

Notes to the Financial Statements

財務報表附註

1. GENERAL INFORMATION AND GROUP REORGANISATION

General information

The Company was incorporated in Bermuda on 27 October 2004 as a limited company under the Companies Act 1981 of Bermuda (as amended) with limited liability. Its ultimate holding company is Info Dynasty Group Limited ("Info Dynasty"), a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The Company is an investment holding company. The principal activities of its subsidiaries are the manufacturing, design and development and sales of liquid crystal display ("LCD") modules, complete mobile handsets, handsets design solutions (in Semi Knock-Down ("SKD")/Complete Knock-Down ("CKD") form), and wireless communication module solutions.

Reorganisation

Pursuant to a reorganisation (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 3 June 2005 by issuing shares in exchange for the entire issued share capital of SIM Technology Group (BVI) Limited ("STG"). Details of the Reorganisation are set out in the Prospectus of the Company dated 21 June 2005.

The shares of the Company have been listed on the Main Board of the Stock Exchange since 30 June 2005.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared in a manner consistent with pooling of interest and in accordance with the respective equity interests in the individual companies attributable to the common controlling shareholders.

1. 一般資料及集團重組

一般資料

本公司乃於二零零四年十月二十七日根據百慕達1981年公司法(經修訂)於百慕達註冊成立為有限公司。其最終控股公司為於英屬處女群島註冊成立之Info Dynasty Group Limited(「Info Dynasty」)。本公司之註冊辦事處及主要營業地點在年報之引言一節內披露。

本公司為一家投資控股公司。其附屬公司之主要業務為液晶顯示模塊、完整移動手機、手機設計解決方案(形式為半製成組裝套件/組裝零件)及無線通信模塊解決方案之製造、設計、開發及銷售。

重組

根據旨在優化本集團之架構以籌備本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市之重組(「重組」)，本公司透過發行股份換取SIM Technology Group (BVI) Limited(「STG」)之全部已發行股本，於二零零五年六月三日成為本集團之控股公司。重組之詳情載於本公司日期為二零零五年六月二十一日之招股章程。

本公司股份於二零零五年六月三十日起已在香港聯交所主板上市。

重組後本集團被視為持續經營實體。因此，綜合財務報表已按符合合併權益之方法，並根據共同控股股東於各個別公司分別應佔之股權為基準編製。

Notes to the Financial Statements (continued)

財務報表附註 (續)

2. PRESENTATION OF FINANCIAL STATEMENTS

The presentation currency of the financial statements of the Group was changed from Renminbi to Hong Kong dollars, which is the functional currency of the Company, during the current year. The directors consider that the change has resulted in a more appropriate presentation. Comparative amounts have been restated in Hong Kong dollars in order to achieve a consistent presentation.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Standards and Interpretations (hereinafter collectively referred to as “new IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2005. The adoption of the new IFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and the consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new IFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results for the current accounting periods are prepared and presented.

The impact of the changes in accounting policies is discussed below. The impact on earnings per share is discussed in note 16.

2. 財務報表呈列

於本期間，本集團財務報表的呈列貨幣由人民幣轉為港元(本公司的功能貨幣)。董事認為該變動能達致更恰當呈列方式。比較金額已重列為港元以達致一致之呈列。

3. 採納新訂及經修訂國際財務報告準則

於本年度，本集團已採納由國際會計準則委員會(「IASB」)及國際財務報告解釋委員會(「IFRIC」)頒布與其業務有關並適用於二零零五年一月一日或以後開始會計年度的所有新訂及經修訂準則及詮釋(以下統稱為「新國際財務報告準則」)。採納新國際財務報告準則已導致綜合收益表、綜合資產負債表及綜合股權變動表之呈列變動。尤其為少數股東權益的呈列已出現變動。呈列的變動已追溯應用。採納新國際財務報告準則導致本集團會計政策於以下方面出現變動，並對現有會計期間業績的編製和呈列產生影響。

會計政策變動的影響於下文討論。每股盈利的影響於附註16討論。

Notes to the Financial Statements (continued)

財務報表附註 (續)

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Business combinations

In the current year, the Group has applied IFRS 3 “Business Combinations” which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of IFRS 3 to the Group are summarised below:

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as “negative goodwill”)

In accordance with IFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition (“discount on acquisition”) is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisitions prior to 1 January 2001 was held in reserves, and negative goodwill arising on acquisitions after 1 January 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. The change in accounting policy has had no impact to the financial statements and no prior year adjustment has been required.

3. 採納新訂及經修訂國際財務報告準則 (續)

業務合併

於本年度，本集團已應用國際財務報告準則第3號「業務合併」，該準則適用於協議日期為二零零五年一月一日或以後的業務合併。採納國際財務報告準則第3號對本集團的主要影響摘錄如下：

本集團於被收購公司可識別資產、負債及或然負債的公平淨值權益高出成本值的剩餘價值(過去稱為「負商譽」)

根據國際財務報告準則第3號，本集團於被收購公司可識別資產、負債及或然負債的公平淨值權益高出收購成本值的剩餘價值(「收購折讓」)，於收購發生期間即時於損益賬確認。於過往期間，二零零一年一月一日以前收購產生的負商譽計入儲備，二零零一年一月一日以後收購產生的負商譽則呈列為資產扣減項目，並根據導致該結餘的環境分析轉撥至收入。會計政策的變動對財務報表並未造成影響，且並無為過往年度作出調整。

Notes to the Financial Statements (continued)

財務報表附註(續)

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IFRS 2 Share-based payments

In the current year, the Group has applied IFRS 2 Share-based Payment which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of IFRS 2 on the Group is in relation to the expensing of the fair value of directors' and employees' share options of the Company determined at the date of grant of the share options over the vesting period. The Group has applied IFRS 2 to share options granted on or after 1 January 2005. The effect of the changes in the accounting policy has resulted in the decrease of the net profit for the current year by approximately HK\$6,670,000 (included in administrative expenses) being the recognition of share based payments for the current year, and a corresponding increase to share options reserve. The Company did not grant any option before 1 January 2005 and no prior year adjustment has been required.

3. 採納新訂及經修訂國際財務報告準則(續)

國際財務報告準則第2號「以股份為基礎付款」

於本年度，本集團已應用國際財務報告準則第2號「以股份為基礎付款」，該準則規定本集團須就作為交換購買貨品或獲得服務的股份或購股權（「股本結算交易」），或就作為交換其他價值相等於某股份或購股權數目之其他資產（「現金結算交易」）確認為開支入賬。國際財務報告準則第2號對本集團的主要影響，為就董事及僱員所持有本公司購股權按授出購股權當日釐定的公平值在歸屬期內列為開支項目。本集團已就二零零五年一月一日或以後授出的購股權應用國際財務報告準則第2號。會計政策變動的影響為導致本年度純利下降約6,670,000港元（即本年度以股份為基礎付款之確認（已計入為行政開支），以及購股權儲備所作的相應增加。本公司於二零零五年一月一日以前未有授出任何購股權，且並無為過往年度作出調整。

Notes to the Financial Statements (continued)

財務報表附註(續)

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)**3. 採納新訂及經修訂國際財務報告準則(續)**

The Group has not early applied, the following new standards and interpretations and amendments that were issued but are not yet effective:

本集團並未提早採納以下已頒布惟未生效的新準則及詮釋及修訂：

IAS 1 (Amendment) 國際會計準則第1號(修訂)	Capital disclosures ¹ 資本披露 ¹
IAS 19 (Amendment) 國際會計準則第19號(修訂)	Actuarial gains and losses, group plans and disclosures ² 精算收益及虧損、集團計劃及披露 ²
IAS 21 (Amendment) 國際會計準則第21號(修訂)	Net investment in foreign operation ² 外國業務淨投資 ²
IAS 39 (Amendment) 國際會計準則第39號(修訂)	Cash flow hedge accounting of forecast intragroup transactions ² 集團內公司之間交易預測的現金流量對沖會計 ²
IAS 39 (Amendment) 國際會計準則第39號(修訂)	The fair value option ² 公平值選擇權 ²
IAS 39 & IFRS 4 (Amendments) 國際會計準則第39號及國際財務報告準則第4號(修訂)	Financial guarantee contracts ² 財務擔保合約 ²
IFRS 6 國際財務報告準則第6號	Exploration for and evaluation of mineral resources ² 勘探和評估礦產資源 ²
IFRS 7 國際財務報告準則第7號	Financial instruments: Disclosures ¹ 金融工具：披露 ¹
IFRIC-INT 4 IFRIC — 詮釋4	Determining whether an arrangement contains a lease ² 釐定安排是否包括租賃 ²
IFRIC-INT 5 IFRIC — 詮釋5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ² 獲得因退出、恢復及環境修復基金所產生權益的權利 ²
IFRIC-INT 6 IFRIC — 詮釋6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment ³ 因參與特定市場 — 廢棄電器及電子設備所產生負債 ³
IFRIC-INT 7 IFRIC — 詮釋7	Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economies ⁴ 應用國際會計準則第29號「惡性通貨膨脹經濟財務報告」的重列方法 ⁴
IFRIC-INT 8 IFRIC — 詮釋8	Scope of IFRS 2 ⁵ 國際財務報告準則第2號範圍 ⁵
IFRIC-INT 9 IFRIC — 詮釋9	Reassessment of Embedded Derivatives ⁶ 再評估嵌入衍生工具 ⁶

Notes to the Financial Statements (continued)

財務報表附註 (續)

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2007.
- ² Effective for annual periods beginning on or after 1 January 2006.
- ³ Effective for annual periods beginning on or after 1 December 2005.
- ⁴ Effective for annual periods beginning on or after 1 March 2006.
- ⁵ Effective for annual periods beginning on or after 1 May 2006.
- ⁶ Effective for annual periods beginning on or after 1 June 2006.

The Group has considered these standards, interpretations and amendments but does not expect they will have material effect on how the results of the operations and financial position of the Group are prepared and presented.

4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are initially measured at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

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

3. 採納新訂及經修訂國際財務報告準則 (續)

- ¹ 適用於二零零七年一月一日或以後開始的年度期間。
- ² 適用於二零零六年一月一日或以後開始的年度期間。
- ³ 適用於二零零五年十二月一日或以後開始的年度期間。
- ⁴ 適用於二零零六年三月一日或以後開始的年度期間。
- ⁵ 適用於二零零六年五月一日或以後開始的年度期間。
- ⁶ 適用於二零零六年六月一日或以後開始的年度期間。

本集團已考慮此等準則、詮釋及修訂，惟預期其不會對編製和呈列本集團業務及財政狀況構成重大影響。

4. 重大會計政策

綜合財務報表已根據國際財務報告準則編製。此外，綜合財務報表載入聯交所證券上市規則及香港公司條例規定的適用披露。

綜合財務報表已按歷史成本基準編製，惟最初以公平值計量的金融工具除外。

合併基準

綜合財務報表載入本公司及其附屬公司的財務報表。

年內已收購或已出售附屬公司的業績由收購生效日期起或截至出售生效日期止在適當情況下列入綜合收益表。

Notes to the Financial Statements (continued)

財務報表附註(續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

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

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

Excess of an acquirer's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over cost ("discount on acquisition")

A discount on acquisition arising on an acquisition of a subsidiary for which an agreement date is on or after 1 January 2005 represents the excess of the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination. Discount on acquisition is recognised immediately in profit or loss.

Negative goodwill arising on acquisitions before 1 January 2005 is presented as deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

4. 重大會計政策(續)

合併基準(續)

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

所有集團成員公司之間的交易、結餘、收入及開支於合併時撇銷。

少數股東權益應佔之合併附屬公司資產淨值於賬目內與本集團的股本分開呈列。少數股東權益所佔資產淨值包括原來業務合併日期的該等權益金額，以及自合併日期起少數股東應佔的股權變動。少數股東應佔虧損超出少數股東應佔附屬公司權益的金額於本集團權益對銷，惟於少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損者除外。

收購公司所佔被收購公司可識別資產、負債及或然負債的公平淨值權益高出成本值的剩餘價值(「收購折讓」)

收購附屬公司(其協議日期為二零零五年一月一日或以後)產生的收購折讓，即被收購公司可識別資產、負債及或然負債的公平淨值高出業務合併成本值的剩餘價值。收購折讓即時於損益賬內確認。

於二零零五年一月一日以前產生的負商譽呈列為資產扣減項目，並根據導致該結餘的環境分析轉撥至收入。

Notes to the Financial Statements (continued)

財務報表附註 (續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Excess of an acquirer's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over cost ("discount on acquisition") (continued)

To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.

Revenue recognition

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

Sales of goods are recognised when goods are delivered and title has passed.

Services provided are recognised when the services are rendered.

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

4. 重大會計政策 (續)

收購公司所佔被收購公司可識別資產、負債及或然負債的公平淨值權益高出成本值的剩餘價值(「收購折讓」)(續)

倘負商譽乃因收購日期所預期虧損或開支而引起，則於該等虧損或開支產生的期間轉撥為收入。其餘負商譽於可識別已收購須折舊資產的餘下平均可使用年期以直線法確認為收入。倘該負商譽超出已收購可識別非貨幣資產的公平總值，則即時於收入內確認。

收入確認

收入按日常業務過程中就提供貨品及服務所收取或應收取代價(已扣除折扣及銷售有關稅項)的公平值計量。

貨品銷售於貨品已交付及其所有權已移交時確認。

已提供服務於服務已提供時予以確認。

利息收入按時間基準累計，並參考未償還本金及適用的實際利率，該利率為就資產的賬面淨額，透過金融資產預算年期，準確貼現估計未來所獲現金數額。

Notes to the Financial Statements (continued)

財務報表附註(續)

4. SIGNIFICANT ACCOUNTING POLICIES
(continued)**Foreign currencies**

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

4. 重大會計政策(續)

外幣

於編製每間個別集團實體的財務報表時，倘交易的貨幣(外幣)與實體的功能貨幣不同，則以其功能貨幣(實體經營業務的主要經濟環境)按交易日期適用的匯率換算入賬。於每個結算日，以外幣為面值的貨幣項目按結算日適用的匯率換算。外幣列值以公平值入賬的非貨幣項目，按釐定公平值日期適用匯率換算。惟外幣列值以歷史成本入賬的非貨幣項目則不予換算。

於結算及換算貨幣項目所產生的匯兌差異，於其產生期間在損益賬內確認。於再換算以公平值入賬的非貨幣項目產生的匯兌差異則計入損益賬，惟因再換算有關收益及虧損直接於股本中確認的非貨幣項目時產生的差異則除外，於該情況下，其匯兌差異亦直接於股本中確認。

為呈列綜合財務報表的目的，本集團境外業務的資產及負債均以結算日適用匯率換算為本公司的呈列貨幣(即港元)，而其收入及開支則以本年度平均匯率予以換算。產生的匯兌差異確認為一個股本的獨立構成部份(換算儲備)。該匯兌差異於該境外業務被出售期間於損益賬內確認。

Notes to the Financial Statements (continued)

財務報表附註 (續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The Group's liability for current tax is calculating using tax rate that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

4. 重大會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年應課稅溢利計算。應課稅溢利不包括已其他年度的應課稅或應扣減之收入或開支項目，亦不包括從未課稅或可扣稅之項目，故與收益賬所列溢利不同。本集團本期稅項負債乃按已於結算日實施或大致實施之稅率計算。

遞延稅項以財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差異入賬，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則按可能出現可供動用可扣減暫時差額之所有應課稅溢利而予以確認。倘若暫時差額由商譽或由初次確認一項不影響應課稅溢利或會計溢利之其他資產及負債(業務合併除外)所產生，則不會確認有關資產及負債。

遞延稅項負債確認於附屬公司之投資而引致之應課稅暫時差額，惟倘本集團可控制暫時差額之逆轉，且暫時差額大概不會於可見將來逆轉除外。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供收回全部或部分資產為止。

Notes to the Financial Statements (continued)

財務報表附註(續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Leasing

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

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the relevant lease terms. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Government subsidies

Government subsidies are recognised as income when received and the conditions for the grants are met.

Retirement benefit costs

Payments to state-managed retirement benefits schemes and the Mandatory Provident Fund Scheme are charged as an expense as they fall due.

Property, plant and equipment

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

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

4. 重大會計政策(續)

稅項(續)

遞延稅項按預期於清還負債或變現資產年度採用之已頒行或大致上已頒行之稅率計算。遞延稅項從收益賬中扣除或計入收益賬，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目，則在該情況下遞延稅項亦於股本中處理。

租賃

倘租賃期條款將所有權絕大部分風險及回報轉讓予承租人，則租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

根據經營租賃而應付之租金，在有關之租賃期內以直線法在收益賬中支銷。就訂立經營租賃作為獎勵已收及應收之利益亦於租賃期內以直線法分攤。

政府撥款

政府撥款於收到並在符合撥款之條件後確認為收入。

退休福利成本

向國家管理之福利計劃及強制公積金計劃支付之供款，於到期時列作開支支銷。

物業、廠房及設備

除在建工程外，物業、廠房及設備按成本減其後累計折舊以及任何累計減值虧損列賬。

在建工程指處於建設過程中之生產或自用之物業、廠房及設備。在建工程按成本減任何已確認之減值虧損列賬。在建工程於完成及可供使用時分類為適當類別之物業、廠房及設備。該等資產之折舊於資產可投入原定用途時按與其他物業資產相同之基準開始提撥。

Notes to the Financial Statements (continued)

財務報表附註 (續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation is provided using the straight-line method to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives after taking into account of their estimated residual value.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Land use rights

Land use rights comprise land held under operating lease arrangements and are amortised on a straight-line basis over the lease terms.

Impairment of tangible and intangible assets (excluding goodwill and intangible assets with indefinite useful lives)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent to the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

4. 重大會計政策 (續)

物業、廠房及設備 (續)

每項物業、廠房及設備按估計使用年期內，經計及其估計剩餘價值後，使用直線法作折舊，以撇銷物業、廠房及設備 (在建工程除外) 之成本。

出售或棄用物業、廠房及設備時所產生之盈虧為出售所得款項與資產賬面值之差額，並於損益賬內確認。

土地使用權

土地使用權包括根據經營租賃安排持有之土地，以直線法於租賃期內攤銷。

有形資產及無形資產減值 (不包括無固定可使用年期之商譽及無形資產)

於每一結算日，本集團檢討其有形及無形資產賬面值，以釐定是否有任何證據顯示該等資產蒙受減值虧損。倘若任何該等證據存在，須對一項資產之可收回款項作出估計，以決定減值虧損 (如有) 之數額。倘若未能估計個別資產之可收回款項，本集團則估計該項資產所屬賺取現金單位之可收回款項。

可收回款項為公平價值減出售成本或使用價值 (以兩者之較高者為準)。於評估使用價值時，估計未來現金流量乃使用除稅前貼現率貼現至其現值，以反映金額時間價值之現行市場評估及資產特定之風險。

倘若一項資產 (或賺取現金單位) 之可收回款項估計為少於其賬面值，該項資產 (賺取現金單位) 之賬面值削減至其可收回款項。減值虧損即時於損益內確認，而除非有關資產以重估數額列賬，則減值虧損被視為重估減少。

Notes to the Financial Statements (continued)

財務報表附註(續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets (excluding goodwill and intangible assets with indefinite useful lives) (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Internally-generated intangible assets—research and development expenditure

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

An internally-generated intangible asset arising from development expenditure is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred.

4. 重大會計政策(續)

有形資產及無形資產減值(不包括無固定可使用年期之商譽及無形資產)(續)

當減值虧損其後撥回時，該項資產之賬面值增至其可收回款項之經修訂估計金額，但所增加之賬面值不得超過該項資產於以往年度原未確認減值虧損所釐定之賬面值。撥回減值虧損即時於損益內確認，而除非有關資產以重估數額列賬，則撥回減值虧損被視為重估增加。

內部產生無形資產—研究及開發支出

研究活動之支出於產生之期間確認為開支。

從開發支出產生之內部產生無形資產，只會於符合以下所有條件之情況下才會確認：

- 所增設之資產為可予識別(例如軟件及新流程)；
- 所增設之資產可能將產生未來經濟利益；及
- 資產之開發成本能可靠地計量。

內部產生無形資產於其可使用年期以直線法予以攤銷。當並無內部產生無形資產可以確認時，開發支出於產生之年度確認為開支。

Notes to the Financial Statements (continued)

財務報表附註 (續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

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

Financial instruments

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

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

4. 重大會計政策 (續)

存貨

存貨按成本及可變現淨值兩者中之較低者入賬。成本包括直接原料及直接勞工成本及將存貨運往現址及達致現況所耗用之間接成本。成本按加權平均方法計算。可變現淨值乃指預期之售價減去估計產品完成時之所有成本以及市場推廣、銷售及分銷所招致之成本。

金融工具

當一家集團公司成為工具合約條文之一方，金融資產及金融負債於資產負債表內確認。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本(經損益賬按公平值入賬之金融資產及金融負債除外)乃於初步確認時按適當情況加入或從金融資產或金融負債之公平值扣除。

當本集團成為工具合約條文之一方，金融資產及金融負債於本集團之資產負債表內確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Loans and receivables

The Group's financial assets only comprise of loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivables, notes and bills receivable and other receivables and deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

The Group's financial liabilities are classified as other financial liabilities. Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including bank and other borrowings, trade payables, other payables, deposits and accruals and amounts due to related parties and directors are initially measured at fair values and subsequently measured at amortised cost, using the effective interest rate method.

4. 重大會計政策(續)

金融工具(續)

貸款及應收款項

本集團之金融資產只包括貸款及應收款項。貸款及應收款項為並未於交投活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項(包括貿易應收款項、應收債券及票據，以及其他應收款項及按金)使用實際利率法按攤銷成本減任何可識別減值虧損列賬。當有客觀證據顯示該等資產已減值，則於損益賬內確認減值虧損，並以資產之賬面值與按原本實際利率貼現之估計未來現金流量之現值兩者之差額計量。當於確認減值後發生一項事件可以客觀地與資產可收回款項增加形成關係，減值虧損於其後期間撥回，但受所撥回於減值日期資產之賬面值，不得超過該項資產原未確認減值之已攤銷成本所限制。

金融負債及股本

本集團之金融負債列為其他金融負債。本集團所發行之金融負債及股本工具乃根據所訂立合約安排之內容，及金融負債和股本工具之定義予以分類。股本工具為證明於本集團資產之餘額權益經扣除其所有負債後之任何合約。就金融負債及股本工具採納之會計政策載列如下。

其他金融負債

其他金融負債包括銀行及其他借貸、貿易應付款項、其他應付款項、按金及應計項目，及應付有關連人士及董事之款項，初步按公平價值計量，而其後則使用實際利率法按攤銷成本計量。

Notes to the Financial Statements (continued)

財務報表附註 (續)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Equity instruments

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

Equity share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (Employee share-based compensation reserve).

At the time when the share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share premium. When the share options are still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will be transferred to retained earnings.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Allowances for bad and doubtful debts

The provision policy for bad and doubtful debts of the Group is based on the evaluation of collectibility and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

4. 重大會計政策 (續)

金融工具 (續)

股本工具

本公司發行之股本工具以已收所得款項扣除直接發行成本後記錄。

以股份付款之交易

已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定，以直線法於歸屬期支銷，並相應增加股本(僱員股份酬金儲備)。

於行使購股權時，以往於僱員股份酬金儲備確認之款項，將撥入股份溢價。當購股權於屆滿日期仍未行使時，以往於僱員股份酬金儲備確認之款項，將撥入保留盈利。

5. 估計未明朗因素的主要來源

有關未來的主要假設，以及於結算日進行估計不明朗因素之其他主要來源在下文論述，兩者在對下個財政年度資產及負債之賬面值作出重大調整均具有重大風險。

呆壞賬撥備

本集團之呆壞賬撥備政策是根據對款項收回性之評估、賬戶之賬齡分析及管理層之判斷作出。在評估該等應收款項之最終變現時需要作大量判斷，包括現時之信譽、每名客戶之過往收款紀錄。倘本集團客戶之財務狀況惡化，會損害其還款能力，因而有可能需要額外撥備。

Notes to the Financial Statements (continued)

財務報表附註(續)

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Write-down of inventories

The management of the Group reviews an aging analysis at each balance sheet date, and identify the slow-moving inventory items that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and work-in-progress based primarily on the latest invoice prices and current market conditions. In addition, the Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowance for obsolete items.

Deferred tax asset

As at 31 December 2005, a deferred tax asset of approximately HK\$2,586,000 (2004: HK\$3,108,000) in relation to allowance for inventories and trade receivables has been recognised in the Group's balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax asset may arise, which would be recognised in the income statement for the period in which such a reversal takes place.

Amortisation of intangible assets

The carrying amount of the Group's intangible assets (included licence fee and development costs) as at 31 December 2005 was approximately HK\$46,958,000 (2004: HK\$25,319,000). Licence fee and development costs are amortised on a straight line basis over a period of 36 months and 9 months respectively. The amortisation periods that the Group used to amortise intangible assets reflects the directors' best estimate of the life cycle of the products.

Impairment of intangible assets

Determining whether intangible assets is impaired requires an estimation of the future cash flows expected to arise from the products developed and a suitable discount rate in order to calculate present value. The carrying amount of intangible assets at 31 December 2005 was HK\$46,958,000 (2004: HK\$25,319,000) with no impairment loss recognised.

5. 估計未明朗因素的主要來源(續)

撇銷存貨

本集團管理層於結算日審閱賬齡分析，並對確認為不再適用於生產之過時及滯銷存貨進行撥備。管理層估計此等製成品及在製品之可變現淨值主要根據最近期之發票價格及目前市況而釐定。本集團於結算日對每種產品進行盤點，並對過時品種作出撥備。

遞延稅項資產

於二零零五年十二月三十一日，本集團之資產負債表中確認一項與存貨及應收貿易賬款撥備有關之遞延稅項資產約2,586,000港元(二零零四年：3,108,000港元)。變現該遞延稅項資產主要視乎是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利低於預期，遞延稅項資產可能須作重大撥回，並於有關撥回發生之期間在收益表內確認。

無形資產攤銷

於二零零五年十二月三十一日，本集團之無形資產(包括許可證費及開發成本)賬面值約為46,958,000港元(二零零四年：25,319,000港元)。許可證費及開發成本分別於三十六個月及九個月之期間按直線法攤銷。本集團用以攤銷無形資產之攤銷期反映董事對產品之可使用週期之最適度估計。

無形資產減值

釐定無形資產是否減值，須對已開發產品之預計未來現金流量及合適之折讓率作出估計，以計算有關之現值。截至二零零五年十二月三十一日，無形資產之賬面價值為46,958,000港元(二零零四年：25,319,000港元)，並無確認任何減值虧損。

Notes to the Financial Statements (continued)

財務報表附註(續)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables and payables, notes receivables, other receivables and payables, bank balances and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group's transactions are mainly denominated in Renminbi (the functional currency of most group companies) and United States dollars and the exchange rate fluctuation between Renminbi and United States dollars is not significant.

Certain trade receivables and payables and borrowings of the Group are denominated in United States dollars and is therefore exposed to United States dollar currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Fair value interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate bank borrowings.

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

6. 財務風險管理目標及政策

本集團之主要金融工具包括應收及應付貿易賬款、應收票據、其他應收及應付款項、銀行結餘及銀行借款。該等金融工具詳情於各有關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

貨幣風險

本集團之交易主要以人民幣(大部分集團公司之功能貨幣)及美元結算。人民幣及美元之匯率波動並不重大。

本集團若干應收及應付貿易款項及借貸乃以美元計值，因此承受美元貨幣風險。本集團現時尚無外幣對沖政策。然而，管理層監控外匯風險，並會考慮於必要時對沖重大外幣風險。

公平值利率風險

本集團之公平值利率風險主要與定息銀行借款有關。

本集團現時並無利率對沖政策。然而，管理層會監控利率風險，並會考慮於必要時對沖重大利率風險。

Notes to the Financial Statements (continued)

財務報表附註(續)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Credit risk**

The Group's credit risk are primarily attributable to trade receivables, other receivables, notes and bills receivables and bank balances.

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. The Group's bank balances and cash are deposited with banks in Hong Kong and the PRC and the Group has limited the exposure to any single financial institution. The credit risk on liquid funds is limited because the counterparties are banks with good credit-rating. The Group has concentration of credit risks with exposure limited to certain counterparties and customers, the management closely monitors the subsequent settlement of the customers and does not grant long credit period to the counterparties. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

7. TURNOVER

Turnover represents the amounts received and receivable for goods sold net of returns.

8. BUSINESS AND GEOGRAPHICAL SEGMENTS**Business segments**

The Group is currently organised into four revenue streams—sale of LCD modules and others, sale of wireless module solutions, sale of complete mobile handsets and sale of handset design solutions (in SKD/CKD form). These revenue streams are the basis on which the Group reports its primary segment information.

6. 財務風險管理目標及政策(續)**信貸風險**

本集團之信貸風險主要歸因於應收貿易賬款、其他應收賬款、應收票據及賬單，以及銀行存款結餘。

倘對手方於二零零五年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認金融資產所須承受之最大信貸風險為列於綜合資產負債表之資產之賬面金額。為盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團定期評估每項個別貿易應收款之可收回金額，以確保就不可收回金額所作出足夠之減值虧損。本集團之銀行存款餘額及現金存於香港及中國之銀行，本集團就任何單一財務機構之風險設限。流動資金之信貸風險有限，因為對手方均為具良好評級之銀行。本集團之信貸風險集中限於若干合作方及客戶，管理層將密切監控客戶往後之結算及不會向對手方授出長久信貸期。就此而言，本公司董事認為本集團之信貸風險已大大降低。

7. 營業額

營業額指所售貨品扣除退貨後之已收及應收款項。

8. 業務及地區分類**業務分類**

本集團現時分有四個收入來源—銷售液晶顯示模塊及其他；銷售無線模塊解決方案；銷售完整移動手機以及銷售手機設計解決方案(形式為半製成組裝套件/組裝零件)。該等收入來源為本集團分類資料之主要呈報基準。

Notes to the Financial Statements (continued)

財務報表附註 (續)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

8. 業務及地區分類 (續)

Business segments (continued)

Segment information about these businesses is presented below:

Income statement

For the year ended 31 December 2005

業務分類 (續)

此等業務的分類資料呈報如下：

收入報表

截至二零零五年十二月三十一日止年度

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他 HK\$'000 千港元	Sale of Wireless module solutions 銷售 無線模塊 解決方案 HK\$'000 千港元	Sale of complete mobile handsets 銷售完整 移動手機 HK\$'000 千港元	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 組裝套件/ 組裝零件) HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額						
External sales	對外銷售	752,338	221,417	261,425	1,484,405	-	2,719,585
Inter-segment sales	分類之間銷售	185,095	-	-	-	(185,095)	-
		937,433	221,417	261,425	1,484,405	(185,095)	2,719,585
Result	業績						
Segment result	分類業績	41,515	21,667	45,169	214,592	-	322,943
Unallocated other income	未分配其他收入						16,667
Unallocated corporate expenses	未分配公司開支						(26,609)
Finance costs	融資成本						(4,516)
Profit before taxation	除稅前溢利						308,485
Taxation	稅項						(13,424)
Profit for the year	本年度溢利						295,061

Inter-segment sales are charged at prevailing market prices.

分類之間銷售額按當時市價計算。

Notes to the Financial Statements (continued)

財務報表附註(續)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

8. 業務及地區分類(續)

Business segments (continued)

Balance sheet

At 31 December 2005

業務分類(續)

資產負債表

截至二零零五年十二月三十一日

		Sale of LCD modules and others 銷售 液晶顯示 模塊及其他 HK\$'000 千港元	Sale of wireless module solutions 銷售 無線模塊 解決方案 HK\$'000 千港元	Sale of complete mobile handsets 銷售完整 移動手機 HK\$'000 千港元	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 組裝套件/ 組裝零件) HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產					
Segment assets	分類資產	458,483	26,880	5,527	291,282	782,172
Unallocated corporate assets	未分配公司資產					679,745
Consolidated total assets	綜合資產總值					1,461,917
Liabilities	負債					
Segment liabilities	分類負債	95,543	-	-	-	95,543
Segment liabilities attributable to business segment other than sale of LCD modules and others	除銷售LCD模塊及其他以外之業務分類應佔之分類負債					340,940
Unallocated corporate liabilities	未分配公司負債					5,562
Consolidated total liabilities	合併總負債					442,045

Notes to the Financial Statements (continued)

財務報表附註 (續)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

8. 業務及地區分類 (續)

Business segments (continued)

Other information

For the year ended 31 December 2005

業務分類 (續)

其他資料

截至二零零五年十二月三十一日止年度

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他	Sale of wireless module solutions 銷售 無線模塊 解決方案	Sale of complete mobile handsets 銷售完整 移動手機	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 套件/ 組裝零件)	Elimination 對銷	Consolidated 綜合
		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
Additions of property, plant and equipment	添置物業、 廠房及設備	18,790	2,211	257	18,970	-	40,228
Additions of intangible assets	添置無形資產	5,453	3,085	-	55,167	-	63,705
Depreciation of property, plant and equipment	物業、廠房及 設備之折舊	8,112	436	25	2,766	-	11,339
Amortisation of intangible assets	無形資產攤銷	8,665	9,459	637	23,429	-	42,190
Allowances for bad and doubtful debts	呆壞賬撥備	1,723	139	-	3,126	-	4,988
Write-down (reversal) of inventories	撇銷(撥回) 存貨	1,285	2,472	-	(1,900)	-	1,857
Loss on disposal of property, plant and equipment	出售物業、 廠房及設 備虧損	314	21	-	119	-	454

Notes to the Financial Statements (continued)

財務報表附註(續)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

8. 業務及地區分類(續)

Business segments (continued)

Income statement

For the year ended 31 December 2004

業務分類(續)

收入報表

截至二零零四年十二月三十一日止年度

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他 HK\$'000 千港元	Sale of wireless module solutions 銷售 無線模塊 解決方案 HK\$'000 千港元	Sale of complete mobile handsets 銷售完整 移動手機 HK\$'000 千港元	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 套件/ 組裝零件) HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額						
External sales	對外銷售	537,898	120,350	142,904	765,922	-	1,567,074
Inter-segment sales	分類之間銷售	38,604	-	-	-	(38,604)	-
		576,502	120,350	142,904	765,922	(38,604)	1,567,074
Result	業績						
Segment result	分類業績	55,584	9,515	17,963	133,697	-	216,759
Unallocated other income	未分配其他收入						1,286
Unallocated corporate expenses	未分配公司開支						(692)
Finance costs	融資成本						(4,768)
Gain on disposal of a subsidiary	出售附屬公司收益						112
Profit before taxation	除稅前溢利						212,697
Taxation	稅項						(13,475)
Profit for the year	年度溢利						199,222

Inter-segment sales are charged at prevailing market prices.

分類之間銷售按當時市價計算。

Notes to the Financial Statements (continued)

財務報表附註(續)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

8. 業務及地區分類(續)

Business segments (continued)

Balance sheet

At 31 December 2004

業務分類(續)

資產負債表

於二零零四年十二月三十一日

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他 HK\$'000 千港元	Sale of wireless module solutions 銷售 無線模塊 解決方案 HK\$'000 千港元	Sale of complete mobile handsets 銷售完整 移動手機 HK\$'000 千港元	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 套件/ 組裝零件) HK\$'000 千港元	Consolidated 合併 HK\$'000 千港元
Assets	資產					
Segment assets	分類資產	434,039	70,628	122,706	82,956	710,329
Unallocated corporate assets	未分配公司 資產					218,557
Consolidated total assets	合併總資產					928,886
Liabilities	負債					
Segment liabilities	分類負債	148,867	-	-	-	148,867
Segment liabilities attributable to business segments other than sale of LCD modules and others	除液晶顯示模 塊及其他之 銷售外業務 分類應佔之 分類負債					290,367
Unallocated corporate liabilities	未分配公司負債					245,711
Consolidated total liabilities	合併總負債					684,945

Notes to the Financial Statements (continued)

財務報表附註(續)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

8. 業務及地區分類(續)

Business segments (continued)

Other information

For the year ended 31 December 2004

業務分類(續)

其他資料

截至二零零四年十二月三十一日止年度

	Sale of LCD modules and others	Sale of wireless module solutions	Sale of complete mobile handsets	Sale of handset design solutions (in SKD/CKD form)	Elimination	Consolidated	
	銷售液晶顯示模塊及其他	銷售無線模塊解決方案	銷售完整移動手機	銷售手機設計解決方案(形式為半製成套件/組裝零件)	對銷	綜合	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	
Additions of property, plant and equipment	添置物業、廠房及設備	55,132	474	-	4,250	-	59,856
Additions of land use right	添置土地使用權	10,508	-	-	-	-	10,508
Additions of intangible assets	添置無形資產	7,728	4,512	-	24,578	-	36,818
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	4,504	-	-	376	-	4,880
Amortisation of intangible assets	無形資產攤銷	6,631	4,813	-	20,298	-	31,742
Allowances for bad and doubtful debts	呆壞賬撥備	749	-	-	-	-	749
Write-down of inventories	撇銷存貨	2,601	15,951	-	-	-	18,552

Geographical segment

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC"), which is considered as one geographical location for segment reporting. The Group's assets are substantially located in the PRC. Accordingly, no analysis of the carrying amount of segment assets, additions to property, plant and equipment and intangible assets is presented.

地區分類

本集團主要在香港及中華人民共和國(「中國」, 就業務分類而言被視為一個地區)經營業務。本集團之資產主要位於中國。因此, 並無就所呈列之分類資產、添置物業、廠房及設備以及無形資產之賬面值作出分析。

Notes to the Financial Statements (continued)

財務報表附註(續)

9. OTHER INCOME

9. 其他收入

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Refund of Value Added Tax (Note)	退回增值稅(附註)	46,752	27,593
Government subsidies	政府撥款	3,800	2,590
Interest income	利息收入	5,663	604
Foreign exchange gain	匯兌收益	11,004	-
Negative goodwill released to income statement	撥回收益表之負商譽	-	512
Others	其他	-	170
		67,219	31,469

Note: Shanghai Simcom Limited ("Shanghai Simcom") is engaged in the business of distribution of self-developed and produced software. Under the current PRC tax regulation, it is entitled to a refund of Value Added Tax paid for sales of self-developed software in the PRC.

附註：希姆通信息技術(上海)有限公司(「上海希姆通」)從事分銷自行開發及生產之軟件。根據現行中國稅務規例，其有權獲退還於中國銷售自行開發軟件銷售之增值稅。

10. FINANCE COSTS

10. 融資成本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interests on bank borrowings wholly repayable within five years	須於五年內全數償還之 銀行借貸利息	4,516	4,768

Notes to the Financial Statements (continued)

財務報表附註(續)

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

11. 董事及僱員酬金

Directors' emoluments

The emolument paid or payable to each of the directors were as follow:

董事酬金

向每名董事已付或應付之酬金如下：

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

		Directors' fees 董事袍金	Salaries and allowances 薪酬及津貼	Bonus 花紅 (Note) (附註)	Share-based payments 股份付款	Retirement benefits contributions 退休福利計劃供款	Total emoluments 總酬金
		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
Executive directors	執行董事						
Ms Yeung Man Ying	楊文瑛女士	-	-	-	-	-	-
Mr Wong Cho Tung	王祖同先生	-	-	-	-	-	-
Mr Tsang Hen Loon, Raymond	曾憲龍先生	-	2,080	-	498	96	2,674
Mr Zhang Jianping	張劍平先生	-	461	29	498	30	1,018
Mr Wong Hei, Simon	王曦先生	-	461	29	-	-	490
Mr Wong Sun	王晨先生	-	-	-	-	-	-
Ms Tang Rongrong	唐融融女士	-	231	67	125	30	453
Non-executive directors	非執行董事						
Mr Heng Kwo Seng	邢詒春先生	146	-	-	-	-	146
Mr Wang Chengwei	汪誠蔚先生	146	-	-	-	-	146
Mr Zhuang Xingfang	庄行方先生	146	-	-	-	-	146
		438	3,233	125	1,121	156	5,073

Note: Incentive performance bonus which was paid before 31 May 2005.

附註：於二零零五年五月三十一日前支付表現獎勵花紅。

Notes to the Financial Statements (continued)

財務報表附註 (續)

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

11. 董事及僱員酬金 (續)

Directors' emoluments (continued)

董事酬金 (續)

For the year ended 31 December 2004
截至二零零四年十二月三十一日止年度

		Directors' fees	Salaries and allowances	Retirement benefits contributions	Total emoluments
		董事袍金	薪酬及津貼	退休福利計劃供款	總酬金
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors	執行董事				
Ms Yeung Man Ying	楊文瑛女士	—	—	—	—
Mr Wong Cho Tung	王祖同先生	—	—	—	—
Mr Tsang Hen Loon, Raymond	曾憲龍先生	—	—	—	—
Mr Zhang Jianping	張劍平先生	—	383	23	406
Mr Wong Hei, Simon	王曦先生	—	—	—	—
Mr Wong Sun	王晨先生	—	—	—	—
Mrs Tang Rongrong	唐融融女士	—	127	23	150
Non-executive directors	非執行董事				
Mr Heng Kwo Seng	邢詒春先生	—	—	—	—
Mr Wang Chengwei	汪誠蔚先生	—	—	—	—
Mr Zhuang Xingfang	庄行方先生	—	—	—	—
		—	510	46	556

Notes to the Financial Statements (continued)

財務報表附註(續)

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

Employees' emoluments

The five highest paid individuals included two directors for the year ended 31 December 2005 (2004: one), whose emoluments are included in the above. The emoluments of the remaining individuals are as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	2,201	1,703
Bonus	花紅	789	-
Share-based payments	股份付款	764	-
Retirement benefits scheme contributions	退休福利計劃供款	110	79
		3,864	1,782

The aggregated emoluments of each of these remaining three highest paid individuals, one (2004: four) of them fell within the band from Nil to HK\$1,000,000, one (2004: none) of them fell within the band from HK\$1,000,001 to HK\$1,500,000 and one (2004: none) of them fell within the band from HK\$1,500,001 to HK\$2,000,000.

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments for both years.

僱員酬金

五名最高薪酬僱員於截至二零零五年十二月三十一日止年度包括兩名(二零零四年：一名)董事，其酬金已載於上文。餘下最高薪酬人士之酬金如下：

其餘三名最高薪酬人士各自之酬金總額中，一名(二零零四年：四名)之金額介乎零至1,000,000港元，一名(二零零四年：無)酬金介乎1,000,001港元至1,500,000港元，及其中一名(二零零四年：無)介乎1,500,001港元至2,000,000港元之範圍。

年內，本集團並未向任何董事或五名最高薪酬僱員支付任何酬金，作為勸使彼等加入本集團或於彼等加入本集團時向彼等支付之任何款項，或向彼等支付任何款項作為離職補償。於該兩年概無董事放棄其任何酬金。

12. TAXATION

12. 稅項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
PRC income tax	中國所得稅	9,594	13,648
Deferred tax charge (credit) (note 20)	遞延稅項開支(抵免)(附註20)	3,830	(173)
Income tax expense for the year	年內所得稅開支	13,424	13,475

Notes to the Financial Statements (continued)

財務報表附註 (續)

12. TAXATION (continued)

No provision for Hong Kong Profits Tax has been made for both years as the Company and its subsidiaries have no assessable profits arising in Hong Kong.

Pursuant to relevant laws and regulations in the PRC, the Company's PRC subsidiary, Shanghai Simcom is entitled to an exemption from PRC income tax for the two years starting from their first profit-making year, followed by a 50% tax relief for the next three years. No provision for PRC income tax has been made for Shanghai Simcom for both years as fiscal year ended 31 December 2004 is the first profit making year. Another subsidiary of the Company, Shanghai Suncom Logistics Limited ("Suncom Logistics") is entitled to use of a tax rate of 15% because it was registered in the area of Shanghai Wai Gao Qiao Free Trade Zone (上海外高橋保稅區).

PRC income tax is calculated at 27% of estimated assessable profit of the Company's other PRC subsidiaries for both years.

The charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

12. 稅項 (續)

因本公司及其附屬公司於該兩個年度並無於香港產生應課稅溢利，故並未對香港利得稅撥備。

根據中國有關法例及法規，本公司之中國附屬公司上海希姆通於首個獲利年度起計兩年獲豁免繳納中國所得稅，而隨後三年可享用50%之稅務寬免。於兩個有關年度均並未就上海希姆通提撥中國所得稅，因為截至二零零四年十二月三十一日止財政年度為該公司首個獲利年度。本公司另一家附屬公司上海羅捷斯迪電子有限公司（「羅捷斯迪」）由於在上海外高橋保稅區註冊，因此可按15%稅率繳納企業所得稅。

中國企業所得稅按本公司其他中國附屬公司於該兩個年度估計應課稅溢利之27%計算。

年內稅項開支與綜合收益賬中所示之除稅前溢利對賬如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before taxation	除稅前溢利	308,485	212,697
Taxation at the PRC income tax rate of 27% (2004: 27%)	按中國所得稅稅率27%計算之稅項 (二零零四年：27%)	83,291	57,428
Tax effect of expenses not deductible in determining taxable profit	釐訂應課稅溢利時不可扣減之 開支之稅務影響	4,210	7,746
Tax effect of income not taxable for tax purpose	毋須就稅務目的課稅之收入之 稅務影響	(13,410)	(7,239)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	4,906	1,937
Utilisation of tax losses previously not recognised	動用之前未確認之稅務虧損	-	(598)
Income tax on concessionary rate	按優惠稅率計算之所得稅	(1,098)	(9,041)
Effect of tax exemption granted	獲授稅項豁免之影響	(64,475)	(36,758)
Taxation for the year	年內稅項	13,424	13,475

Notes to the Financial Statements (continued)

財務報表附註(續)

13. PROFIT FOR THE YEAR

13. 年內溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit for the year is arrived at after charging:	年內溢利乃經扣除下列各項：		
Auditors' remuneration	核數師薪酬	1,200	274
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷(計入銷售成本)	42,190	31,742
Amortisation of land use right	土地使用權攤銷	282	89
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,806	5,698
Less: Amount capitalised in development costs	減：已資本化開發成本	(1,467)	(818)
		11,339	4,880
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	454	-
Allowances for bad and doubtful debts	呆壞賬撥備	4,988	749
Write-down of inventories (included in cost of sales)	存貨撇減(計入銷售成本)	1,857	18,552
Costs of inventories recognised as expenses	已確認為開支之存貨成本	2,119,751	1,178,248
Staff costs:	員工成本：		
Directors' emoluments (note 11)	董事酬金(附註11)	5,073	556
Other staff costs	其他員工成本		
– Salaries and other benefits	– 薪資及其他福利	104,961	47,837
– Retirement benefits scheme contributions	– 退休福利計劃供款	14,314	6,450
		124,348	54,843
Less: Amount capitalised in development costs	減：已資本化開發成本	(20,692)	(13,357)
		103,656	41,486

Notes to the Financial Statements (continued)

財務報表附註 (續)

14. SHARE-BASED PAYMENTS

The Company had two share option schemes, including pre-initial public offering share option scheme (the “Pre-IPO Share Option Scheme”) and post-initial public offering Share Option Scheme (the “Post-IPO Share Option Scheme”) which were approved on 30 May 2005. The terms and conditions of the Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme are disclosed in note 35. Details of the share options outstanding during the year are as follows:

Outstanding at the beginning of the year	年初未行使
Granted during the year	年內授出
Forfeited during the year	年內失效
Outstanding at the end of the year	年終未行使
Exercisable at the end of the year	年終可予行使

As stated in note 3, the Group has, for the first time, applied IFRS 2 Share-based payments to account for its share options in the current year. In accordance with IFRS 2, fair value of share options granted to employees determined at the date of grant is expensed over the vesting period, with a corresponding adjustment to the Group’s share option reserve. In the current year, an amount of share option expense of approximately HK\$6,670,000 has been recognised with a corresponding adjustment recognised in the Group’s share option reserve.

In the current year, share options were granted under the Pre-IPO Share Option Scheme on 30 May 2005. The fair values of the options determined at the date of grant using the Black-Scholes option pricing model was approximately HK\$28,000,000.

14. 股份為基礎付款

本公司有兩項購股權計劃，包括首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）及首次公開發售後購股權計劃（「首次公開發售後購股權計劃」），此等購股權計劃於二零零五年五月三十日獲批准。首次公開發售前購股權計劃及首次公開發售後購股權計劃之條款及條件在附註35中披露。於年內未行使之購股權計劃之詳情如下：

2005 二零零五年	
Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
—	—
44,000,000	1.02
(3,650,000)	1.02
40,350,000	1.02
—	—

如附註3所載，於本年度，本集團首次採用國際財務報告準則第2號股份為基礎付款處理其購股權。根據國際財務報告準則第2號，於授出日期釐定向僱員授出之購股權之公平價值，於歸屬期內支銷，並於本集團之購股權儲備作相應調整。於本年度，購股權支出金額約6,670,000港元已予確認，並在本集團之購股權儲備確認相應調整。

於本年度，購股權根據首次公開發售前購股權計劃於二零零五年五月三十日授出。採用柏力克－舒爾斯購股權定價模式釐定於授出日期之購股權公平價值約28,000,000港元。

Notes to the Financial Statements (continued)

財務報表附註(續)

14. SHARE-BASED PAYMENTS (continued)

The following assumptions were used to calculate the fair values of share options:

Share price (Note i)	HK\$1.70
Exercise price (Note ii)	HK\$1.02
Expected life of options (Note iii)	10 years
Expected volatility (Note iv)	33.3%
Expected dividend yield	3.9%
Risk free rate	3.8%

For the purposes of calculating of fair value, no adjustment has been made in respect of options expected to be forfeited, due to lack of historical data.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. The changes in subjective input assumptions can materially affect the fair value estimate.

Notes:

- (i) The share price of the Company's shares at the date of grant of the options was estimated to be HK\$1.7 per share, which is equal to the offer price of the listing shares.
- (ii) The exercise price is 60% of the offer price.
- (iii) The options life is 10 years from the date of grant.
- (iv) Expected volatility was determined by calculating the historical volatility of the price of listed companies with similar business with the Group.

14. 股份為基礎付款(續)

採用下列假設計算購股權公平價值：

股價(附註i)	1.70港元
行使價(附註ii)	1.02港元
購股權預計有效年期(附註iii)	10年
預計波動(附註iv)	33.3%
預計股息率	3.9%
無風險利率	3.8%

就計算公平價值而言，因缺少過往數據，故並無就預期將予沒收之購股權作出調整。

柏力克－舒爾斯購股權定價模式需要作出高度主觀之假設，包括股價波動。各項主觀假設之變動均會嚴重影響估計公平價值。

附註：

- (i) 於授出日期，本公司之股份之股價估計為每股1.7港元，與上市股份之發售價相等。
- (ii) 行使價為發售價之60%。
- (iii) 購股權年期為自授出日期起10年。
- (iv) 預期波動乃經計算與本集團經營相類業務之上市公司之價格歷史波動釐定。

Notes to the Financial Statements (continued)

財務報表附註(續)

15. DIVIDENDS

15. 股息

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Dividends paid by a subsidiary to its then shareholders prior to the Reorganisation (Note)	於重組前由附屬公司向其當時之股東支付之股息 (附註)	181,435	-
Dividends per share (HK cents) (Note)	每股股息(港仙)(附註)	16.13	-
The Company Final dividend proposed – HK14 cents (2004: Nil) per share	本公司 擬派末期股息 – 每股14港仙 (二零零四年：無)	210,000	-

Note:

The board of directors of STG approved the payments of dividends amounting to US\$6,401,000 (equivalent to approximately HK\$49,927,000) to its then sole shareholder, Info Dynasty, in January 2005 and US\$16,860,000 (equivalent to approximately HK\$131,508,000) to Info Dynasty and Simcom Limited in May 2005. Info Dynasty and Simcom Limited were the shareholders of STG before the Reorganisation which was completed on 3 June 2005.

The calculation of dividends per share were based on the assumption that the Reorganisation had been completed on 1 January 2005.

The final dividend of HK14 cents per share has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting.

附註：

於二零零五年一月，STG董事會批准向其當時唯一股東Info Dynasty支付股息為數6,401,000美元(相當於約49,927,000港元)，及於二零零五年五月向Info Dynasty及希姆通信息技術有限公司支付16,860,000美元(相當於約131,508,000港元)。於重組前，Info Dynasty及希姆通信息技術有限公司為STG之股東(重組於二零零五年六月三日完成)。

每股股息乃根據重組已於二零零五年一月一日完成之假設計算。

董事會已建議每股14港仙之末期股息，並須待股東於股東週年大會批准，方可作實。

16. EARNINGS PER SHARE

16. 每股盈利

The calculation of earnings per share is based on profit attributable to equity holders of the parent of approximately HK\$290,662,000 (2004: HK\$155,534,000) and on 1,315,068,000 (2004: 1,125,000,000) weighted average number of ordinary shares in issue for the year.

The calculation of weighted average number of ordinary shares for the year ended 31 December 2005 and 2004 were based on the assumption that the Reorganisation had been completed on 1 January 2005 and 1 January 2004 respectively.

每股盈利乃根據母公司股東應佔溢利約290,662,000港元(二零零四年：155,534,000港元)及年內已發行普通股之加權平均數1,315,068,000股(二零零四年：1,125,000,000股)計算。

於截至二零零五年及二零零四年十二月三十一日止年度之普通股之加權平均數，乃分別根據重組已於二零零五年一月一日及二零零四年一月一日完成之假設計算。

Notes to the Financial Statements (continued)

財務報表附註(續)

16. EARNINGS PER SHARE (continued)

No diluted earnings per share has been presented for the year ended 31 December 2005 because the exercise price of the Company's options, after taken into account of the effect of share-based payment, was higher than the average market price for shares during the year.

Diluted earnings per share for the year ended 31 December 2004 was not disclosed as there were no potential ordinary shares outstanding during the year.

Impact of changes in accounting policy

Changes in the Group's accounting policies during the year are described in details in note 3. To the extent that those changes have had an impact on results reported for the year ended 31 December 2005, they have had an impact on the amounts reported for earnings per share. The following table summaries that impact on earnings per share:

Recognition of share-based payments as expenses

The changes in the Group's accounting policies during the year had no impact on results reported for the year ended 31 December 2004, hence they had no impact on the amounts reported for earnings per share.

16. 每股盈利(續)

計入股份為基礎付款之影響，本公司之購股權行使價高於年內股份之平均市價，故並無呈列於截至二零零五年十二月三十一日止年度之每股攤薄盈利。

因於年內並無潛在已發行普通股，故並無披露截至二零零四年十二月三十一日止年度之每股攤薄盈利。

會計政策變動影響

於年內，本集團之會計政策變動詳細載列於附註3。倘該等變動已對截至二零零五年十二月三十一日止年度報告之業績造成影響，則該等變動已對所呈列之每股盈利之金額造成影響。下表概述對每股盈利之影響：

2005
二零零五年
Impact on
earnings
per share
對每股盈利
之影響
HK cents
港仙

確認股份為基礎付款為開支

0.51

於年內，本集團之會計政策之變動並無對截至二零零四年十二月三十一日止年度呈報之業績造成影響，因此該等變動並無對所呈報之每股盈利之金額造成影響。

Notes to the Financial Statements (continued)

財務報表附註 (續)

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Construction in progress 在建工程 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Equipment, furniture and fixtures 設備、傢俬 及裝置 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST 成本								
At 1 January 2004	於二零零四年一月一日	3,864	725	594	26,062	2,083	2,348	35,676
Additions	添置	41,896	-	23	16,625	311	1,001	59,856
Transfer	轉撥	(40,693)	31,010	-	-	9,683	-	-
Disposals	出售	-	-	-	(626)	-	-	(626)
At 1 January 2005	於二零零五年一月一日	5,067	31,735	617	42,061	12,077	3,349	94,906
Additions	添置	12,938	-	1,977	17,838	6,543	932	40,228
Acquired on acquisition of a subsidiary	於收購附屬公司時收購	-	-	409	455	-	-	864
Exchange differences	匯兌差額	97	610	21	800	232	65	1,825
Transfer	轉撥	(7,802)	7,802	-	-	-	-	-
Disposals	出售	-	(738)	(183)	(92)	(39)	-	(1,052)
At 31 December 2005	於二零零五年 十二月三十一日	10,300	39,409	2,841	61,062	18,813	4,346	136,771
DEPRECIATION 折舊								
At 1 January 2004	於二零零四年一月一日	-	398	110	10,872	794	987	13,161
Charge for the year	年內折舊	-	201	287	4,531	307	372	5,698
Eliminated on disposals	於出售時對銷	-	-	-	(227)	-	-	(227)
At 1 January 2005	於二零零五年一月一日	-	599	397	15,176	1,101	1,359	18,632
Charge for the year	年內折舊	-	1,425	1,074	8,306	1,403	598	12,806
Exchange differences	匯兌差額	-	27	17	383	37	32	496
Eliminated on disposals	於出售時對銷	-	(436)	(118)	(32)	(6)	-	(592)
At 31 December 2005	於二零零五年 十二月三十一日	-	1,615	1,370	23,833	2,535	1,989	31,342
NET BOOK VALUES 賬面淨值								
At 31 December 2005	於二零零五年 十二月三十一日	10,300	37,794	1,471	37,229	16,278	2,357	105,429
At 31 December 2004	於二零零四年 十二月三十一日	5,067	31,136	220	26,885	10,976	1,990	76,274

Notes to the Financial Statements (continued)

財務報表附註(續)

17. PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	樓宇	5%
Leasehold improvements	租賃物業裝修	the shorter of the lease terms and 5 years 租賃期限及5年期限之較短者
Equipment, furniture and fixtures	設備、傢俬及裝置	20% – 25%
Plant and machinery	廠房及機器	10%
Motor vehicles	汽車	20%

The buildings of the Group are situated in the PRC and located on land use right under medium-term lease. The construction in progress represented buildings, plant and machinery under construction which are situated in the PRC.

17. 物業、廠房及設備(續)

物業、廠房及設備乃按直線法及按下列年率折舊：

Buildings	樓宇	5%
Leasehold improvements	租賃物業裝修	the shorter of the lease terms and 5 years 租賃期限及5年期限之較短者
Equipment, furniture and fixtures	設備、傢俬及裝置	20% – 25%
Plant and machinery	廠房及機器	10%
Motor vehicles	汽車	20%

本集團之物業位於中國並座落於以中期租約持有土地使用權之土地上。在建工程指位於中國在建中之樓宇、廠房及機器。

18. LAND USE RIGHT

18. 土地使用權

		HK\$'000 千港元
COST	成本	
At 1 January 2004	於二零零四年一月一日	–
Addition	添置	10,509
Charge for the year	年內折舊	(89)
At 1 January 2005	於二零零五年一月一日	10,420
Charge for the year	年內折舊	(282)
Exchange differences	匯兌差額	196
At 31 December 2005	於二零零五年十二月三十一日	10,334

The land use right of the Group is held under medium-term lease in the PRC and amortised over the term of the lease of 50 years.

本集團之土地使用權乃根據中國之中期租約持有，並按50年租約年期攤銷。

Notes to the Financial Statements (continued)

財務報表附註(續)

19. INTANGIBLE ASSETS

19. 無形資產

		Licence fee 許可證費 HK\$'000 千港元	Development costs 開發成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST				
At 1 January 2004	於二零零四年一月一日	10,504	22,370	32,874
Additions	添置	4,512	32,306	36,818
At 1 January 2005	於二零零五年一月一日	15,016	54,676	69,692
Additions	添置	-	63,705	63,705
Exchange differences	匯兌差額	-	1,251	1,251
At 31 December 2005	於二零零五年十二月三十一日	15,016	119,632	134,648
AMORTISATION				
At 1 January 2004	於二零零四年一月一日	2,559	10,072	12,631
Charge for the year	年內折舊	4,813	26,929	31,742
At 1 January 2005	於二零零五年一月一日	7,372	37,001	44,373
Charge for the year	年內折舊	4,791	37,399	42,190
Exchange differences	匯兌差額	-	1,127	1,127
At 31 December 2005	於二零零五年十二月三十一日	12,163	75,527	87,690
CARRYING AMOUNT				
At 31 December 2005	於二零零五年十二月三十一日	2,853	44,105	46,958
At 31 December 2004	於二零零四年十二月三十一日	7,644	17,675	25,319

The intangible assets have finite useful lives. Licence fee and internally generated development costs are amortised on a straight-line basis over a period of 36 months and 9 months, respectively.

無形資產使用年期為有限。許可證費及內部產生之開發成本以直線法分別按36個月及9個月期間攤銷。

Notes to the Financial Statements (continued)

財務報表附註(續)

20. DEFERRED TAX

The followings are the major deferred tax liabilities and assets recognised by the Group and the movement thereon, during the current and prior years.

20. 遞延稅項

以下為於本年度及過往年度，由本集團確認之主要遞延稅項負債及資產及有關變動：

		Development cost capitalised 已資本化 開發成本 HK\$'000 千港元	Write-down of inventories and trade receivables 存貨及應收 貿易賬款撇減 HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	-	2,935
Credit to income statement	計入收益表內	-	173
At 1 January 2005	於二零零五年一月一日	-	3,108
Charge to income statement	於收益表內支銷	(3,308)	(522)
At 31 December 2005	於二零零五年十二月三十一日	(3,308)	2,586

At 31 December 2005, other than the deferred tax assets and liabilities mentioned above, subsidiaries of the Group had unused tax losses of approximately HK\$25,444,000 (2004: HK\$7,274,000) available for offset against future profit. No deferred tax asset has been recognised due to the unpredictability of future profit streams of that subsidiary. The estimated tax losses as at 31 December 2005 may be carried forward indefinitely.

於二零零五年十二月三十一日，除上述遞延稅項資產及負債外，本集團之附屬公司擁有可供抵消未來溢利之未用稅項虧損約25,444,000港元(二零零四年：7,274,000港元)。因該附屬公司之未來溢利流之不可預見性，故並未確認任何遞延稅項資產。於二零零五年十二月三十一日，預期稅項虧損可無限期結轉。

21. INVENTORIES

21. 存貨

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Raw materials	原料	250,075	208,879
Work in progress	在製品	110,856	10,021
Finished goods	製成品	41,478	95,612
		402,409	314,512

Notes to the Financial Statements (continued)

財務報表附註(續)

22. CURRENT FINANCIAL ASSETS

22. 流動金融資產

The normal credit period taken on sales of goods is 0-30 days.

銷售貨品的一般信貸期為0至30日。

The following is an aged analysis of trade receivables, notes and bills receivable at the balance sheet date:

以下為於結算日應收貿易款項、應收票據及賬單之賬齡分析：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 – 30 days	0至30天	103,373	34,104
31 – 60 days	31至60天	19,465	21,605
61 – 90 days	61至90天	4,765	3,006
91 – 180 days	91至180天	3,589	1,993
Over 180 days	超過180天	3,324	6,232
		134,516	66,940
Less: Accumulated allowances	減：累計撥備	(7,365)	(6,236)
Trade receivables	應收貿易款項	127,151	60,704
0 – 30 days	0至30天	77,735	91,300
31 – 60 days	31至60天	5,640	10,906
61 – 90 days	61至90天	433	12,319
91 – 180 days	91至180天	8,610	–
Over 180 days	超過180天	9,615	–
Notes and bills receivable (Note)	應收票據及賬單(附註)	102,033	114,525

Note: Notes receivable represent the promissory notes issued by banks received from the customers.

附註：應收票據為收取客戶由銀行發出之承兌票據。

Other receivables and deposits are repayable on demand.

其他應收款項及按金須於要求償還時支付。

The directors consider that the carrying amounts of these financial assets approximate their fair values.

董事認為該等金融資產的面值與其公平價值相若。

Notes to the Financial Statements (continued)

財務報表附註(續)

23. PLEDGED BANK DEPOSIT

At 31 December 2004, a deposit amounting to HK\$7,800,000 bearing interest at prevailing market rate had been pledged to a bank for banking facilities granted to the Group. The directors considered that the carrying amount of the pledged deposit approximates its fair value.

24. BANK BALANCES AND CASH

The bank balances and cash of the Group are mainly denominated in Renminbi, Hong Kong dollars and United States dollars. Included in the bank balances and cash was amounts in Renminbi of HK\$472,758,000 (2004: HK\$125,713,000), which is not freely convertible into other currencies.

The directors consider that the carrying amounts of bank balances and cash approximate their fair values.

23. 已抵押銀行存款

於二零零四年十二月三十一日，按現行市場利率計息之存款7,800,000港元已抵押予銀行，以獲取銀行授予本集團之銀行融資。董事認為已抵押銀行存款之面值與其公平價值相若。

24. 銀行結餘及現金

本集團之銀行結餘及現金主要以人民幣、港幣及美元列值。銀行結餘及現金內包括一項人民幣款項472,758,000港元(二零零四年：125,713,000港元)，該等款項不可自由轉換為其他貨幣。

董事認為銀行結餘及現金的賬面值與其公平價值相若。

Notes to the Financial Statements (continued)

財務報表附註 (續)

25. CURRENT FINANCIAL LIABILITIES

Trade payables and other payables, deposits received and accruals principally comprise amounts outstanding for trade purposes and ongoing costs.

The normal credit period taken for trade purchases is 30-60 days. An aged analysis of the Group's trade payables at the respective balance sheet dates is as follows:

0 – 30 days	零至30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	超過90天

Amounts due to related parties and directors are unsecured, non-interest bearing and have no fixed terms of repayment. Details of the amounts due to related parties and directors are set out in note 36.

During the year, amounts due to a related company and directors amounting to US\$672,100 and US\$5,827,900 respectively (equivalent to HK\$5,242,000 and HK\$45,458,000 respectively) had been capitalised as issued and fully paid capital of STG. The remaining balances have been fully repaid during the year.

The directors consider that the carrying amount of the current financial liabilities listed above approximates their fair value.

25. 流動金融負債

應付貿易款項、其他應付款項、已收按金及應計款項主要包括就貿易目的而拖欠之款項以及持續成本。

貿易採購之一般信貸期為30至60日。本集團之貿易應付款項於各結算日之賬齡分析如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 – 30 days	180,139	132,476
31 – 60 days	104,226	83,936
61 – 90 days	22,412	31,133
Over 90 days	25,612	77,023
	332,389	324,568

應付關連人士及董事之款項為無抵押、免息及無固定還款期。應付關連人士及董事之款項之詳情載於附註36。

於年內，應付有關連公司及董事之款項分別為672,100美元及5,827,900美元(分別相等於5,242,000港元及45,458,000港元)已按STG已發行及繳足之資本撥充資本。其餘結餘已於年內全部償還。

董事認為上述流動資產負債之面值與其公平價值相若。

Notes to the Financial Statements (continued)

財務報表附註(續)

26. BANK BORROWINGS

26. 銀行借款

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Bank borrowings due within one year	於一年內到期之銀行借款		
Secured	有抵押	9,615	24,738
Unsecured	無抵押	—	75,471
		9,615	100,209

At 31 December 2005, bank borrowings of approximately HK\$9,615,000 (2004: HK\$24,738,000) were secured by notes receivable of the Group.

The bank borrowings are mainly denominated in Renminbi.

During the year, the bank borrowings were arranged at fixed interest rate and expose the Group to fair value interest rate risk. The average interest rate paid for the year was 4% (2004: 5%) per annum.

The directors estimate that the fair value of the Group's borrowings, by discounting their future cash flows at the market rate. The directors consider that the carrying amount of the borrowings approximates the fair values.

於二零零五年十二月三十一日，銀行借款約9,615,000港元(二零零四年：24,738,000港元)乃由本集團應收票據作抵押。

銀行借款主要以人民幣列值。

於年內，銀行借款乃按固定息率計算，並使本集團面臨公平價值利率風險。本年度已支付之平均年利率為4%(二零零四年：5%)。

董事透過按市場利率折現本集團借款之未來現金流量對該等借款之公平價值作出估計。董事認為，借款之面值與其公平價值相若。

27. OTHER BORROWINGS

27. 其他貸款

Other borrowings represent advances from two related companies by way of two entrusted loan agreements whereby the related companies deposited entrusted loan proceeds with a financial institution which, acting in the capacity of an entrusted lending agent, on-lent the entrusted loans to the Group. During the year ended 31 December 2004, this arrangement had been modified such that the entire entrusted loan was funded by a single related company. During the year, the entire borrowing was fully repaid using the proceed from listing. Accordingly, the entrusted loan given by the related company as a security to the financial institution was released.

其他貸款乃指來自兩間關連公司之墊款。該等墊款乃以兩份信託貸款協議形式作出，據此，該等關連公司將信託貸款款項存於一間財務機構，而該財務機構以信託貸款代理身份，轉貸該信託貸款予本集團。於截至二零零四年十二月三十一日止年度內，此項安排已作修訂，據此全部信託貸款由單一關連公司提供。於年內，全部貸款已利用上市所得款項償還。故此，關連公司所給予之信託貸款作為向財務機構之抵押已獲解除。

Notes to the Financial Statements (continued)

財務報表附註 (續)

27. OTHER BORROWINGS (continued)

Other borrowings were arranged at commercial rates. The average interest rate paid for the year was 3.26% (2004: 3.26%) per annum.

Mr Wong Cho Tung and Ms Yeung Man Ying are the beneficial owners of the related companies.

The directors considered that the carrying amount of the Group's other borrowings approximates its fair value.

27. 其他貸款 (續)

其他貸款乃按商業利率計息，年內支付之平均年利率為3.26% (二零零四年：3.26%)。

王祖同先生及楊文瑛女士為該關連公司之實益擁有人。

董事認為本集團之其他貸款之賬面值與其公平價值相若。

28. SHARE CAPITAL

28. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
Authorised:	法定：		
On the date of incorporation	於註冊成立日	1,000	100
Increase during the year (note a(i))	年內增加 (附註a(i))	2,999,000	299,900
At 31 December 2005	於二零零五年十二月三十一日	3,000,000	300,000
Issued:	已發行：		
1,000,000 shares allotted and issued nil paid on the date of incorporation	於註冊成立時已配發及發行未繳股款之1,000,000股股份	1,000	-
Issue of shares on Reorganisation	於重組時發行股份	1,500	150
Credited as fully paid from contributed surplus account	來自實繳盈餘賬而入賬為繳足股份	-	100
Issue of shares by capitalisation of share premium account (note a(ii))	透過股份溢價賬資本化而發行之股份 (附註a(ii))	1,122,500	112,250
Placing and public offer of shares (note b)	配售及公開發售股份 (附註b)	375,000	37,500
At 31 December 2005	於二零零五年十二月三十一日	1,500,000	150,000

The Company was incorporated in Bermuda on 27 October 2004 with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.1 each, all of which were allotted and issued, nil paid to Info Dynasty.

本公司於二零零四年十月二十七日於百慕達註冊成立，法定股本為100,000港元，分為1,000,000股每股面值0.1港元之股份，所有股份均按未繳股款配發及發行予Info Dynasty。

Notes to the Financial Statements (continued)

財務報表附註(續)

28. SHARE CAPITAL (continued)

28. 股本(續)

Notes:

- (a) Pursuant to the written resolutions passed by the shareholders of the Company on 30 May 2005:
- (i) the authorised share capital of the Company was increased from HK\$100,000 to HK\$300,000,000 by the creation of an additional 2,999,000,000 shares to rank pari passu in all respects with the shares then in issue of HK\$0.10 each.
- (ii) conditional on the share premium account of the Company being credited as a result of the placing and public offer of the Company's shares, the Directors were authorised to capitalise a sum of HK\$112,250,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full 1,122,500,000 shares for the allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 8 June 2005 pro-rata as nearly as may be to their then existing shareholders in the Company.
- (b) On 29 June 2005, by means of placing and public offer, the Company issued a total of 375,000,000 new shares of HK\$0.10 each at a price of HK\$1.7 per share.

The shares which were issued during the year rank pari passu with each other in all respects.

The share capital as at 31 December 2004 represented the nominal value of the issued share capital of STG prior to the Reorganisation as defined in note 1.

附註:

- (a) 根據本公司股東於二零零五年五月三十日通過之書面決議案:
- (i) 透過增設2,999,000,000股股份(該等股份在各方面均與當時已發行之每股面值0.10港元之股份享有同等權益),本公司之法定股本由100,000港元增至300,000,000港元。
- (ii) 待本公司之股份溢價賬因配售及公開發售本公司股份而進賬後,董事獲授權將本公司股份溢價賬之進賬額112,250,000港元撥作資本,據此將該款項按面值全數繳足1,122,500,000股股份,以向於二零零五年六月八日辦公時間結束時名列本公司股東名冊之人士按當時於本公司之股權比例配發及發行該等股份。
- (b) 於二零零五年六月二十九日,透過配售及公開發售方式,本公司按每股1.7港元之價格,發行合共375,000,000股每股面值0.10港元之新股份。

年內發行之該等股份在各方面均具有相同權益。

本公司於二零零四年十二月三十一日之股本,為STG於重組(定義見附註1)前之已發行股本面值。

Notes to the Financial Statements (continued)

財務報表附註(續)

29. ACQUISITION OF SUBSIDIARIES

On 31 January 2005, the Group acquired 100% of the issued share capital of SIM Technology HK Limited, Simcom International Holdings Limited and Suncom International Holdings Limited by issue of 231 shares of US\$1 each of STG. The transactions have been accounted for using the purchase method of accounting.

The net assets acquired in the transactions are as follows:

29. 收購附屬公司

於二零零五年一月三十一日，本集團收購晨訊科技香港有限公司、Simcom International Holdings Limited 及 Suncom International Holdings Limited 之 100% 已發行股本，代價為發行 231 股每股面值 1 美元之 STG 股份。此項交易乃以會計購入法入賬。

交易中收購之淨資產如下：

		Acquirees' carrying amount before combination and fair value
		被收購方於合併前之賬面值及公平價值
		HK\$'000
		千港元
Property, plant and equipment	物業、廠房及設備	864
Other receivables	其他應收賬款	1,780
Bank and cash balances	銀行及現金結餘	21,718
Other payables, deposits received and accruals	其他應付賬款、已收按金及應計款項	(30,030)
		(5,668)
Interests in associates (Note)	於聯營公司之權益(附註)	52,294
Total consideration satisfied by 231 shares of STG @ US\$1	以 231 股每股面值 1 美元之 STG 股份償付之總代價	46,626
Net cash inflow arising on acquisition of subsidiaries	收購附屬公司所產生之現金流入淨額	21,718

In the opinion of management, the carrying amounts approximated the fair values on the date of acquisition.

管理層認為，於收購日期，賬面值與公平價值相若。

Note: Interest in associates represented 25% net assets value of Shanghai Simcom and Suncom Logistics which are non-wholly owned subsidiaries of STG as at the date of acquisition. The Group owned 100% equity interests in Shanghai Simcom and Suncom Logistics upon the completion of the acquisition.

附註：本集團於收購日於聯營公司之權益為上海希姆通及羅捷斯迪(為STG之非全資附屬公司)資產淨值之25%。本集團於收購後擁有上海希姆通及羅捷斯迪100%股本權益。

Notes to the Financial Statements (continued)

財務報表附註(續)

29. ACQUISITION OF SUBSIDIARIES (continued)

The subsidiaries acquired did not have significant contribution to the Group's turnover and result for the year between the date of acquisition and the balance sheet date.

As the revenue and results of the subsidiaries acquired were not significant to the Group, the total group revenue and result, as if the acquisition had been completed on 1 January 2005, are not disclosed as the information does not give additional value.

29. 收購附屬公司(續)

已收購附屬公司於收購日期至結算日之間之年度並未對本集團之營業額及業績作出重大貢獻。

由於已收購公司之收益及業績對本集團並無重大影響，由於提供有關之資料並無作用，故並無按假設收購已於二零零五年一月一日完成披露集團收入及業績合計之資料。

30. DISPOSAL OF A SUBSIDIARY

On 30 November 2004, the Group sold its 100% interest in Shanghai Sunrise Display Limited for HK\$40,603,000, satisfied in cash, to a related company. The net assets of Shanghai Sunrise Display Limited at the date of disposal were as follows:

30. 出售一間附屬公司

於二零零四年十一月三十日，本集團以40,603,000港元向一間關連公司出售Shanghai Sunrise Display Limited全部權益，並以現金支付。Shanghai Sunrise Display Limited於出售當日之資產淨值如下：

		30.11.2004 二零零四年 十一月三十日 HK\$'000 千港元
NET ASSETS DISPOSED OF	出售之資產淨值	
Pledged bank deposit	已抵押銀行存款	40,335
Bank balances and cash	銀行結餘及現金	156
		40,491
Gain on disposal	出售收益	112
Satisfied by cash	以現金支付	40,603
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	40,603
Bank balances and cash disposed of	已出售銀行結餘及現金	(156)
		40,447

The subsidiary disposed did not contribute turnover and profit from operations to the Group in the year ended 31 December 2004.

Mr Wong Cho Tung and Ms Yeung Man Ying are the shareholders of the related company.

所出售附屬公司於截至二零零四年十二月三十一日止年度並無對本集團營業額及經營溢利帶來貢獻。

王祖同先生及楊文瑛女士為關連公司之股東。

Notes to the Financial Statements (continued)

財務報表附註(續)

31. MAJOR NON-CASH TRANSACTION

During the year, the Group had the following major non-cash transactions:

- (a) During the year, amount due to a related company and directors amounting to US\$672,100 and US\$5,827,900 respectively (equivalent to HK\$5,242,000 and HK\$45,458,000 respectively) had been capitalised as issued and fully paid capital of the Company.
- (b) On 31 January 2005, the Group acquired 100% the issued share capital of SIM Technology HK Limited, Simcom International Holdings Limited and Suncom International Holdings Limited in consideration of the allotment and issue of 231 shares of US\$1 each of STG. Details of acquisition is set out in note 29.

31. 主要非現金交易

於年內，本集團作出以下主要非現金交易：

- (a) 於年內，應付一間關連公司及董事款項分別為672,100美元及5,827,900美元(分別相當於5,242,000港元及45,458,000港元)已資本化為本公司之已發行及繳足股本。
- (b) 於二零零五年一月三十一日，本集團收購晨訊科技香港有限公司、Simcom International Holdings Limited 及 Suncom International Holdings Limited 之100%已發行股本權益，代價為配發及發行231股每股面值1美元之STG股份。收購之詳情載於附註29。

32. OPERATING LEASE ARRANGEMENT

The Group as lessee

The Group made minimum lease payments under operating leases in respect of office premises of approximately HK\$8,487,000 (2004: HK\$5,332,000), in which approximately HK\$2,941,000 (2004: HK\$2,037,000) were capitalised in development cost.

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

32. 經營租約安排

本集團作為承租人

本集團就辦公室物業而根據經營租賃支付之最低租金款項約為人8,487,000港元(二零零四年：5,332,000港元)，其中約2,941,000港元(二零零四年：2,037,000港元)已於發展成本中資本化。

於結算日，本集團根據不可撤銷經營租賃付之最低租金款項承擔之到期日期如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	6,803	4,067
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	9,260	99
		16,063	4,166

Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

租賃之平均年期商定為二年，而租金則固定為平均二年期。

Notes to the Financial Statements (continued)

財務報表附註(續)

33. CAPITAL COMMITMENTS

33. 資本承擔

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the financial statements in respect of:	已簽約但未於財務報表撥備之資本支出：		
– building construction	– 興建樓宇	18,507	33,597
Capital expenditure authorised but not contracted for	已授權但未簽約之資本支出：		
– building construction	– 興建樓宇	4,174	4,686

34. RETIREMENT BENEFITS SCHEME

34. 退休福利計劃

The Group operates a Mandatory Provident Fund Scheme (“MPF Scheme”) under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of the employees’ salaries and are charged to income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group’s subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated in a state-managed retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the scheme and cost charged to the income statement represents contribution payable to the scheme by the Group at rates specified in the rules of the scheme.

本集團根據強制性公積金計劃條例為其所有香港僱員設立一項強制性公積金退休計劃(「強積金計劃」)。所有於香港的僱員均須加入強積金計劃。供款按僱員基本薪金的某一百分比作出，並根據強積金計劃之規則於應予支付時在損益賬扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。

本集團於中國之附屬公司遵照中國之適用規則，參與一項國家管理由當地政府經營的退休福利計劃。附屬公司須按工資成本的指定百分比比率向退休福利計劃供款。本集團就退休福利計劃之唯一責任為作出指定供款。

於年內，本集團向計劃供款總額及於收益表扣除之成本，代表本集團根據計劃規則按指定比率向計劃應付之供款數額。

Notes to the Financial Statements (continued)

財務報表附註 (續)

35. SHARE OPTION SCHEMES

35. 購股權計劃

(A) Pre-IPO Share Option Scheme

The major terms of the Pre-IPO Share Option Scheme are summarised as follows:

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included directors of the Company or its subsidiaries, senior management and other employees of the Group and such other persons as the Board may consider appropriate.
- (iii) The maximum number of shares in respect of which options might be granted under the Pre-IPO Share Option Scheme shall not exceed 44,000,000 shares.
- (iv) Any cancellation of options granted but not exercised must be approved by the board of directors. Any options cancelled cannot be regranted.
- (v) In relation to each grantee of the options granted under the Pre-IPO Share Option Scheme, 25% of his options will vest during the period from 1 April 2006 to 31 December 2006 and in each of the three calendar years from 1 January 2007 to 31 December 2009.
- (vi) Subject to the vesting period above and the terms of the Pre-IPO Share Option Scheme, an option may be exercised by the grantee at any time during the period of 10 years commencing on the date of grant.
- (vii) No consideration is required to be paid by the grantee for the grant of options.

(A) 首次公開發售前購股權計劃

首次公開發售前購股權計劃之主要條款概要如下：

- (i) 目的是為參與者提供激勵。
- (ii) 參與者包括本公司或其附屬公司董事、高級管理層及本集團之其他僱員，以及董事可能認為合適之該等其他人士。
- (iii) 首次公開發售前購股權計劃可授出之購股權所涉及的股份最高限額不可超過44,000,000股。
- (iv) 任何註銷已授出但未行使之購股權須經董事會同意。任何已註銷購股權不可獲重新授出。
- (v) 有關根據首次公開發售前購股權計劃授予每位承授人之購股權而言，於二零零六年四月一日至二零零六年十二月三十一日之期間，以及由二零零七年一月一日至二零零九年十二月三十一日之三個曆年各年將分別歸屬其25%之購股權。
- (vi) 根據上述歸屬期及首次公開發售前購股權計劃之條款，承授人可於授出日期起計十年期間隨時行使購股權。
- (vii) 承授人毋須就授予購股權支付任何代價。

Notes to the Financial Statements (continued)

財務報表附註(續)

35. SHARE OPTION SCHEMES (continued)

35. 購股權計劃(續)

(A) Pre-IPO Share Option Scheme (continued)

- (viii) The exercise price of an option is 60% of the offer price.
- (ix) The life of the Pre-IPO Share Option Scheme shall be valid and effective from 30 May 2005 to 14 June 2005, after which time no further options will be granted but the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect in all other respects.

The following table discloses details of the options under Pre-IPO Share Option Scheme held by the grantees and movements in such holdings during the year:

(A) 首次公開發售前購股權計劃(續)

- (viii) 購股權之行使價為發售價格之60%。
- (ix) 首次公開發售前購股權計劃之年期由二零零五年五月三十日至二零零五年六月十四日期間有效及生效，此後將不會再進一步授出購股權，惟首次公開發售前購股權計劃之條款在各方面仍具十足效力及生效。

下表披露年內根據首次公開發售前購股權計劃下由承授人持有購股權以及該等持有之變動詳情：

Name of director 董事姓名	Date of grant 授出日期	Exercise price 每股行使價 HK\$ 港元	Outstanding	Granted	Forfeited	Outstanding
			at 1 January 2005 於二零零五年 一月一日 尚未行使			at 31 December 2005 於二零零五年 十二月三十一日 尚未行使
Tsang Hen Loon, Raymond 曾憲龍	30 May 2005 二零零五年五月三十日	1.02	-	3,000,000	-	3,000,000
Zhang Jianping 張劍平	30 May 2005 二零零五年五月三十日	1.02	-	3,000,000	-	3,000,000
Tang Rongrong 唐融融	30 May 2005 二零零五年五月三十日	1.02	-	750,000	-	750,000
Other employees of the Group 本集團其他僱員	30 May 2005 二零零五年五月三十日	1.02	-	37,250,000	(3,650,000)	33,600,000
Total 總計			-	44,000,000	(3,650,000)	40,350,000

Notes to the Financial Statements (continued)

財務報表附註 (續)

35. SHARE OPTION SCHEMES (continued)

(A) Pre-IPO Share Option Scheme (continued)

Notes:

- (i) Save for the options that were granted to the directors of the Company and employees of the Group on 30 May 2005, which all have the same terms, no other options were granted during the year ended 31 December 2005.
- (ii) None of the options granted under the Pre-IPO Share Option Scheme was exercised during the year ended 31 December 2005.
- (iii) 3,650,000 options granted under the Pre-IPO Share Option Scheme were forfeited during the year ended 31 December 2005 upon the resignation of employees.

(B) Post-IPO Share Option Scheme

The major terms of the Post-IPO Share Option Scheme are summarised as follows:

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included any employee or executive director of the Group and such other persons as the Board of Directors may consider appropriate.
- (iii) The maximum number of shares in respect of which options might be granted under the Share Option Scheme must not exceed 10% of the Shares in issue as at the listing date (30 June 2005) and in any event the total maximum number of shares which might be issued upon exercise of all outstanding options should not exceed 30% of the issued share capital of the Company from time to time. No options may be granted if such grant will result in this 30 per cent limit being exceeded.

35. 購股權計劃 (續)

(A) 首次公開發售前購股權計劃 (續)

附註：

- (i) 除本公司董事及本集團僱員於二零零五年五月三十日獲授行使期相同之購股權外，於截至二零零五年十二月三十一日止年度內並無授出其他購股權。
- (ii) 於截至二零零五年十二月三十一日止年度內，根據首次公開發售前購股權計劃授出之購股權概無獲行使。
- (iii) 3,650,000份根據首次公開發售前購股權計劃授出之購股權，已於截至二零零五年十二月三十一日止年度在有關僱員辭任後被沒收。

(B) 首次公開發售後購股權計劃

首次公開發售後購股權計劃之主要條款概述如下：

- (i) 計劃之目的是為向參與者提供獎勵。
- (ii) 參與者包括本集團僱員或執行董事及董事會可能認為合適之該等其他人士。
- (iii) 根據購股權計劃可予授出之最高股份數目，不得超過於上市日期（二零零五年六月三十日）已發行股份之10%，及無論如何因行使所有尚未行使之購股權而已發行之最高股份數目，不得超過不時根據購股權計劃可予發行最高股份數目之30%。如授出購股權會導致超過此一30%限額，將不會授出購股權。

Notes to the Financial Statements (continued)

財務報表附註(續)

35. SHARE OPTION SCHEMES (continued)

(B) Post-IPO Share Option Scheme (continued)

- (iv) Unless approved by shareholders in general meeting in the manner prescribed in the Listings Rules, the Board shall not grant options to any grantee if the acceptance of those options would result in the total number of shares issued or to be issued to that grantee on exercise of his options during any 12 month period exceeding 1% of the total shares of the Company then in issue.
- (v) The option may be exercised at any time during the period of 10 years commencing on grant date.
- (vi) No minimum period for which an option must be held before it became exercisable was required.
- (vii) The acceptance of an option, if accepted, must be made within 5 business days from the date of grant. No consideration is required to be paid by the grantee for the grant of options.
- (viii) The exercise price of an option must be the highest of:
- the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets on the grant date; and
 - the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediately preceding the grant date; and
 - the nominal value of the Shares.
- (ix) The life of the Post-IPO Share Option Scheme was effective for 10 years until 29 May 2015, after which time no further option will be granted but provisions of the Post-IPO Share Option Scheme shall remain in full force and effect in all other respects.

During the year, no option were granted under the Post-IPO Share Option Scheme.

35. 購股權計劃(續)

(B) 首次公開發售後購股權計劃(續)

- (iv) 除非如上市規則所訂明於股東大會上獲股東批准，如接納有關之購股權將導致於任何十二個月期間內向有關承授人授出之購股權獲行使而已發行或將予發行之該承授人之股份總數超過本公司當時已發行股份總數之1%，則董事會不得授出任何購股權。
- (v) 購股權可於授出日期起計10年內行使。
- (vi) 並無就購股權設定行使前必須持有之最短期間。
- (vii) 購股權之接納必須於授出日期起計五個營業日內作出。承授人毋須就獲授之購股權支付代價。
- (viii) 購股權之行使價必須為以下之最高者：
- 於授出日期聯交所每日報價表所列本公司股份之收市價；及
 - 緊接授出日期前五個交易日聯交所每日報價表所列股份之平均收市價；及
 - 股份之面值。
- (ix) 首次公開發售後購股權計劃之年期將為期十年，至二零一五年五月二十九日為止，其後將不會再授出購股權，但首次公開發售後購股權計劃之條文在所有其他方面仍具十足效力及生效。

年內，並無根據首次公開發售後購股權計劃授出購股權。

Notes to the Financial Statements (continued)

財務報表附註 (續)

36. RELATED PARTY TRANSACTIONS

36. 關連人士交易

Apart from amounts due to related companies and amounts due to directors, other borrowings advanced from related companies and disposal of a subsidiary to a related company as disclosed in notes 25, 27 and 30 respectively, during the year, the Group had entered into the following transactions with related parties that are not members of the Group:

除附註25、附註27及附註30所披露應付關連公司款項、應付董事之款項、關連公司給予之其他借貸，以及向關連公司出售附屬公司外，年內本集團與並非本集團成員公司之關連人士訂立以下交易：

			2005 二零零五年	2004 二零零四年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Income statement	收益表			
Sales to a minority shareholder of a subsidiary	向一間附屬公司少數股東銷售			
– Ningbo Bird Co., Ltd.	– 寧波波導股份有限公司	(a)	–	63,935
Sales to related companies	向關連公司銷售			
– Shanghai Suntech Co., Ltd.	– 上海晨科通信設備有限公司	(b)	–	9,449
– Shanghai Xinzhan Limited	– 上海鑫展信息設備工程有限公司	(c)	–	1,852
– SIM Technology (HK)	– 晨訊科技(香港)	(d)	–	14,504
Rental expenses paid to a related company	向關連公司支付之租金			
– Shanghai Sunrise House Property Company Limited	– 上海晨興房產開發有限公司	(c)	14	189
Commission fee paid to a related company	向關連公司支付之佣金費用			
– Shanghai Xinzhan Limited	– 上海鑫展信息設備工程有限公司	(c)	192	625
Interest expense paid to a related company	向關連公司支付之利息支出			
– Shanghai Sunrise Display Limited	– 上海晨顯電子有限公司	(e)	556	–

Notes to the Financial Statements (continued)

財務報表附註(續)

36. RELATED PARTY TRANSACTIONS (continued)

36. 關連人士交易(續)

		Notes	2005	2004
		附註	二零零五年	二零零四年
			HK\$'000	HK\$'000
			千港元	千港元
Balance sheet	資產負債表			
Amounts due to related companies	應付關連公司之賬項			
– Simcom Limited (“Simcom (BVI)”)	– Simcom Limited (「Simcom (BVI)」)	(f)	–	32,105
– SIM Technology (HK)	– 晨訊科技(香港)	(d)	–	954
			–	33,059
Trade payable to a related company	應付關連公司貿易賬款			
– Shanghai Xinzhan Limited	– 上海鑫展信息設備工程 有限公司	(c)	–	625
			–	33,684
Amounts due to directors	應付董事之款項			
Mr Wong Cho Tung	黃祖同先生		–	73,675
Ms Yeung Man Ying	楊文瑛女士		–	5,466
			–	79,141

(a) Ningbo Bird Co., Ltd. was a minority shareholder of Shanghai Sunrise Electronic Technology Co., Ltd., (“Shanghai Sunrise”), a subsidiary.

(b) Ms Yeung Man Ying is a shareholder of the company.

(c) Mr Wong Cho Tung and Ms Yeung Man Ying have controlling power over Shanghai Xinzhan Limited and Shanghai Sunrise Real Property Development Company Limited.

(d) Mr Wong Cho Tung and Mr Wong Hei, Simon are directors of the company.

(e) Mr Wong Cho Tung and Ms Yeung Man Ying are beneficial owners of the company.

(f) Simcom (BVI) was a minority shareholder of each of Shanghai Simcom and Suncom Logistics.

(a) 寧波波導股份有限公司為上海晨興電子科技有限公司(「上海晨興」，一間附屬公司)之少數股東。

(b) 楊文瑛女士為該公司之股東。

(c) 王祖同先生及楊文瑛女士擁有上海鑫展信息設備工程有限公司及上海晨興房產開發有限公司全數投票控制權。

(d) 王祖同先生及王曦先生為本公司董事。

(e) 王祖同先生及楊文瑛女士為該公司之實益擁有人。

(f) Simcom (BVI)為上海晨興及羅捷斯迪之少數股東。

Notes to the Financial Statements (continued)

財務報表附註 (續)

36. RELATED PARTY TRANSACTIONS (continued)

Mr Wong Cho Tung, Ms Yeung Man Ying and Mr Wong Hei, Simon are the directors of the Company.

The remuneration of key management other than the directors' remuneration as disclosed in note 11 during the year was as follows:

36. 關連人士交易 (續)

王祖同先生、楊文瑛女士及王曦先生均為本公司之董事。

除於附註11內披露之董事酬金外，年內主要管理層之酬金如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Short term benefits	短期福利	4,105	2,014
Post employment benefits	受僱後福利	197	108
Share-based payments	股份為基礎付款	1,287	-
		5,589	2,122

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

董事及主要行政人員之酬金由薪酬委員會經考慮個人之表現及市場趨勢釐定。

Notes to the Financial Statements (continued)

財務報表附註(續)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

37. 主要附屬公司之詳情

Particulars of the subsidiaries of the Company at 31 December 2005 are as follows:

於二零零五年十二月三十一日本公司之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/ 註冊日期 及地點	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本 面值/註冊 資本之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
STG	13 October 2004 The British Virgin Islands ("BVI") 二零零四年 十月十三日 英屬處女群島 (「英屬處女群島」)	Ordinary shares US\$12,233 普通股12,233美元	100%	-	Investment holding 投資控股
Sunrise Electronic Industry Limited 晨興電子工業有限公司	17 December 1999 Samoa 一九九九年 十二月十七日 薩摩亞群島	Ordinary shares US\$2,002 普通股2,002美元	-	100%	Trading of mobile handsets and related components (ceased since June 2004) and investment holding 買賣移動手機及相關元件(已於二零零四年六月終止)及投資控股
Shanghai Sunrise 上海晨興電子科技有限公司 (a wholly-foreign owned enterprise) (外商獨資企業)	9 November 1993 The PRC 一九九三年 十一月九日 中國	Registered and contributed capital RMB200,000,000 註冊及實繳資本 人民幣200,000,000元	-	100%	Manufacturing and sales of LCD modules in the PRC 在中國生產及銷售液晶顯示模塊
Shanghai Simcom 希姆通信息技術(上海)有限公司 (a wholly-foreign owned enterprise) (外商獨資企業)	5 December 2002 The PRC 二零零二年 十二月五日 中國	Registered and contributed capital US\$1,500,000 註冊及實繳資本 1,500,000美元	-	100%	Design and development of mobile handsets, handset design solutions (in SKD/CKD form) and wireless module solutions in the PRC 在中國從事設計及開發移動手機設計方案及無線模塊解決方案(形式為半裝成組裝套件/組裝零件)

Notes to the Financial Statements (continued)

財務報表附註(續)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

37. 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/ 註冊日期 及地點	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本 面值/註冊 資本之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Suncom Logistics 上海羅捷斯迪電子有限公司 (a wholly-foreign owned enterprise) (外商獨資企業)	23 September 2003 The PRC 二零零三年 九月二十三日 中國	Registered and contributed capital US\$400,000 註冊及實繳資本 400,000美元	-	100%	Procurement, manufacture outsourcing, sales and marketing of the Group's products and procurement logistics in the PRC 於中國採購、製造、 外包、銷售及推廣 貴集團產品及 採購物流服務
Simcom International Holdings Limited	2 October 2003 BVI 二零零三年 十月二日 英屬處女群島	Ordinary share US\$1 普通股1美元	-	100%	Investment holding 投資控股
Suncom International Holdings Limited	12 January 2004 BVI 二零零四年 一月十二日 英屬處女群島	Ordinary share US\$1 普通股1美元	-	100%	Investment holding 投資控股
SIM Technology HK Limited 晨訊科技香港有限公司	21 April 2004 Hong Kong 二零零四年 四月二十一日 香港	Ordinary share HK\$1 普通股1港元	-	100%	International sales office, trading and payment agent of the Group 國際銷售辦事處 本集團之貿易 及付款代理

Notes to the Financial Statements (continued)

財務報表附註(續)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(continued)

37. 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/ 註冊日期 及地點	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本 面值/註冊 資本之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Shanghai Speedcomm Technology Limited 上海思必得通訊技術有限公司	16 December 2005 The PRC 二零零五年 十二月十六日 中國	Registered and contributed capital RMB7,500,000 註冊及實繳資本 人民幣7,500,000元	-	100%	Design and development of mobile handsets, handset design solutions (in SKD/CKD form) and wireless module solutions in the PRC 在中國從事設計及開發 移動手機設計方案及 無線模塊解決方案 (形式為半裝成組裝 套件/組裝零件)

38. EVENT AFTER THE BALANCE SHEET DATE

38. 結算日後事項

On 24 January 2006, the Group acquired 100% equity interests in Max Vision Limited and 麥維訊貿易(上海)有限公司 (Max Vision (Shanghai) Limited) in a consideration of HK\$2. The financial impact to the Group is insignificant.

於二零零六年一月二十四日，本集團收購天景有限公司及麥維訊貿易(上海)有限公司之100%股權，代價為2港元。此項交易對本集團之財務影響並不重大。