and other receivables based on the credit history of its customers and the current market condition. The executive Directors reassess the provision at each balance sheet date.

4. 關鍵會計估計及判斷 (續)

(b) 合同收入確認

根據固定價格合同的會計政策(如附註2.19列示),本集團採用「完成百分比法」釐定在某段期間內應確認的適當收入、成本及在建工程。完成階段參考截至結算日止已進行並獲客戶接納的服務,佔應進行服務總額的百分比計算。

當應用完工百分比法時,本集團需要估計各合同的毛利率,其按估計合同總成本和合同總造價決定。倘若各合同的實際毛利率與管理層的估計不同,下一年度確認的合同成本及在建工程將需要作出相應調整。

此外,本公司董事認為,預計並無損失(即估計合同總成本超過估計合同總收入)需於收益表中確認。

(c) 應收款項減值

執行董事基於其客戶的信貸記錄及現行市況,釐定應收賬款及其他應收款項的減值撥備。執行董事於各結算日重新評估撥備。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

(d) Estimated value of the intangible assets, except for goodwill, acquired on business combinations

The fair value of the intangible assets, except for goodwill, acquired on business combinations is estimated by applying the discounted cash flows method. The Group makes significant assumptions of the useful life and future economic benefits flowing from the intangible assets based on available latest financial information, business potential and plans, and recent market information of industry and sector performance.

(e) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.7(a). The recoverable amount of the cash generating units (CGUs) in the electronic power meters and solutions group have been determined based on the higher of fair value less costs to sell and value-in-use. The recoverable amounts of the CGUs of other segments have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 17).

4. 關鍵會計估計及判斷 (續)

(d) 業務合併所收購無形資產(商譽除外)的估計公平值

於業務合併中所收購無形資產(商譽除外)之公平值乃以貼現現金流量法估計。本集團根據現有最新財務資料、業務潛力及計劃以及行業和界別近期市場資訊，就無形資產之可用年期及其流入之未來經濟利益作出重大假設。

(e) 商譽減值估計

本集團就商譽有否任何減值按附註2.7(a)所載的會計政策每年進行測試。電子式電能表及解決方案類別的現金產生單位可收回金額已根據公允價值減銷售成本與使用價值的較高值計量。其他分類的現金產生單位可收回金額已根據使用價值計算而釐定。有關計算須使用估計(附註17)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. TURNOVER, OTHER GAINS AND SEGMENT INFORMATION

The Group is principally engaged in the sales of information technology products, provision of business process operation services, provision of information system consultancy and integration services, and information technology operation value-added services. Turnover and other gains recognised during the year are as follows:

5. 營業額、其他收入及分類資料

本集團的主要業務為銷售資訊科技產品、提供業務運營服務、提供資訊系統諮詢及集成服務，以及資訊科技運營增值服務。於年內已確認的營業額及其他收入如下：

		For the year ended	
		截至年度止	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Sales of goods	銷售貨品	464,706	197,843
Provision of business process operation services	提供業務運營服務	12,282	1,521
Provision of information system consultancy and integration services	提供資訊系統諮詢及集成服務	93,607	168,174
Information technology operation value-added services	資訊科技運營增值服務	207,959	105,584
Rental income	租金收入	1,051	–
		779,605	473,122
Other gains	其他收益		
Interest income	利息收入	9,303	4,831
Gain on deemed disposal of 20% equity interest in a subsidiary (Note 34)	視作出售一家附屬公司之20%股權之收益(附註34)	43,258	–
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入溢利或虧損之金融資產的收益	43,101	59,727
Dividend income on financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產股息收入	672	–
Fair value gain on financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產公平值收益	6,155	2,699
Tax refund	退稅	5,357	–
Finance lease income	融資租賃收入	–	111
Other income	其他收入	5,570	991
		113,416	68,359
Turnover and other gains	營業額及其他收益	893,021	541,481

5. TURNOVER, OTHER GAINS AND SEGMENT INFORMATION (continued)

Primary reporting format – business segments

The Group is organised into six main business segments:

- (a) Electronic payment products and services – sales of electronic fund transfer point-of-sale (“EFT-POS”) terminals;
- (b) Information technology operation value-added services – provision of Interactive Voice Response (“IVR”) services;
- (c) Telecommunication solutions, services and related products – provision of information system consultancy and integration services and sales of information technology products to the telecommunications industries;
- (d) Financial solutions, services and related products – provision of information system consultancy and integration services and sales of information technology products to financial institutions and banks;
- (e) Business process operations – provision of outsourcing services to financial institutions and banks with payment solutions, such as automatic teller machines (“ATM”); and
- (f) Electronic power meters and solutions – manufacturing and sales of electronic power meters, data collection terminals and provision of information system consultancy services.

There are no sales or other transactions between the business segments.

5. 營業額、其他收入及分類資料 (續)

主要呈報方式—業務分類

本集團分為六大業務分類：

- (a) 電子支付產品及服務—銷售電子轉賬售點(「EFT-POS」)終端機；
- (b) 資訊科技運營增值服務—提供語音互動(「IVR」)服務；
- (c) 電訊解決方案、服務及相關產品—向電訊行業提供資訊系統諮詢及集成服務和銷售資訊科技產品；
- (d) 金融解決方案、服務及相關產品—向財務機構及銀行提供資訊系統諮詢及集成服務和銷售資訊科技產品；
- (e) 業務運營—向提供支付解決方案之金融機構及銀行提供自動櫃員機(「ATM」)；及
- (f) 電子式電能表及解決方案—產銷電子式電能表、數據收集終端及提供資訊系統顧問服務。

各業務分類之間並無銷售或其他交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. TURNOVER, OTHER GAINS AND SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

The segment results for the year ended 31 December 2007 and segment assets and liabilities at 31 December 2007 and capital expenditure for the year then ended are as follows:

		Electronic payment products and services 電子支付產品及服務 HK\$'000 千港元	Information technology operation value-added services 資訊科技增值運營服務 HK\$'000 千港元	Telecommunication solutions, services and related products 電訊解決方案、服務及相關產品 HK\$'000 千港元	Financial solutions, services and related products 金融解決方案、服務及相關產品 HK\$'000 千港元	Business process operations 業務運營 HK\$'000 千港元	Electronic power meters and solutions 電子式電能表及解決方案 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Turnover	營業額	323,143	207,959	2,851	111,847	12,282	120,472	1,051	779,605
Other gains, net	其他收益淨額	-	-	-	-	-	-	113,416	113,416
Segment results	分類業績	62,890	113,144	2,360	(8,106)	(6,236)	1,711	53,802	219,565
Finance costs	融資成本							(2,797)	(2,797)
Profit before income tax	除所得稅前溢利								216,768
Income tax expense	所得稅開支								(24,247)
Profit for the year	年內溢利								192,521
Segment assets	分類資產	351,438	209,711	4,150	199,715	51,962	467,346	206,423	1,490,745
Segment liabilities	分類負債	(115,228)	(14,247)	(3,060)	(39,413)	-	(160,664)	(57,273)	(389,885)
Other segment information:	其他分類資料：								
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,425	9,309	-	1,786	8,752	4,540	217	26,029
Depreciation of investment property	投資物業折舊	-	-	-	-	-	-	177	177
Amortisation of leasehold land	租賃土地攤銷	5	-	-	-	-	148	760	913
Amortisation of intangible assets	無形資產攤銷	-	-	-	-	-	2,892	-	2,892
Recovery of bad debts	收回壞賬	-	-	-	-	-	(1,140)	-	(1,140)
Write-back of provision for impairment of trade receivables	應收賬款減值撥備撥回	-	-	(2,330)	(566)	-	-	-	(2,896)
Provision for impairment of trade receivables	應收賬款減值撥備	730	-	-	14	-	-	67	811
Write-back of provision for obsolete inventories	撥回陳舊存貨撥備	-	-	(591)	(211)	-	-	-	(802)
Write-off of inventories	存貨撇銷	1,419	-	-	-	-	2,149	-	3,568
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	-	-	-	-	3,039	190	3,229
Capital expenditure	資本開支	607	3,895	-	3,446	24,878	215,193	283	248,302

Note:

In prior years, the Group reported revenues generated from business process operations in the financial solutions, services and related products segment.

In 2007, the Group has reorganised the business segments such that revenues generated from business process operations has been shown separately.

5. 營業額、其他收入及分類資料 (續)

主要呈報方式 – 業務分類 (續)

截至二零零七年十二月三十一日止年度之分類業績，及於二零零七年十二月三十一日之分類資產與負債及截至該年度之資本開支如下：

附註：

在往年，本集團匯報之金融解決方案、服務及相關產品業務分類包含由業務運營產生之收入。

於二零零七年，本集團重置該業務分類單列由業務運營產生之收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. TURNOVER, OTHER GAINS AND SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

The segment results for the year ended 31 December 2006 and segment assets and liabilities at 31 December 2006 and capital expenditure for the year then ended are as follows:

5. 營業額、其他收入及分類資料 (續)

主要呈報方式 – 業務分類 (續)

截至二零零六年十二月三十一日止年度的分類業績，於二零零六年十二月三十一日的分類資產與負債及截至該年度的資本開支如下：

		Electronic payment products and services 電子支付 產品及服務 HK\$'000 千港元	Information technology operation value- added services 資訊科技 運營增值 服務 HK\$'000 千港元	Telecom- munication solutions, services and related products 電訊解決 方案、服務 及相關產品 HK\$'000 千港元	Financial solutions, services and related products 金融解決 方案、服務 及相關產品 HK\$'000 千港元	Business process operations 業務運營 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Turnover	營業額	197,843	105,584	5,221	162,953	1,521	-	473,122
Other gains, net	其他收益淨額	-	-	-	-	-	68,359	68,359
Segment results	分類業績	30,081	41,950	2,649	35,157	(4,246)	43,454	149,045
Finance costs	融資成本						(3,803)	(3,803)
Profit before income tax	除所得稅前溢利							145,242
Income tax expenses	所得稅開支						(11,642)	(11,642)
Profit for the year	年內溢利							133,600
Segment assets	分類資產	151,158	127,136	1,398	206,986	33,575	326,857	847,110
Segment liabilities	分類負債	(68,422)	(27,026)	(3,828)	(37,142)	-	(31,020)	(167,438)
Other segment information:	其他分類資料：							
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,413	7,739	-	2,504	1,261	172	13,089
Depreciation of investment property	投資物業折舊	-	-	-	-	-	8	8
Amortisation of leasehold land	租賃土地攤銷	5	-	-	-	-	31	36
Write back of provision for impairment of trade receivables	應收賬款減值撥備撥回	-	-	(1,523)	-	-	-	(1,523)
Provision for impairment of trade receivables	應收賬款減值撥備	897	-	-	369	-	-	1,266
Write-off of inventories	存貨撇銷	1,504	-	-	-	-	-	1,504
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備 (收益)/虧損	(1)	(10)	-	(18)	-	11	(18)
Capital expenditure	資本開支	1,502	11,165	-	121	34,192	36,086	83,066

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. TURNOVER, OTHER GAINS AND SEGMENT INFORMATION (continued)

Secondary reporting format – Geographical segments

The Group's six business segments operate in two main geographical areas:

- Mainland China – electronic payment products and services, information technology operation value-added services, telecommunication solutions, services and related products, financial solutions, services and related products, business process operations, and electronic power meters and solutions
- Hong Kong, South East Asia and others – electronic payment products and services, financial solutions, services and related products, and electronic power meters and solutions

There are no sales or other transactions between the geographical segments.

5. 營業額、其他收入及分類資料 (續)

次要呈報方式 – 地區分類

本集團之六項業務分類在兩個主要地區經營：

- 中國大陸 – 電子支付產品及服務、資訊科技運營增值服務、電訊解決方案、服務及相關產品、金融解決方案、服務及相關產品、業務運營以及電子式電能表及解決方案
- 香港、東南亞及其他 – 電子支付產品及服務、金融解決方案、服務及相關產品以及電子式電能表及解決方案

各地區分類之間並無銷售或其他交易。

		Turnover 營業額 2007 二零零七年 HK\$'000 千港元	Segment results 分類業績 2007 二零零七年 HK\$'000 千港元	Total assets 資產總值 2007 二零零七年 HK\$'000 千港元	Capital expenditure 資本開支 2007 二零零七年 HK\$'000 千港元
Mainland China	中國大陸	698,518	166,707	1,104,553	247,965
Hong Kong, South East Asia and others	香港、東南亞及其他	81,087	(908)	179,769	337
		779,605	165,799	1,284,322	248,302
Other gains, net, unallocated	其他收益淨額，未分配		113,416		
Unallocated expenses	未分配開支		(59,650)		
Operating profit	經營溢利		219,565		
Unallocated assets	未分配資產			206,423	
Total assets	資產總值			1,490,745	
Unallocated capital expenditure	未分配資本開支				-
Total capital expenditure	資本開支總額				248,302

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. TURNOVER, OTHER GAINS AND SEGMENT INFORMATION (continued)

Secondary reporting format – geographical segments (continued)

5. 營業額、其他收入及分類資料 (續)

次要呈報方式 – 地區分類 (續)

		Turnover 營業額 2006 二零零六年 HK\$'000 千港元	Segment results 分類業績 2006 二零零六年 HK\$'000 千港元	Total assets 資產總值 2006 二零零六年 HK\$'000 千港元	Capital expenditure 資本開支 2006 二零零六年 HK\$'000 千港元
Mainland China	中國大陸	363,082	99,649	262,833	46,966
Hong Kong, South East Asia and others	香港、東南亞及其他	110,040	5,942	257,420	14
		<u>473,122</u>	<u>105,591</u>	<u>520,253</u>	<u>46,980</u>
Other gains, net, unallocated	其他收益淨額，未分配		68,359		
Unallocated expenses	未分配開支		<u>(24,905)</u>		
Operating profit	經營溢利		<u>149,045</u>		
Unallocated assets	未分配資產			<u>326,857</u>	
Total assets	資產總值			<u>847,110</u>	
Unallocated capital expenditure	未分配資本開支				<u>36,086</u>
Total capital expenditure	資本開支總額				<u>83,066</u>

Segment assets consist primarily of property, plant and equipment, intangible assets, land use rights, inventories, receivables and operating cash. They exclude deferred income tax assets.

分部資產主要包括物業、廠房及設備、無形資產、土地使用權、存貨、應收款項及營運現金。分部資產不包括遞延所得稅資產。

Segment liabilities consist primarily of operating liabilities. They exclude deferred income tax liabilities and income tax payable.

分部負債主要包括營運負債，其不包括遞延所得稅負債及應付所得稅。

Capital expenditure comprises additions to leasehold land, property, plant and equipment (Notes 15 and 16) and intangible assets (Note 17), including additions resulting from acquisitions through business combinations (Note 35).

資本開支包括對租賃土地、物業、廠房及設備(附註15及16)及無形資產(附註17)的添置，包括透過業務合併(附註35)進行收購產生的添置。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses and administrative expenses are analysed as follows:

6. 以性質區分的開支

於銷售成本、銷售開支及行政開支計入的開支，分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	3,406	1,894
Depreciation of property, plant and equipment	物業、廠房及設備折舊	26,029	13,089
Depreciation of investment property	投資物業折舊	177	8
Amortisation of leasehold land	租賃土地攤銷	913	36
Amortisation of intangible assets	無形資產攤銷	2,892	-
Employee benefit expense (including Directors' emoluments) (Note 8)	僱員福利開支(包括董事酬金)(附註8)	182,060	100,641
Costs of inventories sold	售出存貨成本	292,872	147,246
Operating lease rentals for land and buildings	土地及樓宇之營業租賃租金	10,664	9,379
Operating lease rentals for equipment	設備之營業租賃租金	11,161	9,348
Research and development costs	研究及開發成本	13,832	7,224
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損/(收益)	3,229	(18)
Provision for impairment of trade receivables	應收賬款減值撥備	811	1,266
Write-back of provision for impairment of trade receivables	應收賬款減值撥備撥回	(2,896)	(1,523)
Recovery of impaired receivables	收回壞賬	(1,140)	-
Write-off of inventories	存貨撇銷	3,568	1,504
Write-back of provision for obsolete inventories	撥回陳舊存貨撥備	(802)	-
Refund of value-added tax	增值稅退款	(1,829)	(1,097)

7. NET FOREIGN EXCHANGE LOSS

The net foreign exchange loss recognised in the consolidated income statement included as administrative expenses for the year ended 31 December 2007 amounted to HK\$2,224,000 (2006: HK\$1,736,000).

7. 外匯淨虧損

於綜合收益表中確認的外匯淨虧損計入於截至二零零七年十二月三十一日止年度的行政開支，達2,224,000港元(二零零六年：1,736,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

8. 僱員福利開支(包括董事酬金)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Wages and salaries	工資及薪金	138,204	87,455
Social security costs	社會保障成本	7,941	5,987
Employee share option schemes – value of employee services for share options granted (Note 24(c))	僱員購股權計劃 – 已授出購股權的僱員 服務價值 (附註24(c))	27,616	2,387
Pension costs – defined contribution plans (Note (a))	退休金成本 – 界定 供款計劃 (附註(a))	8,299	4,812
		182,060	100,641

Note:

(a) Pensions – defined contribution plans

Contributions totalling HK\$10,228,000 (2006: HK\$8,696,000) were payable to the fund at the year end.

No contribution was forfeited during the year (2006: Nil).

(b) Directors' emoluments

There was no arrangement under which a Director waived or agreed to waive any emolument during the year (2006: Nil).

附註：

(a) 退休金 – 界定供款計劃

合共10,228,000港元的供款(二零零六年：8,696,000港元)須於年終付予基金。

年內並無供款被沒收(二零零六年：無)。

(b) 董事酬金

年內並無董事放棄或同意放棄任何酬金安排(二零零六年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

Note: (continued)

(b) Directors' emoluments (continued)

The directors' emoluments for the year are equivalent to key management compensation. The remuneration of every Director for the year ended 31 December 2007, is set out below:

8. 僱員福利開支(包括董事酬金) (續)

附註：(續)

(b) 董事酬金(續)

年內董事酬金相當於主要管理層的補償。截至二零零七年十二月三十一日止年度，每名董事的酬金如下：

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Employer's contribution to pension scheme	Total 合共 HK\$'000 千港元
					僱主的退休金 計劃供款 HK\$'000 千港元	
Executive Directors 執行董事						
Cheung Yuk Fung	張玉峰	360	-	-	12	372
Kui Man Chun	渠萬春	-	1,200	2,000	12	3,212
Xu Wensheng	徐文生	-	847	1,000	12	1,859
Li Wenjin	李文晉	-	840	2,000	12	2,852
Chan Yiu Kwong (Note (iii))	陳耀光(附註(ii))	-	885	600	12	1,497
Xu Chung Jun	徐昌軍	-	665	1,000	12	1,677
		360	4,437	6,600	72	11,469
Independent Non-Executive Directors 獨立非執行董事						
Tam Chun Fai	譚振輝	60	-	-	-	60
Leung Wai Man, Roger	梁偉民	60	-	-	-	60
Xu Sitao	許思濤	60	-	-	-	60
		180	-	-	-	180
		540	4,437	6,600	72	11,649

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

Note: (continued)

(b) Directors' emoluments (continued)

The remuneration of every Director for the year ended 31 December 2006 is set out below:

8. 僱員福利開支(包括董事酬金)(續)

附註：(續)

(b) 董事酬金(續)

截至二零零六年十二月三十一日止年度，每名董事的酬金如下：

Name of Director	董事姓名	Fees 袍金 HK'000 千港元	Salary 薪金 HK'000 千港元	Discretionary bonus 酌情花紅 HK'000 千港元	Employer's contribution to pension scheme 僱主的退休金 計劃供款 HK'000 千港元	Other benefits - Share options (Note (i)) 其他福利 - 購股權 (附註(i))	Total 合共 HK\$'000 千港元
						Value of services for share options granted 已授出購股權 的服務價值 HK'000 千港元	
Executive Directors 執行董事							
Cheung Yuk Fung	張玉峰	360	-	-	12	-	372
Kui Man Chun	渠萬春	-	808	-	12	237	1,057
Xu Wensheng	徐文生	-	603	-	12	237	852
Li Wenjin	李文晉	-	608	800	12	237	1,657
Chan Yiu Kwong (Note (ii))	陳耀光 (附註(ii))	-	888	600	12	72	1,572
Xu Chung Jun	徐昌軍	-	505	-	12	237	754
Lo Siu Yu (Note (iii))	羅韶宇 (附註(iii))	-	441	-	10	237	688
Zhou Jian (Note (iv))	周健 (附註(v))	-	-	-	-	-	-
		360	3,853	1,400	82	1,257	6,952
Non-Executive Director 非執行董事							
Liu Yangsheng, Charles (Note (iv))	劉揚聲 (附註(iv))	35	-	-	-	-	35
Independent Non-Executive Directors 獨立非執行董事							
Tam Chun Fai	譚振輝	60	-	-	-	-	60
Leung Wai Man, Roger	梁偉民	60	-	-	-	-	60
Xu Sitao	許思濤	60	-	-	-	-	60
		180	-	-	-	-	180
		575	3,853	1,400	82	1,257	7,167

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

Note: (continued)

(b) Directors' emoluments (continued)

Note:

- (i) On 26 September 2005, 17,500,000 share options were granted to certain Directors at an exercise price of HK\$0.768 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by The Stock Exchange of Hong Kong Limited for the five business days immediately preceding 26 September 2005) with an expiry date of 25 September 2015. The exercisable period of the options commenced on 26 September 2005 and expires 10 years thereafter. Options granted are vested as follows:

On 26 September 2005	Up to 50%
On 26 September 2006	Up to 100%

Pursuant to an ordinary resolution passed on 28 June 2006, each of the existing issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company was subdivided into four ordinary shares of HK\$0.0025 each (the "Share Subdivision"), which was approved by the shareholders of the Company and became effective on 29 June 2006.

The Share Subdivision has led to an adjustment to the exercise price of the outstanding options and the number of shares to be issued by the Company upon exercise of the outstanding options. For share options granted to Directors with exercise period from 26 September 2005 to 25 September 2015, the number of shares to be issued by the Company upon full exercise of such options has been increased from 17,500,000 shares to 70,000,000 shares and the exercise price has been adjusted from HK\$0.768 to HK\$0.192 per share.

- (ii) Mr. Chan Yiu Kwong has resigned as Director of the Company on 3 December 2007.
- (iii) Mr. Lo Siu Yu has resigned as director of the Company on 18 October 2006.
- (iv) Mr. Liu Yangsheng, Charles, has resigned as non-Executive Director of the Company on 17 April 2006.

8. 僱員福利開支(包括董事酬金) (續)

附註：(續)

(b) 董事酬金(續)

附註：

- (i) 於二零零五年九月二十六日，17,500,000份購股權以每股行使價0.768港元(由香港聯合交易所有限公司於緊接二零零五年九月二十六日前五個營業日的每日報價單的股份平均收市價)授予若干董事，有效期至二零一五年九月二十五日。購股權行使期間於二零零五年九月二十六日開始，並於其後十年屆滿。授出的購股權歸屬如下：

於二零零五年九月二十六日	最多50%
於二零零六年九月二十六日	最多100%

根據於二零零六年六月二十八日通過之普通決議案，本公司股本中每股面值0.01港元之已發行及未發行普通股，已分拆為四股每股面值0.0025港元之普通股(「股份分拆」)，股份分拆已獲本公司股東批准，於二零零六年六月二十九日生效。

股份分拆導致須對未行使購股權之行使價及本公司於未行使購股權獲行使時將予發行之股份數目作出調整。就董事所獲授且行使期由二零零五年九月二十六日至二零一五年九月二十五日之購股權而言，本公司於有關購股權獲行使時將予發行之股份數目，已由17,500,000股增至70,000,000股，而行使價由每股0.768港元調整至每股0.192港元。

- (ii) 陳耀光先生於二零零七年十二月三日已辭任本公司董事一職。
- (iii) 羅韶宇先生於二零零六年十月十八日辭任本公司董事一職。
- (iv) 劉揚聲先生於二零零六年四月十七日已辭任本公司非執行董事一職。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

Note: (continued)

(b) Directors' emoluments (continued)

- (v) Mr. Zhou Jian has resigned as director of the Company on 20 November 2006.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year did not include any Director (2006: four). The emoluments payable to the remaining five (2006: one) individual during the year are as follows:

8. 僱員福利開支(包括董事酬金)(續)

附註：(續)

(b) 董事酬金(續)

- (v) 周健先生於二零零六年十一月二十日辭任本公司董事。

(c) 五名最高薪人士

本集團本年度五名最高薪人士沒有包括任何董事(二零零六年：四名)。本年度應付餘下五名(二零零六年：一名)人士之酬金載列如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,084	2,020
Value of services for share options granted	已授出購股權的服務價值	26,267	-
Pension cost	退休金成本		
– defined contribution plan	– 界定供款計劃	24	12
		27,375	2,032

The emoluments fell within the following band:

酬金介乎下列組別：

Emolument band	酬金組別	Number of individuals 人數	
		2007 二零零七年	2006 二零零六年
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	-	1
HK\$2,500,001 – HK\$5,000,000	2,500,001港元 – 5,000,000港元	3	-
HK\$5,000,001 – HK\$7,500,000	5,000,001港元 – 7,500,000港元	2	-
		5	1

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. FINANCE COSTS

9. 融資成本

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on bank loans and overdrafts	銀行貸款及透支利息	2,464	2,069
Interest on financial liability portion of convertible preference shares issued by a subsidiary (Note 27(a))	一家附屬公司發行可換股優先股財務負債部分之利息 (附註27(a))	333	1,734
		2,797	3,803

10. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

10. 所得稅開支

香港利得稅項為以年內估計應課稅溢利按稅率17.5% (二零零六年：17.5%) 計算。海外溢利稅項則以年內估計應課稅溢利，按本集團營運所在國家當時的稅率計算。

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current income tax	現時所得稅項		
– Hong Kong profits tax	– 香港利得稅項	–	3,100
– Overseas taxation	– 海外稅項	25,625	8,542
Deferred income tax (Note 30)	遞延所得稅 (附註30)	(2,258)	–
Underprovision in previous year	上年度撥備不足	880	–
Income tax expense	所得稅開支	24,247	11,642

PRC taxation has been provided on the profits of the Group's subsidiaries operating in the PRC and subject to Enterprise Income Tax ("EIT") at a rate of 33% (2006: 33%), unless preferential rates are applicable.

本集團已就其於中國營運的附屬公司所得溢利的中國稅項作出撥備，並按33% (二零零六年：33%) 之稅率計算企業所得稅 (「企業所得稅」) 計算，除獲優惠稅率者外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. INCOME TAX EXPENSE (continued)

The subsidiaries in the PRC enjoy tax concessions made available to Foreign Investment Enterprises and Foreign Enterprises. Pursuant to the Income Tax Law of the PRC concerning Foreign Investment Enterprises and Foreign Enterprises, the subsidiaries in the PRC are subject to tax rate and tax concessions as follows:

Name of subsidiaries 附屬公司名稱	Applicable tax rate 適用稅率	Year of tax exemption/relief 年內稅務豁免／減免
Hangzhou Hualong Information Technology Company Limited 杭州華隆電子技術有限公司	15%	2004 to 2008 二零零四年至二零零八年
Pax Technology (Shenzhen) Limited 百富計算機技術(深圳)有限公司	15%	2004 to 2008 二零零四年至二零零八年
Beijing Hi Sun Advanced Business Solutions Information Technology Limited 北京高陽金信信息技術有限公司	15%	N/A 不適用
Beijing Hi Sunray Information Technology Limited 北京高陽聖思園信息技術有限公司	15%	N/A 不適用

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law") which will take effect on 1 January 2008. From 1 January 2008, the income tax rate for the operating subsidiaries mentioned above will be gradually changed to the standard rate of 25% over a five-year transition period. According to the Circular 39 passed by the State Council on 26 December 2007, the tax exemption and reduction will be terminated latest by 2012. The Group has assessed the impact of the change and consider the financial effect on the change in tax rate does not have material and significant effect to the accounts.

10. 所得稅開支 (續)

中國之附屬公司享有外資企業及外國企業稅務優惠。根據有關外資企業及外國企業之中國所得稅法，在中國之附屬公司享有稅率及稅務優惠如下：

於二零零七年三月十六日，第十屆全國人民代表大會第五次會議通過於二零零八年一月一日施行的《中華人民共和國企業所得稅法》(「新企業所得稅法」)。從二零零八年一月一日起，上述營運附屬公司將於五年過渡期內逐步轉變為標準稅率25%。根據國務院於二零零七年十二月二十六日通過的國發【2007】39號通知，稅項豁免及減免最遲將於二零一二年終止。本集團已評估此項變動的影響，認為稅率變動不會對賬目產生重大及顯著財務影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. INCOME TAX EXPENSE (continued)

The new tax rate of 25% has been applied in the measurement of the Group's deferred tax at 31 December 2007 in respect of these subsidiaries.

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable tax rate in Hong Kong of 17.5% (2006: 17.5%) as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	216,768	145,242
Calculated at a taxation rate of 17.5% (2006: 17.5%)	按稅率17.5%(二零零六年： 17.5%)計算	37,934	25,417
Effect of different taxation rates in other countries	其他國家不同稅率的影響	(6,981)	(2,477)
Effect of tax holiday	稅務優惠期之影響	(8,611)	(2,284)
Income not subject to taxation	毋須課稅收入	(17,472)	(4,513)
Expenses not deductible for taxation purposes	就課稅而言不可扣稅之開支	14,189	3,270
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(539)	(7,870)
Unrecognised tax losses	未確認稅項虧損	4,847	99
Underprovision in previous year	上年度撥備不足	880	-
Income tax expense	所得稅開支	24,247	11,642

11. (LOSS)/PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$2,461,000 (2006: profit of HK\$55,064,000).

12. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2006: Nil).

10. 所得稅開支 (續)

於計算集團就該等附屬公司於二零零七年十二月三十一日的遞延稅項時已應用新稅率25%。

本集團除所得稅前溢利之稅項與採用17.5%之香港適用稅率(二零零六年：17.5%)計算之理論金額差別如下：

11. 本公司權益持有人應佔(虧損)／溢利

本公司權益持有人應佔虧損2,461,000港元(二零零六年：溢利55,064,000港元)於本公司財務報表處理。

12. 股息

年內，本公司並無派付或宣派任何股息(二零零六年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

13. 每股盈利

(a) 基本

每股基本盈利乃按本公司權益持有人應佔溢利除年內已發行普通股加權平均數計算。

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2007	2006
		二零零七年	二零零六年
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利(千港元)	184,276	133,600
Weighted average number of ordinary shares in issue (thousands) (Note)	已發行普通股加權平均數(千股)(附註)	2,050,870	1,606,721
Basic earnings per share (HK\$ per share)	每股基本盈利(每股港元)	0.090	0.083

(b) Diluted

Diluted earnings per share is calculated by adjusting the number of ordinary shares outstanding to assume conversion of all potentially dilutive shares. The Company has two categories of potentially dilutive shares: convertible preference shares issued by subsidiaries and share options. The convertible preference shares issued by subsidiaries are assumed to be converted into ordinary shares of the Company and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options, a calculation is done to determine the number of shares that would have been acquired at fair value (determined as the average market share price of the Company's shares during the current year) based on the monetary value of the subscription rights attached to these outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(b) 攤薄

每股攤薄盈利乃按兌換所有潛在攤薄股份之假設而調整已發行普通股數目計算。本公司之潛在攤薄股份分為兩類：附屬公司發行之可換股優先股及購股權。附屬公司發行之可換股優先股假設已轉換為本公司普通股，並已調整純利以對銷利息開支扣除稅務影響。購股權方面，按尚未行使購股權所附認購權之貨幣價值計算，以釐定可按公平值(定為本公司股份本年內之平均市價)購買之股份數目。按上述方式計算之股份數目乃與假設購股權獲行使時應已發行之股份數目作比較。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. EARNINGS PER SHARE (continued)

(b) Diluted (continued)

13. 每股盈利 (續)

(b) 攤薄 (續)

		For the year ended	
		31 December	
		截至十二月三十一日止年度	
		2007	2006
		二零零七年	二零零六年
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利(千港元)	184,276	133,600
Interest expense on convertible preference shares issued by a subsidiary (Note 9) (HK\$'000)	一家附屬公司發行之可換股優先股利息開支(附註9)(千港元)	333	1,734
Profit used to determine diluted earnings per share (HK\$'000)	用作釐定每股攤薄盈利之溢利(千港元)	184,609	135,334
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	2,050,870	1,606,721
Adjustments for	就下列各項作出調整		
– assumed conversion of convertible preference shares issued by subsidiaries (thousands)	– 假設轉換附屬公司發行之可換股優先股(千股)	124,799	138,206
– share options (thousands)	– 購股權(千份)	40,619	178,314
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利之普通股加權平均數(千股)	2,216,288	1,923,241
Diluted earnings per share (HK\$ per share)	每股攤薄盈利(每股港元)	0.083	0.070

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. INVESTMENT PROPERTIES

14. 投資物業

		Group 本集團 Buildings 樓宇 HK\$'000 千港元	Company 本公司 Buildings 樓宇 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日		
Cost	成本	-	-
Accumulated depreciation	累計折舊	-	-
Net book amount	賬面淨值	-	-
Year ended 31 December 2006	截至二零零六年十二月三十一日止年度		
Opening net book amount	期初賬面淨值	-	-
Additions	添置	3,548	5,157
Depreciation	折舊	(8)	(11)
Closing net book amount	期終賬面淨值	3,540	5,146
At 31 December 2006	於二零零六年十二月三十一日		
Cost	成本	3,548	5,157
Accumulated depreciation	累計折舊	(8)	(11)
Net book amount	賬面淨值	3,540	5,146
At 1 January 2007	於二零零七年一月一日		
Cost	成本	3,548	5,157
Accumulated depreciation	累計折舊	(8)	(11)
Net book amount	賬面淨值	3,540	5,146
Year ended 31 December 2007	截至二零零七年十二月三十一日止年度		
Opening net book amount	期初賬面淨值	3,540	5,146
Depreciation	折舊	(177)	(258)
Closing net book amount	期終賬面淨值	3,363	4,888
At 31 December 2007	於二零零七年十二月三十一日		
Cost	成本	3,548	5,157
Accumulated depreciation	累計折舊	(185)	(269)
Net book amount	賬面淨值	3,363	4,888
Fair value (Note below)	公平價值 (附註如下)	3,527	5,128

Note:

The fair value of the investment properties located at 北京市海澱區阜成路 67號銀都大廈15-17樓 as at 31 December 2007 was assessed by the independent and professionally qualified valuer, Vigers Appraisal & Consulting Limited based on current prices in an active market.

附註：

截至二零零七年十二月三十一日，位於北京市海澱區阜成路67號銀都大廈15-17樓之投資物業之公平價值，由獨立專業合資格估值師威格斯資產評估顧問有限公司，按於活躍市場之現行價格估值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. INVESTMENT PROPERTIES

(continued)

Interests in investment properties at their net book values are analysed as follows:

Outside Hong Kong, held on:
Leases of between 10 to 50 years

香港境外：
按10至50年租約持有

Group 本集團 2007 二零零七年 HK\$'000 千港元	Company 本公司 2007 二零零七年 HK\$'000 千港元
--------------------------------------------------	----------------------------------------------------

3,363	4,888
-------	-------

The following amounts have been recognised in the consolidated income statement:

於綜合收益表確認之金額如下：

Group 本集團 For the year ended 31 December 截至十二月 三十一日 止年度 2007 二零零七年 HK\$'000 千港元	Company 本公司 For the year ended 31 December 截至十二月 三十一日 止年度 2007 二零零七年 HK\$'000 千港元
------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------

Rental income	租金收入	1,051	-
Direct operating expenses arising from investment property that generated rental income	帶來租金收入之投資物業所產生直接經營開支	(1,014)	-

There were no direct operating expenses arising from investment property that did not generate rental income during the year.

年內，帶來租金收入之投資物業並無產生任何直接經營開支。

The period of leases whereby the Group or the Company leases out its investment property under operating leases ranged from 1 to 2 years.

本集團或本公司根據經營租約租出其投資物業之租期介乎1年至2年。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. INVESTMENT PROPERTIES

(continued)

At 31 December 2007, the future aggregate minimum rentals receivables under non-cancellable operating leases are as follows:

14. 投資物業 (續)

於二零零七年十二月三十一日，根據不可撤銷經營租約之未來最低應收租金總額如下：

		Group	Company
		本集團	本公司
		2007	2007
		二零零七年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
Not later than 1 year	一年內	561	—
Later than 1 year and no later than 5 years	一年以上但五年內	—	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Group 本集團					
		Buildings 樓宇	Leasehold improvements 租賃改善	Office furniture and equipment 辦公室 家具及設備	Plant and equipment 廠房及設備	Motor vehicles 汽車	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日						
Cost	成本	5,786	6,698	42,043	740	5,695	60,962
Accumulated depreciation	累計折舊	-	(6,492)	(12,821)	(381)	(3,508)	(23,202)
Net book amount	賬面淨值	5,786	206	29,222	359	2,187	37,760
Year ended 31 December 2006	截至二零零六年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	5,786	206	29,222	359	2,187	37,760
Exchange differences	匯兌差額	233	7	1,839	17	73	2,169
Additions	添置	1,609	1,080	45,476	231	744	49,140
Disposals (Note 31(b))	出售(附註31(b))	-	-	24	(45)	-	(21)
Depreciation	折舊	(668)	(370)	(11,183)	(162)	(706)	(13,089)
Closing net book amount	期末賬面淨值	6,960	923	65,378	400	2,298	75,959
At 31 December 2006	於二零零六年十二月三十一日						
Cost	成本	7,643	5,383	88,712	998	6,438	109,174
Accumulated depreciation	累計折舊	(683)	(4,460)	(23,334)	(598)	(4,140)	(33,215)
Net book amount	賬面淨值	6,960	923	65,378	400	2,298	75,959
Year ended 31 December 2007	截至二零零七年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	6,960	923	65,378	400	2,298	75,959
Exchange differences	匯兌差額	1,869	62	5,160	761	424	8,276
Additions	添置	-	-	30,632	819	2,680	34,131
Acquisition of subsidiaries (Note 35)	收購附屬公司(附註35)	43,923	-	6,525	19,772	6,489	76,709
Disposals (Note 31(b))	出售(附註31(b))	(3,732)	-	(57)	-	(440)	(4,229)
Depreciation	折舊	(1,631)	(252)	(20,711)	(1,820)	(1,615)	(26,029)
Closing net book amount	期末賬面淨值	47,389	733	86,927	19,932	9,836	164,817
At 31 December 2007	於二零零七年十二月三十一日						
Cost	成本	48,712	5,459	133,086	22,464	15,620	225,341
Accumulated depreciation	累計折舊	(1,323)	(4,726)	(46,159)	(2,532)	(5,784)	(60,524)
Net book amount	賬面淨值	47,389	733	86,927	19,932	9,836	164,817

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expense of HK\$17,116,000 (2006: HK\$6,072,000) has been expensed in cost of sales and HK\$8,913,000 (2006: HK\$7,017,000) in administrative expenses.

During the year ended 31 December 2006, the Company acquired leasehold land, building and investment property from Beijing Hi Sun Electric Power Information Technology Limited, a connected person and a related company of the Company, at a total consideration of RMB34,500,000 (Notes 16 and 36).

As at 31 December 2007, bank borrowings are secured on buildings with a total net book amount of HK\$18,845,000 (2006: 5,354,000) (Note 29).

15. 物業、廠房及設備 (續)

折舊開支中17,116,000港元(二零零六年: 6,072,000港元)已於銷售成本內支銷;及8,913,000港元(二零零六年: 7,017,000港元)於行政開支支銷。

截至二零零六年十二月三十一日止年度,本公司向本公司之一家關連公司兼關連方北京高陽萬為電力信息技術有限公司收購租賃土地、樓宇及投資物業,總代價為人民幣34,500,000元(附註16及36)。

於二零零七年十二月三十一日,銀行借款乃以賬面總淨值為18,845,000港元之樓宇作抵押(二零零六年: 5,354,000港元)(附註29)。

Company
本公司
Office furniture and equipment
辦公室家具及設備
HK\$'000
千港元

At 1 January 2006	於二零零六年一月一日	
Cost	成本	12
Accumulated depreciation	累計折舊	(8)
Net book amount	賬面淨值	4
Year ended 31 December 2006	截至二零零六年十二月三十一日止年度	
Opening net book amount	期初賬面淨值	4
Depreciation	折舊	(3)
Closing net book amount	期末賬面淨值	1
At 31 December 2006	於二零零六年十二月三十一日	
Cost	成本	12
Accumulated depreciation	累計折舊	(11)
Net book amount	賬面淨值	1
Year ended 31 December 2007	截至二零零七年十二月三十一日止年度	
Opening net book amount	期初賬面淨值	1
Depreciation	折舊	(1)
Closing net book amount	期末賬面淨值	-
At 31 December 2007	於二零零七年十二月三十一日	
Cost	成本	12
Accumulated depreciation	累計折舊	(12)
Net book amount	賬面淨值	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. LEASEHOLD LAND

The Group's interests in leasehold land represent operating lease prepayments and their net book amounts are analysed as follows:

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Outside Hong Kong, held on:	香港境外：				
Leases of between 10 to 50 years	按10至50年之租約持有	44,032	30,595	30,378	30,378
Amortisation	攤銷開支	(655)	(36)	(791)	(31)
Net book amount	賬面淨值	43,377	30,559	29,587	30,347

The movement of the net book amount for leasehold land is as follows:

16. 租賃土地

本集團於租賃土地的權益相當於預繳經營租約款項，其賬面淨值分析如下：

租賃土地之賬面淨值變動如下：

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net book amount at beginning of year	年初賬面淨值	30,559	208	30,347	-
Additions (Note (a))	添置 (附註(a))	-	30,378	-	30,378
Acquisition of a subsidiary (Note 35)	收購附屬公司 (附註35)	17,448	-	-	-
Amortisation	攤銷	(913)	(36)	(760)	(31)
Disposal (Notes 31(b))	出售 (附註31(b))	(4,240)	-	-	-
Exchange difference	匯兌差額	523	9	-	-
Net book amount at end of year	年底賬面淨值	43,377	30,559	29,587	30,347

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. LEASEHOLD LAND (continued)

- (a) During the year ended 31 December 2006, the Company acquired the property located at 北京市海澱區阜成路67號銀都大廈15-17樓 from a related company and a connected person of the Company, Beijing Hi Sun Electric Power Information Technology Limited, at a total consideration of RMB34,500,000 (Note 36).

Acquisition costs including the consideration of the property of HK\$34,500,000 and direct costs of HK\$1,035,000 are as follows:

16. 租賃土地 (續)

- (a) 截至二零零六年十二月三十一日止年度，本公司向本公司之一家關連方兼關連公司北京高陽萬為電力信息技術有限公司收購位於北京市海澱區阜成路67號銀都大廈15-17樓之物業，總代價人民幣34,500,000元(附註36)。

收購成本包括物業代價34,500,000港元及直接成本1,035,000港元如下：

		Group 本集團 2006 二零零六年 HK\$'000 千港元	Company 本公司 2006 二零零六年 HK\$'000 千港元
Leasehold land	租賃土地	30,378	30,378
Property, plant and equipment	物業、廠房及設備		
– building	– 樓宇	1,609	–
Investment property	投資物業	3,548	5,157
		35,535	35,535

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. INTANGIBLE ASSETS – GROUP

17. 無形資產 – 本集團

		Goodwill	Brand name	Customer	Capitalised software development costs	Total
		商譽	品牌名稱	客戶名單	已撥充資本之軟件開發成本	總額
		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
Year ended 31 December 2007	截至二零零七年十二月三十一日止年度					
Opening net book amount	期初賬面淨值	-	-	-	-	-
Acquisition of subsidiaries (Note 35)	收購附屬公司(附註35)	91,770	4,120	4,120	20,004	120,014
Exchange difference	匯兌差額	4,137	126	148	711	5,122
Amortisation charge	攤銷支出	-	(858)	(344)	(1,690)	(2,892)
Closing net book amount	期末賬面淨值	95,907	3,388	3,924	19,025	122,244
At 31 December 2007	於二零零七年十二月三十一日					
Cost	成本值	95,907	4,246	4,268	20,715	125,136
Accumulated amortisation and impairment	累計攤銷及減值	-	(858)	(344)	(1,690)	(2,892)
Net book amount	賬面淨值	95,907	3,388	3,924	19,025	122,244

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. As at 31 December 2007, goodwill is solely allocated to the electronic power meters and solutions in the mainland china.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the electronic meters and solutions business in which the CGU operates.

商譽減值測試

商譽按照業務分類撥歸所識別之本集團現金產生單位。於二零零七年十二月三十一日，商譽僅撥歸在中國大陸電子式電能表及解決方案。

現金產生單位之可收回款額按使用價值計算法釐定。有關計算乃基於管理層所批准之五年期財政預算案採用稅前現金流量預測進行計算。五年期後之現金流量則採用下述估計增長率進行推斷。增長率並無超出現金產生單位營運所屬電子式電能表及解決方案之長期平均增長率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. INTANGIBLE ASSETS – GROUP

(continued)

Impairment tests for goodwill (continued)

The key assumptions used for value-in-use calculations are as follows:

Gross margin	30-44%
Growth rate	15-45%
Discount rate	15%

Management determined budgeted gross margin based on past performance and its expectations for the market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

During the year, no intangible asset was considered impaired by the management.

17. 無形資產 – 本集團 (續)

商譽減值測試 (續)

使用價值計算法所採用關鍵假設如下：

毛利率	30-44%
增長率	15-45%
折扣率	15%

管理層按照過往表現及其對市況發展之預期釐定預算毛利率。所採用之加權平均增長率與行業報告所載預測一致。所採用之折扣率為稅前，並反映有關分類相關之特定風險。

年內，管理層認為無形資產並無出現減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES

18. 於附屬公司之投資及應收／ (應付)附屬公司款項

		Company	
		本公司	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted investments, at cost	非上市投資，按成本	4,136	4,136
Due from subsidiaries (Note below)	應收附屬公司款項 (見下文附註)	757,929	100,822
Due to a subsidiary (Note below)	應付一家附屬公司款項 (見下文附註)	762,065	104,958
		(35,535)	(21,035)
		726,530	83,923

Note:

The balances with subsidiaries are unsecured, interest free, and repayable on demand.

附註：

與附屬公司之往來結餘為無抵押、免息及索還時償付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (continued)

The following is a list of the principal subsidiaries at 31 December 2007:

18. 於附屬公司之投資及應收／(應付)附屬公司款項(續)

於二零零七年十二月三十一日，主要附屬公司之名單如下：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及營業地點	Particulars of issued share capital/ registered capital 已發行股本／註冊資本詳情	Interest held 所持權益
北京高陽金信信息技術有限公司 (Beijing Hi Sun Advanced Business Solutions Information Technology Limited)	PRC, limited liability company 中國，有限公司	Provision of financial and banking solutions and services in the PRC 在中國提供金融及銀行解決方案及服務	HK\$100,000,000 100,000,000港元	100%
北京高陽聖思園信息技術有限公司 (Beijing Hi Sunray Information Technology Limited)	PRC, limited liability company 中國，有限公司	Provision of telecommunication solutions, services, related products and information technology operation value-added services in the PRC 在中國提供電訊解決方案、服務及相關產品以及資訊科技運營增值服務	HK\$80,000,000 80,000,000港元	100%
Emerging Technology Limited ("Emerging Technology")	The British Virgin Islands ("BVI"), limited liability company 英屬處女群島，有限公司	Investment holding in PRC 在中國從事投資控股	7,692,308 ordinary shares of US\$1 each 7,692,308股每股面值1美元之普通股	100%
Hi Sun (BVI) Limited	BVI, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong and PRC 在香港及中國從事投資控股	2 ordinary shares of US\$1 each 2股每股面值1美元之普通股	100% ¹
Hi Sun Development Management Limited 高陽拓業管理有限公司	Hong Kong, limited liability company 香港，有限公司	Provision of management services in Hong Kong 在香港提供管理服務	2 ordinary shares of HK\$1 each 2股每股面值1港元之普通股	100%

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (continued)

18. 於附屬公司之投資及應收／(應付)附屬公司款項(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及營業地點	Particulars of issued share capital/ registered capital 已發行股本／註冊資本詳情	Interest held 所持權益
Hi Sun Technology Holding Limited 高陽科技控股有限公司	Bermuda, limited liability company 百慕達·有限公司	Provision of financial services and related products in Hong Kong 在香港提供金融服務及相關產品	168,070,000 ordinary shares of HK\$0.1 each 168,070,000股每股面值0.1港元之普通股	100%
Pax Technology Limited 百富科技有限公司	Hong Kong, limited liability company 香港·有限公司	Sale of electronic payment products and services in Hong Kong 在香港銷售電子支付產品及服務	35,000,000 ordinary shares of HK\$1 each 35,000,000股每股面值1港元之普通股	100%
Turbo Speed Technology Limited ("Turbo Speed")	BVI, limited liability company 英屬處女群島·有限公司	Investment holding in PRC 在中國從事投資控股	35,897,440 ordinary shares of US\$0.1 each 35,897,440股每股面值0.1美元之普通股	100%
百富計算機技術(深圳)有限公司 (Pax Technology (Shenzhen) Limited)	PRC, limited liability company 中國·有限公司	Sale of electronic payment products and services in the PRC 在中國銷售電子支付產品及服務	HK\$50,000,000 50,000,000港元	100%
Max Hero Group Limited	BVI, limited liability company 英屬處女群島·有限公司	Investment holding in Hong Kong 在香港從事投資控股	1 ordinary share of US\$1 1股面值1美元之普通股	100% ¹
New Concept Services Limited	BVI, limited liability company 英屬處女群島·有限公司	Investment holding in PRC 在中國從事投資控股	100 Ordinary share of US\$1 100股面值1美元之普通股	95% ¹
Hangzhou PAX Electric Technology Limited 杭州百富電力技術有限公司 (formerly known as "Hangzhou Baifu Holding Company Limited") (前稱「杭州百富控股有限公司」)	PRC, limited liability company 中國·有限公司	Investment Holding in PRC 在中國從事投資控股	RMB27,500,000 人民幣27,500,000元	100%

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. INVESTMENTS IN SUBSIDIARIES AND DUE FROM/(TO) SUBSIDIARIES (continued)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及營業地點	Particulars of issued share capital/ registered capital 已發行股本／註冊資本詳情	Interest held 所持權益
Pacific Sheen International Limited 富順國際有限公司	Hong Kong, limited liability company 香港，有限公司	Investment Holding in PRC 在中國從事投資控股	HK\$3,900,000 3,900,000港元	100%
Hangzhou Hualong Electronic Technology Company Limited 杭州華隆電子技術有限公司	PRC, limited liability company 中國，有限公司	Manufacturing and sales of electronic power meters and provision of management 生產及銷售電子式電能表以及提供管理	RMB50,000,000 人民幣50,000,000元	100%
Hangzhou Hualong Information Technology Company Limited 杭州華隆信息技術有限公司	PRC, limited liability company 中國，有限公司	Design of electronic power meters in the PRC 在中國設計電子式電能表	RMB3,400,000 人民幣3,400,000元	100%
Hangzhou Fushun Information Technology Company Limited 杭州富順信息技術有限公司	PRC, limited liability company 中國，有限公司	Properties Holding in PRC 在中國持有物業	US\$3,500,000 3,500,000美元	100%
Perfect Ally Investments Limited	Samoa, limited liability company 薩摩亞群島，有限公司	Investment Holding in Hong Kong 在香港從事投資控股	US\$1.00 1.00美元	100%

¹ Shares held directly by the Company.

¹ 本公司直接持有之股份。

19. INVENTORIES

19. 存貨

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Raw materials 原材料		39,005	7,339
Work in progress 在製品		36,782	5,589
Finished goods 製成品		62,794	15,624
		138,581	28,552

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. INVENTORIES (continued)

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$292,872,000 (2006: HK\$147,246,000).

20. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

19. 存貨 (續)

確認為開支及計入銷售成本的存貨成本達 292,872,000 港元 (二零零六年: 147,246,000 港元)。

20. 應收賬款及其他應收款項、預付款項及按金

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Trade receivables (Note (a))	應收賬款 (附註(a))	250,962	120,603	-	-
Bills receivables (Note (b))	應收票據 (附註(b))	95,403	9,617	-	-
Finance leases receivables (Note (c))	融資租約應收賬款 (附註(c))	-	720	-	-
Less: provision for impairment of receivables (Note (d))	減: 應收賬款減值撥備 (附註(d))	(1,615)	(4,318)	-	-
		344,750	126,622	-	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	60,798	12,454	485	382
		405,548	139,076	485	382

Note (a): Trade receivables

The Group's credit terms to trade debtors range from 0 to 180 days. At 31 December 2007 and 2006, the ageing analysis of the trade receivables was as follows:

附註(a): 應收賬款

本集團給予貿易債務人的信貸期由零至180日不等。於二零零七年及二零零六年十二月三十一日，應收賬款之賬齡分析如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current to 90 days	即期至 90日	186,567	107,834
91 to 180 days	91日至 180日	25,456	6,774
181 to 365 days	181至 365日	14,278	3,519
Over 365 days	365日以上	24,661	2,476
		250,962	120,603

The Group's sales are made to several major customers and there is concentration of credit risks. Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

本集團之銷售乃向數名主要客戶作出且有信貸集中風險。本集團不斷密切監察尚未償還應收款項餘額之收回情況，以減少此等信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

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

Note (b): Bills receivable

The balance represents bank acceptance notes with maturity dates within six months.

Group

The maturity profile of the bills receivable of the Group is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Falling within 90 days	於90日內到期	30,212	9,617
Falling within 91 to 180 days	於91至180日內到期	65,191	-
		95,403	9,617

As at 31 December 2007, the Group's bills receivable amounting to HK\$10,550,000 (2006: Nil) were pledged to banks for short-term borrowings (Note 29).

20. 應收賬款及其他應收款項、預付款項及按金 (續)

逾期但未減值的應收賬款為對與本集團有良好交易記錄的若干獨立客戶。鑒於以前良好的合作，該部份客戶信用未發生重大變化，預計應收款項完全可回收。管理層認定對該應收款項不需要確認減值準備，本集團未持有任何該等應收款項結餘的抵押品。

附註(b)：應收票據

該結餘指到期日為六個月內的銀行承兌匯票。

本集團

本集團應收票據的到期狀況如下：

於二零零七年十二月三十一日，本集團10,550,000港元(二零零六年：零元)的應收票據已抵押予銀行以取得短期借款(附註29)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

Note (c): Finance leases receivables

20. 應收賬款及其他應收款項、預付款項及按金 (續)

附註(c)：融資租約應收賬款

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current receivables	現時的應收款項		
Gross receivables from finance leases:	融資租約應收賬款總數：		
Not later than 1 year	不遲於一年	-	729
Unearned future finance income on finance leases	於融資租約未賺取的未來融資收入	-	(9)
Net investment in finance leases	融資租約投資淨額	-	720
The net investment in finance leases is analysed as follows:	融資租約投資淨額分析如下：		
Not later than 1 year	不遲於一年	-	720

Note (d): Provision for impairment receivables

附註(d)：應收款項減值撥備

The movement on the provision for impairment of receivables are as follows:

應收款項減值撥備變動如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	4,318	10,831
Write-back of provision	撥回撥備	(2,896)	(1,523)
Provision recognised in income statement	於收益表確認時撥備	811	1,266
Receivables written-off during the year as uncollectible	年內已撇銷的不可收回應收款項	(749)	(6,477)
Exchange differences	匯兌差異	131	221
At 31 December	於十二月三十一日	1,615	4,318

The maximum exposure to credit risk at the reporting date in the fair value of each class of receivable mentioned above. The Group does not hold any collateral as securities.

在報告日期，信貸風險的最高風險承擔為上述每類應收款項的公平值。本集團不持有任何作為質押的抵押品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP AND COMPANY

21. 按公平值計入溢利或虧損之金融資產 – 本集團及本公司

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Listed securities:	上市證券：		
– Equity securities – PRC	– 股本證券 – 中國	–	41,281
– Equity securities – Hong Kong	– 股本證券 – 香港	34,488	–
		34,488	41,281

Financial assets at fair value through profit or loss are presented in operating activities as part of changes in working capital in the consolidated cash flow statement (Note 31).

按公平值計入溢利或虧損之金融資產乃於綜合現金流量表呈列為經營業務，作為營運資金部分變動(附註31)。

Changes in fair values of financial assets at fair value through profit or loss are recorded as other gains – net in the consolidated income statement (Note 5).

按公平值計入溢利或虧損之金融資產公平值變動於綜合收益表記錄為其他收益淨額(附註5)。

The fair value of all equity securities is based on their current bid prices in an active market.

所有股本證券之公平值乃按於活躍市場之現行買入價計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22. RESTRICTED CASH

22. 受限制現金

	Group 本集團		Company 本公司	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Restricted bank deposit 受限制銀行存款	7,500	–	7,500	–

The effective interest rate on restricted bank deposits was 2.745% per annum. All of the restricted bank deposits are denominated in HKD. It represents deposits pledged to a bank to secure banking facilities granted to the Group.

受限制銀行存款的實際年利率為2.745%。所有受限制銀行存款均以港元計值。此乃已抵押予銀行的存款，以使本集團獲授銀行信貸。

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等價物

	Group 本集團		Company 本公司	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash at bank and in hand 銀行及手上現金	569,716	528,076	121,113	247,802

Funds of the Group amounting to HK\$287,774,000 (2006: HK\$76,129,000) are kept in the bank accounts opened with banks in the PRC where the remittance funds is subject to foreign exchange control.

本集團之資金中287,774,000港元(二零零六年：76,129,000港元)，乃存放於在中國的銀行開立的賬戶內，其中匯款須受外匯監管規限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. SHARE CAPITAL

24. 股本

		Ordinary shares of HK\$0.01 each 每股面值0.01港元 之普通股		Ordinary shares of HK\$0.0025 each 每股面值0.0025港元 之普通股	
		No. of shares 股數	HK\$'000 千港元	No. of shares 股數	HK\$'000 千港元
<i>Authorised:</i>	法定：				
At 1 January 2006	於二零零六年一月一日	1,000,000,000	10,000	-	-
Share subdivision (Note (b))	股份分拆 (附註 (b))	(1,000,000,000)	(10,000)	4,000,000,000	10,000
At 31 December 2006 and 31 December 2007	於二零零六年十二月三十一日及 二零零七年十二月三十一日	-	-	4,000,000,000	10,000
<i>Issued and fully paid:</i>	已發行及繳足：				
At 1 January 2006	於二零零六年一月一日	333,054,030	3,330	-	-
Issue of new ordinary shares (Note (a)(i))	發行新普通股 (附註(a)(i))	66,000,000	660	-	-
Shares issued under share option scheme of the Company (Note (c))	根據本公司購股權計劃 發行股份 (附註(c))	10,000,000	100	-	-
Reduction of par value of ordinary shares due to share subdivision (Note (b))	因股份分拆而 削減普通股 面值 (附註(b))	(409,054,030)	(4,090)	1,636,216,120	4,090
Issue of new ordinary shares (Note (a)(ii))	發行新普通股 (附註(a)(ii))	-	-	100,000,000	250
Share issued under share option scheme of the Company (Note (c))	根據本公司購股權計劃 發行股份 (附註(c))	-	-	143,200,000	359
At 31 December 2006	於二零零六年十二月三十一日	-	-	1,879,416,120	4,699
Shares issued under share options scheme of the Company (Note (c))	根據本公司購股權計劃 發行股份 (附註 (c))	-	-	83,210,000	208
Issue of new shares upon the conversion of convertible preference shares issued by subsidiaries (Note (d))	於轉換附屬公司發行之可換股 優先股時發行 新股份 (附註(d))	-	-	232,446,569	581
Shares issued on acquisition of subsidiaries (Note (e))	因收購附屬公司而 發行股份 (附註 (e))	-	-	36,900,146	92
At 31 December 2007	於二零零七年十二月三十一日	-	-	2,231,972,835	5,580

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. SHARE CAPITAL (continued)

Note:

(a) Issue of new ordinary shares

- (i) On 21 March 2006, the Company entered into a subscription agreement with a subscriber in relation to the subscription by the subscriber at a price of HK\$1.46 per share of an aggregate of 66,000,000 new ordinary shares of HK\$0.01 each to be issued by the Company pursuant to the subscription agreement. The subscription consideration of HK\$96,360,000 was settled by the subscriber in cash and the subscription was completed on 31 March 2006. The net proceeds from the subscription of approximately HK\$96 million will be utilised for future investments or developments in outsourcing services, research and development of electronic payment products and general working capital of the Group.
- (ii) On 27 September 2006, the Company entered into six subscription agreements with certain subscribers, in relation to the subscription by these subscribers at a price of HK\$1.50 per share of an aggregate of 100,000,000 new ordinary shares of HK\$0.0025 each to be issued by the Company pursuant to the subscription agreements. The total subscription consideration of HK\$150,000,000 was settled by the subscribers in cash and the subscription was completed on 11 October 2006. The net proceeds from the subscription of approximately HK\$149 million will be utilised for expansion of the ATM operation services business and for general working capital of the Group.

(b) Share subdivision

Pursuant to an ordinary resolution passed on 28 June 2006, each of the existing issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company was subdivided into four ordinary shares of HK\$0.0025 each (the "Share Subdivision"), which was approved by the shareholders of the Company and became effective on 29 June 2006.

24. 股本 (續)

附註：

(a) 發行新普通股

- (i) 於二零零六年三月二十一日，本公司與一名認購方訂立認購協議，乃關於認購方根據認購協議以每股1.46港元的價格認購本公司將予發行合共66,000,000股每股面值0.01港元新普通股。96,360,000港元之認購代價將由認購方以現金支付，而有關認購已於二零零六年三月三十一日完成。認購之所得款項淨額約為96,000,000港元，將用作日後投資或發展外判服務、研究與開發電子支付產品，並撥作本集團之一般營運資金。
- (ii) 於二零零六年九月二十七日，本公司與若干認購方訂立六份認購協議，乃關於此等認購方根據該等認購協議按每股1.50港元之價格，認購本公司將予發行合共100,000,000股每股面值0.0025港元之新普通股。總認購價為150,000,000港元，並已由該等認購方以現金支付，而認購已於二零零六年十月十一日完成。認購事項之所得款項淨額約為149,000,000港元，並將用作擴展銀行自動櫃員機運營服務業務，並撥作集團之一般營運資金。

(b) 股份分拆

根據於二零零六年六月二十八日通過之普通決議案，本公司股本中每股面值0.01港元之現有已發行及未發行普通股，已分拆為四股每股面值0.0025港元之普通股（「股份分拆」），股份分拆已獲本公司股東批准，並已於二零零六年六月二十九日生效。

24. SHARE CAPITAL (continued)

Note: (continued)

(c) Share options of the Company

The Company operates a share option scheme (the "Scheme") for the purpose of attracting, retaining and motivating talented employees in order to strive for future developments and expansion of the Group. Eligible participants of the Scheme include the Group's full-time employees, and executive and non-executive Directors. The Scheme became effective on 29 November 2001 and unless otherwise cancelled or amended, will remain valid and effective for a period of 10 years from that date.

The total number of shares in respect of which options may be granted shall not (together with all the other Schemes, if any) exceed 10% of the total issued capital of the Company as at date of approval of the Scheme unless the Company obtains a fresh approval from shareholders to renew the 10% limit.

The maximum number of shares in respect of which options may be granted under the Scheme, together with any unexercised share options granted under the Scheme and any other share option schemes of the Company in issue, may not exceed 30% of the relevant class of securities of the Company in issue at any time. On 18 March 2004, 33,000,000 share options were granted to certain directors and employees at an exercise price of HK\$0.374 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by The Stock Exchange of Hong Kong Limited for the five business days immediately preceding 18 March 2004) with an expiry date of 17 March 2014.

Pursuant to an ordinary resolution passed on 17 August 2005, a refreshment of the limit on grant of options under the Scheme was approved by the Company's shareholders. Upon refreshing the 10% limit on grant of options under the Scheme, 33,305,403 shares may be issued pursuant to the grant of further options under the Scheme.

On 26 September 2005, 33,300,000 share options were granted to certain directors and employees at an exercise price of HK\$0.768 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by the Stock Exchange of Hong Kong Limited for the five business days immediately preceding 26 September 2005) with an expiry date of 25 September 2015. The option period commences on 26 September 2005 and expires 10 years thereafter.

24. 股本 (續)

附註：(續)

(c) 本公司之購股權

本公司運作一項購股權計劃(「該計劃」)，旨在吸引、挽留及激勵有才幹之僱員，以助本集團日後發展及擴充業務。該計劃的合資格參與者包括本集團的全職僱員以及執行及非執行董事。該計劃於二零零一年十一月二十九日生效，除非該計劃取消或修訂，否則將由該日起計10年仍然有效及生效。

連同所有其他購股權計劃(如有)可能授出之購股權涉及之股份總數，不得超過本公司於批准該計劃當日已發行股本總額之10%，惟本公司取得股東另外特准更新該10%的限額除外。

該計劃項下可能授出之購股權連同該計劃及本公司任何其他購股權計劃項下已授出而尚未行使之任何購股權所涉及之股份數目，最多不得超過任何時候本公司已發行相關類別證券之30%。於二零零四年三月十八日，本公司向若干董事及僱員授出33,000,000份購股權，行使價為每股0.374港元(即緊接二零零四年三月十八日前五個營業日香港聯合交易所有限公司發佈之每日報價表所報股份之平均收市價)到期日為二零一四年三月十七日。

根據於二零零五年八月十七日通過的普通決議案，根據該計劃可授出的購股權限額獲本公司股東批准更新。該計劃項下授出購股權之10%原有限額更新後，可根據該計劃授出額外購股權發行33,305,403股股份。

於二零零五年九月二十六日，本公司向若干董事及僱員授出33,300,000份購股權，每股行使價0.768港元(即緊接二零零五年九月二十六日前五個營業日香港聯合交易所有限公司發佈之每日報價表所報股份之平均收市價)到期日為二零一五年九月二十五日。購股權期間由二零零五年九月二十六日開始，10年後到期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. SHARE CAPITAL (continued)

Note: (continued)

(c) Share options of the Company (continued)

Options granted are vested as follows:

On 26 September 2005	Up to 50%
On 26 September 2006	Up to 100%

The Share Subdivision has led to an adjustment to the exercise price of the outstanding options and the number of shares to be issued by the Company upon exercise of the outstanding options. For share options with exercise period from 18 March 2004 to 17 March 2014, the number of shares to be issued by the Company upon full exercise of such outstanding options immediately before the Share Subdivision has been increased from 23,000,000 shares to 92,000,000 shares and the exercise price has been adjusted from HK\$0.374 to HK\$0.0935 per share. For share options with exercise period from 26 September 2005 to 25 September 2015, the number of shares to be issued by the Company upon full exercise of such outstanding options immediately before the Share Subdivision has been increased from 33,300,000 shares to 133,200,000 shares and the exercise price has been adjusted from HK\$0.768 to HK\$0.192 per share.

On 2 January 2007, 43,000,000 share options were granted to certain employees at an exercise price of HK\$2.00 per share (the average closing price of the shares as quoted in the daily quotations sheets issued by the Stock Exchange of Hong Kong Limited for the five business days immediately preceding 2 January 2007) with an expiry date of 1 January 2010.

The fair values of options granted during the period determined using the Black-Scholes-Merton option pricing model were:

Options to be vested on 於下列日期歸屬的購股權		Number of options 購股權數目	Fair value 公平值 HK\$'000 千港元
2 January 2007	二零零七年一月二日	43,000,000	27,616

24. 股本 (續)

附註：(續)

(c) 本公司之購股權 (續)

授出的購股權歸屬如下：

於二零零五年九月二十六日	最多50%
於二零零六年九月二十六日	最多100%

股份分拆導致須對未行使購股權及本公司於未行使購股權獲行使時將予發行之股份數目作出調整。就行使期由二零零四年三月十八日至二零一四年三月十七日之購股權而言，本公司於有關購股權獲悉數行使時將予發行之股份數目，已由23,000,000股增至92,000,000股，而行使價由每股0.374港元調整至每股0.0935港元。就行使期由二零零五年九月二十六日至二零一五年九月二十五日之購股權而言，本公司於有關購股權獲行使時將予發行之股份數目，已由33,300,000股增至133,200,000股，而行使價由每股0.768港元調整至每股0.192港元。

於二零零七年一月二日，本公司向若干僱員授出43,000,000份購股權，行使價為每股2.00港元，即緊接二零零七年一月二日前五個營業日香港聯合交易所有限公司發佈之每日報價表所報股份平均收市價，到期日為二零一零年一月一日。

期內授出之購股權以柏力克－舒爾斯購股權定價模式釐定之公平值如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. SHARE CAPITAL (continued)

Note: (continued)

(c) Share options of the Company (continued)

The significant inputs into the model were share price of HK\$2.00 at the grant date, exercise price shown above, standard deviation of expected share price returns of 63.5%, expected life of options of 1.5 years, expected dividend paid out rate of 0% and annual risk-free interest rate of 3.552%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices of the Company over the past 260 trading days prior to the grant date.

Share options outstanding (in thousands) at the end of the year have the following expiry date and exercise prices:

Expiry date 到期日		Exercise price	Share options	
		行使價 HK\$ per share 每股港元	購股權 2007 二零零七年	2006 二零零六年
17 March 2014	二零一四年三月十七日	0.0935	–	25,200
25 September 2015	二零一五年九月二十五日	0.192	–	56,800
1 January 2010	二零一零年一月一日	2.00	41,458	–
			41,458	82,000

24. 股本 (續)

附註：(續)

(c) 本公司之購股權 (續)

於該模式輸入的重要資料為於授出日期之股份之股份價格2.00港元，上述行使價，預計股價回報63.5%之標準差，預計為1.5年之購股權有效期，預計為0%之派息率及3.552%之年度無風險利率。以標準差計算之預計股價回報波動，是以本公司每日股價於授出日期前過去260個交易日之統計分析資料為基準而計算。

截至本年度結算日止尚未行使的購股權(以千計)之到期日及行使價如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. SHARE CAPITAL (continued)

Note: (continued)

(c) Share options of the Company (continued)

As at 31 December 2007, the particulars of the options granted to each of the Directors and employees of the Company under the Scheme are as follows:

Name 姓名	Date of grant 授出日期	Exercise price after Share Subdivision 股份分拆 後之行使價 (HK\$) (港元)	Number of options held at 1 January 2007 於二零零七年 一月一日所持 之購股權數目	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed during the year 年內已失效	Number of options held at 31 December 2007 於二零零七年 十二月三十一日 所持之 購股權數目
Directors 董事							
Mr. Kui Man Chun 渠萬春先生	18 March 2004* 二零零四年三月十八日*	0.0935	12,000,000	-	(12,000,000)	-	-
	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Xu Wensheng 徐文生先生	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Li Wenjin 李文晉先生	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Xu Chang Jun 徐昌軍先生	26 September 2005** 二零零五年九月二十六日**	0.192	13,200,000	-	(13,200,000)	-	-
Mr. Chan Yiu Kwong 陳耀光先生 (Note 1) (附註1)	26 September 2005** 二零零五年九月二十六日**	0.192	4,000,000	-	(4,000,000)	-	-
			68,800,000	-	(68,800,000)	-	-
Employees 僱員							
(In aggregate) (總計)	18 March 2004* 二零零四年三月十八日*	0.0935	13,200,000	-	(13,200,000)	-	-
	2 January 2007 *** 二零零七年一月二日 ***	2.00	-	43,000,000	(1,210,000)	(332,000)	41,458,000
			82,000,000	43,000,000	(83,210,000)	(332,000)	41,458,000

24. 股本 (續)

附註：(續)

(c) 本公司之購股權 (續)

於二零零七年十二月三十一日，根據該計劃向董事及本公司僱員各自授出之購股權詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. SHARE CAPITAL (continued)

Note: (continued)

(c) Share options of the Company (continued)

* The exercisable period of the above share options is from 18 March 2004 to 17 March 2014 (both dates inclusive).

** The option period commences on 26 September 2005 and expires 10 years thereafter. Options granted are vested as follows:

On 26 September 2005	Up to 50%
On 26 September 2006	Up to 100%

Note 1: On 3 December 2007, Mr Chan has resigned as Executive Director of the Company.

During the year ended 31 December 2007, the weighted average closing price immediately before the dates on which the options were exercised was HK\$2.38 per share.

During the year ended 31 December 2006, no share options was granted. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

As at the date of this report, the Company has 41,458,000 share options outstanding.

24. 股本 (續)

附註：(續)

(c) 本公司之購股權 (續)

* 上述購股權之行使期由二零零四年三月十八日至二零一四年三月十七日(首尾兩日包括在內)。

** 購股權期間由二零零五年九月二十六日開始及於其後十年屆滿。授出購股權歸屬情況如下：

二零零五年九月二十六日	最多50%
二零零六年九月二十六日	最多100%

附註1：於二零零七年十二月三日，陳先生辭任本公司執行董事。

截至二零零七年十二月三十一日止年度，緊接購股權行使日期前之加權平均收市價為每股2.38港元。

截至二零零六年十二月三十一日止年度，並無授出購股權。本集團並無法律或推定責任以現金購回或清償購股權。

於本報告日期，本公司有41,458,000份購股權尚未行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. SHARE CAPITAL (continued)

Note: (continued)

(d) Convertible preference shares issued by Turbo Speed

On 9 November 2004, Turbo Speed, a subsidiary of the Company, entered into a subscription agreement with independent third parties in relation to the subscription of 6,837,608 convertible preference shares of US\$0.10 each of Turbo Speed for a total subscription price of US\$4 million (approximately HK\$31.2 million) (the "TS Subscription").

Pursuant to an ordinary resolution passed on 4 April 2005, the Company approved the TS Subscription and the TS Subscription was completed on 29 April 2005.

On 18 January 2007 and 27 April 2007, 6,837,608 convertible preference shares in Turbo Speed were converted into 103,733,334 new ordinary shares of the Company of HK\$0.0025 each at a conversion price of HK\$0.3 per share.

As at 31 December 2007, no convertible preference share in Turbo Speed was outstanding.

Convertible preference shares issued by Emerging Technology Limited ("Emerging Technology")

On 21 August 2006, Emerging Technology, a subsidiary of the Company, entered into a subscription agreement with independent third parties and connected persons in relation to the subscription of 760,778 convertible preference shares of US\$1.00 each of Emerging for a total subscription price of US\$18 million (approximately HK\$140 million) (the "ET Subscription").

Pursuant to an ordinary resolution passed on 25 September 2006, the Company approved the ET Subscription and the ET Subscription was completed on 12 October 2006.

On 28 September 2007 and 22 November 2007, 760,778 convertible preference shares in Emerging Technology were converted into 128,713,235 new ordinary shares of the Company of HK\$0.0025 each at a conversion price of HK\$1.088 per share.

As at 31 December 2007, no convertible preference shares in Emerging Technology was outstanding.

24. 股本 (續)

附註：(續)

(d) Turbo Speed發行之可換股優先股

於二零零四年十一月九日，本公司附屬公司 Turbo Speed 與獨立第三方就認購 6,837,608 股每股面值 0.10 美元之 Turbo Speed 可換股優先股訂立認購協議，總認購價為 4,000,000 美元（約 31,200,000 港元）（「該 TS 認購」）。

根據於二零零五年四月四日通過之普通決議案，本公司批准該 TS 認購，而該 TS 認購已於二零零五年四月二十九日完成。

於二零零七年一月十八日及二零零七年四月二十七日，6,837,608 股 Turbo Speed 可換股優先股按兌換價每股 0.3 港元兌換為 103,733,334 股每股面值 0.0025 港元之本公司新普通股。

於二零零七年十二月三十一日，概無已發行的 Turbo Speed 可換股優先股。

Emerging Technology Limited (「Emerging Technology」) 發行之可換股優先股

於二零零六年八月二十一日，本公司附屬公司 Emerging Technology 與獨立第三方及關連人士就認購 Emerging 760,778 股每股面值 1.00 美元之可換股優先股（「該 ET 認購」）訂立認購協議，總認購價為 18,000,000 美元（約 140,000,000 港元）。

根據於二零零六年九月二十五日通過之普通決議案，本公司批准該 ET 認購，而該 ET 認購已於二零零六年十月十二日完成。

於二零零七年九月二十八日及二零零七年十一月二十二日，760,778 股 Emerging Technology 可換股優先股按兌換價每股 1.088 港元兌換為 128,713,235 股每股面值 0.0025 港元之本公司新普通股。

於二零零七年十二月三十一日，概無已發行的 Emerging Technology 可換股優先股。

24. SHARE CAPITAL (continued)

Note: (continued)

(e) **Acquisition of the entire interest in Baifu Hualong and Pacific Sheen and disposal of 5% interest in Hualong Holding**

On 10 February 2007, the Company entered into a sale and purchase agreement (the "Hualong Agreement") with 王秉人(Wang Bing Ren), 王中方(Wang Zhong Fang), 蔣杰忠(Jiang Jie Zhong), 趙樹勳(Zhao Shu Xun (also known as 趙力斌(Zhao Li Bin)), 李寧川(Li Ning Chuan) and Everon Group Holdings Limited (a company incorporated in Hong Kong) (collectively the "Hualong Vendors"), who are parties then independent of the Group, pursuant to which the Company agreed to procure the acquisition of the entire registered capital of Hangzhou PAX Electric Technology Limited (Formerly known as "Hangzhou Baifu Holding Company Limited"), a company incorporated in the PRC which holds the entire interest in 杭州華隆電子技術有限公司 (Hangzhou Hualong Electronic Technology Company Limited), a company established in the PRC ("Hualong Electronic") and 杭州華隆信息技術有限公司 (Hangzhou Hualong Information Technology Company Limited), a company established in the PRC ("Hualong Information"), the entire issued share capital of Pacific Sheen International Limited (富順國際有限公司), a company incorporated in Hong Kong ("Pacific Sheen") and its subsidiary (collectively referred to as the "Hualong Group") and the shareholders' loans of HK\$24.0 million (the "Shareholders' Loans") for a total consideration of RMB270.7 million (equivalent to approximately HK\$268.6 million) (the "Hualong Acquisition"). The consideration for the Hualong Acquisition was satisfied as to RMB170.7 million (equivalent to approximately HK\$176.3 million) in cash and as to the remaining balance of RMB100.0 million (equivalent to approximately HK\$92.3 million) by way of the issuance of 36,900,146 new shares of the Company (the "Consideration Shares"). The fair value of the consideration shares was based on the published closing share price of HK\$2.5 as at 30 July 2007 (Note 35).

24. 股本 (續)

附註：(續)

(e) **收購百富華隆及富順國際全部權益及出售 Hualong Holding 5%權益**

於二零零七年二月十日，本公司與當時獨立於本集團之人士王秉人、王中方、蔣杰忠、趙樹勳(又名趙力斌)、李寧川及信安控股有限公司(於香港註冊成立之公司)(統稱「華隆賣方」)訂立買賣協議(「華隆協議」)。據此，本公司同意促使收購於中國註冊成立之杭州百富電力技術有限公司(前稱「杭州百富控股有限公司」)全部註冊股本、於香港註冊成立之富順國際有限公司(「富順國際」)及其附屬公司(統稱「華隆集團」)全部已發行股本以及股東貸款24,000,000港元(「股東貸款」)，總代價為人民幣270,700,000元(約相當於268,600,000港元)(「華隆收購」)。杭州百富電力技術有限公司將持有於中國成立之杭州華隆電子技術有限公司(「華隆電子」)及於中國成立之杭州華隆信息技術有限公司(「華隆信息技術」)全部權益。華隆收購代價中，人民幣170,700,000元(約相當於176,300,000港元)已以現金支付，餘額人民幣100,000,000元(約相當於92,300,000港元)則以本公司發行36,900,146股新股(「代價股份」)支付。代價股份之公平價值乃按二零零七年七月三十日公佈之收市價2.5港元計算(附註35)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. OTHER RESERVES

(a) Group

25. 其他儲備

(a) 本集團

		Share premium	Contributed surplus (Note(i)) 實繳盈餘 (附註(i))	Other reserves 其他儲備	Exchange reserve 匯兌儲備	(Accumulated losses)/ retained earnings (累計虧損)/ 保留盈利	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	100,556	125,310	15,627	872	(118,261)	124,104
Profit for the year	年度溢利	-	-	-	-	133,600	133,600
Shares issued under share option scheme of the Company (Note 24(c))	根據本公司購股權 計劃發行股份(附註24(c))	24,196	-	-	-	-	24,196
Issue of new shares (Note 24(a))	發行新股份(附註24(a))	245,450	-	-	-	-	245,450
Share issuance expenses	股份發行開支	(60)	-	-	-	-	(60)
Share premium reduction (Note(b)(iii))	削減股份溢價(附註(b)(iii))	(100,556)	43,124	-	-	57,432	-
Issue of convertible preference shares by a subsidiary (Note 27(b))	一家附屬公司發行 可換股優先股(附註27(b))	-	-	138,480	-	-	138,480
Employee share option scheme - value of employee services	僱員購股權計劃 - 僱員服務價值	-	-	2,387	-	-	2,387
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司 財務報表之 匯兌差額	-	-	-	6,816	-	6,816
At 31 December 2006	於二零零六年十二月三十一日	269,586	168,434	156,494	7,688	72,771	674,973
At 1 January 2007	於二零零七年一月一日	269,586	168,434	156,494	7,688	72,771	674,973
Profit for the year	年度溢利	-	-	-	-	184,276	184,276
Shares issued under share option scheme of the Company (Note 24(c))	根據本公司購股權 計劃發行股份(附註24(c))	15,474	-	-	-	-	15,474
Issue of new shares upon the conversion of convertible preference shares issued by subsidiaries (Note 24(d))	附屬公司於轉換 已發行可換股優先股 後發行新股份(附註24(d))	171,112	-	(149,614)	-	-	21,498
Employee share option scheme - value of employee services (Note 24(c))	僱員購股權計劃 - 僱員服務價值(附註24(c))	-	-	27,616	-	-	27,616
Acquisition of subsidiaries (Note 24(e))	收購附屬公司(附註24(e))	92,158	-	-	-	-	92,158
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司 財務報表之 匯兌差額	-	-	-	33,272	-	33,272
At 31 December 2007	於二零零七年十二月三十一日	548,330	168,434	34,496	40,960	257,047	1,049,267

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. OTHER RESERVES

(a) Group (continued)

Note:

- (i) The contributed surplus of the Group represents the difference between the nominal value of the ordinary shares and share premium account of Hi Sun Holdings Limited (“HSHL”) acquired pursuant to the group reorganisation (the “Reorganisation”) on 17 October 2001 as set out in the circular to the shareholders of HSHL dated 9 August 2001, over the nominal value of the Company’s shares issued in exchange thereof.

(b) Company

25. 其他儲備 (續)

(a) 本集團 (續)

附註：

- (i) 本集團之實繳盈餘指向高陽控股有限公司(「高陽控股」)股東寄發日期為二零零一年八月九日之通函所載，根據於二零零一年十月十七日進行之集團重組(「重組」)所收購之高陽控股之普通股面值及股份溢價賬，與本公司就此交換之已發行股份面值之差額。

(b) 本公司

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus (Note (i)) 實繳盈餘 (附註(i)) HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	(Accumulated losses)/ retained earnings (累計虧損)/ 保留盈利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	100,556	3,293	4,220	(57,431)	50,638
Profit for the year	年度溢利	-	-	-	55,064	55,064
Shares issued under share option scheme of the Company (Note 24(c))	根據本公司購股權計劃發行股份(附註24(c))	24,196	-	-	-	24,196
Issue of new shares (Note 24(a))	發行新股份(附註24(a))	245,450	-	-	-	245,450
Share issuance expenses	股份發行開支	(60)	-	-	-	(60)
Share premium reduction (Note (b)(iii))	削減股份溢價(附註(b)(iii))	(100,556)	43,124	-	57,432	-
Employee share option scheme – value of employee services (Note 24(c))	僱員購股權計劃 —僱員服務價值(附註24(c))	-	-	2,387	-	2,387
At 31 December 2006	於二零零六年十二月三十一日	269,586	46,417	6,607	55,065	377,675
At 1 January 2007	於二零零七年一月一日	269,586	46,417	6,607	55,065	377,675
Profit for the year	年度溢利	-	-	-	(2,461)	(2,461)
Shares issued under share option scheme of the Company (Note 24(c))	根據本公司購股權計劃發行股份(附註24(c))	15,474	-	-	-	15,474
Issue of new shares upon the conversion of convertible preference shares issued by subsidiaries (Note 24(d))	附屬公司於轉換已發行可換股優先股後發行新股份(附註24(d))	398,816	-	-	-	398,816
Employee share option scheme – value of employee services (Note 24(c))	僱員購股權計劃 —僱員服務價值(附註24(c))	-	-	27,616	-	27,616
Acquisition of subsidiaries (Note 24(e))	收購附屬公司(附註24(e))	92,158	-	-	-	92,158
At 31 December 2007	於二零零七年十二月三十一日	776,034	46,417	34,223	52,604	909,278

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. OTHER RESERVES (continued)

(b) Company (continued)

Note:

- (i) The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Reorganisation over the nominal value of the Company's shares issued in exchange thereof. Under the Companies Act 1981 of Bermuda, a company may make distributions to its members out of the contributed surplus under certain circumstances.
- (ii) In compliance with section 46 of the Companies Act 1981 of Bermuda and with effect from 28 June 2006 (the date of the passing of the special resolution), the entire amount standing to the credit of the share premium account of the Company as at 31 December 2005 of HK\$100,556,000 was cancelled and the directors of the Company was authorised to apply part of the credit arising from the aforesaid reduction of the share premium account of the Company in the sum of HK\$57,432,000 to offset the accumulated losses of the Company in full and the remaining balance of the credit arising therefrom in the sum of HK\$43,124,000 was transferred to the contributed surplus account of the Company in accordance with the Bye-laws of the Company and all applicable laws.
- (iii) As at 31 December 2007, the aggregate amount of reserves available for distribution to the equity holders of the Company, including contributed surplus, other reserves and retained earnings, was HK\$133,244,000 (2006: 108,089,000).

25. 其他儲備 (續)

(b) 本公司 (續)

附註：

- (i) 本公司之實繳盈餘指根據重組所收購之附屬公司股份公平值與本公司就此交換之已發行股份面值之差額。根據百慕達一九八一年公司法，公司可在若干情況下從實繳盈餘中撥出款額以向其股東作出分派。
- (ii) 根據百慕達一九八一年公司法第46條，自通過特別決議案日期二零零六年六月二十八日起，削減本公司於二零零五年十二月三十一日共100,556,000港元之股份溢價賬全數進賬均遭註銷，而本公司董事獲授權動用上述本公司股份溢價賬削減所產生部分進賬57,432,000港元，以抵銷本公司全數累計虧損。該進賬餘額43,124,000港元將根據本公司之公司細則及所有適用法例轉撥至本公司實繳盈餘賬。
- (iii) 於二零零七年十二月三十一日，本公司可供分派予權益持有人之儲備(包括實繳盈餘、其他儲備及保留盈利)合共133,244,000港元(二零零六年：108,089,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26. TRADE AND OTHER PAYABLES

26. 應付賬款及其他應付款項

		Group 本集團		Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade payables (Note below)	應付賬款 (附註如下)	130,057	54,611	—	—
Other payables and accruals	其他應付款項及 應計款項	143,656	44,399	10,789	8,908
Pension obligations	退休金供款	10,228	8,696	—	—
Social security and other taxes	社會保障及 其他稅項	17,548	9,576	—	—
		301,489	117,282	10,789	8,908

Note:

At 31 December 2007 and 2006, the ageing analysis of the trade payables was as follows:

附註：

於二零零七年及二零零六年十二月三十一日，應付賬款的賬齡分析如下：

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Current to 90 days	現時至90日	98,001	44,888
91 to 180 days	91至180日	14,097	4,923
181 to 365 days	181至365日	5,123	2,987
Over 365 days	超過365日	12,836	1,813
		130,057	54,611

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP

(a) Convertible preference shares issued by Turbo Speed

On 9 November 2004, Turbo Speed, a wholly-owned subsidiary of the Company, entered into a subscription agreement with independent third parties in relation to the subscription of 6,837,608 convertible preference shares of US\$0.10 each of Turbo Speed for a total subscription price of US\$4 million (approximately HK\$31.2 million) (the “TS Subscription”). The subscription price had been received by Turbo Speed shortly after signing of the said subscription agreement and was held in a jointly controlled bank account and would be released on completion of the Subscription.

Pursuant to an ordinary resolution passed on 4 April 2005, the Company approved the TS Subscription and the TS Subscription was completed on 29 April 2005.

According to the said subscription agreement, the rights attached to holders of convertible preference shares of Turbo Speed are summarised as follows:

(a) *Income (assuming no conversion of convertible preference shares)*

- (i) A fixed cumulative preferred dividend equal to HK\$624,000 for each financial year of Turbo Speed; and

27. 附屬公司發行可換股優先股 – 本集團

(a) Turbo Speed發行之可換股優先股

於二零零四年十一月九日，本公司全資附屬公司Turbo Speed與獨立第三方就認購6,837,608股每股面值0.10美元之Turbo Speed可換股優先股訂立認購協議，總認購價為4,000,000美元（約31,200,000港元）（「該TS認購」）。在簽訂上述認購協議後不久，Turbo Speed隨即收取認購價，並存放於共同控制的銀行戶口，將待認購事項完成後解除。

根據二零零五年四月四日通過的普通決議案，本公司批准該TS認購，而該TS認購於二零零五年四月二十九日完成。

根據上述認購協議，Turbo Speed可換股優先股的持有人權利概述如下：

(a) 收入（假設並無兌換可換股優先股）

- (i) 相等於Turbo Speed各財政年度固定累計優先股股息624,000港元；及

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP (continued)

(a) Convertible preference shares issued by Turbo Speed (continued)

(a) *Income (assuming no conversion of convertible preference shares)*

(continued)

- (ii) Participation in part of dividends declared and payable by Turbo Speed (after the preferred dividend), calculated by applying an agreed formula so that the aggregate of the preferred dividend and ordinary dividend to the holders of the convertible preference shares would be equal to 16% (on an annual basis) of the total dividends payable by Turbo Speed.

(b) *Conversion options*

- (i) Convertible at any time from the date of completion of the TS Subscription for a period of 24 months into new shares of the Company at a conversion price of HK\$1.2 per share, subject to adjustment set out in the subscription agreement (the “Conversion”). The amount for the Conversion shall be US\$4 million; and
- (ii) Automatic conversion into ordinary shares of Turbo Speed at a ratio of 1:1 on the business day after Turbo Speed has paid total dividends on each convertible preference share which exceed its original issue price of US\$4 million.

27. 附屬公司發行可換股優先股 – 本集團 (續)

(a) Turbo Speed發行之可換股優先股 (續)

(a) 收入 (假設並無兌換可換股優先股) (續)

- (ii) 於獲派優先股股息後，獲派部分Turbo Speed已宣派及應派的股息，金額透過使用協定方程式計算，致使可換股優先股持有人的優先股股息及普通股股息合共相等於Turbo Speed應付股息總額 (按年計) 之16%。

(b) 轉換選擇權

- (i) 可於該TS認購完成日期起二十四個月期間隨時兌換為本公司新股份，轉換價為每股1.2港元，可按認購協議所載者調整 (「該轉換」) 而定。該轉換的金額將為4,000,000美元；及
- (ii) 在Turbo Speed就每股可換股優先股派付超逾原有發行價4,000,000美元的總股息後的營業日，自動以1:1的比率兌換為Turbo Speed普通股。

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP (continued)

(a) Convertible preference shares issued by Turbo Speed (continued)

(b) Conversion options (continued)

According to a shareholders' agreement entered into by the Company and the convertible preference shareholders of Turbo Speed on 29 April 2005, under certain specified conditions, the Company shall transfer an agreed percentage of shares in Turbo Speed to the then convertible preference shareholders of Turbo Speed for a consideration of HK\$1.

The fair values of the liability component and the equity conversion component were determined at issuance of the convertible preference shares.

The fair value of the liability component, included in long-term borrowings, was calculated using a market interest rate for an equivalent non-convertible preference share. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves.

27. 附屬公司發行可換股優先股 – 本集團 (續)

(a) Turbo Speed發行之可換股優先股 (續)

(b) 轉換選擇權 (續)

根據本公司與Turbo Speed可換股優先股股東於二零零五年四月二十九日訂立的股東協議，在某些特定條件下，本公司應按協定百分比轉讓Turbo Speed股份予當時的Turbo Speed可換股優先股股東，代價為1港元。

負債部分及權益轉換部分的公平值於發行可換股優先股時釐定。

負債部分(包括長期借款)的公平值以同等不可換股優先股的市場利率計算。相當於股權轉換部分價值的餘款計入其他儲備的股東權益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP (continued)

(a) Convertible preference shares issued by Turbo Speed (continued)

27. 附屬公司發行可換股優先股 – 本集團 (續)

(a) Turbo Speed發行之可換股優先股 (續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At beginning of the year	年初	22,485	21,173
Interest expenses for the year (Note 9)	年內利息開支 (附註9)	333	1,734
Preferred dividend paid for the year	年內已派 優先股息	(603)	(422)
Conversion of convertible preference shares into the ordinary shares of the Company (Note below)	將可換股優先股兌換 為本公司普通股 (附註如下)	(22,080)	–
Preferred dividend payable and reclassified to other payable	未付優先股息重列為 其他應付款	(135)	–
At end of year (Note 29)	年末 (附註29)	–	22,485

Note:

On 12 January 2007 and 23 April 2007, the Company received Notices from holders of the convertible preference shares issued by Turbo Speed for the conversions of all of their 6,837,608 convertible preference shares into the ordinary shares of the Company pursuant to the terms of the subscription agreement dated 9 November 2004.

As a result of the above conversions, aggregate total of 103,733,334 new ordinary shares of the Company were issued and allotted to the convertible preference shares holders at a conversion price of HK\$0.3 per share on 18 January 2007 and 27 April 2007, respectively (Note 24(d)).

All convertible preference shares issued by Turbo Speed have been converted into ordinary shares of the Company during the year ended 31 December 2007.

附註：

於二零零七年一月十二日及二零零七年四月二十三日，本公司收到由Turbo Speed發行之可換股優先股持有人發出之通知，要求根據二零零四年十一月九日訂立之認購協議條款，將彼等全部6,837,608股可換股優先股兌換為本公司普通股。

進行上述兌換後，本公司分別於二零零七年一月十八日及二零零七年四月二十七日，按兌換價每股0.3港元向可換股優先股持有人發行及配發合共103,733,334股新普通股(附註24(d))。

截至二零零七年十二月三十一日止年度，Turbo Speed發行的所有可換股優先股已轉換為本公司普通股。

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP (continued)

(a) Convertible preference shares issued by Turbo Speed (continued)

The fair value of the liability component of convertible preference shares at 31 December 2006 amounted to HK\$21,525,000. The fair value is calculated using cash flows discounted at a rate based on the borrowings rate of 6.59% per annum. All convertible preference shares have been converted into ordinary shares of the Company during the year ended 31 December 2007.

Interest expense on the convertible preference shares is calculated using the effective interest method by applying the effective interest rate of 8.27% (2006: 8.27%) per annum to the liability component.

27. 附屬公司發行可換股優先股 – 本集團 (續)

(a) Turbo Speed發行之可換股優先股 (續)

於二零零六年十二月三十一日，可換股優先股負債部分的公平值為21,525,000港元。該公平值乃採用借貸利率年息6.59厘折算現金流量計算。截至二零零七年十二月三十一日止年度，所有可換股優先股已轉換為本公司普通股。

可換股優先股利息開支乃於負債部分採用實際利率以年息8.27厘(二零零六年：8.27厘)實際利率法計算。

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP (continued)

(b) Convertible preference shares issued by Emerging Technology

On 21 August 2006, Emerging Technology, a wholly-owned subsidiary of the Company, entered into a subscription agreement with independent third parties in relation to the subscription of 760,778 convertible preference shares of US\$1.00 each of Emerging Technology at a total subscription price of US\$18 million (approximately HK\$140 million) (the “ET Subscription”).

Pursuant to an ordinary resolution passed on 25 September 2006, the Company approved the ET Subscription and the ET Subscription was completed on 12 October 2006.

According to the said subscription agreement, the rights attached to holders of convertible preference shares of Emerging Technology are summarised as follows:

(a) *Income (assuming no conversion of convertible preference shares)*

- (i) Participation in dividends declared and payable by Emerging Technology so that the aggregate of the preferred dividend to the holders of the convertible preference shares would be equal to 9% (on an annual basis) of the total dividends payable by Emerging Technology.

27. 附屬公司發行可換股優先股 – 本集團 (續)

(b) 由 Emerging Technology 發行之可換股優先股

於二零零六年八月二十一日，本公司全資附屬公司 Emerging Technology 與獨立第三方就認購 760,778 股每股面值 1.00 美元的 Emerging Technology 可換股優先股訂立認購協議，總認購價 18,000,000 美元（約 140,000,000 港元）（「該 ET 認購」）。

根據於二零零六年九月二十五日通過的普通決議案，本公司批准該 ET 認購，而該 ET 認購於二零零六年十月十二日完成。

根據上述認購協議，Emerging Technology 可換股優先股的持有人的權利概述如下：

(a) 收入 (假設並無轉換可換股優先股)

- (i) 獲發 Emerging Technology 已宣派及應派股息致使可換股優先股持有人的優先股股息合共相等於 Emerging Technology 應派股息總額之 (按年計) 9%。

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP (continued)

(b) Convertible preference shares issued by Emerging Technology (continued)

(b) Conversion options

- (i) Convertible at any time from the date of completion of the ET Subscription for a period of 24 months into new shares of the Company at a conversion price of HK\$1.088 per share, subject to adjustment set out in the subscription agreement (the “HS Conversion”). The amount for the HS Conversion shall be US\$18 million;
- (ii) Convertible at any time from the date of completion of the ET Subscription for a period of 24 months into ordinary share of Emerging Technology at a ratio of 1:1; and
- (iii) Automatic conversion into ordinary shares of Emerging Technology at a ratio of 1:1 on the business day after Emerging Technology has paid total dividends on each convertible preference share which exceed its original issue price.

27. 附屬公司發行可換股優先股 – 本集團 (續)

(b) 由Emerging Technology發行之可換股優先股 (續)

(b) 轉換選擇權

- (i) 可於該ET認購完成日期起二十四個月期間隨時兌換為本公司新股份，轉換價為每股1.088港元，可按認購協議所載者調整(「HS轉換」)而定。HS轉換的金額將為18,000,000美元；
- (ii) 於該ET認購完成日期起計二十四個月期間內，按1:1比例兌換為Emerging Technology普通股；及
- (iii) 在Emerging Technology就每股可換股優先股派付超逾原有發行價的總股息後的營業日，自動以1:1比率兌換為Emerging Technology的普通股。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. CONVERTIBLE PREFERENCE SHARES ISSUED BY SUBSIDIARIES – GROUP (continued)

(b) Convertible preference shares issued by Emerging Technology (continued)

The convertible preference shares issued are initially recognised in the consolidated balance sheet is calculated as follows:

		31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Face value of convertible preference shares issued on 12 October 2006	於二零零六年十月十二日發行的可換股優先股面值	140,040
Legal and professional fees directly attributable to the ET Subscription	與ET認購直接有關之法律及專業費用	(1,560)
Equity component	權益部分	(138,480)
Liability component on initial recognition	於初步確認時的負債部份	—

Note:

On 28 September 2007 and 22 November 2007, the Company received Notices from holders of the convertible preference shares issued by Emerging Technology for the conversion of all of their 760,778 convertible preference shares into the ordinary shares of the Company pursuant to the terms of the subscription agreement dated 21 August 2006.

As a result of the above conversions, aggregate total of 128,713,235 new ordinary shares of the Company were issued and allotted to the convertible preference shares holders at a conversion price of HK\$1.088 per share on 28 September 2007 and 22 November 2007, respectively (Note 24).

All convertible preference shares issued by Emerging Technology have been converted into ordinary shares of the Company during the year ended 31 December 2007.

27. 附屬公司發行可換股優先股 – 本集團 (續)

(b) 由 Emerging Technology 發行之可換股優先股 (續)

於綜合資產負債表中初步確認的可換股優先股計算如下：

	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
於二零零六年十月十二日發行的可換股優先股面值	140,040
與ET認購直接有關之法律及專業費用	(1,560)
權益部分	(138,480)
於初步確認時的負債部份	—

附註：

於二零零七年九月二十八日及二零零七年十一月二十二日，本公司收到由 Emerging Technology 發行之可換股優先股持有人發出之通知，要求根據二零零六年八月二十一日訂立之認購協議條款，將彼等全部 760,778 股可換股優先股兌換為本公司普通股。

進行上述兌換後，本公司分別於二零零七年九月二十八日及二零零七年十一月二十二日，按兌換價每股 1.088 港元向可換股優先股持有人發行及配發合共 128,713,235 股新普通股 (附註 24)。

截至二零零七年十二月三十一日止年度，Emerging Technology 發行的所有可換股優先股已轉換為本公司普通股。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. DUE FROM/TO A RELATED COMPANY AND A FELLOW SUBSIDIARY

The amounts due from/to a related company and a fellow subsidiary are interest free, unsecured, and repayable on demand.

29. BORROWINGS

28. 應收／應付一家關連公司及一家同系附屬公司款項

應收／應付一家關連公司及一家同系附屬公司款項為免息、無抵押及於索還時償付。

29. 借款

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current	非即期		
Financial liability portion of convertible preference shares issued by a subsidiary (Note 27(a))	一家附屬公司發行可換股優先股的財務負債部分 (附註27(a))	-	22,485
Current	即期		
Short term bank loans – PRC, secured (Note)	短期銀行貸款 – 中國，有抵押 (附註)	42,551	7,000
Total borrowings	借款總額	42,551	29,485

Note:

As at 31 December 2007, short term bank loans of RMB30,400,000 (approximately HK\$32,528,000) (2006: HK\$7,000,000) were secured by the leasehold land and building of the subsidiaries of the Company (Note 15) and the corporate guarantee from an independent third party, 深圳市高新技術投資擔保有限公司 (Shenzhen High and New Technology Investment Guarantee Company Limited).

As at 31 December 2007, short term bank loans of RMB9,367,000 (approximately HK\$10,023,000) (2006: Nil) were secured by the bills receivable of a subsidiary of the Company (Note 20).

附註：

於二零零七年十二月三十一日，人民幣30,400,000元（約32,528,000港元）（二零零六年：7,000,000港元）的短期銀行貸款由本公司附屬公司之租賃土地及樓宇（附註15）以及一名獨立第三方深圳市高新技術投資擔保有限公司之公司擔保作抵押。

於二零零七年十二月三十一日，人民幣9,367,000元（約10,023,000港元）（二零零六年：零元）的短期銀行貸款由本公司一家附屬公司的應收票據作抵押（附註20）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29. BORROWINGS (continued)

The maturity of borrowings is as follows:

		Group 本集團			
		Bank borrowings 銀行借款		Financial liability portion of convertible preference shares issued by a subsidiary 一家附屬公司發行可換股優先股的財務負債部分	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 1 year	一年內	42,551	7,000	—	—
Over 5 years	逾五年	—	—	—	22,485
		42,551	7,000	—	22,485

The effective interest rates at the balance sheet date were as follows:

於結算日的實際利率如下：

		2007 二零零七年		2006 二零零六年	
		Hong Kong dollar 港元 per annum 每年	Renminbi 人民幣 per annum 每年	Hong Kong dollar 港元 per annum 每年	Renminbi 人民幣 per annum 每年
Financial liability portion of convertible preference shares issued by a subsidiary	一家附屬公司發行可換股優先股的財務負債部分	—	—	8.27%	—
Short term bank borrowings	短期銀行借貸	—	7.35%	—	6.8%

Notes to the Consolidated Financial Statements

綜合財務報表附註

29. BORROWINGS (continued)

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

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Hong Kong dollar	港元	–	22,485
Renminbi	人民幣	42,551	7,000
		42,551	29,485

As at 31 December 2007, a bank guarantee line of HK\$7,500,000 was provided to the Company, which was secured by fixed deposits of the Company at a bank of HK\$7,500,000 and corporate guarantee by the Company (Note 22).

29. 借款 (續)

借款賬面值以下列貨幣列值：

於二零零七年十二月三十一日，本公司獲提供的銀行保證額為7,500,000港元，此乃以本公司於一家銀行的定期存款7,500,000港元，以及本公司的公司擔保作出抵押(附註22)。

30. DEFERRED INCOME TAX – GROUP

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

30. 遞延所得稅 – 本集團

當有法定權利可將現有稅項資產與現有稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與負債互相抵銷。抵銷金額如下：

		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Deferred tax assets to be recovered within 12 months	十二個月內將予撥回的遞延稅項資產	(119)	(6)
Deferred tax liabilities to be settled within 12 months	十二個月內將付的遞延稅項負債	119	6
Deferred tax liabilities to be settled after 12 months	十二個月後將付的遞延稅項負債	11,522	–
Deferred tax liabilities – net	遞延稅項負債 – 淨額	11,522	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. DEFERRED INCOME TAX – GROUP (continued)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

30. 遞延所得稅 – 本集團 (續)

年內，將相同稅項司法權區之結餘互相抵銷前，遞延稅項資產與負債之變動如下：

		2007 二零零七年			2006 二零零六年
	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Fair value gains 公平價值收益 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	
Deferred tax liabilities	遞延稅項負債				
At 1 January	於一月一日	6	–	6	
Acquired on acquisition of subsidiaries (Note 35)	於收購附屬公司時 獲得 (附註35)	–	13,350	13,350	
Exchange differences	匯兌差額	–	430	430	
Charged/(credited) to consolidated income statement	自綜合收益表 扣除/(計入)	113	(2,258)	(2,145)	
At 31 December	於十二月三十一日	119	11,522	11,641	

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. DEFERRED INCOME TAX – GROUP (continued)

30. 遞延所得稅 – 本集團 (續)

		Tax losses	
		稅損	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax assets	遞延稅項資產		
At 1 January	於一月一日	(6)	(56)
Charged/(credited) to consolidated income statement	自綜合收益表扣除/(計入)	(113)	50
At 31 December	於十二月三十一日	(119)	(6)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related benefits through the future taxable profits is probable. As at 31 December 2007, the Group has unrecognised tax losses HK\$32,440,000 (2006: HK\$13,117,000) to carry forward against future taxable income. These tax losses have not been recognised due to uncertainty of their future recoverability. The tax losses will expire according to the prevailing tax laws and regulations in the countries in which the Group operates.

遞延所得稅資產乃因應相關利益有可能透過日後應課稅溢利變現而就所結轉之稅項虧損作確認。截至二零零七年十二月三十一日，本集團之未確認稅項虧損為32,440,000港元(二零零六年：13,117,000港元)，可結轉以抵銷日後應課稅收入。由於未能確定上述稅項虧損能否於將來撥回，故並無確認上述稅項虧損。此等稅項虧損之到期日根據本集團經營國家之適用稅法及規例而定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before income tax to cash generated from operating activities

31. 綜合現金流量表附註

(a) 除所得稅前溢利與經營業務產生的現金對賬

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	216,768	145,242
Interest income	利息收入	(9,303)	(4,831)
Gain on deemed disposal of 20% equity in interest in a subsidiary	視作出售一家附屬公司20%股權之收益	(43,258)	-
Employee share option scheme – value of employee services	僱員購股權計劃 – 僱員服務價值	27,616	2,387
Depreciation of property, plant and equipment	物業、廠房及設備折舊	26,029	13,089
Depreciation of investment property	投資物業折舊	177	8
Amortisation of leasehold land	租賃土地攤銷	913	36
Amortisation of intangible assets	無形資產攤銷	2,892	-
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損/(收益)	3,229	(18)
Write-back provision for impairment of trade receivable, net	應收賬款減值撥回撥備，淨額	(3,225)	(257)
Write-off of inventories, net	撇銷存貨，淨額	2,766	1,504
Finance costs	融資成本	2,797	3,803
Operating profit before working capital changes	營運資金變動前的經營溢利	227,401	160,963
Increase in trade and other receivables, prepayments and deposits	應收賬款及其他應收款項、預付款項及按金增加	(91,504)	(41,300)
Increase in inventories	存貨增加	(65,548)	(8,448)
Decrease/(increase) in financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產減少/(增加)	6,793	(41,281)
Decrease in amount due from a related company	應收一家關連公司款項減少	67	-
Increase in trade and other payables	應付賬款及其他應付款項增加	59,121	1,329
Decrease in amount due to a fellow subsidiary	應付一家同系附屬公司款項減少	(1,111)	-
(Decrease)/increase in amounts due to fellow subsidiaries	應付同系附屬公司款項(減少)/增加	(13,497)	13,107
Cash generated from operation	經營產生的現金	121,722	84,370

Notes to the Consolidated Financial Statements

綜合財務報表附註

31. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net book amount (Note 15 and 16)	賬面淨值 (附註 15 及 16)	8,469	21
(Loss)/gain on sale of property, plant and equipment	出售物業、廠房及設備之 (虧損) / 收益	(3,229)	18
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	5,240	39

Note: Property included leasehold land and buildings 附註：物業包括租賃土地及樓宇

32. CONTINGENT LIABILITIES

As at 31 December 2007, the Group and the Company had no contingent liabilities (2006: Nil).

33. OPERATING LEASE COMMITMENTS

At 31 December 2007, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		Land and buildings 土地及樓宇		Equipment 設備	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Not later than one year	不遲於一年	6,279	5,705	9,792	8,102
Later than one year and not later than five years	遲於一年，但不遲於五年	1,079	5,428	-	-
		7,358	11,133	9,792	8,102

31. 綜合現金流量表附註 (續)

(b) 於現金流量表內，出售物業、廠房及設備所得款項如下：

32. 或然負債

於二零零七年十二月三十一日，本集團及本公司並無或然負債(二零零六年：無)。

33. 經營租約承擔

於二零零七年十二月三十一日，本集團於不可撤銷經營租約項下的未來最低租賃付款總額如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

34. DEEMED DISPOSAL OF 20% EQUITY INTEREST IN A SUBSIDIARY

On 4 April 2007, PAX Technology Limited (“PAX”), a then wholly-owned subsidiary of the Company, and the Company entered into a subscription agreement with Digital Investment Limited (the “PAX Subscriber”) in relation to the subscription by the PAX Subscriber of 8,750,000 preference shares of PAX of HK\$1.00 each (the “PAX Preference Shares”) at a total subscription price of US\$10 million (equivalent to approximately HK\$78.1 million) (the “PAX Subscription”). The PAX Preference Shares represent 25% of the then existing issued share capital of PAX and 20% of the issued share capital of PAX as enlarged by the PAX Subscription. The PAX Subscriber is a third party independent of the Group. The PAX Subscription was completed on 23 May 2007.

As a result of the issuance of new shares of PAX, the Group’s shareholding in the PAX Group has been diluted to 80% and resulted in a gain of HK\$43,258,000 in 2007.

34. 視作出售於一家附屬公司之 20%股權

於二零零七年四月四日，本公司當時之全資附屬公司百富科技有限公司（「百富」）及本公司與Digital Investment Limited（「百富認購人」）就百富認購人按總認購價10,000,000美元（相等約78,100,000港元）認購8,750,000股每股面值1.00港元之優先股（「百富優先股」）訂立認購協議（「百富認購事項」）。百富優先股佔百富當時已發行股本之25%，以及佔百富經百富認購事項擴大後已發行股本之20%。百富認購人乃本集團之獨立第三方。百富認購事項已於二零零七年五月二十三日完成。

鑑於百富集團於本年度發行新股，本集團於二零零七年對其持股量攤薄至80%及錄得43,258,000港元的收益。

As at 23 May 2007
於二零零七年五月二十三日
HK\$'000
千港元

Satisfied by:	支付方式：	
Cash received	已收現金	78,125
Analysis of net inflow of cash and cash equivalents in connection with the deemed disposal of a subsidiary:	視作出售一家附屬公司 相關之現金及 現金等價物流 入淨額之分析如下：	
Cash consideration	現金代價	78,125
Cash and cash equivalents received on deemed disposal of a subsidiary	視作出售附屬公司之現金 及現金等價物	-
Net inflow of cash and cash equivalents in respect of deemed disposal of a subsidiary	有關視作出售一家附屬公司之 現金及現金等價物 流入淨額	78,125

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. BUSINESS COMBINATIONS

According to a shareholders' agreement entered into by the Company, PAX and the PAX Subscriber on 23 May 2007, if the audited net profit after taxation of the PAX and its subsidiary for the financial year ending 31 December 2007, as stated in the audited consolidated financial statements of PAX, is less than US\$7 million, the Company shall transfer an agreed percentage of ordinary shares in PAX, up to 5% of the issued share capital of PAX as enlarged by the PAX Subscription, to the PAX Subscriber at a nominal consideration of HK\$1.

On 30 July 2007, the Group acquired an effective 95% equity interest of Hangzhou Baifu Electric Technology Company Limited (formerly known as Hangzhou Baifu Hualong Holding Company Limited) and Pacific Sheen International Limited and their respective subsidiaries (collectively the "Hualong Group"). The acquired business contributed revenues of HK\$120.47 million and net profit of HK\$1.12 million to the Group for the period from 31 July 2007 to 31 December 2007.

These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiaries to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied, together with the consequential tax effects.

Details of net assets acquired and goodwill are as follows:

Purchase consideration of the entire interest in Hualong Group:	華隆集團全部權益之購買代價：	HK\$'000 千港元
- Cash paid	- 已付現金	176,346
- Direct costs relating to the acquisition	- 有關收購之直接成本	7,800
- Fair value of shares issued (Note 24(e))	- 所發行股份之公平值 (附註24(e))	92,250
Total purchase consideration	購買代價總額	276,396
Fair value of net assets acquired	購入資產淨值之公平值	
- shown as below	- 列於下文	(169,867)
Goodwill (Note 17)	商譽 (附註17)	106,529

35. 業務合併

根據本公司、百富與百富認購人於二零零七年五月二十三日訂立之股東協議，倘誠如百富之經審核綜合財務報表所載，百富及其附屬公司截至二零零七年十二月三十一日止財政年度之經審核除稅後純利不足7,000,000美元，本公司須向百富認購人轉讓協定百分比之百富普通股股份（最多合共百富認購事項經擴大之百富已發行股本之5%），象徵式代價為1港元。

於二零零七年七月三十日，本集團購入 Hangzhou Baifu Electric Technology Company Limited (前稱 Hangzhou Baifu Hualong Holding Company Limited) 及富順國際有限公司及其各自之附屬公司 (統稱「華隆集團」) 實際95%股本權益。所購入業務於二零零七年七月三十一日至二零零七年十二月三十一日期間為本集團貢獻收入120,470,000港元及純利1,120,000港元。

該等款額已採用本集團的會計政策，透過調整附屬公司業績以反映原本應已支出的額外折舊及攤銷而作出計算 (假設公平值調整適用於物業、廠房及設備及無形資產，以及其後稅務影響)。

所購入資產淨值及商譽詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. BUSINESS COMBINATIONS

(continued)

The goodwill is attributable to the workforce of the acquired business.

The fair value of the consideration shares was based on the published closing share price of HK\$2.5 per share as at 30 July 2007.

The assets and liabilities as of 30 July 2007 arising from the acquisition are as follows:

35. 業務合併 (續)

商譽歸因於所收購業務之員工。

代價股份之公平值乃基於二零零七年七月三十日公佈之股份收市價每股2.5港元。

因收購而產生之二零零七年七月三十日資產及負債如下：

		Fair value	Acquiree's carrying amount
		公平值 HK\$'000 千港元	被收購公司 之賬面值 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	14,457	14,457
Leasehold land and land use rights (Note 16)	租賃土地及土地使用權 (附註16)	17,448	10,806
Property, plant and equipment (Note 15)	物業、廠房及設備(附註15)	76,709	70,708
Brand name (included in intangible assets) (Note 17)	品牌名稱(包括在無形資產中) (附註17)	4,120	-
Customer list (included in intangible assets) (Note 17)	顧客名單(包括在無形資產中) (附註17)	4,120	-
Software (included in intangible assets) (Note 17)	軟件(包括在無形資產中) (附註17)	20,004	434
Inventories	存貨	47,247	47,247
Trade and other receivables	應收賬款及其他應收款項	171,744	171,744
Trade and other payables	應付賬款及其他應付款項	(124,951)	(124,951)
Short term borrowings	短期借款	(31,930)	(31,930)
Taxation payable	應繳稅項	(15,751)	(15,751)
Deferred tax liabilities (Note 30)	遞延稅項負債(附註30)	(13,350)	-
Net assets	資產淨值	169,867	142,764
Goodwill	商譽	106,529	
		276,396	
Net cash outflow arising on acquisition:	收購產生之淨現金流出：		
Purchase consideration settled in cash	現金支付購買代價	176,346	
Direct costs relating to the acquisition	有關收購之直接成本	7,800	
Cash and cash equivalents in subsidiaries acquired	收購附屬公司獲得 現金及現金等價物	(14,457)	
		169,689	
Less: Cash received arising from the disposal of 5% interest in the Hualong Group	減：出售華隆集團5%權益 所收取之現金	(15,534)	
Net cash outflow arising from the acquisition of 95% equity interest in the Hualong Group	收購華隆集團95%股權 所產生之現金流出淨額	154,155	

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. BUSINESS COMBINATIONS

(continued)

Disposal of 5% interest in Hualong Group:

As part of the transaction in relation to the acquisition of the Hualong Group, the Company disposed 5% interest of New Concept, the immediate holding company of the Hualong Group to the then shareholders of the Hualong Group for a consideration of RMB15,032,500 (equivalent to HK\$15,534,000).

35. 業務合併 (續)

出售華隆集團5%權益：

作為收購華隆集團相關交易的一環，本公司向華隆集團之當時的股東出售新創(華隆集團之直接控股公司)5%權益，代價為人民幣15,032,500元(相當於15,534,000港元)。

As at 30 July 2007
於二零零七年七月三十日
HK\$'000
千港元

		15,511
Minority interests	少數股東權益	775
Goodwill attributable to minority interests	少數股東應佔商譽	14,759
Cash received from the then shareholders of the Hualong Group	已收華隆集團當時的股東之現金	15,534

Notes to the Consolidated Financial Statements

綜合財務報表附註

36. RELATED PARTY TRANSACTIONS

As at 31 December 2007, the Group is controlled by Rich Global Limited (incorporated in British Virgin Islands), which owns 33.92% of the Company's shares. The remaining 66.08% of the shares are widely held. In the opinion of the Directors, the ultimate holding company of the Company is Hi Sun Limited (incorporated in British Virgin Islands).

(a) The following transactions were carried out with the related parties:

36. 關連方交易

於二零零七年十二月三十一日，本集團由於英屬處女群島註冊成立的Rich Global Limited控制，該公司擁有本公司33.92%股份。餘下66.08%股份由公眾人士持有。董事認為，本公司最終控股公司為於英屬處女群島註冊成立的Hi Sun Limited。

(a) 與關連方進行的交易如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Rental fees paid to a related company (Note (i))	支付予關連公司的租金 費用 (附註(i))	-	797
Acquisition of property from a related company (Notes (ii) and 14(a))	收購關連公司物業 (附註(ii)及14(a))	-	34,500

Note:

- (i) The subsidiaries, Beijing Hi Sun Advanced Business Solutions Information Technology Limited and Pax Technology (Shenzhen) Limited, paid rental fees to Beijing Hi Sun Electric Power Information Technology Limited, a fellow subsidiary company owned by a Director and a substantial shareholder, of the Company.
- (ii) On 2 November 2006, the Company entered into acquisition agreement with Beijing Hi Sun Electric Power Information Technology Limited in relation to the acquisition of property located at 北京市海澱區阜成路67號銀都大廈15-17樓 for a consideration of RMB34,500,000 (approximately equal to HK\$34,500,000).

附註：

- (i) 附屬公司北京高陽金信信息技術有限公司及百富計算機技術(深圳)有限公司向北京高陽萬為電力信息技術有限公司(由本公司一名董事兼主要股東擁有之同系附屬公司)支付租金。
- (ii) 於二零零六年十一月二日，本公司與北京高陽萬為電力信息技術有限公司訂立收購協議，以代價人民幣34,500,000元(約34,500,000港元)收購位於北京市海澱區阜成路67號銀都大廈15-17樓之物業。

Notes to the Consolidated Financial Statements

綜合財務報表附註

36. RELATED PARTY TRANSACTIONS

(continued)

(a) The following transactions were carried out with the related parties: (continued)

Note: (continued)

The consideration of the acquisition of the property from Beijing Hi Sun Electric Power Information Technology Limited (as disclosed in note (iii)) was determined by reference to the fair market value at the date of acquisition as assessed by an independent valuer. Other transactions were conducted in the normal course of business and charged at terms mutually agreed or in accordance with the terms of the underlying agreements, where appropriate.

(b) Year end balances with related parties are as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Receivable from a related company Panorama Stock Limited	應收一家關連公司款項 全景傳媒有限公司	-	67
Receivable from a fellow subsidiary Beijing Hi Sun Electric Power Information Technology Ltd.	應收一家同系附屬公司款項 北京高陽萬為 電力信息技術有限公司	1,111	-
Payable to a fellow subsidiary Beijing Hi Sun Electric Power Information Technology Limited	應付一家同系附屬公司款項 北京高陽萬為 電力信息技術有限公司	-	13,497

The balances with related parties were unsecured, interest free and repayable on demand.

(c) Key management compensation

During the years ended 31 December 2006 and 2007 key management compensation is equivalent to the Directors' emolument as disclosed in Note 8(b).

36. 關連方交易 (續)

(a) 與關連方進行的交易如下：(續)

附註：(續)

向北京高陽萬為電力信息技術有限公司所購入物業之代價(如附註(iii)所披露)乃參考於收購日期之公平市場價格而決定，並由獨立估值師作評估。其他交易均於日常業務中進行，並以雙方協定的條款或根據有關協議的條款(視適用情況而定)而訂立。

(b) 與關連方有關的年底結餘如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Receivable from a related company Panorama Stock Limited	應收一家關連公司款項 全景傳媒有限公司	-	67
Receivable from a fellow subsidiary Beijing Hi Sun Electric Power Information Technology Ltd.	應收一家同系附屬公司款項 北京高陽萬為 電力信息技術有限公司	1,111	-
Payable to a fellow subsidiary Beijing Hi Sun Electric Power Information Technology Limited	應付一家同系附屬公司款項 北京高陽萬為 電力信息技術有限公司	-	13,497

與關連方之結餘為無抵押，免息及於索償時付還。

(c) 主要管理人員補償

截至二零零六年及二零零七年十二月三十一日止年度，主要管理人員補償相等於附註8(b)所披露之董事酬金。

37. SUBSEQUENT EVENTS

(i) Acquisition of 5% interest in New Concept Services Limited

The Company currently owns 95% of the entire issued share capital of New Concept. On 8 April 2008, the Company entered into an agreement with Universal Star Group Ltd. (the “Vendor”), pursuant to which the Company conditionally agreed to purchase, and the Vendor agreed to sell the 5 ordinary shares of nominal value USD1.00 each in New Concept, representing 5% of the entire issued share capital of New Concept, owned by the Vendor, for a cash consideration of approximately HK\$15.5 million (the “Acquisition”).

The Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and approval by the independent shareholders at the special general meeting of the Company to be convened and held to consider and if thought appropriate, to approve the Acquisition and the transaction contemplated under the acquisition agreement by the independent shareholders of the Company (the “SGM”). Details of the Acquisition and the SGM are disclosed in the announcement of the Company of 10 April 2008.

37. 結算日後事項

(i) 收購新創服務有限公司5%權益

本公司現時擁有新創全部已發行股本95%。於二零零八年四月八日，本公司與Universal Star Group Ltd.（「賣方」）訂立協議，據此，本公司有條件同意認購及賣方同意出售賣方所擁有之新創每股面值1.00美元之5股普通股，佔新創全部已發行股本5%，代價為現金約15,500,000港元（「收購事項」）。

收購事項根據上市規則第14A章構成本公司之關連交易，須遵守申報、公告及於將召開及舉行之本公司股東特別大會（「股東特別大會」）上獲本公司獨立股東批准之規定，而該股東特別大會上獨立股東將考慮及（倘認為適當）批准收購事項及收購協議下擬進行之交易。收購事項及股東特別大會之詳情在本公司二零零八年四月十日之公佈中有所披露。

Summary Financial Information

財務資料摘要

A summary of the published consolidated results and of the consolidated assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set as below:

摘錄自經審核財務報表及按適用情況重新分類的本集團過去五個財政年度已公佈綜合業績及綜合資產與負債概要如下：

		Year ended 31 December 截至十二月三十一日止				
		2007 二零零七年 Continuing operations 持續經營 HK\$'000 千港元	2006 二零零六年 Continuing operations 持續經營 HK\$'000 千港元	2005 二零零五年 Continuing operations 持續經營 HK\$'000 千港元	2004 二零零四年 Continuing operations 持續經營 HK\$'000 千港元	2003 二零零三年 Continuing Operations 持續經營 HK\$'000 千港元
Results	業績					
Profit/(Loss) attributable to equity holders	權益持有人應佔溢利／(虧損)	184,276	133,600	62,304	(12,127)	(3,454)
Assets and liabilities	資產及負債					
Total assets	總資產	1,490,745	847,110	313,741	240,721	163,676
Total liabilities	總負債	(389,885)	(167,438)	(186,307)	(192,090)	(102,918)
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備	1,100,860	679,672	127,434	48,631	60,758

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