



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: 0818)



Interim Report 2010 中期報告

目錄 Contents

Financial Highlights 財務概覽	2
Management Discussion and Analysis 管理層之討論與分析	3
Additional Information 其他資料	17
Condensed Consolidated Income Statement 簡明綜合損益表	28
Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表	29
Condensed Consolidated Balance Sheet 簡明綜合資產負債表	30
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	32
Condensed Consolidated Cash Flow Statement 簡明綜合現金流轉表	34
Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註	35

Management Discussion and Analysis 管理層之討論與分析

		Revenue*			EBITDA		
		收入*			EBITDA		
		1H 2010	1H 2009		1H 2010	1H 2009	
		二零一零年	二零零九年	Change	二零一零年	二零零九年	Change
		上半年	上半年	變動	上半年	上半年	變動
		HK\$'000	HK\$'000	+/(-)	HK\$'000	HK\$'000	+/(-)
		千港元	千港元		千港元	千港元	
EFT-POS terminal solutions	電子支付終端機解決方案	267,698	196,221	+36%	60,022	30,592	+96%
Electronic power meters and solutions	電能計量產品及解決方案	104,679	91,515	+14%	(27,392)	191	N/A 不適用
Telecommunication solutions and operation value-added services	電訊解決方案及運營增值服務	256,994	165,711	+55%	61,120	93,681	-35%
Financial solutions, services and related products	金融解決方案、服務及相關產品	29,525	24,211	+22%	(11,858)	(6,504)	+82%
Payment solutions and services	支付解決方案及服務	16,907	7,458	+127%	(33,569)	(18,719)	+79%
Others	其他	475	480	-1%	(15,626)	(14,472)	+8%
Segmental results	分類業績	676,278	485,596	+39%	32,697	84,769	-61%
Depreciation	折舊				(20,702)	(20,090)	+3%
Amortisation	攤銷				(5,544)	(4,411)	+26%
Operating profit	經營溢利				6,451	60,268	-89%
Finance cost	融資成本				-	(343)	N/A 不適用
Profit before income tax	除所得稅前溢利				6,451	59,925	-89%
Income tax expense	所得稅開支				(14,519)	(20,308)	-29%
(Loss)/profit for the period	期內(虧損)/溢利				(8,068)	39,617	N/A 不適用

* Revenue from external customers

* 來自外部客戶之收入

Management Discussion and Analysis 管理層之討論與分析

During the six months ended 30 June 2010 (“1H2010”), the Group’s revenue amounted to HK\$676.28 million, representing an increase of 39% compared to 1H2009. Segmental EBITDA amounted to HK\$32.70 million, representing a decrease of 61% compared to 1H2009. Profit before income tax dropped by HK\$53.47 million as compared to 1H2009.

With regard to our balance sheet, the total assets as at 30 June 2010 amounted to HK\$2,838.49 million, compared with HK\$2,318.33 million as at 31 December 2009. As at 30 June 2010 net current assets amounted HK\$2,033.03 million, compared with HK\$1,609.37 million as at 31 December 2009.

Investing and Financing activities

In January 2010, Success Bridge Limited (“SBL”) allotted 600 SBL preference shares at a total subscription price of US\$60 million (equivalent to approximately HK\$465 million) to a subscriber. The SBL preference shares shall represent 6% of the total issued share capital of SBL as enlarged by the subscription. The SBL preference shareholders may require the Company to acquire all SBL preference shares and SBL ordinary shares then in issue and held by the SBL preference shareholders in consideration of the issue of such number of new shares of the Company to be calculated by US\$60 million divided by the exchange price of HK\$4.5 per Share (subject to adjustments). Net proceeds from the subscription of approximately HK\$463 million will be utilized as to approximately HK\$200 million for the development of 3G mobile value-added solutions and services; and approximately HK\$200 million for the development of wireless payment operation services in the PRC; and the remaining balance as general working capital of SBL and its subsidiaries.

於截至二零一零年六月三十日止六個月(「二零一零年上半年」)，本集團收入為676,280,000港元，較二零零九年上半年增加39%。分類EBITDA為32,700,000港元，較二零零九年上半年減少61%。除稅前溢利較二零零九年上半年下降53,470,000港元。

至於本集團資產負債表方面，於二零一零年六月三十日的資產總值為2,838,490,000港元，於二零零九年十二月三十一日則為2,318,330,000港元。流動資產淨值於二零一零年六月三十日為2,033,030,000港元，於二零零九年十二月三十一日則為1,609,370,000港元。

投資及融資活動

於二零一零年一月，Success Bridge Limited (「SBL」)按總認購價60,000,000美元(相當於約465,000,000港元)配發600股SBL優先股給認購人。SBL優先股佔經認購事項擴大後SBL全部已發行股本之6%。SBL優先股股東可要求本公司收購當時已發行並由SBL優先股股東持有之全部SBL優先股及SBL普通股，代價為發行本公司的新股份，相關股份數目則按60,000,000美元除以轉換價每股股份4.5港元(可予調整)。認購事項所得款項淨額約463,000,000港元，其中約200,000,000港元將用作開發3G移動增值解決方案及服務；約200,000,000港元將用作開拓中國的無線支付營運服務；餘額將用作SBL及其附屬公司之一般營運資金。

Management Discussion and Analysis 管理層之討論與分析

In March 2010, New Concept Services Limited (“New Concept”), a then wholly-owned subsidiary of the Company purchased the entire issued share capital of Mega Hunt Investments Limited from an independent third party. The consideration was satisfied by the allotment and issue of the New Concept ordinary shares, representing 20% of the issued share capital of New Concept as enlarged by such allotment and issue. The subscriber shall procure that New Concept can secure the employment of the technical experts for the research and development of low voltage power line carrier wave communication technology (“PLC”) and shall also procure certain intellectual property rights in respect of PLC to be transferred to New Concept at nil consideration. PLC is a kind of communication system specifically designed for electricity system, whereby analog and digital data are transmitted by carrier wave through the power lines in the existing electricity system. It has the advantage of wide coverage of communication by utilizing the power lines in the existing electricity system. With the acquisition, New Concept is able to leverage on the technology developed by the technical experts and have synergy effects with the electronic power meters and solutions business.

In March 2010, SBL entered into a sale and purchase agreement with several independent third parties (the “JIM Vendors”), pursuant to which the JIM Vendors agreed to sell and SBL agreed to purchase the entire registered capital of JIM Holdings International Company Limited, a company incorporated in British Virgin Islands, and its subsidiaries for the cash consideration of US\$22 million (approximately HK\$171.6 million). The acquisition allows the Group to strengthen its telecom value-added services business in the PRC.

On 15 March 2010, the Company announced its intention to spin-off the EFT-POS terminal solutions business and electronic power meter and solutions business on the Main Board of the Hong Kong Stock Exchange Limited. In view of the conditions of the equity market, the Company is currently reviewing when (if at all) it should proceed with implementing any spin-off and what businesses should comprise the spin-off proposal.

於二零一零年三月，本公司當時之全資附屬公司新創服務有限公司(「新創」)自一個獨立的第三方購買 Mega Hunt Investments Limited 全部已發行股本。買賣之代價為配發及發行新創普通股，佔新創擴大後之已發行股本的 20%。認購人將促使新創能確保僱用技術專家進行低壓電力線載波通信技術(「PLC」)研發，並亦將促使若干有關 PLC 之知識產權按零代價轉讓予新創。PLC 為一種特別為電力系統設計之通訊系統，據此模擬數據及數碼數據透過載波通過現有電力系統之電力線傳輸。其優點為利用現有電力系統之電力線使通訊範圍更廣。藉進行收購事項，新創能夠利用技術專家所開發之技術，與其現時所從事之電能計量產品及解決方案業務形成協同效應。

於二零一零年三月，SBL 與若干獨立第三方(「結行賣方」)訂立買賣協議，據此，結行賣方同意出售而 SBL 同意購買結行控股國際有限公司(於英屬處女群島註冊成立之公司)及其附屬公司之全部註冊資本，現金代價為 22,000,000 美元(約 171,600,000 港元)。該收購使本集團繼續增強其於中國之電訊增值服務業務。

於二零一零年三月十五日，本公司宣佈擬分拆電子支付終端機解決方案業務及電能計量產品及解決方案業務於香港聯合交易所有限公司主板單獨上市。有鑑於股票市場之情況，本公司現正考慮進行實行分拆上市之時間(如進行)及分拆上市建議應包括之業務。

Management Discussion and Analysis 管理層之討論與分析

EFT-POS terminal solutions

Revenue	收入
EBITDA	EBITDA
Operating profit	經營溢利

The segmental revenue increased by 36% as compared with last 1H2009 while total shipments for the period amounted to over 170,000 units, increase by more than 50% as compared with 1H2009. Notwithstanding the keen competition in the markets, we managed to maintain our gross profit margin at about 40%, through introducing new product designs, maintaining effective cost controls and leveraging volume growth.

By first quarter of 2010 (“1Q2010”), the total number of EFT-POS terminals in Mainland China amounted to approximately 2.6 million, reflecting a relatively low penetration rate as compared to most developed countries. It provides ample room for the expansion of the EFT-POS terminal solutions business. On the other hand, bank payment cards issuance in Mainland China continued to surge with the total number exceeding 2.1 billion by the end of 1Q2010. During 1Q2010, card payment transaction volume amounted to over 1.0 billion transactions, totalling over RMB2.1 trillion. In 2010, PAX Technology’s EFT-POS terminal solutions business in Mainland China are expected to keep its momentum, as fueled by the rising acceptance of card payments from the incessant improvement of the payment transactions and processing infrastructure.

電子支付終端機解決方案

1H2010 二零一零年 上半年 HK\$'000 千港元	1H2009 二零零九年 上半年 HK\$'000 千港元	Change 變動 + / (-)
267,698	196,221	+36%
60,022	30,592	+96%
58,792	29,674	+98%

分類收入比二零零九年上半年上升了36%，期內總出貨量超逾170,000台，較二零零九年上半年增加逾50%。儘管有關市場之市場競爭激烈，但本集團通過引入新產品設計、保持有效之成本監控及善用銷量增長優勢，成功地將毛利率維持在40%左右。

截至二零一零年第一季度，中國內地電子支付終端機之總數約達2,600,000部，反映滲透率相對大部份發達國家為低，使電子支付終端機解決方案業務有龐大拓展空間。另一方面，中國內地之銀行支付卡發行卡量持續飆升，截至二零一零年第一季度總數突破21億張。二零一零年第一季度，銀行卡支付交易量超過10億宗交易，合共超過人民幣2.1萬億元。二零一零年，百富科技在中國內地的電子支付終端機解決方案業務預期維持增長勢頭，此乃銀行卡支付接受程度上升、支付交易及處理基礎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 Technology further strengthened its foothold in the international market where revenue increased by 98% as compared to 1H2009, representing 20% of total sales of this segment. Currently, our products are sold to Vietnam, Singapore, Japan as well as certain European countries, such as Austria, Denmark, France. Markets in the Middle East included Saudi Arabia while in Africa, our market covered South Africa and Ghana. Looking ahead, we will look for new opportunities and further delve into the Asia and American markets as well as the Oceania countries. With the first class products and services, we endeavor to make PAX Technology an international brand symbolizing top quality EFT-POS terminal solutions.

此外，百富科技於國際市場之收入較二零零九年上半年增長98%，佔該分類業務總銷售20%，進一步鞏固其於國際市場之據點。現時，本集團之產品出售予越南、新加坡、日本及若干歐洲國家，如奧地利、丹麥、法國。中東市場包括沙地阿拉伯，而在非洲，本集團之市場覆蓋南非及加納。展望未來，本集團將尋找新機遇，並進一步深入開拓亞洲及美洲市場以及大洋洲國家。憑藉一流產品及服務，本集團致力將百富科技打造成為代表優質電子支付終端機解決方案之國際品牌。

Electronic power meters and solutions

電能計量產品及解決方案

		1H2010	1H2009	
		二零一零年	二零零九年	
		上半年	上半年	Change
		HK\$'000	HK\$'000	變動
		千港元	千港元	+ / (-)
Revenue	收入	104,679	91,515	+14%
EBITDA	EBITDA	(27,392)	191	N/A 不適用
Operating loss	經營虧損	(34,875)	(9,476)	+268%

Management Discussion and Analysis 管理層之討論與分析

During 1H2010, segmental revenue increased by 14% as compared with 1H2009 following the first centralized tendering conducted by the State Grid in November 2009. The tendering process at provincial level has ceased since June 2009 and was replaced by centralized tendering. To maximize our market share and to secure a position to benefit from the potential rapid growth of the electronic meter market, we strategically increased our competitiveness in terms of pricing. In the first three centralized tenderings of the State Grid, we are one of the top five winners and ranked second in bidding of three phase electronic power meters in terms of volume. With the change in tendering process and the new standards of smart meters conforming to the smart grid infrastructure, intensive competition is enforcing market consolidation of the electronic meter industry. Our market share increased substantially with the enhanced industry concentration. However, due to the drop in gross profit margin and total product shipment was lower than anticipated in 1H2010, we experienced a decline in EBITDA during the period. We will increase our R&D effort with more exertion placed to streamline product cost through better design, improve the quality of existing products and development of new series so as to be in line with the needs of the development of power grids. Our margin is expected to improve in 2H2010.

於二零一零年上半年，隨著二零零九年十一月，國家電網進行了首次電能表統一集中招標，本集團的分類營業額比上年度同期上升14%。從二零零九年六月開始，省級電力公司的各項採購計劃停止招標，逐步對其採購的物資實行集中統一的招標。為了擴大本集團的市場份額並爭取領導地位，以受益於電子表市場潛在的快速增長，本集團在定價戰略上增加了競爭力。在國家電網公司第一至三次集中招標中，本集團的整體中標數量位列前五名而在三相表招標中標數量則排名第二。隨著國家電網改變了招標方式以及編訂了新一代符合智能電網建設要求的智能電能表標準，市場競爭日趨激烈的電表行業將會進入行業整合期。本集團的市場份額隨著電表行業集中度大幅提升。但是，由於二零一零年上半年毛利減少及產品總出貨量低於預期，本集團的EBITDA在此期間下降。本集團將會進一步增加研發的力度以透過更佳的设计精減產品成本、提升現有產品的質量及新系列產品的開發以配合電網發展之需求。我們預計在下半年度利潤率將會改善。

Telecommunications solutions and operation value-added services

電訊解決方案及運營增值服務

		1H2010 二零一零年 上半年 HK\$'000 千港元	1H2009 二零零九年 上半年 HK\$'000 千港元	Change 變動 +/(-)
Revenue	營業額	256,994	165,711	+55%
EBITDA	EBITDA	61,120	93,681	-35%
Operating profit	經營溢利	55,408	88,255	-37%

Management Discussion and Analysis 管理層之討論與分析

During the current period, we continued to be the sole provider of the nation-wide interactive voice response (“IVR”) and interactive video and voice response (“IVVR”) platform for China Mobile. Our service of MDO platform started to generate income in 2009. During 1H2010, there was a significant increase of 55% in segmental revenue to HK\$256.99 million as compared with 1H2009. The rise was primarily due to the significant revenue growth of MDO business in 2010. However, telecommunication solutions and operation value-added services were affected by certain restriction measures and policies changes in 1Q2010, leading to a decline in EBITDA during the current period.

We anticipate provision of nationwide IVR platform to China Mobile will continue to be one of the major revenue contributors of this segment with more modest growth in the traditional IVR business after years of significant increase in traffic volume since 2005. Additional revenue growth has been generating from MDO business since 2009, and the market size of the MDO business continued to expand further. Having considered the situation in 1H2010, the entire industry is impacted by certain changes in the wireless value-added services sector, therefore 2010 will continue to be a challenging year for us. Management considers that following the continuous expansion of the business scale and the migration of the MDO platform, the MDO business will be able to achieve outstanding performance in the long run. Looking ahead, we will continue to develop other innovative wireless value-added solutions and services to meet the ever-changing technology and market demand.

於本期間，本集團繼續為中國移動全網互動語音互動(「IVR」)平臺及互動視頻和語音互動(「IVVR」)平臺之獨家供應商。在二零零九年，本集團的MDO平臺服務開始為本集團帶來收入。於二零一零年上半年，分類收入較二零零九年上半年錄得55%的大幅增長至256,990,000港元。升幅主要由於二零一零年MDO業務的收入增長較大。但由於二零一零年第一季度中發生若干限制措施及政策變動，對電訊解決方案及運營增值服務帶來影響，令本期的EBITDA下降。

本集團預計，為中國移動提供全國IVR平臺將繼續成為本業務主要收入來源之一，在經歷自二零零五年起多年錄得重大流量增長後，傳統IVR業務將趨向較平穩增長。MDO業務在二零零九年開始為本集團收入帶來新增長，而且MDO業務市場規模正不斷擴大。有鑑於二零一零年上半年的情況，由於政策調整以使無線增值業務及整個行業發展均都受到影響，因此，我們認為二零一零年將會是對本集團相當具挑戰性的一年。管理層認為，透過不斷擴充業務規模及割接MDO平台，長遠而言，MDO業務將達致突出表現。展望未來，本集團將繼續發展其他創新的無線增值解決方案及服務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

Financial solutions, services and related products

		1H2010 二零一零年上半年		
		Financial solutions	Other value-added services	Total
		金融解決方案	其他增值服務	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Revenue*	收入*	17,724	11,801	29,525
EBITDA	EBITDA	(18,099)	6,241	(11,858)
Operating loss	經營虧損	(18,821)	(1,254)	(20,075)

* Revenue from external customers

In 1H2010, the segmental revenue increased by 22% to HK\$29.53 million. Our financial solutions segment recorded an operating loss of HK\$20.08 million. With the aim to create a more stable, sustainable and recurring income streams, we have developed the foundation for profitability in 2010 by focusing certain measures to extend our underlying strength and expertise in providing cross-industry value-added solutions. Our value-added solutions services include industrial advisory, business operation solutions, system development and operation services, and other outsourcing services.

Payment solutions and services

		1H2010 二零一零年 上半年	1H2009 二零零九年 上半年	Change 變動
		HK\$'000 千港元	HK\$'000 千港元	+ / (-)
Revenue	收入	16,907	7,458	+127%
EBITDA	EBITDA	(33,569)	(18,719)	+79%
Operating loss	經營虧損	(36,064)	(18,768)	+92%

金融解決方案、服務及相關產品

		1H2009 二零零九年上半年			Change 變動
		Financial solutions	Other value-added services	Total	
		金融解決方案	其他增值服務	合計	+ / (-)
		HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	
		12,349	11,862	24,211	+22%
		(12,371)	5,867	(6,504)	+82%
		(12,908)	(1,243)	(14,151)	+42%

* 來自外部客戶之收入

於二零一零年上半年，分類收入增加22%至29,530,000港元。而金融解決方案業務錄得經營虧損20,080,000港元。為了締造更穩固、可持續及經常性之收入來源，本集團將實施若干措施，以提升本集團在提供跨行業的增值解決方案方面之基本優勢及專長，為二零一零年盈利打下基礎。本集團之增值解決方案服務包括行業諮詢、業務解決方案、系統開發及運營服務及其他外判服務。

支付解決方案及服務

Management Discussion and Analysis 管理層之討論與分析

In March 2009, we established a subsidiary, Hunan Hisun Mobile Pay IT Ltd (“Mobile Pay”), which is principally engaged in the operation and development of the first nation-wide mobile payment platform and solutions with China Mobile, promoting mobile payment to be the most common mean of payment.

Trial run of mobile payment commenced in 10 provinces in the third quarter of 2009 and was successfully launched in 2010 in all provinces in China. Coverage of mobile phone payment is gradually extended to the bus, lottery tickets, books and other fields. Currently, over 8,000 merchants have already joined the mobile phone payment network, which is also applied at the Shanghai World Expo, 11 rails of Shanghai Metro Line as well as other public transportation. Operating loss of HK\$36.06 million was recorded during the period, as we await for accumulation of transaction volume. Payment solution business is anticipated to bring additional growth impetus to the Group.

OUTLOOK

It is anticipated that the business environment in 2010 will continue to be challenging. However, we believe that given the enormous room for growth in various businesses and our strong financial position, the Group is going to regain its momentum with existing business opportunities ahead.

EFT-POS terminal solutions

Currently, we are one of the dominant market leaders in China. China’s huge commercial businesses, relatively low EFT-POS penetration rate compared with developed countries and increasing acceptance of card payment have formed a concrete foundation for EFT-POS industry in China. Persistent force from the Chinese government to modernize the country’s payment infrastructure, to improve the acceptance of card payments with specific measures for the development of the payment service environment in the rural area and emerging payment markets of mobile phone payment terminals and contactless terminals, are expected to drive the demand of our products. Meanwhile, our foothold in the international market, particularly in South and North America and Europe has been further strengthened as the development of our subsidiaries overseas become more mature, laying a solid foundation for Hi Sun’s further

二零零九年三月，本集團成立一家附屬公司湖南高陽通聯信息技術有限公司（「通聯」），主要從事與中國移動攜手運營和發展首個全國移動支付平臺及解決方案，致力使手機支付成為最通用的支付工具。

在二零零九年第三季，移動支付解決方案在中國十個省份開始試商用，在二零一零年成功在全中國所有省份正式商用。安裝手機支付逐漸擴展到公車、彩票、圖書等領域，目前，超過8,000名商戶已經加入了移動支付網路，上海世博會、上海地鐵11條線路、其他公共交通工具也已經實現覆蓋。本期內錄得分類經營虧損36,060,000港元，乃由於本集團等待積累移動支付交易量。預期，支付解決方案將為本集團帶來額外增長動力。

展望

本集團預期二零一零年度的營商環境仍將充滿挑戰。然而，鑑於多項業務都有很大的發展空間，再加上穩健的財務狀況，本集團日後將於現有業務機會中重拾升軌。

電子支付終端機解決方案

目前，本集團為中國主要市場領導者之一。中國龐大的商戶資源、電子支付終端機滲透率和發達國家相比相對偏低、刷咭結算方式廣為接受等因素為中國電子支付終端機行業未來的發展奠定了穩固的基礎。中國政府持續推動國內支付基礎設施現代化及提高以咭支付的接受程度，其關於改善農村地區支付服務環境的具體措施，加上新興的非接觸卡支付終端市場、手機支付終端市場，預期將帶動對本集團產品的需求。同時，隨著海外附屬公司的業務發展日趨成熟，本集團在國際市場（尤其在南北美洲及歐洲）的地位將得到進一步鞏固，並為高陽進一步擴大海外市場，奠定了堅實的基礎，以捕捉海外市場的巨大商機。

Management Discussion and Analysis 管理層之討論與分析

overseas market expansion to capture the enormous business opportunities in the overseas market. In 1H2010, overseas sales increased by 98% as compared to 1H2009.

Electronic power meters and solutions

Market outlook remains strong with current industry trends supporting an increase in demand for advanced power meter solutions. In view of the escalating awareness on energy-saving solutions, the State Grid and the China Southern Power Grid are looking out for environmental-friendly, effective and efficient electricity network and energy system.

During the 2010 working conference of the State Grid, the State Grid emphasised the need to comprehensively reinforce the construction of distribution network, improvement and transformation of the distribution networks in urban and rural area and the quality of power supply. Year 2010 will be an important year for steady progression of research and construction of the smart grid. With the further development of smart grid construction, the demand for electronic power meters will increase progressively. From now to 2013, growth in demand of information collection systems and electronic power meters will experience faster growth. Investment on power grid construction will create robust market demand for electronic power meters.

With the change in tendering process and the new standards of smart meters conforming to the smart grid infrastructure, intensive competition is enforcing market consolidation of the electronic meter industry. It is anticipated that only the strong enterprises will survive. In the early stage of the market restructuring, the profit margin of this segment is expected to diminish in order to secure market share. Currently, we successfully become one of the top five winners and ranked second in the bidding of three phase electronic power meters in terms of volume in the first three centralized tenderings of the State Grid. Looking ahead, profit margin will gradually improve with our continuous effort in R&D.

於二零一零年上半年，國際市場之營業額較二零零九年上半年增長98%。

電能計量產品及解決方案

由於現時行業趨勢促進先進計量產品解決方案之需求增長，故市場前景依然璀璨。鑑於公眾日益重視節能解決方案，國家電網及南方電網正密切留意環保、有效及高效之電網及能源系統。

國家電網公司二零一零年工作會議中，國家電網強調要全面加強配電網建設，加大城市配電網和農村配電網建設和改造力度，提高供電品質。二零一零年將是智能電網研究和建設穩步推進的重要一年。隨著智能電網建設進一步發展，對電能計量產品的需求將逐漸增大。從目前到二零一三年，用電資訊採集和電能計量產品的需求將有較快增長。預期所有該等因素將推動電能計量產品之市場需求。

隨著國家電網改變了招標方式以及編訂了新一代符合智能電網建設要求的智能電能表標準，市場競爭日趨激烈的電表行業將會進入行業整合期，預計，只有實力雄厚的企業才能繼續經營。在早期的行業整合期，預期分類毛利率將減少以穩固的市場份額。目前，在國家電網公司第一至三次集中招標中，本集團的整體中標數量成功位列前五名而在三相表招標中標數量則排名第二。展望未來，隨著在研發上的不斷努力，毛利率將會逐步改善。

Management Discussion and Analysis 管理層之討論與分析

Telecommunication solutions and operation value-added services

Hi Sun continues to benefit from its agreement with China Mobile to provide nation-wide IVR and IVVR platforms as well as the new MDO platform which bring to the Group a constant revenue stream. Subsequent to the restructuring of the telecommunication industry in the PRC and 3G licenses were officially issued in 2009. It is anticipated that telecommunication operators in China will further expand their operation. We will keep innovating to adapt to the ever-changing environment in order to provide first class value-added platform operation for our partners. New technology based on 3G communication are well prepared and several new products and services for mobile service delivery are also under development. Apart from the existing businesses, we will continue to develop other inventive wireless value-added solutions and services in the PRC.

Financial solutions, services and related products

With the aim to create a more stable, sustainable and recurring income streams, we have refocused certain measures to extend our underlying strength and expertise in providing cross-industry value-added solutions including industrial advisory, business operation solutions, system development and operation services, and other outsourcing services. On the other hand, our mission is to enhance our position and become a significant service provider to financial institutions in Mainland China. The banks and other financial institutions worldwide are increasingly outsourcing certain non-core management functions to simplify operations and lower costs. However, financial outsourcing services market in China is still at an early stage. Taking advantage of our relatively significant experience in deploying financial solutions, we are able to leverage upon our expertise to take advantage of the future business opportunities. As such, financial solutions will remain our core competencies and will continue to create values and synergy to the Group.

電訊解決方案及運營增值服務

高陽已與中國移動訂立協議提供全國通用IVR、IVVR平臺以及新的MDO平臺，該等協議可為本集團帶來長期收入來源。中國電訊行業自重組及3G執照於二零零九年正式發放後，預期將進一步擴大營運規模。本集團將不斷創新，配合瞬息萬變之環境，務求為合作夥伴提供頂級增值平台運營服務。以3G通信為基礎之新技術已準備就緒，另就提供移動通訊服務研發之多項新產品及服務亦正在開發中。除現有業務外，本集團將繼續在中國發展創新的無線增值解決方案及服務。

金融解決方案、服務及相關產品

為了締造更穩固、持續及經常之收入來源，本集團已將若干措施重新定位，使相關優勢及專業知識延伸運用於提供跨行業的增值解決方案服務，包括行業諮詢、業務解決方案、系統開發及運營服務及其他外判服務。另一方面，本集團之宗旨為提高本集團之地位，成為中國內地金融機構之主要服務供應商。現時，全球銀行及其他金融機構日益漸趨向把若干非核心管理職能外判，以精簡業務及降低費用。然而，在中國金融外包服務市場仍處於早期階段。以本集團在提供金融解決方案方面擁有相對豐富之經驗的優勢，利用本集團的專業知識，把握未來的商機。因此，金融解決方案仍將為本集團之核心競爭力，並將繼續為本集團創造價值及製造協同效應。

Management Discussion and Analysis 管理層之討論與分析

Payment solutions and services

In the application of the emerging mobile e-commerce, mobile payment has always been considered by the industry as an important aspect of future development. Mobile payment refers to an integration of payment card, online banking, payment on behalf, third-party payment and other electronic payment. Being the largest mobile phone market in the world, China has more than 740 million mobile phone users, with mobile phones permeating all spheres of people's social life. The huge base of mobile phone user has established a foundation for the development of mobile payment in China. Looking to examples abroad, the development of the mobile payment business in Japan and South Korea has developed rapidly. The mobile payment business will grow into another brand new e-commerce platform, following the example of personal computer.

Currently, mobile phone payment market is undergoing high growth status. The evolution of the mobile phone payment market is mainly attributable to the development of application of 3G mobile communications and favorable payment environment, coupled with the determination of promoting the mobile phone payment market by telecom operators, banks, third-party payments and other players in the industry.

In "New Financial Forum 2009", People's Bank of China identified that mobile payment can effectively enhance the convenience to public with less infrastructure; it also helps to improve the payment environment in rural areas with lower cost payment network. Currently, the PRC government is proceeding with a number of projects to increase usage in this regard, such as mobile mass traffic, mobile tickets and shopping, etc. The aim is to promote the application of all types of products to make the people's livelihood better, thus laying a solid foundation for the smooth implementation of mobile payment.

支付解決方案及服務

在新興的移動電子商務應用中，移動支付一直是業界認為未來發展的主要一環。移動支付是支付卡、網上銀行、代收費、協力廠商支付等多種電子支付一種融合發展之後的集成支付方式。中國作為世界第一大手機市場，手機用戶已超過7.4億戶，手機已經滲透到社會生活的各方面。龐大的用戶群奠定了手機支付的發展基礎。在國外，日本和南韓的移動支付業務發展迅速，手機支付業務將會成為繼個人電腦之後，又一個全新的電子商務平臺。

中國手機支付市場正在高速增長。中國手機支付市場的發展，主要由於3G網路的應用發展和整體支付環境的利好，加上電信運營商、銀行以及協力廠商支付等產業鏈各方對手機支付推動的戰略決心。

中國人民銀行在2009中國新金融論壇指出，移動支付只需依靠較少的基礎設施投入就能達到了更加廣泛的便民的效果，通過較低成本支付網路覆蓋到農村地區，有利於改善農村支付環境。目前，中國政府正進行若干項目，推動此方面之使用量，如移動公交、移動票務及購物等，打造出貼近大眾民生的各類產品應用，為移動支付的順利發展打下了良好的基礎。

Management Discussion and Analysis 管理層之討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, the Group reported total assets of HK\$2,838.49 million (31 December 2009: HK\$2,318.33 million), which were financed by total liabilities of HK\$341.70 million (31 December 2009: HK\$402.55 million) and equity of HK\$2,496.79 million (31 December 2009: HK\$1,915.78 million). The net asset value was HK\$2,496.79 million (31 December 2009: HK\$1,915.78 million). The net asset value per share amounted to HK\$0.934 per share as compared to HK\$0.717 per share as at 31 December 2009.

As at 30 June 2010, the Group had cash and short-term bank deposit of HK\$1,550.35 million (31 December 2009: HK\$1,401.72 million). The net cash position as at 30 June 2010 was HK\$1,550.35 million as compared to HK\$1,401.72 million as at 31 December 2009.

CAPITAL STRUCTURE AND DETAILS OF CHARGES

Approximately HK\$187.21 million, HK\$482.78 million, HK\$1.06 million and HK\$602.85 million of the Group's cash balances were denominated in Renminbi, Hong Kong dollar, Euro and US dollar respectively as at 30 June 2010.

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 an impact on the operating results of the Group.

CONTINGENT LIABILITIES

The Group had no material contingent liability as at 30 June 2010.

流動資金及財務資源

於二零一零年六月三十日，本集團錄得總資產2,838,490,000港元(二零零九年十二月三十一日：2,318,330,000港元)，來自總負債341,700,000港元(二零零九年十二月三十一日：402,550,000港元)及權益2,496,790,000港元(二零零九年十二月三十一日：1,915,780,000港元)。資產淨值則為2,496,790,000港元(二零零九年十二月三十一日：1,915,780,000港元)。每股資產淨值為每股0.934港元，而於二零零九年十二月三十一日則為每股0.717港元。

於二零一零年六月三十日，本集團有現金及短期銀行存款1,550,350,000港元(二零零九年十二月三十一日：1,401,720,000港元)。於二零一零年六月三十日之現金淨額為1,550,350,000港元，相對二零零九年十二月三十一日則為1,401,720,000港元。

資本架構及抵押詳情

於二零一零年六月三十日，本集團之現金結餘約187,210,000港元、482,780,000港元、1,060,000港元及602,850,000港元分別以人民幣、港元、歐元及美元列值。

匯率風險

本集團產生之收益、進行採購及支付之費用主要以美元、人民幣及港元列值。目前，本集團並無訂立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。

或然負債

於二零一零年六月三十日，本集團並無任何重大或然負債。

Management Discussion and Analysis 管理層之討論與分析

EMPLOYEES

The total number of employees of the Group as at 30 June 2010 was 2,905. The breakdown of employees by division is as follows:

EFT-POS terminal solutions	電子支付終端機解決方案	420
Electronic power meters and solutions	電能計量產品及解決方案	1,249
Telecommunication solutions	電訊解決方案	367
Financial solutions	金融解決方案	468
Payment solutions	支付解決方案	365
Corporate office	總部	36
		<hr/>
		2,905

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.

Disclaimer:

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures, such as EBITDA, are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in our financial reporting.

僱員

本集團於二零一零年六月三十日之僱員總數為2,905人。僱員按部門細分如下：

本集團確保其薪酬待遇全面且具競爭性。而僱員之薪酬包括每月定額薪金，另加與表現掛鈎之年度花紅。本集團亦資助選定僱員參與符合本集團業務需要之外界培訓課程。

免責聲明：

非公認會計原則指標

若干非公認會計原則指標乃用於評估本集團的表現，例如包括EBITDA。但該等非公認會計原則指標並非香港公認會計原則所明確認可的指標，故未必可與其他公司的同類指標作比較，因此，該等非公認會計原則指標不應視作經營收入(作為本集團業務指標)的替補或經營活動現金流量(作為衡量流動資金)的替補。提供非公認會計原則指標純粹為加強對本集團現時財務表現的整體理解，此外由於本集團以往曾向投資者報告若干採用非公認會計原則計算的業績，因此本集團認為包括非公認會計原則指標可為本集團的財務報表提供一致性。

Additional Information

其他資料

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

As at 30 June 2010, 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 and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies were as follows:

(a) Ordinary shares of HK\$0.0025 each in the Company

Name of Director	董事姓名	Number of shares held 所持股份數目		Total 總數	Approximate percentage of shareholding* 股權之概約 百分比*
		Personal interest 個人權益	Corporate interest 公司權益		
Kui Man Chun	渠萬春	25,200,000(L)	617,083,636(L) (note (ii))(附註(ii))	642,283,636	24.02%
Xu Wensheng	徐文生	4,566,000(L)	–	4,566,000	0.17%
Li Wenjin	李文晉	6,400,000(L)	–	6,400,000	0.24%
Xu Changjun	徐昌軍	16,563,000(L)	–	16,563,000	0.62%
Xu Sitao	許思濤	700,000(L)	–	700,000	0.03%

Notes:

- (i) The letter "L" denotes a long position in shares.
- (ii) 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.
- * This percentage is calculated based on total issued number of shares of the Company as at 30 June 2010.

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零一零年六月三十日，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條存置之登記冊或根據上市發行人董事進行證券交易之標準守則已知會本公司及聯交所之權益及淡倉如下：

(a) 本公司每股面值0.0025港元之普通股

附註：

- (i) 「L」表示股份之好倉。
- (ii) 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。
- * 百分比乃根據本公司於二零一零年六月三十日之已發行股份總數計算。

Additional Information

其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(b) Ordinary shares of HK\$0.0025 each in the Company

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Number of shares held 所持股份數目	Category of interest 權益類別
Kui Man Chun 渠萬春	Rich Global Limited	2 ordinary shares 2 股普通股	Corporate 公司
Kui Man Chun 渠萬春	Hi Sun Limited	30,245,000 ordinary shares 30,245,000 股普通股	Personal 個人
Li Wenjin 李文晉	Hi Sun Limited	255,000 ordinary shares 255,000 股普通股	Personal 個人

Save as disclosed above, as at 30 June 2010, none of the directors, the chief executives of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies.

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

董事及行政總裁於股份、相關股份及債券之權益及淡倉(續)

(b) 本公司每股面值0.0025港元之普通股

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Number of shares held 所持股份數目	Category of interest 權益類別
Kui Man Chun 渠萬春	Rich Global Limited	2 ordinary shares 2 股普通股	Corporate 公司
Kui Man Chun 渠萬春	Hi Sun Limited	30,245,000 ordinary shares 30,245,000 股普通股	Personal 個人
Li Wenjin 李文晉	Hi Sun Limited	255,000 ordinary shares 255,000 股普通股	Personal 個人

除上文所披露者外，截至二零一零年六月三十日，本公司各董事、行政總裁或彼等之聯繫人士概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)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條存置之登記冊或根據上市發行人董事進行證券交易之標準守則已知會本公司及聯交所之權益及淡倉。

本公司、其控股公司或其任何附屬公司或同系附屬公司概並無於期內任何時間訂立任何安排，致使本公司董事及行政總裁可藉購買本公司或任何其他法人團體之股份或債券而獲益。

Additional Information

其他資料

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 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 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.

購股權計劃

(a) 本公司

本公司設立購股權計劃(「該計劃」)，旨在吸引、留聘及激勵有潛質之僱員，以助推動日後發展及擴充本集團業務。該計劃之合資格參與者包括本集團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，除另行取消或修訂外，將由該日起計10年期間仍然有效及生效。

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，連同根據該計劃或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，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之普通決議案，股東批准更新該計劃項下授出購股權之限額。更新該計劃項下授出購股權之10%限額後，可根據該計劃項下進一步授出之購股權發行33,305,403股股份。

Additional Information

其他資料

SHARE OPTION SCHEME (continued)

(a) The Company (continued)

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. 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 prices of the then outstanding options and the number of shares to be issued by the Company upon exercise of the then outstanding options.

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 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.

購股權計劃(續)

(a) 本公司(續)

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，行使價為每股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。購股權期間於二零零五年九月二十六日開始，並自該日起10年後到期。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。

股份分拆導致須調整當時未行使購股權之行使價及本公司於當時未行使購股權獲行使時將予發行之股份數目。

根據於二零零六年十二月十一日通過之普通決議案，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。

Additional Information

其他資料

SHARE OPTION SCHEME (continued)

(a) The Company (continued)

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.

During the six months ended 30 June 2010, 1,000 share options had lapsed and no share options was granted. As at 30 June 2010 and the date of this report, there is no outstanding share option.

(b) Share Option Scheme of PAX Technology Limited

On 29 April 2009, PAX adopted a PAX Share Option Scheme for the issuance of such number of PAX Ordinary Shares representing no more than 5% of the total number of PAX Shares in issue.

The PAX Share Option Scheme is designed to provide the directors, employees, advisors and consultants of the PAX Group with the opportunity to acquire proprietary interests in the PAX Group, which will encourage the grantees of such options to work towards enhancing the value of the PAX Group and benefit the PAX Group as a whole. The board of directors of PAX or a duly authorised committee thereof shall administer the PAX Share Option Scheme to achieve the purpose of the PAX Share Option Scheme and have the rights at its discretion to determine (i) the minimum period for which the options under the scheme must be held before it can be exercised; (ii) the performance targets; and (iii) the subscription price per PAX Ordinary Share at which a grantee may subscribe for the PAX Ordinary Shares on the exercise of an option pursuant to the terms of the PAX Share Option Scheme.

As at 30 June 2010 and the date of this report, no share option in relation to the PAX Share Option Scheme was granted.

購股權計劃(續)

(a) 本公司(續)

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。

截至二零一零年六月三十日止六個月，1,000份購股權失效及並無任何購股權獲授出。於二零一零年六月三十日及本報告日期，並無尚未行使購股權。

(b) 百富科技有限公司購股權計劃

於二零零九年四月二十九日，百富已採納百富購股權計劃，以發行百富普通股(佔不超過已發行百富股份總數之5%)。

百富購股權計劃旨在為百富集團之董事、僱員、顧問及諮詢人提供一個購入百富集團擁有權之機會。該計劃可激勵該等購股權之承授人為提升百富集團之價值而作出貢獻，對百富集團整體有利。百富董事會或其正式授權之委員會將管理百富購股權計劃以達致百富購股權計劃之目的，並有權全權酌情釐定(i)該計劃項下購股權於可予行使前須持有的最短期限；(ii)表現目標；及(iii)根據百富購股權計劃之條款於行使購股權時承授人可認購百富普通股之每股百富普通股認購價。

於二零一零年六月三十日及本報告日期，並無任何有關百富購股權計劃之購股權授出。

Additional Information

其他資料

CONVERTIBLE PREFERENCE SHARES ISSUED BY A SUBSIDIARY

As disclosed in the announcement of the Company dated 30 December 2009 and the circular of 8 January 2010, the Company and Wise World Group Limited (the “Subscriber”) entered into a conditional subscription agreement (the “Subscription Agreement”) on 24 December 2009, pursuant to which the Company shall procure the issue and allotment by Success Bridge Limited (“Success Bridge”) (a then wholly-owned subsidiary of the Company) of, and the Subscriber shall subscribe for 600 preference shares of US\$0.001 each in the share capital of Success Bridge (“SBL Preference Shares”) at a total consideration of US\$60 million (equivalent to approximately HK\$465 million) (the “Subscription”). The 600 SBL Preference Shares represent 6.0% of the issued share capital of Success Bridge as enlarged by the Subscription. The 600 SBL Preference Shares have been issued on 29 January 2010.

On completion of the Subscription Agreement (“Completion”), the Company, the Subscriber and Success Bridge would enter into a shareholders’ agreement, pursuant to which the Company agreed to grant the rights to shareholders of SBL Preference Shares (other than the Company) (“SBL Preference Shareholders”) to, within a prescribed time frame, transfer to the Company all SBL Preference Shares together with all ordinary shares of Success Bridge (“SBL Ordinary Shares”) (that have arisen from the conversion of the SBL Preference Shares) then in issue and held by such SBL Preference Shareholders in consideration of the issue of new ordinary shares of the Company (“Shares”) at the initial exchange price of HK\$4.5 per Share (subject to adjustments). The Company will also agree, (i) if the audited consolidated net profit after taxation of the Success Bridge and its subsidiaries for the financial year ending 31 December 2010 (the “2010 SBL Net Profit”) is less than RMB450,000,000, the Company shall transfer to the SBL Preference Shareholders such aggregate number of additional SBL Ordinary Shares equal to up to 3% of the aggregate number of ordinary and preference shares of Success Bridge (“SBL Shares”) in issue as at Completion at a consideration of HK\$1.00 (the “Ratchet Disposal”); and (ii) if the 2010 SBL Net Profit is RMB500,000,000 or more, the SBL Preference Shareholders shall transfer to the Company such aggregate

一間附屬公司發行可換股優先股

誠如本公司日期為二零零九年十二月三十日之公佈及日期為二零一零年一月八日之通函所披露，本公司與Wise World Group Limited(「認購人」)於二零零九年十二月二十四日訂立有條件認購協議(「認購協議」)，據此，本公司須促使Success Bridge Limited(「Success Bridge」，本公司當時之全資附屬公司)發行及配發，而認購人須認購600股Success Bridge股本中每股面值0.001美元之優先股(「SBL優先股」)，總代價為60,000,000美元(相等於約465,000,000港元)(「認購事項」)。600股SBL優先股佔Success Bridge經認購事項擴大後之已發行股本6.0%。600股SBL優先股已於二零一零年一月二十九日發行。

於認購協議完成(「完成」)時，本公司、認購人及Success Bridge將訂立股東協議，據此，本公司將同意授予本公司以外之SBL優先股股東(「SBL優先股股東」)權利，於指定時限內，將全部SBL優先股連同當時已發行並由該等SBL優先股股東持有之全部Success Bridge普通股(「SBL普通股」，因轉換SBL優先股而產生)轉撥予本公司，作為本公司按初步轉換價每股4.5港元(可予調整)發行新普通股股份(「股份」)之代價。本公司亦同意，(i)倘Success Bridge及其附屬公司截至二零一零年十二月三十一日止財政年度之經審核綜合除稅後純利(「二零一零年SBL純利」)少於人民幣450,000,000元，本公司將按代價1.00港元向SBL優先股股東轉撥總數相等於完成時Success Bridge已發行之普通股及優先股股份總數(「SBL股份」)最多3%之SBL額外普通股股份(「漸增出售事項」)；及(ii)倘二零一零年SBL純利為人民幣500,000,000元或以上，則SBL優先股股東將按代價1.00港元向本公司轉撥總數相等於完成時已

Additional Information

其他資料

number of SBL Preference Shares and/or SBL Ordinary Shares equal to up to 2% of the aggregate number of SBL Shares in issue as at Completion at a consideration of HK\$1.00 (the "Ratchet Acquisition").

Pursuant to the Shareholders' Agreement, at any time during a period from (and including) the day falling nine months after the date of the first issue of the SBL Preference Shares to (and excluding) the date falling on the third anniversary thereof and subject to the number of SBL Preference Shares then outstanding exceeding 50% in number of the aggregate number of such SBL Preference Shares and SBL Ordinary Shares (that have arisen on the conversion of the SBL Preference Shares), the majority SBL Preference Shareholders may, at their sole option, require the Company to acquire all SBL Preference Shares then in issue and SBL Ordinary Shares (that have arisen from the conversion of the SBL Preference Shares) and held by the SBL Preference Shareholders (other than the Company) in consideration of the issue to the relevant SBL Preference Shareholder or the person (not being a connected person of the Company) designated by it of such number of new Shares to be calculated by US\$60 million (or its HK\$ equivalent calculated at the exchange rate of US\$1:HK\$7.7553) divided by the initial exchange price of HK\$4.5 per Share (subject to adjustments) ("Exchange Rights"). There will be no Ratchet Disposal or Ratchet Acquisition if the Exchange Rights are exercised in full.

The Subscriber was wholly-owned by Hao Capital Fund II L.P.. Hao Capital Fund II L.P. and Hao Capital China Fund L.P. (being funds under common control) through their wholly owned subsidiaries were substantial shareholders of the Company's non-wholly owned subsidiary. Accordingly, each of the Subscription, the Ratchet Disposal, the Ratchet Acquisition, the purchase of SBL Shares on exercise of the Exchange Rights, constituted a connected transaction of the Company, subject to reporting, announcement and Independent Shareholders approval requirement under Chapter 14A of the Listing Rules. The Completion took place on 29 January 2010.

發行SBL股份總數最多2%之SBL優先股及／或SBL普通股(「漸減收購事項」)。

根據股東協議，於由首次發行SBL優先股日期後九個月屆滿當日(包括當日)至發行SBL優先股日期第三週年屆滿日期(不包括當日)止期間任何時候及須受當時此等尚未轉換SBL優先股之數目超逾SBL優先股及SBL普通股(因轉換SBL優先股而產生)總數之50%所限，主要SBL優先股股東可全權要求本公司收購當時已發行由SBL優先股股東(本公司除外)持有之全部SBL優先股及SBL普通股(於SBL優先股行使轉換權後發行者)，代價為向有關SBL優先股股東或其指定的人士(非本公司的關連人士)發行新股份，相關股份數目則按60,000,000美元(或其按匯率1美元兌7.7553港元計算的相應港元金額)除以初步轉換價每股股份4.5港元(可予調整)計算(「轉換權」)。倘悉數行使轉換權，則漸增出售事項或漸減收購事項將不會出現。

認購人乃由Hao Capital Fund II L.P.全資擁有，而Hao Capital Fund II L.P.及Hao Capital China Fund L.P.(受共同控制之基金)透過彼等之全資附屬公司為本公司之非全資附屬公司之主要股東。因此，認購事項、漸增出售事項、漸減收購事項及因行使轉換權而購買SBL股份均構成本公司之關連交易，根據上市規則第14A章，須遵守申報、公佈及獨立股東批准之規定。完成已於二零一零年一月二十九日生效。

Additional Information

其他資料

The convertible preference shares issued were initially recognized in the consolidated balance sheet, as at 29 January 2010, is calculated as follows:

於二零一零年一月二十九日，已發行可轉換優先股於綜合資產負債表中首次確認，計算如下：

		HK\$'000 千港元
Consideration received from the Subscriber	自認購人已收取之代價	465,318
Legal and professional fees directly attributable to the Subscription included in the condensed consolidated income statement	認購事項直接應佔法律及專業費用計入簡明綜合損益表	(2,570)
Fair value of convertible preference shares as at Completion Date recognised in non-controlling interests	於完成日，可換股優先股公平值在非控股權益中確認	(55,276)
Fair value of Ratchet Disposal and Ratchet Acquisition as at Completion Date recognised directly in equity	於完成日直接於權益確認之漸增出售事項及漸減收購事項之公平值	<u>(10,622)</u>
Differences recognised directly in equity	直接於權益中確認之差額	<u>396,850</u>

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 30 June 2010, the Company had been notified of the following substantial shareholders' interests and short positions and underlying shares, 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，於二零一零年六月三十日，本公司獲知會下列主要股東擁有本公司已發行股本5%或以上股份及相關股份之權益及淡倉。該等權益不包括上文所披露有關董事及行政總裁之權益。

Additional Information

其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES (continued)

主要股東於股份及相關股份之權益及淡倉(續)

Name of Shareholder 股東名稱	Number of ordinary shares 普通股數目	Approximate percentage of shareholding** 股權之概約百分比**
Rich Global Limited ("RGL")***	617,083,636(L)*	23.08%
Hi Sun Limited ("HSL")*** (Note 1) (附註1)	617,083,636(L)*	23.08%
Kui Man Chun (Note 1) 渠萬春(附註1)	642,283,636(L)*	24.02%
Ever Union Capital Limited ("Ever Union")	215,447,000(L)*	8.06%
Che Fung (Note 2) 車峰(附註2)	215,447,000(L)*	8.06%
Atlantis Investment Management Limited ("Atlantis")	214,026,000(L)*	8.01%
Liu Yang (Note 3) 劉央(附註3)	214,026,000(L)*	8.01%

Notes:

- 1 HSL is interested in the Company 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.
 - 2 Che Fung is interested in the Company's share capital by virtue of its 100% shareholding in Ever Union.
 - 3 Liu Yang is interested in the Company's share capital by virtue of its 40% shareholding in Atlantis.
- * The Letter "L" denotes a long position in shares.
- ** The percentage is calculated based on the total issued number of shares of the Company as at 30 June 2010.

*** 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.

附註：

- 1 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。
 - 2 車峰因持有 Ever Union 之 100% 股權而於本公司股本擁有權益。
 - 3 劉央因持有 Atlantis 之 40% 股權而於本公司股本擁有權益。
- * 「L」表示股份之好倉。
- ** 百分比乃根據本公司於二零一零年六月三十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。

Additional Information

其他資料

PURCHASE, SALE OR REDEMPTION OF SHARES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed companies on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules (the "Model Code"). The Model Code sets a required standard against which Directors and employees of the Company and its subsidiaries (the "Group") must measure their conduct regarding transactions in securities of the Company.

Specific enquiry had been made to all the Directors and the Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2010.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010, except for the following:

Code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting. The Chairman was unable to attend the annual general meeting held on 28 April 2010, however, Mr. Li Wenjin, as an Executive Director of the Company, took the chair pursuant to the Bye-laws of the Company.

As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

購買、出售或贖回股份

本公司於期內並無贖回其任何股份。期內，本公司或其任何附屬公司概無購買或出售任何本公司股份。

董事進行證券交易的標準守則

本公司已採納上市公司董事進行證券交易的標準守則(「標準守則」)，有關條款不寬鬆於上市規則附錄10所載之規定準則。標準守則載有關於本公司及其附屬公司(「本集團」)董事及僱員於進行本公司證券交易時必須遵循之操守之規定準則。

經向全體董事作出具體查詢後，董事確認，彼等於截至二零一零年六月三十日止六個月一直遵守標準守則所載之規定準則。

企業管治

截至二零一零年六月三十日止六個月，本公司一直遵守上市規則附錄14所載企業管治常規守則(「企業管治守則」)之守則條文，惟下述情況除外：

企業管治守則條文第E.1.2條訂明，董事會主席須出席股東週年大會。儘管主席未能出席於二零一零年四月二十八日舉行之股東週年大會，然而，本公司執行董事李文晉先生根據本公司之公司細則出任大會主席。

因此，本公司認為已採取足夠措施，確保本公司之企業管治常規不寬鬆於企業管治守則。

Additional Information

其他資料

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tam Chun Fai, Mr. Leung Wai Man, Roger and Mr. Xu Sitao. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated interim financial report for the six months ended 30 June 2010 with the Directors.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

PENSION SCHEME

The subsidiaries operating in Hong Kong are required to participate in a defined contribution retirement scheme of 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained the amount of public float as required under the Listing Rules throughout the six months ended 30 June 2010.

審核委員會

審核委員會由三名獨立非執行董事譚振輝先生、梁偉民先生及許思濤先生組成。審核委員會已與管理層審閱本集團所採納會計原則及慣例，並討論內部監控及財務申報事宜，包括與董事審閱截至二零一零年六月三十日止六個月之未經審核簡明綜合中期財務報告。

董事於競爭業務之權益

概無任何本公司董事於任何與本集團構成競爭之業務中持有任何權益。

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。根據該計劃，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歲退休或身故或喪失工作能力時，享有全部僱主之強制性供款。

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。當地市政府承擔向本集團該類僱員支付退休福利之責任。

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，本公司於截至二零一零年六月三十日止六個月維持上市規則規定之公眾持股量。

Condensed Consolidated Income Statement 簡明綜合損益表

		Unaudited 未經審核		
		Six months ended 30 June 截至六月三十日止六個月		
		2010 二零一零年	2009 二零零九年	
		HK\$'000 千港元	HK\$'000 千港元	
	Notes 附註			
Revenue	收入	4	676,278	485,596
Cost of sales	銷售成本	6	(470,257)	(260,968)
Gross profit	毛利		206,021	224,628
Other income	其他收入	4	10,549	14,333
Other gains	其他收益	4	6,100	450
Selling expenses	銷售開支	6	(72,185)	(59,454)
Administrative expenses	行政費用	6	(144,034)	(119,689)
Operating profit	經營溢利		6,451	60,268
Finance costs	融資成本	8	-	(343)
Profit before income tax	除所得稅前溢利		6,451	59,925
Income tax expense	所得稅開支	9	(14,519)	(20,308)
(Loss)/profit for the period	期內(虧損)/溢利		(8,068)	39,617
(Loss)/profit attributable to:	應佔(虧損)/溢利:			
Equity holders of the Company	本公司權益持有人		(22,558)	32,490
Non-controlling interests	非控股權益		14,490	7,127
			(8,068)	39,617
(Loss)/earnings per share for	本公司權益持有人			
(loss)/profit attributable to the	應佔(虧損)/溢利之			
equity holders of the Company:	每股(虧損)/盈利:			
- Basic (HK\$)	- 基本(港元)	11(a)	(0.008)	0.014
- Diluted (HK\$)	- 攤薄(港元)	11(b)	(0.008)	0.014

The notes on pages 35 to 68 form an integral part of this condensed consolidated interim financial information.

第35至68頁之附註乃簡明綜合中期財務資料其中部分。

Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
(Loss)/profit for the period	期內(虧損)/溢利	(8,068)	39,617
Other comprehensive income	其他全面收益		
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	19,063	(108)
Total comprehensive income for the period	期內全面收益總額	10,995	39,509
Total comprehensive income attributable to:	應佔全面收益總額：		
Equity holders of the Company	本公司權益持有人	(7,132)	32,382
Non-controlling interests	非控股權益	18,127	7,127
		10,995	39,509

The notes on page 35 to 68 form an integral part of this condensed consolidated interim financial information.

第35至68頁之附註乃簡明綜合中期財務資料其中部分。

Condensed Consolidated Balance Sheet 簡明綜合資產負債表

			Unaudited 未經審核 30 June 六月三十日 2010 二零一零年 HK\$'000 千港元	Audited 經審核 31 December 十二月三十一日 2009 二零零九年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Investment properties	投資物業	12	1,772	1,827
Property, plant and equipment	物業、廠房及設備	13	127,636	125,734
Leasehold land	租賃土地	14	41,714	42,007
Intangible assets	無形資產	15	282,498	116,064
Available-for-sale financial assets	可供出售金融資產		23,400	23,400
Total non-current assets	非流動資產總值		477,020	309,032
Current assets	流動資產			
Inventories	存貨		287,420	167,558
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	16	522,298	437,805
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		523	480
Restricted cash	受限制現金		882	1,740
Short-term bank deposits	短期銀行存款		276,445	261,741
Cash and cash equivalents	現金及現金等價物		1,273,900	1,139,974
Total current assets	流動資產總值		2,361,468	2,009,298
Total assets	總資產		2,838,488	2,318,330
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	18	6,684	6,684
Reserves	儲備		2,162,910	1,746,156
Non-controlling interests	非控股權益		2,169,594	1,752,840
			327,191	162,936
Total equity	權益總額		2,496,785	1,915,776

The notes on pages 35 to 68 form an integral part of this condensed consolidated interim financial information.

第35至68頁之附註乃簡明綜合中期財務資料其中部分。

Condensed Consolidated Balance Sheet 簡明綜合資產負債表

			Unaudited 未經審核 30 June 六月三十日 2010 二零一零年 HK\$'000 千港元	Audited 經審核 31 December 十二月三十一日 2009 二零零九年 HK\$'000 千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		13,264	2,626
Total non-current liabilities	非流動負債總額		13,264	2,626
Current liabilities	流動負債			
Trade and other payables	應付賬款及 其他應付款項	17	316,004	363,402
Taxation payable	應付稅項		12,435	36,526
Total current liabilities	流動負債總額		328,439	399,928
Total liabilities	負債總額		341,703	402,554
Total equity and liabilities	權益及負債總額		2,838,488	2,318,330
Net current assets	流動資產淨值		2,033,029	1,609,370
Total assets less current liabilities	資產總值減流動負債		2,510,049	1,918,402

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 35 to 68 form an integral part of this condensed consolidated interim financial information.

第35至68頁之附註乃簡明綜合中期財務資料其中部分。

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

		Unaudited 未經審核							
		Attributable to 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 保留盈利 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2010	於二零一零年 一月一日	6,684	930,020	168,434	108,785	81,675	457,242	162,936	1,915,776
Comprehensive income (Loss)/profit for the period	全面收益 期內(虧損)/溢利	-	-	-	-	-	(22,558)	14,490	(8,068)
Other comprehensive income	其他全面收益								
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	-	-	-	-	15,426	-	3,637	19,063
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	15,426	(22,558)	18,127	10,995
Transactions with owners	與擁有人之交易								
Issue of convertible preference shares by a subsidiary (Note 19)	一家附屬公司 發行可換股 優先股(附註19)	-	-	-	407,472	-	-	55,276	462,748
Acquisition of a subsidiary (Note 20(a))	收購一家附屬公司 (附註20(a))	-	-	-	16,414	-	-	90,852	107,266
Total transactions with owners	與擁有人之 交易總額	-	-	-	423,886	-	-	146,128	570,014
As 30 June 2010	於二零一零年 六月三十日	6,684	930,020	168,434	532,671	97,101	434,684	327,191	2,496,785

The notes on pages 35 to 68 form an integral part of this condensed consolidated interim financial information.

第35至68頁之附註乃簡明綜合中期財務資料其中部分。

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

		Unaudited 未經審核							
		Attributable to 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 保留盈利 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2009	於二零零九年 一月一日	5,580	548,330	168,434	21,204	82,022	371,397	67,702	1,264,669
Comprehensive income	全面收益								
Profit for the period	期內溢利	-	-	-	-	-	32,490	7,127	39,617
Other comprehensive income	其他全面收益								
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	-	-	-	-	(108)	-	-	(108)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	(108)	32,490	7,127	39,509
Transactions with owners	與擁有人之交易								
Issue of new shares	發行新股份	1,000	299,000	-	-	-	-	-	300,000
Share issue expenses	股份發行開支	-	(121)	-	-	-	-	-	(121)
Difference arising on disposal of 20% equity interest in a subsidiary	出售一家附屬公司20%股權產生之差額	-	-	-	87,581	-	-	66,157	153,738
Total transactions with owners	與擁有人之交易總額	1,000	298,879	-	87,581	-	-	66,157	453,617
At 30 June 2009	於二零零九年 六月三十日	6,580	847,209	168,434	108,785	81,914	403,887	140,986	1,757,795

The notes on pages 35 to 68 form an integral part of this condensed consolidated interim financial information.

第35至68頁之附註乃簡明綜合中期財務資料其中部分。

Condensed Consolidated Cash Flow Statement 簡明綜合現金流轉表

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
Net cash outflow from operating activities	經營業務所得現金流出淨額	(271,510)	(7,800)
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額	(56,560)	126,724
Net cash generated from financing activities	融資活動所得現金淨額	448,902	222,414
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	120,832	341,338
Exchange gain/(loss) on cash and cash equivalents	現金及現金等價物之匯兌收益/(虧損)	13,094	(108)
Cash and cash equivalents at beginning of period	期初之現金及現金等價物	1,139,974	517,261
Cash and cash equivalents at end of period	期末之現金及現金等價物	1,273,900	858,491

The notes on pages 35 to 68 form an integral part of this condensed consolidated interim financial information.

第35至68頁之附註乃簡明綜合中期財務資料其中部分。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

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 electronic fund transfer point-of-sales (“EFT-POS”) terminal solutions, sales of electronic power meters and solutions, provision of telecommunication solutions and operation value-added services, provision of financial solutions, services and related products and provision of payment solutions and 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.

This condensed consolidated interim financial information is presented in thousands of Hong Kong dollar (HK\$’000) unless otherwise stated.

This condensed consolidated interim financial information was approved for issue on 12 August 2010.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRSs”).

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」)主要從事銷售電子支付終端機解決方案、銷售電能計量產品及解決方案、提供電訊解決方案及運營增值服務、提供金融解決方案、服務及相關產品及提供支付解決方案及服務。

本公司為一家於百慕達註冊成立之有限公司，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，此簡明綜合中期財務資料以千港元(千港元)呈列。

此簡明綜合中期財務資料已於二零一零年八月十二日獲批准刊發。

此簡明綜合中期財務資料並未經審核。

2. 編製基準

此截至二零一零年六月三十日止六個月之未經審核簡明綜合中期財務資料乃按香港會計師公會頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。

此簡明綜合中期財務資料應與截至二零零九年十二月三十一日止年度之年度財務報表一併閱讀，其根據香港財務報告準則(「香港財務報告準則」)編製。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

3. ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards, amendments to standards and interpretations are mandatory for the financial year beginning 1 January 2010, but do not have material impact to the condensed consolidated interim financial information of the Group.

- HK(IFRIC) 17, 'Distributions of non-cash assets to owners'
- Amendment to HKFRS 1, 'Additional exemptions for first-time adopters'
- Amendment to HKFRS 2, 'Group cash-settled share-based payment transaction'
- Amendment to HKFRS 5, 'Non-current assets held for sale and discontinued operations'
- Amendment to HKFRS 8, 'Operating segments'
- Amendment to HKAS 1, 'Presentation of financial statements'
- Amendment to HKAS 7, 'Statement of cash flows'
- Amendment to HKAS 17, 'Lease'

3. 會計政策

除下文所述者外，採用之會計政策與截至二零零九年十二月三十一日止年度之年度財務報表所採用者一致，誠如有關之年度財務報表所述。

中期所得稅採用適用於預期全年總盈利之稅率計算。

以下新準則、準則之修訂及詮釋須於二零一零年一月一日開始之財政年度強制採納，惟不會對本集團簡明綜合中期財務資料造成重大影響。

- 香港(國際財務報告詮釋委員會)－詮釋第17號「向擁有人分派非現金資產」
- 香港財務報告準則第1號(修訂本)「首次採納人士之額外豁免」
- 香港財務報告準則第2號(修訂本)「集團以現金結算之以股份為基礎付款交易」
- 香港財務報告準則第5號(修訂本)「持作出售之非流動資產及已終止經營業務」
- 香港財務報告準則第8號(修訂本)「經營分部」
- 香港會計準則第1號(修訂本)「財務報表之呈列」
- 香港會計準則第7號(修訂本)「現金流量表」
- 香港會計準則第17號(修訂本)「租賃」

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

3. ACCOUNTING POLICIES (continued)

- Amendment to HKAS 36, 'Impairment of assets'
- Amendment to HKAS 38, 'Intangible assets'
- Amendment to HKAS 39, 'Eligible hedged items'
- Amendment to HK(IFRIC) 9, 'Reassessment of embedded derivatives'
- Amendment to HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

- HKAS 24 (Revised), 'Related party disclosures' ²
- HKFRS 9, 'Financial instruments' ¹
- HK(IFRIC) 19, 'Extinguishing financial liabilities with equity instruments' ⁴
- Amendments to HKAS 1, 'Presentation of Financial Statements' ²
- Amendments to HKAS 34, 'Interim Financial Reporting' ²
- Amendments to HKAS 32, 'Classification of rights issues' ³

3. 會計政策(續)

- 香港會計準則第36號(修訂本)「資產減值」
- 香港會計準則第38號(修訂本)「無形資產」
- 香港會計準則第39號(修訂本)「合資格對沖項目」
- 香港(國際財務報告詮釋委員會)－詮釋第9號「重新評估嵌入式衍生工具」
- 香港(國際財務報告詮釋委員會)－詮釋第16號「對沖海外業務投資淨額」

下列新準則、準則之修訂及詮釋已作頒佈，惟尚未於二零一零年一月一日開始之財政年度生效及尚未提早採納：

- 香港會計準則第24號(經修訂)「有關聯人士披露」²
- 香港財務報告準則第9號「財務工具」¹
- 香港(國際財務報告詮釋委員會)－詮釋第19號「以權益工具抵銷財務負債」⁴
- 香港會計準則第1號(修訂本)「財務報表之呈列」²
- 香港會計準則第34號(修訂本)「中期財務報告」²
- 香港會計準則第32號(修訂本)「供股之分類」³

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

3. ACCOUNTING POLICIES (continued)

- Amendments to HKFRS 1, 'Limited exemption from comparative HKFRS 7 disclosures for first-time adopters' ⁴
- Amendments to HKFRS 1, 'First-time Adoption of Hong Kong Financial Reporting Standards' ²
- Amendments to HKFRS 3, 'Business Combinations' ⁴
- Amendments to HKFRS 7, 'Financial Instruments: Disclosures' ²
- Amendments to HK(IFRIC) 13, 'Customer Loyalty Programmes' ²
- Amendments to HK(IFRIC) 14, 'Prepayments of a minimum funding requirement' ²

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2011.

³ Effective for annual periods beginning on or after 1 February 2010.

⁴ Effective for annual periods beginning on or after 1 July 2010.

The Group has already commenced an assessment of the impact of the new standards, amendments to the standards and interpretations but is not yet in a position to state whether these new standards, amendments to standards and interpretations would have a significant impact to the Group's results of operations and financial position.

3. 會計政策(續)

- 香港財務報告準則第1號(修訂本)「比較香港財務報告準則第7號首次採納者披露之有限豁免」⁴
- 香港財務報告準則第1號(修訂本)「首次採納香港財務報告準則」²
- 香港財務報告準則第3號(修訂本)「業務合併」⁴
- 香港財務報告準則第7號(修訂本)「財務工具：披露」²
- 香港(國際財務報告詮釋委員會)－詮釋第13號「客戶忠誠度計劃」²
- 香港(國際財務報告詮釋委員會)－詮釋第14號「最低資金預付款項規定」²

¹ 於二零一三年一月一日或之後開始之年度期間生效。

² 於二零一一年一月一日或之後開始之年度期間生效。

³ 於二零一零年二月一日或之後開始之年度期間生效。

⁴ 於二零一零年七月一日或之後開始之年度期間生效。

本集團已著手評估此等新準則、準則之修訂及詮釋之影響，惟尚未能指出此等新準則、準則之修訂及詮釋會否對本集團之經營業績及財務狀況造成重大影響。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

4. REVENUE, OTHER INCOME AND OTHER GAINS

The Group is principally engaged in the sales of EFT-POS terminal solutions, sales of electronic power meters and solutions, provision of telecommunication solutions and operation value-added services, provision of financial solutions, services and related products and provision of payment solutions and services. Revenue, other income and other gains recognised during the period are as follow:

4. 收入、其他收入及其他收益

本集團主要從事銷售電子支付終端機解決方案、銷售電能計量產品及解決方案、提供電訊解決方案及運營增值服務、提供金融解決方案、服務及相關產品及提供支付解決方案及服務。期內已確認之收入、其他收入及其他收益如下：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue	收入		
Sales of EFT-POS terminal solutions	銷售電子支付終端機解決方案	267,698	196,221
Sales of electronic power meters and solutions	銷售電能計量產品及解決方案	104,679	91,515
Provision of telecommunication solutions and operation value-added services	提供電訊解決方案及運營增值服務	256,994	165,711
Provision of financial solutions, services and related products	提供金融解決方案、服務及相關產品	29,525	24,211
Provision of payment solutions and services	提供支付解決方案及服務	16,907	7,458
Rental income	租賃收入	475	480
		676,278	485,596
Other income	其他收入		
Interest income	利息收入	4,896	5,486
Value added tax refund (Note below)	退還增值稅(見下文附註)	4,931	6,025
Others	其他	722	2,822
		10,549	14,333
Other gains	其他收益		
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之收益	6,049	294
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之股息收入	8	11
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	43	145
		6,100	450
Revenue, other income and other gains	收入、其他收入及其他收益	692,927	500,379

Note:

The amount represents the Group's entitlement to value added tax refund in relation to sales of self-developed software products in the People's Republic of China (the "PRC").

附註：

金額指本集團於中華人民共和國(「中國」)銷售自身開發軟件產品而享有退還增值稅。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

5. SEGMENT INFORMATION

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. Management has determined the operating segments based on the internal reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a product perspective.

The Group is organised into five main operating segments in these internal reports:

- (a) EFT-POS terminal solutions – sales of EFT-POS terminals, consumer activated devices, contactless devices and related accessories and provision of maintenance services;
- (b) Electronic power meters and solutions – manufacturing and sales of electronic power meters, data collection terminals and provision of information system consultancy services;
- (c) Telecommunication solutions and operation value-added services – provision of telecommunication platform operation services;
- (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; and
- (e) Payment solutions and services – provision of mobile payment solutions and services.

5. 分類資料

主要負責分配資源至經營分類及評估其表現之經營決策者，已確定為作出策略性決定之董事會。管理層根據董事會所審閱以作出策略決定之內部報告而釐定業務分類。

董事會從產品角度考慮業務。

於內部報告，本集團分為五大業務分類：

- (a) 電子支付終端機解決方案－銷售電子支付終端機、消費者操作設備、非接觸式讀卡設備及相關配件以及提供維修服務；
- (b) 電能計量產品及解決方案－產銷電能計量產品、數據收集終端及提供資訊系統諮詢服務；
- (c) 電訊解決方案及運營增值服務－提供電訊平臺運營服務；
- (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；及
- (e) 支付解決方案及服務－提供移動付款解決方案及服務。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

5. SEGMENT INFORMATION (continued)

An analysis of the Group's revenue and results for the period by operating segment is as follows:

5. 分類資料(續)

本集團期內之收入及業績按經營分類分析如下：

		Unaudited 未經審核						
		Six months ended 30 June 2010 截至二零一零年六月三十日止六個月						
		EFT-POS terminal solutions 電子支付 終端機 解決方案 HK\$'000 千港元	Electronic power meters and solutions 電能計量產品 及解決方案 HK\$'000 千港元	Telecomm- unication solutions and operation value-added services 電訊解決 方案及運營 增值服務 HK\$'000 千港元	Financial solutions, and related products 金融解決 方案、服務 及相關產品 HK\$'000 千港元	Payment solutions and services 支付解決 方案及服務 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Segment revenue	分類收入	267,698	104,679	256,994	48,417	16,907	475	695,170
Inter-segment revenue	分類間收入	-	-	-	(18,892)	-	-	(18,892)
Revenue from external customers	來自外部客戶 之收入	267,698	104,679	256,994	29,525	16,907	475	676,278
Segmental earnings/(loss) before interest, taxes, depreciation and amortisation ("EBITDA")	分類除利息、 稅項、折舊及 攤銷前盈利/ (虧損) (「EBITDA」)	60,022	(27,392)	61,120	(11,858)	(33,569)	(15,626)	32,697
Depreciation	折舊	(1,227)	(4,339)	(5,712)	(8,217)	(478)	(729)	(20,702)
Amortisation	攤銷	(3)	(3,144)	-	-	(2,017)	(380)	(5,544)
Segmental operating profit/(loss)	分類經營 溢利/(虧損)	58,792	(34,875)	55,408	(20,075)	(36,064)	(16,735)	6,451
Finance costs	融資成本							-
Profit before income tax	除所得稅前溢利							6,451
Income tax expense	所得稅開支							(14,519)
Loss for the period	期內虧損							(8,068)

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

5. SEGMENT INFORMATION (continued)

5. 分類資料(續)

		Unaudited 未經審核 Six months ended 30 June 2009 截至二零零九年六月三十日止六個月						
		EFT-POS terminal solutions 電子支付 終端機 解決方案 HK\$'000 千港元	Electronic power meters and solutions 電能計量產品 及解決方案 HK\$'000 千港元	Telecomm- unication solutions and operation value-added services 電訊解決 方案及運營 增值服務 HK\$'000 千港元	Financial solutions, and related products 金融解決 方案、服務 及相關產品 HK\$'000 千港元	Payment solutions and services 支付解決 方案及服務 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Segment revenue	分類收入	196,221	91,515	165,711	42,494	7,458	480	503,879
Inter-segment revenue	分類間收入	-	-	-	(18,283)	-	-	(18,283)
Revenue from external customers	來自外部客戶 之收入	196,221	91,515	165,711	24,211	7,458	480	485,596
Segmental EBITDA	分類EBITDA	30,592	191	93,681	(6,504)	(18,719)	(14,472)	84,769
Depreciation	折舊	(915)	(5,638)	(5,426)	(7,647)	(49)	(415)	(20,090)
Amortisation	攤銷	(3)	(4,029)	-	-	-	(379)	(4,411)
Segmental operating profit/(loss)	分類經營 溢利/(虧損)	29,674	(9,476)	88,255	(14,151)	(18,768)	(15,266)	60,268
Finance costs	融資成本							(343)
Profit before income tax	除所得稅前溢利							59,925
Income tax expense	所得稅開支							(20,308)
Profit for the period	期內溢利							39,617

Note:

The Board of Directors assesses the performance of the operating segments based on a measure of segment results. Finance costs are not allocated to segment as this type of activity is driven by the central treasury function.

附註:

董事會根據分類業績方法評估業務分類表現。融資成本並未分配至各分類，原因是這項活動乃由中央庫務部處理。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

5. SEGMENT INFORMATION (continued)

The segment assets and liabilities at 30 June 2010 and additions to non-current assets for the six months ended 30 June 2010 are as follows:

5. 分類資料(續)

於二零一零年六月三十日之分類資產及負債及截至二零一零年六月三十日止六個月之非流動資產添置如下：

	EFT-POS terminal solutions 電子支付終端機解決方案	Electronic power meters and solutions 電能計量產品及解決方案	Telecomm-unication solutions and operation value-added services 電訊解決方案及運營增值服務	Financial solutions, services and related products 金融解決方案、服務及相關產品	Payment solutions and services 支付解決方案及服務	Others 其他	Group 本集團
	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	HK\$'000 千港元
Unaudited Segment assets	585,382	599,046	589,703	87,647	101,525	875,185	2,838,488
Segment liabilities	(97,254)	(166,350)	(25,022)	(18,027)	(6,460)	(28,590)	(341,703)
Unaudited Additions to non-current assets	2,885	9,939	6,011	4,252	162,566	2,900	188,553

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

5. SEGMENT INFORMATION (continued)

The segment assets and liabilities at 31 December 2009 and additions to non-current assets for the six months ended 30 June 2009 are as follows:

		EFT-POS terminal solutions 電子支付 終端機 解決方案 HK\$'000 千港元	Electronic power meters and solutions 電能計量產品 及解決方案 HK\$'000 千港元	Telecomm- unication solutions and operation value-added services 電訊解決 方案及運營 增值服務 HK\$'000 千港元	Financial solutions, and related products 金融解決 方案、服務 及相關產品 HK\$'000 千港元	Payment solutions and services 支付解決 方案及服務 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Audited	經審核							
Segment assets	分類資產	565,707	458,404	494,383	153,929	33,646	612,261	2,318,330
Segment liabilities	分類負債	(128,234)	(104,826)	(72,193)	(39,478)	(6,015)	(51,808)	(402,554)
Unaudited	未經審核							
Additions to non-current assets	非流動資產添置	1,128	351	4,455	2,066	1,178	23,422	32,600

Additions to non-current assets comprises additions to available-for-sale financial assets, property, plant and equipment and intangible assets including additions resulting from acquisition through business combinations.

The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the condensed consolidated income statement.

5. 分類資料(續)

於二零零九年十二月三十一日之分類資產及負債及截至二零零九年六月三十日止六個月之非流動資產添置如下：

非流動資產添置包括對可供出售金融資產、物業、廠房及設備及無形資產的添置，包括透過業務合併進行收購產生的添置。

向董事會就總資產及總負債提供之金額採用與財務報表一致的方法計量。該等資產及負債按分類的業務而分配。

分類間之銷售按公平基準進行。向董事會匯報來自外部客戶之收入採用與簡明綜合損益表一致的方法計量。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

6. EXPENSES BY NATURE

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

6. 以性質區分之開支

於銷售成本、銷售開支及行政費用計入之開支分析如下：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	1,378	1,096
Depreciation of property, plant and equipment	物業、廠房及設備折舊	20,647	20,035
Depreciation of investment properties	投資物業折舊	55	55
Amortisation of leasehold land	租賃土地攤銷	539	548
Amortisation of intangible assets	無形資產攤銷	5,005	3,863
Employee benefit expense (including Directors' emoluments) (Note 7)	僱員福利開支 (包括董事酬金) (附註7)	139,196	95,002
Costs of inventories sold	售出存貨成本	248,559	179,459
Operating lease rentals in respect of land and buildings	土地及樓宇之營業租賃租金	13,782	8,376
Operating lease rentals in respect of equipment	設備之營業租賃租金	6,060	7,027
Research and development costs	研究及開發成本	43,917	24,238
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	203	59
Provision for impairment of trade receivables	應收賬款減值撥備	658	5,760
Write-back of provision for impairment of trade receivables	應收賬款減值撥備撥回	(269)	-
Provision for obsolete inventories	陳舊存貨撥備	-	5
Write-back of provision for obsolete inventories	陳舊存貨撥備撥回	-	(3,408)

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

7. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

Wages and salaries	工資及薪金
Social security costs	社會保障成本
Pension costs – defined contribution plans	退休金成本 一定額供款計劃

7. 僱員福利開支(包括董事酬金)

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
119,927	83,290
11,760	6,238
7,509	5,474
139,196	95,002

8. FINANCE COSTS

Interest on bank loans	銀行貸款利息
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8. 融資成本

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
–	343

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the period (six months ended 30 June 2009: 16.5%). Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Current Income tax	現時所得稅
– Hong Kong profits tax	– 香港利得稅
– Overseas taxation	– 海外稅項
Deferred income tax	遞延所得稅
Over provision in previous year	過往年度超額撥備
Income tax expense	所得稅開支

During the period, the PRC tax rate applicable to the Group is 25% (six months ended 30 June 2009: 25%), unless preferential rates are applicable.

Therefore, the PRC profits tax has been provided in advance based on the estimated profits of the Group's subsidiaries operating in the PRC and subject to Enterprise Income Tax ("EIT") at a rate of 25%, unless preferential rates are applicable.

Operating subsidiaries which are qualified as High & New Technology Enterprises will be eligible to enjoy a reduced income tax rate of 15%.

9. 所得稅開支

期內，香港利得稅已按估計應課稅溢利之16.5%作出撥備(截至二零零九年六月三十日止六個月：16.5%)。對於海外溢利之稅項根據期內估計應課稅溢利以本集團經營業務之國家適用稅率計算。

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元

	3,000	366
	13,900	21,116
	(1,107)	(1,174)
	(1,274)	–
	14,519	20,308

期內，適用於本集團之中國稅率為25% (截至二零零九年六月三十日止六個月：25%)，適用優惠稅率者除外。

因此，除非優惠稅率適用，否則已就於中國經營及須按25%稅率繳付企業所得稅(「企業所得稅」)之本集團若干附屬公司之估計溢利預先提撥中國溢利稅項準備。

符合高新科技企業資格之營運附屬公司將可享15%之優惠所得稅率。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

10. DIVIDEND

No dividend on ordinary share has been paid or declared by the Company for the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

11. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

10. 股息

本公司並無就截至二零一零年六月三十日止六個月派付或宣派普通股股息(截至二零零九年六月三十日止六個月:無)。

11. 每股(虧損)/盈利

(a) 基本

每股基本(虧損)/盈利乃按本公司權益持有人應佔(虧損)/溢利除以期內已發行普通股加權平均數計算。

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔(虧損)/溢利(千港元)	(22,558)	32,490
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	2,673,430	2,320,371
Basic (loss)/earnings per share (HK\$ per share)	每股基本(虧損)/盈利(每股港元)	(0.008)	0.014

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

11. (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted

Diluted (loss)/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 a subsidiary and share options. The convertible preference shares issued by a subsidiary are assumed to be converted into ordinary shares of the Company. 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 then 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.

Diluted loss (2009: earnings) per share for the six months ended 30 June 2010 is the same (2009: same) as the basic loss (2009: earnings) per share as the Group was loss (2009: profit) making during the period and the conversion of both potential ordinary shares in relation to the outstanding convertible preference shares issued by a subsidiary and share options would have an anti-dilutive effect to the basic (loss)/earnings per share (2009: same).

11. 每股(虧損)/盈利(續)

(b) 攤薄

每股攤薄(虧損)/盈利乃按轉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。本公司擁有兩類潛在攤薄股份：一家附屬公司之已發行可換股優先股及購股權。一家附屬公司已發行之可換股優先股乃假設可轉化為本公司普通股。購股權方面，按當時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(定為本年度本公司股份之平均市價)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。

截至二零一零年六月三十日止六個月之每股攤薄虧損(二零零九年：盈利)與每股基本虧損(二零零九年：盈利)相同(二零零九年：相同)，此乃因本集團於期內錄得虧損(二零零九年：溢利)及轉換尚未轉換之可換股優先股及購股權有關之潛在普通股將會對每股基本(虧損)/盈利產生反攤薄之影響(二零零九年：相同)。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

12. INVESTMENT PROPERTIES

12. 投資物業

		Unaudited 未經審核 HK\$'000 千港元
Net book value as at 1 January 2010	於二零一零年一月一日 之賬面淨值	1,827
Depreciation	折舊	(55)
Net book value as at 30 June 2010	於二零一零年六月三十日 之賬面淨值	<u>1,772</u>
Net book value as at 1 January 2009	於二零零九年一月一日 之賬面淨值	1,969
Depreciation	折舊	(55)
Net book value as at 1 July 2009	於二零零九年七月一日之賬面淨值	1,914
Transfer to property, plant and equipment (Note 13)	轉撥至物業、廠房及 設備(附註13)	(34)
Depreciation	折舊	(53)
Net book value as at 31 December 2009	於二零零九年十二月三十一日 之賬面淨值	<u>1,827</u>

As at 31 December 2009, the fair value of investment property located at 北京市海澱區阜成路67號銀都大廈15-17樓 was assessed by an independent and professionally qualified valuer, Vigers Appraisal & Consulting Limited, based on the then current prices in an active market. No valuation was performed during the period.

截至二零零九年十二月三十一日，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值，乃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當時現行價格估值。期內概無進行任何估值。

Interests in investment properties at their net book values are analysed as follows:

投資物業權益按賬面淨值分析如下：

		Unaudited 未經審核 30 June 六月三十日 2010 二零一零年 HK\$'000 千港元	Audited 經審核 31 December 十二月三十一日 2009 二零零九年 HK\$'000 千港元
Outside Hong Kong, held on: Leases of between 10 to 50 years	香港境外： 按10至50年之租約持有	<u>1,772</u>	<u>1,827</u>

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Unaudited 未經審核 HK\$'000 千港元
Net book value as at 1 January 2010	於二零一零年一月一日 之賬面淨值	125,734
Additions	添置	18,870
Acquisition of subsidiaries (Note 20(b))	收購附屬公司 (附註20(b))	1,988
Disposals	出售	(427)
Depreciation	折舊	(20,647)
Exchange differences	匯兌差額	2,118
		<hr/>
Net book value as at 30 June 2010	於二零一零年六月三十日 之賬面淨值	127,636
		<hr/>
Net book value as at 1 January 2009	於二零零九年一月一日 之賬面淨值	147,541
Additions	添置	9,200
Disposals	出售	(159)
Depreciation	折舊	(20,035)
		<hr/>
Net book value as at 1 July 2009	於二零零九年七月一日 之賬面淨值	136,547
Additions	添置	10,392
Transfer from investment properties (Note 12)	轉自投資物業 (附註12)	34
Disposals	出售	(709)
Depreciation	折舊	(20,530)
		<hr/>
Net book value as at 31 December 2009	於二零零九年十二月三十一日 之賬面淨值	125,734

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

14. LEASEHOLD LAND

The Group's interests in leasehold land represent prepaid operating lease payments and their net book values are analysed as follows:

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

The movement of the lease prepayment for land is as follows:

Net book value as at 1 January 2010	於二零一零年一月一日 之賬面淨值	42,007
Amortisation	攤銷	(539)
Exchange differences	匯兌差額	246
Net book value as at 30 June 2010	於二零一零年六月三十日 之賬面淨值	41,714
Net book value as at 1 January 2009	於二零零九年一月一日 之賬面淨值	44,180
Amortisation	攤銷	(548)
Net book value as at 1 July 2009	於二零零九年七月一日 之賬面淨值	43,632
Amortisation	攤銷	(546)
Disposals	出售	(1,079)
Net book value as at 31 December 2009	於二零零九年十二月三十一日 之賬面淨值	42,007

14. 租賃土地

本集團於租賃土地的權益即預繳營業租賃款項，其賬面淨值分析如下：

Unaudited 未經審核 30 June 六月三十日 2010 二零一零年 HK\$'000 千港元	Audited 經審核 31 December 十二月三十一日 2009 二零零九年 HK\$'000 千港元
41,714	42,007

土地預付租金之變動如下：

Unaudited 未經審核 HK\$'000 千港元
42,007
(539)
246
41,714
44,180
(548)
43,632
(546)
(1,079)
42,007

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

15. INTANGIBLE ASSETS

15. 無形資產

		Unaudited 未經審核 HK\$'000 千港元
Net book value as at 1 January 2010	於二零一零年一月一日之 賬面淨值	116,064
Addition	添置	12
Acquisition of subsidiaries (Note 20)	收購附屬公司 (附註20)	167,683
Amortisation charge	攤銷費用	(5,005)
Exchange differences	匯兌差額	3,744
		<hr/>
Net book value as at 30 June 2010	於二零一零年六月三十日之 賬面淨值	282,498
		<hr/>
Net book value as at 1 January 2009	於二零零九年一月一日之 賬面淨值	122,835
Amortisation charge	攤銷費用	<u>(3,863)</u>
		<hr/>
Net book value as at 1 July 2009	於二零零九年七月一日之 賬面淨值	118,972
Amortisation charge	攤銷費用	<u>(2,908)</u>
		<hr/>
Net book value as at 31 December 2009	於二零零九年十二月三十一日 之賬面淨值	<u>116,064</u>

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segments. As at 30 June 2010, goodwill of HK\$106,902,000 and HK\$119,599,000 (31 December 2009: HK\$102,113,000) are allocated to the electronic power meters and solutions and payment solution and services, respectively.

商譽按照業務分類分配至所識別之本集團現金產生單位。於二零一零年六月三十日，106,902,000港元及119,599,000港元(二零零九年十二月三十一日：102,113,000港元)之商譽分別分配至電能計量產品及支付解決方案及服務。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

16. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

Trade receivables (Note (a))	應收賬款(附註(a))
Bills receivables (Note (b))	應收票據(附註(b))
Less: provision for impairment of receivables	減: 應收賬款減值撥備
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項

Note (a): Trade receivables

The Group's credit terms to trade debtors range from 0 to 180 days. At 30 June 2010 and 31 December 2009, the ageing analysis of the trade receivables was as follows:

Current to 90 days	即時至90日
91 to 180 days	91至180日
181 to 365 days	181至365日
Over 365 days	365日以上

16. 應收賬款及其他應收款項、預付款項及按金

Unaudited 未經審核 30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
435,327	291,455
38,690	107,142
(13,550)	(13,380)
460,467	385,217
61,831	52,588
522,298	437,805

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。於二零一零年六月三十日及二零零九年十二月三十一日，應收賬款之賬齡分析如下：

Unaudited 未經審核 30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
207,850	189,770
101,189	44,547
100,524	24,102
25,764	33,036
435,327	291,455

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

16. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

Note (b): Bills receivables

The balance represents bank acceptance notes with maturity dates of less than six months.

The maturity profile of the bills receivables is as follows:

Falling within 90 days	90日內
Falling within 91 to 180 days	91至180日

16. 應收賬款及其他應收款項、 預付款項及按金(續)

附註(b)：應收票據

該結餘指到期日為少於六個月的銀行承兌匯票。

應收票據的到期狀況如下：

Unaudited 未經審核	Audited 經審核
30 June 六月三十日	31 December 十二月三十一日
2010 二零一零年	2009 二零零九年
HK\$'000 千港元	HK\$'000 千港元
6,349	87,606
32,341	19,536
38,690	107,142

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

17. TRADE AND OTHER PAYABLES

Trade payables (Note (a))	應付賬款(附註(a))
Other payables and accruals	其他應付款項及應計款項
Pension obligations	退休金供款
Social security and other taxes	社會保障及其他稅項

Note (a): Trade payables

At 30 June 2010 and 31 December 2009, the ageing analysis of the trade payables was as follows:

Current to 90 days	即時至90日
91 days to 180 days	91日至180日
181 days to 365 days	181日至365日
Over 365 days	365日以上

17. 應付賬款及其他應付款項

Unaudited 未經審核	Audited 經審核
30 June 六月三十日	31 December 十二月三十一日
2010 二零一零年	2009 二零零九年
HK\$'000 千港元	HK\$'000 千港元
226,033	201,782
80,322	133,296
851	5,245
8,798	23,079
316,004	363,402

附註(a)：應付賬款

於二零一零年六月三十日及二零零九年十二月三十一日，應付賬款之賬齡分析如下：

Unaudited 未經審核	Audited 經審核
30 June 六月三十日	31 December 十二月三十一日
2010 二零一零年	2009 二零零九年
HK\$'000 千港元	HK\$'000 千港元
203,132	180,642
14,714	12,657
5,370	988
2,817	7,495
226,033	201,782

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

18. SHARE CAPITAL

18. 股本

		Ordinary shares of HK\$0.0025 each 每股面值 0.0025 港元之普通股	
		Number of shares 股份數目	HK\$'000 千港元
Authorised:	法定：		
At 1 January 2009,	於二零零九年一月一日、		
30 June 2009,	二零零九年六月三十日、		
1 January 2010 and	二零一零年一月一日及		
30 June 2010	二零一零年六月三十日	4,000,000,000	10,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2009	於二零零九年一月一日	2,231,972,835	5,580
Issuance of new ordinary shares during the six months ended 30 June 2009	截至二零零九年 六月三十日止六個月 發行新普通股股份	400,000,000	1,000
At 30 June 2009	於二零零九年六月三十日	2,631,972,835	6,580
Shares issued under share options scheme of the Company during the six months ended 31 December 2009	截至二零零九年 十二月三十一日止六個月 根據本公司之購股權計劃 發行股份	41,457,000	104
At 1 January 2010 and 30 June 2010	於二零一零年一月一日 及二零一零年六月三十日	2,673,429,835	6,684

(a) Share option scheme 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.

(a) 本公司之購股權計劃

本公司運作一項購股權計劃(「該計劃」)，旨在吸引、留聘及激勵有潛質之僱員，以助推動日後發展及擴充本集團業務。該計劃之合資格參與者包括本集團之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，除另行取消或修訂以外，將由該日起計10年期間仍然有效及生效。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

18. SHARE CAPITAL (continued)

(a) Share option scheme of the Company

(continued)

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 the 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 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.

18. 股本(續)

(a) 本公司之購股權計劃(續)

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,可根據該計劃進一步授出之購股權發行33,305,403股股份。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

18. SHARE CAPITAL (continued)

(a) Share option scheme of the Company

(continued)

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. 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 then outstanding options and the number of shares to be issued by the Company upon exercise of then outstanding options.

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 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.

18. 股本(續)

(a) 本公司之購股權計劃(續)

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。授出的購股權歸屬如下：

於二零零五年 最多50%
九月二十六日

於二零零六年 最多100%
九月二十六日

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，並已於二零零六年六月二十九日生效。

股份分拆導致須對當時未行使購股權之行使價及本公司於當時未行使購股權獲行使時將予發行之股份數目作出調整。

根據於二零零六年十二月十一日通過之普通決議案，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。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

18. SHARE CAPITAL (continued)

(a) Share option scheme of the Company

(continued)

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.

During the six months ended 30 June 2010, 1,000 share options had lapsed and no share option was granted. As at 30 June 2010 and the date of this report, there is no outstanding share option.

(b) Share option scheme of PAX Technology

On 29 April 2009, PAX adopted a PAX Share Option Scheme for the issuance of such number of PAX Ordinary Shares representing no more than 5% of the total number of PAX Shares in issue.

The PAX Share Option Scheme is designed to provide the directors, employees, advisors and consultants of the PAX Group with the opportunity to acquire proprietary interests in the PAX Group, which will encourage the grantees of such options to work towards enhancing the value of the PAX Group and benefit the PAX Group as a whole. The board of directors of PAX or a duly authorised committee thereof shall administer the PAX Share Option Scheme to achieve the purpose of the PAX Share Option Scheme and have the rights at its discretion to determine (i) the minimum period for which the options under the scheme must be held before it can be exercised; (ii) the performance targets; and (iii) the subscription price per PAX Ordinary Share at which a grantee may subscribe for the PAX Ordinary Shares on the exercise of an option pursuant to the terms of the PAX Share Option Scheme.

18. 股本(續)

(a) 本公司之購股權計劃(續)

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。

截至二零一零年六月三十日止六個月，1,000份購股權失效及並無任何購股權獲授出。於二零一零年六月三十日及於本報告日期，並無尚未行使購股權。

(b) 百富科技有限公司購股權計劃

於二零零九年四月二十九日，百富已採納百富購股權計劃，以發行百富普通股(佔不超過已發行百富股份總數之5%)。

百富購股權計劃旨在為百富集團之董事、僱員、顧問及諮詢人提供一個購入百富集團擁有權之機會。該計劃可激勵該等購股權之承授人為提升百富集團之價值而作出貢獻，對百富集團整體有利。百富董事會或其正式授權之委員會將管理百富購股權計劃以達致百富購股權計劃之目的，並有權全權酌情釐定(i)該計劃項下購股權於可予行使前須持有的最短期限；(ii)表現目標；及(iii)根據百富購股權計劃之條款於行使購股權時承授人可認購百富普通股之每股百富普通股認購價。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

18. SHARE CAPITAL (continued)

(b) Share option scheme of PAX Technology

(continued)

As at 30 June 2010 and the date of this report, no share option in relation to the PAX Share Option Scheme was granted.

19 TRANSACTION WITH NON-CONTROLLING INTERESTS

On 24 December 2009, the Company and Wise World Group Limited, an independent party (the "Subscriber") entered into a conditional subscription agreement, pursuant to which Success Bridge a then wholly-owned subsidiary of the Company, shall issue and the Subscriber shall subscribe for 600 convertible preference shares of US\$0.001 each in the share capital of Success Bridge (the "SBL Preference Shares") at a total consideration of US\$60 million (equivalent to approximately HK\$465 million) (the "Subscription"). The SBL Preference Shares represent 6.0% of the issued share capital of Success Bridge as enlarged by the Subscription.

The Subscription was completed on 29 January 2010.

As a result of the issuance of the SBL Preference Shares, the Group's shareholding in Success Bridge has been diluted to 94%. An amount of HK\$407,472,000, being the difference between the net proceeds received from the issuance of the SBL Preference Shares after deducing the transaction costs and the amount transferred to non-controlling interests of HK\$55,276,000, has been recognised directly in equity.

18. 股本(續)

(b) 百富科技有限公司購股權計劃(續)

於二零一零年六月三十日及本報告日期，並無任何有關百富購股權計劃之購股權授出。

19 與非控股權益之交易

本公司與獨立第三方Wise World Group Limited (「認購人」)於二零零九年十二月二十四日訂立有條件認購協議，據此，本公司當時之全資附屬公司Success Bridge須發行而認購人須認購600股Success Bridge股本中每股面值0.001美元之可換股優先股(「SBL優先股」)，總代價為60,000,000美元(相等於約465,000,000港元)(「認購事項」)。SBL優先股佔Success Bridge經認購事項擴大後之已發行股本6.0%。

認購事項已於二零一零年一月二十九日完成。

由於發行SBL優先股，本集團於Success Bridge之股權已攤薄至94%。發行SBL優先股股份所得之所得款項淨額(經扣除交易成本後)與轉撥至非控股權益之金額55,276,000港元之差額407,472,000港元已直接於權益中確認。

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

20 BUSINESS COMBINATION

(a) Acquisition of Mega Hunt Investments Limited

On 26 January 2010, a then wholly-owned subsidiary of the Company, New Concept Services Limited (“New Concept”), entered into a sale and purchase agreement with two independent parties (the “Mega Hunt Vendor” and the “Guarantor”), pursuant to which Mega Hunt Vendor agreed to sell and New Concept agreed to purchase the entire issued share capital of Mega Hunt Investments Limited (“Mega Hunt”) for a consideration of 25 new shares of New Concept. The new shares represent 20% of the issued share capital of New Concept as enlarged by the allotment and issue of shares.

The acquisition is expected to enhance the Group’s research in relation to PLC technology, a low voltage power line carrier wave communication technology, with a view to developing PLC modules into the development of the Group’s electronic power meters.

The acquisition was completed on 5 March 2010.

There was no revenue recognised by the acquired business for the period from 5 March 2010 to 30 June 2010. The acquired business recorded net loss of HK\$9,000 for the Group for the period from 5 March 2010 to 30 June 2010. There would be no significant financial impact on the Group’s revenue and net loss for the period had the acquisition occurred on 1 January 2010.

20 業務合併

(a) 收購 Mega Hunt Investments Limited

於二零一零年一月二十六日，本公司當時之全資附屬公司新創服務有限公司(「新創」)與兩名獨立人士(「Mega Hunt 賣方」)及(「擔保人」)訂立買賣協議，據此，Mega Hunt 賣方同意出售而新創同意購買 Mega Hunt Investments Limited (「Mega Hunt」)全部已發行股本，代價為25股新創新股份。新股份佔新創經配發及發行股份擴大後之已發行股本之20%。

預期該收購加強本集團對有關 PLC 技術(低壓電力線載波通信技術)之研究，以發展 PLC 組件為本集團電能計量產品。

該收購已於二零一零年三月五日完成。

自二零一零年三月五日至二零一零年六月三十日期間，並無確認收購業務之收入。自二零一零年三月五日至二零一零年六月三十日期間，收購業務為本集團錄得淨虧損9,000港元。倘若該收購於二零一零年一月一日進行，不會對本集團期內收入及淨虧損產生重大財務影響。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

20 BUSINESS COMBINATION (continued)

(a) Acquisition of Mega Hunt Investments Limited (continued)

Details of the purchase consideration, the net assets acquired and goodwill were as follows:

Purchase consideration:

– Fair value of shares issued – 已發行股份之公平值

Total purchase consideration 購買代價總額

The assets and liabilities as of 5 March 2010 arising from the acquisition were as follows:

Cash and cash equivalents	現金及現金等價物
In-progress technology (included in intangible assets)	研發中技術 (計入無形資產)
Deferred tax liabilities	遞延稅項負債
Goodwill (included in intangible assets)	商譽 (計入無形資產)
Net cash inflow arising on acquisition	收購產生之 現金流入淨額
Cash and cash equivalents in subsidiary acquired	所收購附屬公司之 現金及現金等價物
Transaction costs relating to the acquisition	有關收購之交易成本
Net cash inflow arising on acquisition	收購產生之 現金流入淨額

20 業務合併(續)

(a) 收購 Mega Hunt Investments Limited (續)

購買代價、所收購資產淨值及商譽之詳情如下：

購買代價：

HK\$'000
千港元

107,266

107,266

於二零一零年三月五日，收購產生之資產及負債如下：

Fair value 公平值 HK\$'000 千港元	Acquiree's carrying amount 被收購人 之賬面值 HK\$'000 千港元
100,000	100,000
6,094	–
(1,523)	–
104,571	100,000
2,695	
100,000	
(166)	
99,834	

Notes to Condensed Consolidated Interim Financial Information

簡明綜合中期財務資料附註

20 BUSINESS COMBINATION (continued)

(a) Acquisition of Mega Hunt Investments Limited (continued)

The goodwill is attributable to the synergies expected to arise after the Group's acquisition of the subsidiary. Goodwill arising from the acquisition has been determined based on the preliminary values assigned to the acquiree's assets and liabilities, and will be finalised upon completion of management's assessment by the end of 2010. None of the goodwill recognised is expected to be deductible for income tax purpose.

Acquisition related costs of HK\$166,000 are included in the condensed consolidated income statement.

As a result of this acquisition, the Group's shareholding in New Concept has been diluted to 80%. An amount of HK\$16,414,000, being the difference between the fair value of shares issued and the amount transferred to non-controlling interest of HK\$90,852,000 has been recognised directly in equity.

(b) Acquisition of JIM Holdings International Company Limited

On 19 March 2010, a subsidiary of the Company, Success Bridge Limited ("Success Bridge"), entered into a sale and purchase agreement with several independent third parties (the "JIM Vendors"), pursuant to which the JIM Vendors agreed to sell and Success Bridge agreed to purchase the entire registered capital of JIM Holdings International Company Limited, a company incorporated in British Virgin Islands, and its subsidiaries for the cash consideration of US\$22,000,000 (approximately HK\$171,600,000).

20 業務合併(續)

(a) 收購Mega Hunt Investments Limited(續)

商譽與本集團收購附屬公司後預期產生之協同效應有關。因收購而產生之商譽按分配予被收購者之資產及負債之初步價值而釐定，將於二零一零年底前管理層完成評估時落實。概無已確認商譽預期將於計算所得稅時予以扣除。

收購有關成本166,000港元計入簡明綜合損益表。

由於該收購，本集團於新創之股權攤薄至80%。已發行股份之公平值與轉撥至非控股權益之金額90,852,000港元之差額16,414,000港元已直接於權益中確認。

(b) 收購結行控股國際有限公司

於二零一零年三月十九日，本公司附屬公司Success Bridge Limited(「Success Bridge」)與若干獨立第三方(「結行賣方」)訂立買賣協議，據此，結行賣方同意出售而Success Bridge同意購買結行控股國際有限公司(於英屬處女群島註冊成立之公司)及其附屬公司之全部註冊資本，現金代價為22,000,000美元(約171,600,000港元)。

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

20 BUSINESS COMBINATION (continued)

(b) Acquisition of JIM Holdings International Company Limited (continued)

The acquisition allows the Group to strengthen its telecom value-added services business in the PRC.

The acquisition was completed on 29 March 2010.

The acquired business contributed revenues of HK\$1,172,000 and net loss of HK\$4,117,000 for the Group for the period from 29 March 2010 to 30 June 2010. If the acquisition had occurred on 1 January 2010, the consolidated revenue of the Group for the six months ended 30 June 2010 would have been HK\$678,280,000 and consolidated loss would have been HK\$11,049,000.

Details of the purchase consideration, the net assets acquired and goodwill were as follows:

Purchase consideration:

– Cash paid

– 已付現金

Total purchase consideration 購買代價總額

20 業務合併(續)

(b) 收購結行控股國際有限公司(續)

該收購使本集團增強其於中國之電訊增值服務業務。

該收購已於二零一零年三月二十九日完成。

自二零一零年三月二十九日至二零一零年六月三十日期間，收購業務為本集團貢獻收入1,172,000港元及淨虧損4,117,000港元。倘該收購已於二零一零年一月一日進行，則本集團截至二零一零年六月三十日止六個月之綜合收入將為678,280,000港元及綜合虧損為11,049,000港元。

購買代價、所收購資產淨值及商譽之詳情如下：

購買代價：

HK\$'000
千港元

171,600

171,600

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

20 BUSINESS COMBINATION (continued)

(b) Acquisition of JIM Holdings International Company Limited (continued)

The assets and liabilities as of 29 March 2010 arising from the acquisition were as follow:

		Fair value 公平值 HK\$'000 千港元	Acquiree's carrying amount 被收購人 之賬面值 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	23,084	23,084
Property, plant and equipment	物業、廠房及設備	1,988	1,988
Other current assets	其他流動資產	6,317	6,317
Other current liabilities	其他流動負債	(8,599)	(8,599)
Patents (included in intangible assets)	專利 (計入無形資產)	154	–
Customer contracts (included in intangible assets)	客戶合約 (計入無形資產)	40,181	–
Deferred tax liabilities	遞延稅項負債	(10,084)	–
Fair value of net assets	資產淨值公平值	53,041	22,790
Goodwill (included in intangible assets)	商譽 (計入無形資產)	118,559	
Net cash outflow arising on acquisition	收購產生之 現金流出淨額		
Purchase consideration settled in cash	以現金結算之購買代價	171,600	
Less: cash and cash equivalents in subsidiaries acquired	減：所收購附屬公司之 現金及現金等價物	(23,084)	
Transaction costs relating to the acquisition	有關收購之交易成本	165	
Net cash outflow arising on acquisition	收購產生之 現金流出淨額	148,681	

20 業務合併(續)

(b) 收購結行控股國際有限公司(續)

於二零一零年三月二十九日，收購產生之資產及負債如下：

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

20 BUSINESS COMBINATION (continued)

(b) Acquisition of JIM Holdings International Company Limited (continued)

The goodwill is attributable to the synergies expected to arise after the Group's acquisition of these subsidiaries. Goodwill arising from the acquisition has been determined based on the preliminary values assigned to the acquiree's assets and liabilities, and will be finalised upon completion of management's assessment by the end of 2010. None of the goodwill recognised is expected to be deductible for income tax purpose.

The fair value of trade and other receivables was HK\$5,728,000. This included trade receivables with a total fair value of HK\$1,064,000. The gross contractual amount for these trade receivables was HK\$1,064,000.

Acquisition related costs of HK\$165,000 are included in the condensed consolidated income statement.

21. OPERATING LEASE COMMITMENTS

Not later than one year	不超過一年
Later than one year and not later than five years	超過一年但不超過五年

20 業務合併(續)

(b) 收購結行控股國際有限公司(續)

商譽乃與本集團收購該等附屬公司後預期產生之協同效應有關。因收購而產生之商譽按分配予被收購者之資產及負債之初步價值而釐定，將於二零一零年底前管理層完成評估時落實。概無已確認商譽預期將於計算所得稅時予以扣除。

應收賬款及其他應收款項之公平值為5,728,000港元，包括總公平值為1,064,000港元之應收賬款。該等應收賬款之合約總額為1,064,000港元。

收購有關成本165,000港元計入簡明綜合損益表。

21. 經營租賃承擔

Land and buildings 土地及樓宇	
Unaudited 未經審核	Audited 經審核
30 June 六月三十日	31 December 十二月三十一日
2010 二零一零年	2009 二零零九年
HK\$'000 千港元	HK\$'000 千港元
20,009	15,430
14,678	6,617
34,687	22,047

Notes to Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註

22. RELATED PARTY TRANSACTIONS

Rich Global Limited (incorporated in the British Virgin Islands) owns 23.08% of the Company's shares. The remaining 76.92% of the shares are widely held.

(a) Transactions with related parties

The Group did not have significant transactions with related parties during the year (six-month ended 30 June 2009: Nil)

(b) Key management compensation

22. 關連方交易

於英屬處女群島註冊成立之 Rich Global Limited 擁有本公司 23.08% 股份。餘下 76.92% 股份由公眾人士持有。

(a) 與關連方交易

本集團於年內概無任何重大關連方交易(截至二零零九年六月三十日止六個月：無)。

(b) 主要管理人員補償

		Unaudited 未經審核	
		30 June 六月三十日	30 June 六月三十日
		2010 二零一零年	2009 二零零九年
		HK\$'000 千港元	HK\$'000 千港元
Fees	袍金	450	300
Other emoluments:	其他酬金：		
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	2,419	2,416
Contributions to pension scheme	退休金計劃供款	30	30
		2,899	2,746

On behalf of the Board
Li Wenjin
 Director

Hong Kong, 12 August 2010

承董事會命
 董事
李文晉

香港，二零一零年八月十二日

