



China Electronics

Corporation Holdings Company Limited

中國電子集團控股有限公司

(Stock Code 股份代號: 00085)

ANNUAL REPORT
年報
2013

Contents

目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告	4
Management Discussion and Analysis	管理層討論及分析	7
Corporate Governance Report	企業管治報告	10
Biographies of Directors and Senior Management	董事及高級管理人員簡歷	22
Report of the Directors	董事會報告	26
Independent Auditor's Report	獨立核數師報告	40
Consolidated Income Statement	綜合收益表	43
Consolidated Statement of Comprehensive Income	綜合全面收益表	44
Consolidated Balance Sheet	綜合資產負債表	45
Balance Sheet	資產負債表	46
Consolidated Statement of Changes in Equity	綜合權益變動表	47
Consolidated Cash Flow Statement	綜合現金流量表	48
Notes to the Consolidated Financial Statements	綜合財務報表附註	49
Five-year Financial Summary	五年財務資料摘要	104

Corporate Information

公司資料

BOARD OF DIRECTORS

Non-executive Director

Rui Xiaowu (*Chairman*)

Executive Directors

Xie Qinghua (*Managing Director*)

Liu Hongzhou (*Vice Chairman*)

Liu Jinping

Independent Non-executive Directors

Chan Kay Cheung

Qiu Hongsheng

Yin Yongli

AUDIT COMMITTEE

Chan Kay Cheung (*Chairman*)

Qiu Hongsheng

Yin Yongli

REMUNERATION AND NOMINATION COMMITTEE

Qiu Hongsheng (*Chairman*)

Chan Kay Cheung

Yin Yongli

Xie Qinghua

COMPANY SECRETARY

Ng Kui Kwan

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL OFFICE IN HONG KONG

Room 3403, 34th Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

董事會

非執行董事

芮曉武 (*主席*)

執行董事

謝慶華 (*董事總經理*)

劉紅洲 (*副主席*)

劉晉平

獨立非執行董事

陳棋昌

邱洪生

尹永利

審核委員會

陳棋昌 (*主席*)

邱洪生

尹永利

薪酬及提名委員會

邱洪生 (*主席*)

陳棋昌

尹永利

謝慶華

公司秘書

伍舉鈞

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

香港主要辦事處

香港

灣仔

港灣道26號

華潤大廈

34樓3403室

Corporate Information 公司資料

INVESTOR RELATIONS

Telephone: (852) 2598 9088
Facsimile: (852) 2598 9018
Website: www.cecholding.com
Email: investor@cecholdings.com.hk

STOCK CODE

00085

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of Beijing Co., Ltd

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

INDEPENDENT AUDITOR

PricewaterhouseCoopers

LEGAL ADVISORS

As to Hong Kong Law

Freshfields Bruckhaus Deringer (since March 2014)

As to Bermuda Law

Conyers Dill & Pearman

投資者關係聯絡

電話：(852) 2598 9088
傳真：(852) 2598 9018
網頁：www.cecholding.com
電郵：investor@cecholdings.com.hk

股份代號

00085

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
北京銀行股份有限公司

股份登記總處

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港
灣仔
皇后大道東183號
合和中心22樓

獨立核數師

羅兵咸永道會計師事務所

法律顧問

香港法律

富而德律師事務所(自2014年3月)

百慕達法律

Conyers Dill & Pearman

Chairman's Statement

主席報告



On behalf of the board of directors (the "Board") of China Electronics Corporation Holdings Company Limited (the "Company"), I am pleased to report that the Company together with its subsidiaries (the "Group") achieved a steady growth in its results for the year 2013 with sale revenue of HK\$1,308.2 million, representing an increase of 13.2% when comparing with the corresponding period of last year, the profit attributable to shareholders of the Company reached HK\$223.9 million, representing an increase of 13.3% when comparing with the corresponding period of last year.

In 2013, in response to the intense market competitive environment, through firmly capturing the needs of customers in social security, electricity, identity authentication, etc. sectors, actively enhancing the synergy with the upstream and downstream industrial chains, continuing to launch industry leading products one after another to satisfy customer needs, the Group has sustained its growth with a year-on-year increase in revenue of 13.2%. In particular, sale revenue in the credential sector like social security card chips and identity card chips, etc. had exceeded HK\$600 million, and sale revenue in the industry sector like electricity card chips, telecommunication card chips and fuel card chips, etc. had exceeded HK\$400 million. During the year, the Group had increased its efforts in the research and development of new EMV card products, and strived to expand into new business growth points.

本人謹代表中國電子集團控股有限公司（「本公司」）董事會（「董事會」）欣然宣佈，2013年本公司及其附屬公司（「本集團」）業績實現穩健增長，銷售收入為1,308.2百萬港元，較去年同期增長13.2%，本公司股東應佔溢利為223.9百萬港元，較去年同期增長13.3%。

2013年，面對激烈的市場競爭環境，本集團緊緊抓住社會保障、電力、身份認證等領域的客戶需求，積極加強與產業鏈上下游的協同，不斷推出滿足客戶需求的業內領先產品，最終實現年收入同比增長13.2%。其中社會保障卡及身份證卡等證件類芯片銷售收入達六億多港元，而電表卡、移動通信卡及加油卡等行業類芯片銷售收入達四億多港元。年內，本集團繼續加大在金融IC卡新產品的研發，竭力拓展新的業務增長點。

Chairman's Statement 主席報告

To implement its business diversification strategy, the Group has acquired the entire equity interest in China Electronics Technology Development Co., Ltd ("CEC Technology") in last year. Such acquisition is in the process of obtaining the necessary approval from the relevant PRC governmental authorities. The principal business activities of CEC Technology and its subsidiaries are the development and management of industrial parks in the PRC which provides a platform for industry players to develop electronic information technology business. Upon successful completion of the acquisition, the Group will strive to develop the software and hardware environment which is beneficial to the development of hi-tech enterprises, providing comprehensive services that integrate industrial guidance, funding support, technology support and livelihood services, and further expand and strengthen the science and technology park development business, and to position it as one of the Group's focuses for future business development, and to help improve the Group's future profitability. At the beginning of this year, with the tremendous assistance from our controlling shareholder, China Electronics Corporation Limited ("CEC"), and through its credit enhancement support, the Company successfully issued a 4.70% unsecured bonds due 2017 in the principal amount of RMB2,750 million. The proceeds from this bond will set a solid foundation for the future development of Company.

Looking forward to 2014, under the strategic guidance of CEC of "Building a new system for the development of electronic technology of China", the Group will continue to implement and review the established operation and investment strategies of the Group leveraging on the existing resources available, while seeking for other investment opportunities to improve the Group's profitability and bring positive return for our shareholders.

Mr. Zhao Guiwu resigned as non-executive director and vice chairman of the Company in October last year. On behalf of the Board, I would like to thank Mr. Zhao for his invaluable contributions over the years.

On behalf of the Board, I am delighted to welcome Mr. Liu Hongzhou as executive director and vice chairman of the Company. Mr. Liu, with extensive experience and impressive credentials, will no doubt extend the diversity and refresh the talent base of the Board.

為落實業務多元化發展戰略，本集團已於去年收購中國電子科技開發有限公司（「中電科技」）100%股權，該項收購現正經國內有關政府部門審批。中電科技及其附屬公司之主要業務為於中國境內從事為業內人士提供發展電子信息技術業務平台之產業園的發展及管理。收購完成後，本集團將著力構建有利於高科技企業發展的軟、硬件環境，提供集產業引導、資金扶持、技術支持、生活服務為一體的綜合服務，進一步做大做強科技園建設業務，並將該業務定位為本集團未來發展之重點之一，以及提升本集團未來盈利能力之來源。今年初，在控股股東中國電子信息產業集團有限公司（「中國電子集團」）的強有力支持下，通過增信方式協助本公司成功發行本金額為人民幣27.5億元之2017年到期無抵押4.70%債券，該資金將為本公司未來業務發展奠定堅實基礎。

展望2014年，本集團將在中國電子集團「構建中國電子科學發展新體系」的戰略指引下，憑藉現時可動用之資源繼續實施及檢討本集團現有營運及投資策略，並同時尋求其他投資機遇以改善本集團之盈利能力及為股東帶來正面回報。

趙貴武先生已於去年10月辭任本公司非執行董事及副主席職務，本人謹代表董事會衷心感謝趙先生於任內作出之寶貴貢獻。

本人謹代表董事會欣然歡迎劉紅洲先生出任本公司執行董事及副主席職務。劉先生擁有豐富經驗及顯赫資歷，將拓寬及補充董事會之人才基礎。

Chairman's Statement

主席報告

Lastly, on behalf of the Board, I would like to thank all staff members for their contributions and efforts in the past year. I would also like to express our most sincere gratitude to our shareholders and business partners for their continuing co-operation and support.

Rui Xiaowu
Chairman

Hong Kong, 27 March 2014

最後，本人謹代表董事會，對公司全體同仁在過去一年的辛勤工作與不懈努力表示由衷的感謝，並對各位股東及合作夥伴長期以來的合作與支持深表謝意！

主席
芮曉武

香港，2014年3月27日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group's integrated circuits design business comprises the design of integrated circuits chips and the development of application system. Currently, our products are mainly used in smart cards such as identity cards, social security cards, telecommunication cards and electricity cards. Our products are also applied in wireless local area networks. For the year ended 31 December 2013, the Group has obtained 34 new patents, and registered another 19 computer software copyrights and 19 integrated circuits layout designs.

Due to the further intensification of market price competition in 2013, the average selling prices of integrated circuits chip products were generally lower when comparing with those of the 2012. The Group on one hand adjusted its product mix in its smart card chips business and concentrated on products which have a better gross profit margin, on the other hand stepped up its effort in cost control and expanded the market share of its products. Through successfully boosting the sales of some of our main products, the overall sales volume recorded a slight increase during the year ended 31 December 2013, which compensated the impact of the decrease in the average selling prices of integrated circuits chip products on the revenue for the year. Revenue for the year ended 31 December 2013 amounted to HK\$1,308.2 million, representing an increase of 13.2% when comparing with the corresponding period of last year. As the combined effects of the improvement on the product mix of the Group and effective cost control had out-weighed the impact of the decrease in the average selling prices of integrated circuits chip products on the gross profit, the gross profit increased by 30% to HK\$587.1 million for the year ended 31 December 2013. During the year, the overall gross profit margin has increased 5.8 percentage points to 44.9%.

Selling and marketing costs for the year ended 31 December 2013 amounted to HK\$59.1 million (2012: HK\$57.3 million). As a percentage to revenue, selling and marketing costs decreased to 4.5% for the year ended 31 December 2013 from 5% of the corresponding period of last year. The decrease was due to stringent cost control measures implemented during the year.

業務回顧

本集團之集成電路設計業務涵蓋集成電路之芯片設計及應用系統開發。目前本集團產品主要覆蓋身份證卡、社會保障卡、移動通信卡及電表卡等智能卡應用領域，也應用於無線局域網絡。截至2013年12月31日止年度，本集團新增授權專利34項、電腦軟件著作權登記19項及集成電路版圖設計登記19項。

由於市場價格競爭於2013年進一步加劇，集成電路芯片產品之平均售價較2012年普遍下跌。本集團一方面調整其智能卡芯片業務之產品結構，並專注於具有更佳毛利率之產品，另一方面亦加強成本控制及努力擴大其產品之市場佔有率。通過成功提升本集團一些主要產品之市場銷售，於截至2013年12月31日止年度總銷售量錄得輕微增長，抵銷了因集成電路芯片產品之平均售價下跌對於年內收入之影響。截至2013年12月31日止年度之收入為1,308.2百萬港元，較去年同期上升13.2%。由於本集團產品結構之改善及有效之成本控制因素抵銷集成電路芯片產品之平均售價下跌對毛利之影響，於截至2013年12月31日止年度之毛利上升30%至587.1百萬港元，年內整體毛利率上升5.8個百分點至44.9%。

截至2013年12月31日止年度之銷售及市場推廣成本為59.1百萬港元（2012年：57.3百萬港元）。銷售及市場推廣成本佔收入的百分比由去年同期之5%減少至2013年12月31日止年度之4.5%。減少乃主要由於年內實施嚴格成本控制措施所致。

Management Discussion and Analysis

管理層討論及分析

Administrative expenses increased by 58.7% to HK\$318.7 million for the year ended 31 December 2013. This was mainly attributable to the increase in research and development costs, provision for impairment of trade receivables and increase in staff costs. Research and development costs were HK\$213 million in 2013 (2012: HK\$163.4 million), which represented 16.3% of the revenue for the year ended 31 December 2013 (2012: 14.1%). Research and development during the year primarily focused on the EMV card and mobile payment card chip products.

Government grants recognised as income decreased by 12.6% to HK\$26.9 million for the year ended 31 December 2013 resulted from less government subsidies for research and development costs incurred by the Group in 2013.

For the year ended 31 December 2013, the profit attributable to owners of the Company was HK\$223.9 million (2012: HK\$197.6 million), and the basic earnings per share was HK13.24 cents (2012: HK11.68 cents).

The Company paid a special dividend in cash of HK\$0.03 per share out of the contributed surplus account of the Company to the shareholders whose names appear on the register of members of the Company on 2 October 2013.

A dividend in respect of the year ended 31 December 2013 of HK\$0.03 per share (2012: nil), amounting to a total dividend of HK\$50.7 million, is to be proposed at the forthcoming annual general meeting of the Company.

FINANCIAL RESOURCES AND LIQUIDITY

The Group finances its operations primarily by internal resources and short term bank loans. At 31 December 2013, the Group had cash and cash equivalents amounting to HK\$746 million, 99% of which was denominated in Renminbi, 0.5% in United States dollars and 0.5% in Hong Kong dollars (2012: HK\$476.6 million, 77.5% of which was denominated in Renminbi, 22% in United States dollars and 0.5% in Hong Kong dollars).

截至2013年12月31日止年度行政開支上升58.7%至318.7百萬港元。上升主要由於研究及開發成本增加、計提貿易應收款項減值撥備及員工成本增加。2013年之研究及開發成本為213百萬港元（2012年：163.4百萬港元），佔截至2013年12月31日止年度收入之16.3%（2012年：14.1%）。年內研究及開發主要側重於金融IC卡及移動支付卡芯片產品之開發。

由於本集團就2013年產生的研究及開發成本獲得之政府補助減少，截至2013年12月31日止年度已確認為收入之政府補助下降12.6%至26.9百萬港元。

截至2013年12月31日止年度，本公司權益持有者應佔溢利為223.9百萬港元（2012年：197.6百萬港元），而每股基本盈利為13.24港仙（2012年：11.68港仙）。

本公司自其實繳盈餘賬向於2013年10月2日名列本公司股東名冊之股東以現金派付每股0.03港元之特別股息。

將於本公司應屆股東週年大會上，建議就2013年12月31日止年度派付股息為每股0.03港元（2012年：無），總計為50.7百萬港元。

財務資源及流動資金

本集團主要以內部資源及短期銀行貸款為其業務提供資金。於2013年12月31日，本集團持有現金及現金等價物共計746百萬港元，分別有99%以人民幣、0.5%以美元及0.5%以港元持有（2012年：476.6百萬港元，分別有77.5%以人民幣、22%以美元及0.5%以港元持有）。

Management Discussion and Analysis

管理層討論及分析

At 31 December 2013, the Group had unsecured short term bank loans of HK\$0.1 million, which were denominated in Renminbi (2012: HK\$1.2 million, which were denominated in Renminbi). The bank loans were borrowed at contracted fixed interest rate. At 31 December 2013, committed borrowing facilities available to the Group but not drawn amounted to HK\$432.3 million. The Group's revenue are mainly denominated in Renminbi and payments are denominated in Renminbi and Hong Kong dollars. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Group will make use of hedging contracts, when appropriate, to hedge the risk of foreign exchange fluctuation arising from its operations.

At 31 December 2013, the Group had net current assets of HK\$867.9 million (2012: HK\$736.5 million). The overall gearing ratio, which is calculated as the total liabilities over total assets of the Group, was 42.7% (2012: 40.3%).

PLEDGE OF ASSETS

At 31 December 2013, the Group did not have any pledged asset (2012: nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2013, the Group has outstanding capital commitment for the acquisition of 100% equity interest in CEC Technology amounted to HK\$763.1 million (2012: nil). The Group did not have any material contingent liability at 31 December 2013 (2012: nil).

EMPLOYEE AND REMUNERATION POLICIES

At 31 December 2013, the Group had approximately 365 employees, the majority of whom were based in the PRC. Employee benefit expenses for the year were HK\$140.5 million.

The Group recognises the importance of high calibre and competent staff and has a strict recruitment policy and performance appraisal scheme. Remuneration policies are largely in line with industry practices, and are formulated on the basis of performance and experience and will be reviewed regularly. Bonuses and other merit payments are linked with the performance of the Group and of the individuals as incentive to optimise performance.

於2013年12月31日，本集團的無抵押短期銀行貸款為0.1百萬港元並以人民幣計值（2012年：1.2百萬港元，以人民幣計值）。銀行貸款按已訂約的固定利率借貸。於2013年12月31日，本集團尚未動用之已承諾借貸備用額為432.3百萬港元。本集團收入主要以人民幣結算而付款以人民幣及港元結算。外匯風險因未來商業交易及已確認之資產及負債以相關實體功能貨幣以外之其他貨幣計值而產生。本集團會適時利用對沖合約對沖源自其業務的外匯波動風險。

於2013年12月31日，本集團流動資產淨值為867.9百萬港元（2012年：736.5百萬港元）。整體資本負債比率（以本集團的總負債除以總資產計算）為42.7%（2012年：40.3%）。

資產抵押

於2013年12月31日，本集團並無任何資產抵押（2012年：無）。

資本承擔及或有負債

於2013年12月31日，本集團就收購中電科技100%股本權益尚未支付之資本承擔為763.1百萬港元（2012年：無）。於2013年12月31日，本集團並無任何重大或有負債（2012年：無）。

僱員及薪酬政策

於2013年12月31日，本集團僱用約365名僱員，大部份於中國內地工作。年內僱員福利開支為140.5百萬港元。

本集團意識到優秀人才及能幹僱員的重要性，並備有嚴謹的招聘政策及工作表現評估計劃。僱員的薪酬政策與業內慣例大致相符，乃按表現及工作經驗為基準制訂並定期作出檢討。花紅及其他獎賞乃視乎本集團及個別僱員表現而釐定，以鼓勵僱員達致最佳表現。

Corporate Governance Report

企業管治報告

The Company is committed to achieving the best corporate governance practices by emphasising its accountability, transparency, independence, responsibility and fairness. The Company is dedicated to exercise corporate governance through regular reviews of its adopted practices with reference to the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company has complied with all the applicable code provisions in the CG Code as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2013. The following summarises the corporate governance practices adopted by the Company.

BOARD OF DIRECTORS

The board of directors (the “Board”) of the Company consists of three executive directors, one non-executive director and three independent non-executive directors. The roles of the chairman of the Board are segregated from the managing director. The chairman of the Board is responsible for leading and overseeing the functioning of the Board and the strategic development of the Group. The managing director is delegated with the authority and responsible for managing the Group’s business, and the implementation of the Group’s strategies in achieving the overall business objectives. The position of the chairman of the Board and the managing director are held separately by Mr. Rui Xiaowu and Mr. Xie Qinghua, respectively. Such division of responsibilities helps to reinforce their independence and accountability. There are no financial, business, family or other material relationships among the directors (including the chairman of the Board and the managing director).

本公司努力實踐最高水平的企業管治常規，尤其注重問責、透明、獨立、責任和公平方面。本公司認真執行企業管治，參考香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）定期檢討所採納的常規。

本公司於截至2013年12月31日止年度內均已遵守上市規則附錄14所載之企業管治守則內適用守則條文。下文概述本公司採納的企業管治常規。

董事會

本公司董事會（「董事會」）由三名執行董事、一名非執行董事及三名獨立非執行董事組成。董事會主席與董事總經理是兩個明確劃分的不同職位。董事會主席負責領導並監察董事會的運作，以及本集團的策略發展。董事總經理獲授權並專責本集團業務之管理及落實本集團的策略，以達成整體經營目標。董事會主席及董事總經理的職位分別由芮曉武先生及謝慶華先生擔任。該等職責的劃分有助加強其獨立性及問責性。董事（包括董事會主席及董事總經理）之間並無任何財務、商業、家族或其他重大關係。

Corporate Governance Report 企業管治報告

All the directors, including the non-executive directors, will be subject to retirement by rotation and re-election every three years in accordance with the Listing Rules and the bye-laws of the Company. The remuneration of the directors are determined with reference to their duties, responsibilities and experience, and to the prevailing market conditions.

The Board is responsible for the formulation of long term business objectives, strategies and plans, and to monitor and control the operating and financial performance of the Group. The day-to-day operations and implementation of business objectives are delegated to the managing director. The management is delegated with proper authority to carry out daily operations and duties.

The Board is also responsible for performing overall corporate governance duties, including developing and reviewing the Company's corporate governance policy and practice, reviewing and monitoring the training and continuous professional development of directors and senior management, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct applicable to directors, and reviewing the Company's compliance with the CG Code.

The Board has the power and is responsible for appointing new directors to fill a casual vacancy or as an addition to the Board. The Board will consider whether the candidate's skills, experience and diversity of perspectives (including but not limited to gender, age, cultural and educational background, or professional experience to achieve the diversity of members of the Board) meet the requirements of the Company when considering a nomination. In 2013, a Board meeting was held to consider and approve the appointment of Mr. Liu Hongzhou as executive director and vice chairman of the Company. When considering Mr. Liu's nomination and appointment, the Board has applied the above mentioned criteria and procedures.

所有董事（包括非執行董事）均須遵照上市規則及本公司的公司章程細則每三年輪流退任一次，並可膺選連任。董事薪酬乃參照彼等的職務、職責及經驗，以及市場現況而釐定。

董事會的責任是訂下長遠經營目標、策略和藍圖，以及監察和調控本集團的營運及財務表現。集團日常營運及經營目標的落實則交由董事總經理負責。管理層已獲授予所需權力，以執行日常營運及職責。

董事會亦負責履行整體的企業管治職責，包括制定及檢討本公司的企業管治政策及常規，檢討及監察董事及高級管理人員的培訓及持續專業發展，檢討及監察本公司在遵守法律及監管規定方面的政策及常規，制定、檢討及監察董事的操守準則，及檢討本公司遵守企業管治守則的情況。

董事會有權及負責委任新董事以填補臨時空缺或新增董事會成員。董事會在考慮提名時將考慮獲提名人選的才幹、經驗及多樣化的觀點與角度（包括但不限於性別、年齡、文化及教育背景或專業經驗等因素，體現董事會成員組合的多元性）是否符合本公司的要求。於2013年，就考慮及批准劉紅洲先生為本公司執行董事及副主席的委任舉行一次董事會會議。於考慮劉先生之提名及委任時，董事會已應用上述標準及程序。

Corporate Governance Report

企業管治報告

All directors have actively participated in the review and monitoring of the Company's business. The Board meets regularly and at least 4 times a year. Between scheduled meetings, the senior management of the Group provides information to directors on a regular basis regarding the activities and development in the businesses of the Group. The directors have full access to information on the Group and independent professional advice in appropriate circumstances, at the Company's expense. With respect to regular meetings of the Board, the directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than 3 days prior to the meeting. For other meetings, directors are given as much notice as is reasonable and practicable in the circumstances. If a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting. Independent non-executive directors who, and whose associates, have no material interest in the transaction should be present at that Board meeting. All minutes of Board and Board committee meetings are kept by the company secretary of the Company to record in sufficient details the matters considered and decisions reached by the Board or Board committee, including any concerns raised or dissenting views expressed by any director. These minutes are available for inspection at any reasonable time on reasonable notice by any director. The attendance record of the directors at the annual general meeting, Board and Board committee meetings held in 2013 are set out in the table on page 21 of the annual report. Besides providing sufficient time and attention to the affairs of the Group, all directors have disclosed to the Company the number and nature of the offices held in other public companies or organisations and other significant commitments, and updated the Company on any subsequent changes in a timely manner. Appropriate insurance covers on directors' liabilities have been in force to protect the directors from their risk exposure arising from the business of the Group.

各董事均積極參與檢討及監察本公司業務。董事會定期召開會議，且每年召開至少四次。於定期會議之間，本集團的高級管理層會就本集團業務的活動及發展定期向董事提供資料。董事可隨時獲取本集團的資料及可在適當的情況下尋求獨立專業意見，費用由本公司支付。就召開定期董事會會議而言，董事將至少提前十四天獲得書面會議通知及在會議前不少於三天獲得董事會議程及所需文件。就其他會議而言，在合理及切實的情況下，董事會盡量獲予最早的通知。若董事在董事會上所考慮的事項中存有董事會認為重大的利益衝突，有關事項應以舉行董事會會議（而非書面決議）方式處理。在交易中本身及其聯繫人均沒有重大利益的獨立非執行董事應該出席有關的董事會會議。本公司公司秘書應備存董事會及董事委員會的會議紀錄，該等會議紀錄應對董事會或董事委員會所考慮事項及達致的決定作足夠詳細的記錄，其中應該包括董事提出的任何疑慮或表達的反對意見。若有任何董事發出合理通知，應公開有關會議紀錄供其在任何合理的時段查閱。各董事於2013年舉行之股東週年大會、董事會及董事委員會會議之出席記錄已載列於年報第21頁之表格內。除確保能付出足夠時間及精力以處理本集團的事務外，所有董事均已向本公司披露其於其他公眾公司或組織擔任職務之數目及性質，以及其他重大承擔，並及時向本公司披露任何其後之變更。涵蓋董事法律責任之適當保險已有效保障本公司董事因本集團業務產生之風險。

Corporate Governance Report 企業管治報告

The directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2013 is recorded in the table below.

董事確認需要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列各董事於2013年就適切着重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

		Reading regulatory updates 閱讀 監管規定 更新資料	Attending external seminars/ programmes 參與外界 機構舉辦 研討會／活動
Non-executive directors	非執行董事		
Rui Xiaowu	芮曉武	✓	✓
Zhao Guiwu*	趙貴武*	✓	
Executive directors	執行董事		
Xie Qinghua	謝慶華	✓	✓
Liu Hongzhou	劉紅洲	✓	✓
Liu Jinping	劉晉平	✓	✓
Independent non-executive directors	獨立非執行董事		
Chan Kay Cheung	陳棋昌	✓	✓
Qiu Hongsheng	邱洪生	✓	✓
Yin Yongli	尹永利	✓	

* Resigned in 2013

* 於2013年辭任

The biographies of the directors are set out on pages 22 to 25 of the annual report.

董事簡歷載於年報第22頁至第25頁。

Corporate Governance Report 企業管治報告

THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the year ended 31 December 2013.

REMUNERATION AND NOMINATION COMMITTEE

The remuneration and nomination committee comprises three independent non-executive directors, namely Mr. Qiu Hongsheng, Mr. Chan Kay Cheung and Mr. Yin Yongli and an executive director Mr. Xie Qinghua. Mr. Qiu Hongsheng is the chairman of the remuneration and nomination committee. The terms of reference of the remuneration and nomination committee, which described its authority and duties, is available on the Company's website.

The principal responsibilities of the remuneration and nomination committee include reviewing and recommending to the Board the remuneration policy and the remuneration of the directors and the senior management, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, to make recommendations to the Board on the remuneration of non-executive directors, responsible for identification and recommendation to the Board of possible appointees as directors, making recommendations to the Board on matters relating to appointment or re-appointment of directors, succession planning for directors and assessing the independence of the independent non-executive directors.

上市發行人董事進行證券交易的標準守則 (「標準守則」)

本公司已採納上市規則附錄10所載的標準守則，以規管董事進行的證券交易。經本公司作出具體查詢後，所有董事均已確認，於截至2013年12月31日止年度內，彼等均已全面遵守標準守則。

薪酬及提名委員會

薪酬及提名委員會由三名獨立非執行董事，分別為邱洪生先生、陳棋昌先生及尹永利先生及一名執行董事謝慶華先生組成。邱洪生先生為薪酬及提名委員會主席。薪酬及提名委員會職權範圍書已刊載於本公司網站內。

薪酬及提名委員會的主要職責包括檢討董事及高級管理人員的薪酬政策及薪酬並就以上事項向董事會提出建議、因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議、獲董事會轉授責任、釐定個別執行董事及高級管理人員之薪酬待遇、就非執行董事之薪酬向董事會提出建議、負責為董事會物色及推薦董事人選、並就委任或重新委任董事、董事繼任人安排向董事會作出建議、及評估獨立非執行董事之獨立性。

Corporate Governance Report 企業管治報告

To demonstrate the Company's commitment to achieve best corporate governance practices, the Board adopted a revised terms of reference of the remuneration and nomination committee in September 2013, to comply with a new CG Code provision on board diversity which came into effect from September 2013. Pursuant to the revised terms of reference, in making recommendations to the Board in respect of the composition of the Board, the appointment, re-appointment or removal of directors, the remuneration and nomination committee should give adequate consideration, including but not limited to, the followings:

- i) members of the Board have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business;
- ii) the Board includes a balanced composition of directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement;
- iii) having taking into account of the Group's own business model and specific needs, through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience to achieve the diversity of members of the Board; and
- iv) the appointment of new directors follows a formal, considered and transparent procedure.

During the year, the remuneration and nomination committee held three meetings. The attendance record of the committee members at these meetings are set out in the table on page 21 of the annual report. The work performed by the remuneration and nomination committee during the year included reviewing the remuneration policy and the remuneration of the directors and the senior management, determining the remuneration of the executive directors, reviewing the policy for the nomination of directors, making recommendation to the Board on the appointment or re-appointment of directors, and assessing the independence of the independent non-executive directors.

為印證本公司致力實踐最高水平的企業管治常規，董事會於2013年9月採納其修訂的薪酬及提名委員會職權範圍書，以遵守一項於2013年9月生效之董事會成員多元化的新增企業管治守則條文。根據該修訂的職權範圍書，在對董事會組成及董事委任、重選或罷免向董事會提出建議時，薪酬及提名委員會將充分考慮下列（但不限於）各項原則：

- i) 董事會成員應當根據本集團業務要求具備適當技能、經驗及多樣的觀點與角度；
- ii) 董事會成員組合均衡，且具強大的獨立元素及能夠有效地作出獨立判斷；
- iii) 在符合本集團之業務模式及具體需要之情況下，應當充分考慮包括（但不限於）性別、年齡、文化及教育背景或專業經驗等因素，體現董事會成員組合的多元性；及
- iv) 新董事委任程序應當正式、審慎及具透明度。

年內，薪酬及提名委員會曾舉行三次會議。各委員於該等會議之出席記錄已載列於年報第21頁之表格內。薪酬及提名委員會於年內之工作包括檢討董事及高級管理人員之薪酬政策及薪酬、釐定執行董事之薪酬、檢討提名董事的政策、就委任或重新委任董事向董事會作出建議、及評估獨立非執行董事之獨立性。

Corporate Governance Report

企業管治報告

Remuneration payable to senior management (excluding directors) for the year ended 31 December 2013 is within the HK\$1,000,000 to HK\$1,500,000 band. Details of the remuneration of the directors for the year ended 31 December 2013 are set out on pages 78 to 80 of the annual report.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng and Mr. Yin Yongli. Mr. Chan Kay Cheung is the chairman of the audit committee. The members have extensive experience in financial matters and one of them is a certified public accountant. The terms of reference of the audit committee, which described its authority and duties, is available on the Company's website.

The audit committee provides an independent review and supervision of financial reporting, and examines the effectiveness of the internal controls of the Group and ensuring the external auditor are independent and the effectiveness of the audit process. The audit committee examines all matters relating to the accounting principles and policies adopted by the Group, auditing functions, internal controls, risk management and financial reporting. External auditor and the directors are invited to attend the committee meetings as and when necessary. The audit committee also serves as a channel of communication between the Board and the external auditor.

During the year, the audit committee held two meetings. The attendance record of the committee members at these meetings are set out in the table on page 21 of the annual report. The work performed by the audit committee during the year included reviewing the audited consolidated financial statements of the Group for the year ended 31 December 2012, the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2013 and the effectiveness of the internal control practices of the Group. The audit committee has also reviewed the audit plan and approach of the external auditor and monitored the progress and results of the audit regularly.

截至2013年12月31日止年度應付高級管理人員（不包括董事）之薪酬介乎1,000,000港元至1,500,000港元範圍。截至2013年12月31日止年度董事薪酬的詳情載於年報第78頁至第80頁。

審核委員會

審核委員會由三名獨立非執行董事，分別為陳棋昌先生、邱洪生先生及尹永利先生組成。陳棋昌先生為審核委員會主席。各委員在財經事務範疇皆擁有豐富經驗，其中一名是註冊會計師。審核委員會職權範圍書已刊載於本公司網站內。

審核委員會負責對財務匯報進行獨立檢討及監察，並檢視本集團內部監控之效能，以及確保外聘核數師保持獨立和審核程序的有效性。審核委員會檢視所有關於本集團採納的會計原則和政策的
事宜、審核功能、內部監控、風險管理及財務匯報事項。在需要時，外聘核數師及董事可被邀請出席委員會會議。審核委員會也擔當董事會與外聘核數師之間溝通的橋樑。

年內，審核委員會曾舉行兩次會議。各委員於該等會議之出席記錄已載列於年報第21頁之表格內。審核委員會於年內之工作包括審閱本集團截至2012年12月31日止年度之經審核綜合財務報表、截至2013年6月30日止六個月之未經審核綜合中期財務報表及內部監控措施效能。審核委員會亦已審閱外聘核數師的審核計劃及方法，並定期監察審核工作的進展及結果。

Corporate Governance Report

企業管治報告

EXTERNAL AUDITOR

For the year ended 31 December 2013, the fees payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

		2013 2013年 HK\$'000 千港元
Audit services	審核服務	5,217
Non-audit services (included tax matters, review and other reporting services)	非審核服務(包括稅務事項、審閱及其他申報服務)	621
		5,838

ACCOUNTABILITY AND AUDIT

The Board is responsible for overseeing the preparation of financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flow during the reporting period. A statement from the auditor about their reporting responsibilities on the financial statements is set out on pages 40 to 42 of the annual report. In preparing the financial statements for the year ended 31 December 2013, the directors have selected suitable accounting policies and applied them consistently and have made prudent and reasonable judgments and estimates and have prepared the financial statements on a going concern basis. The Board has (a) reviewed the effectiveness of the internal control system of the Group, including all the material controls in financial, operational and compliance and risk management functions, (b) considered the adequacy of resources, staff qualifications and experience, training programmes and the budget of the Company's accounting and financial reporting function, and (c) held discussion with the Group's external auditor, to ensure that a sound internal control system is maintained and operated by the management in compliance with the agreed procedures and standards.

外聘核數師

於截至2013年12月31日止年度，就本公司及其附屬公司獲提供的審核及非審核服務向本公司外聘核數師應付的費用載列如下：

問責和審核

董事會負責監察財務報表的編製，確保賬目真實兼公平地反映本集團的財務狀況及於呈報期間的業績和現金流量。核數師就其對財務報表之申報責任所發出的聲明載於年報第40頁至第42頁。編製截至2013年12月31日止年度的財務報表時，董事已選擇適當的會計政策並貫徹運用該等政策，並作出審慎合理的判斷和估計及按持續經營基準編製財務報表。董事會已(a)檢視本集團內部監控機制的效能(包括財務、營運和符合性及風險管理功能的所有重大監控)，(b)考慮本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠，並(c)與本集團之外聘核數師進行討論確保管理層已維持及管理一個運作良好的內部監控機制，符合所約定的程序及標準。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene a special general meeting

Pursuant to the Company's bye-laws and the Companies Act 1981 of Bermuda (as amended), registered shareholders holding at the date of deposit of the requisition not less than one-tenth (10%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the Board or the company secretary of the Company to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such special general meeting shall be held within two months from the date of deposit of such requisition.

The written requisition must be signed by the registered shareholders concerned and may consist of several documents in like form, each signed by one or more of these shareholders. The written requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will ask the Board to convene a special general meeting by serving sufficient notice in accordance with the statutory and regulatory requirements to all the registered shareholders. On the contrary, if the written requisition has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, a special general meeting will not be convened as requested.

If within twenty one days from the date of deposit of the requisition the Board fails to proceed to convene a special general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a special general meeting, but any special general meeting so convened shall be held within three months from the date of deposit of such requisition.

股東權利

股東召開股東特別大會之程序

根據本公司章程細則及百慕達1981年公司法（經修訂），任何於呈遞要求日期持有有權在本公司股東大會投票之本公司實繳股本不少於十分一（10%）之登記股東，有權隨時致函本公司註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，向董事會或本公司公司秘書發出書面要求，要求董事會召開股東特別大會以處理該要求內指定之任何事務，而該股東特別大會須於有關呈遞要求日期起兩個月內舉行。

書面要求必須經有關登記股東簽署，並可由數份同樣格式及附有所有有關股東簽署之文件組成。書面要求將由公司股份登記處核實，在確定為適當及符合程序後，本公司公司秘書將要求董事會召開股東特別大會，並根據法定及監管規定給予所有登記股東充分的通知期。反之，若書面要求經核實為不符合程序，有關股東將獲知會結果，而股東特別大會亦不會按要求召開。

如董事會未能於呈遞要求日期起二十一日內開展召開股東特別大會，則呈請人（或其中代表全體呈請人總表決權半數以上之任何人士）可自行召開股東特別大會，惟按此方式召開之任何股東特別大會須於呈遞要求日期起三個月內舉行。

Corporate Governance Report 企業管治報告

Procedures for shareholders to put forward proposals at a general meeting

Pursuant to the Companies Act 1981 of Bermuda (as amended), either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The written requisition and a sum of money reasonably sufficient to meet the Company's expenses for serving the notice of the resolution and circulating the statement submitted by the registered shareholders concerned in accordance with the statutory and regulatory requirements to all the registered shareholders must be deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the company secretary of the Company not less than six weeks before the meeting in case of a requisition requiring notice of a resolution; and not less than one week before the meeting in the case of any other requisition; and where an annual general meeting is called for a date six weeks or less after the requisition requiring notice of a resolution has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for such purpose.

The written requisition must be signed by the registered shareholders concerned and may consist of several documents in like form, each signed by one or more of these shareholders. The written requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will ask the Board to include the resolution in the agenda for the general meeting, and serving the notice of the resolution and circulating the statement submitted by the registered shareholders concerned in accordance with the

股東於股東大會上提呈議案之程序

根據百慕達1981年公司法(經修訂),持有有權在本公司股東大會投票之本公司實繳股本不少於二十分之一(5%)之登記股東,或不少於100名登記股東,可向本公司提交書面要求:(a)向有權獲發送下一屆股東大會通告之股東發出通知,以告知於該大會上任何可能正式動議及擬動議之決議案;及(b)向有權獲發送任何股東大會通告之股東傳閱不超過1,000字之陳述書,以告知於該大會上提呈之決議案所述事宜或將處理之事項。

書面要求連同繳存合理及足夠款項用以支付公司根據法定及監管規定向所有登記股東發出決議案通知及傳閱有關登記股東呈交之陳述書所產生之開支必須送達本公司註冊辦事處,地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda,註明本公司公司秘書收啟。如屬於須發出決議案通知之情況,該要求須於會議舉行前不少於六週送達;如屬於任何其他情況,則須於會議舉行前不少於一週送達。惟倘在送達須發出決議案通知要求後六週或較短期間內之某一日召開股東週年大會,則該要求雖未有在規定時間內送達,就此而言亦將被視為已妥善送達。

書面要求必須經有關登記股東簽署,並可由數份同樣格式及附有所有有關股東簽署之文件組成。書面要求將由公司股份登記處核實,在確定為適當及符合程序後,本公司公司秘書將要求董事會將有關決議案納入股東大會之議程,並按照法定

Corporate Governance Report 企業管治報告

statutory and regulatory requirements to all the registered shareholders. On the contrary, if the written requisition has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the general meeting.

Procedures for shareholders to propose a person for election as a director

Pursuant to the Company's bye-laws, a registered shareholder duly qualified to attend and vote at the general meeting wishes to propose a person other than a director of the Company for election as a director at the general meeting must validly serve (1) his/her written notice of intention to propose a candidate for election as a director at the general meeting; (2) a written notice signed by the nominated candidate of the candidate's willingness to be elected; (3) the nominated candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of his/her personal data, either to the Company's principal place of business in Hong Kong at Room 3403, 34th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong; or to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no earlier than the day after the dispatch of notice of the general meeting appointed for such election and no later than seven days prior to the date of such general meeting.

Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact details are as follows:

Room 3403, 34th Floor, China Resources Building,
26 Harbour Road, Wanchai, Hong Kong
Facsimile: (852) 2598 9018
Email: investor@cecholdings.com.hk

Shareholders may also make enquiries with the Board at the general meetings of the Company.

及監管規定向所有登記股東發出決議案通知及傳閱有關登記股東呈交之陳述書。反之，若書面要求經核實為不符合程序，有關股東將獲知會結果，而提呈之決議案將不獲納入股東大會之議程內。

股東提名人選參選董事之程序

根據本公司章程細則，合資格出席股東大會並於會上投票之登記股東欲提名一名並非本公司董事之人士於股東大會上參選為董事，則該股東必須在就該選舉而召開之股東大會通告發出翌日起及不遲於該股東大會舉行日期至少七天前，將(1)其有意於股東大會上提名人選參選董事之書面通知、(2)被提名人已簽署之書面通知，證明其願意參選、(3)根據上市規則第13.51(2)條規定需予披露之被提名人的資料、及(4)被提名人同意其個人資料被披露之書面同意書妥善地提交本公司於香港主要營業地點，地址為香港灣仔港灣道26號華潤大廈34樓3403室；或本公司於香港之股份過戶登記分處卓佳雅柏勤有限公司，地址為香港灣仔皇后大道東183號合和中心22樓。

股東向董事會作出查詢之程序

股東可隨時透過本公司秘書以書面形式將其查詢遞交董事會。本公司秘書之聯絡詳情如下：

香港灣仔港灣道26號
華潤大廈34樓3403室
傳真：(852) 2598 9018
電郵：investor@cecholdings.com.hk

股東亦可在本公司之股東大會上向董事會作出查詢。

Corporate Governance Report

企業管治報告

ATTENDANCE RECORD AT MEETINGS

Details of the director's attendance at the annual general meeting, Board and Board committee meetings held in 2013 are set out in the table below:

會議出席記錄

下表載列各董事於2013年內出席股東週年大會、董事會及董事委員會會議之詳情：

		Notes 附註	Meetings attended/held 出席次數／會議次數	Audit committee 審核 委員會	Remuneration and nomination committee 薪酬及 提名 委員會	Annual general meeting 股東 週年大會
			Board** 董事會**			
Non-executive directors						
	非執行董事					
Rui Xiaowu	芮曉武		7/7*			1/1*
Zhao Guiwu	趙貴武	1	6/6			1/1
Executive directors						
	執行董事					
Xie Qinghua	謝慶華		6/6		3/3	1/1
Liu Hongzhou	劉紅洲	2	1/1			
Liu Jinping	劉晉平		4/6			1/1
Independent non-executive directors						
	獨立非執行董事					
Chan Kay Cheung	陳棋昌		7/7	2/2*	3/3	1/1
Qiu Hongsheng	邱洪生		7/7	2/2	3/3*	1/1
Yin Yongli	尹永利		7/7	2/2	3/3	1/1

* Chairman

* 主席

** Included a Board meeting where the chairman of the Board met with non-executive directors (including independent non-executive directors) without the executive directors and management present.

** 其中一次董事會會議是由董事會主席在沒有執行董事和管理層在場的情況下會見了非執行董事（包括獨立非執行董事）。

Notes:

附註：

1. Resigned on 11 October 2013
2. Appointed on 11 October 2013

1. 於2013年10月11日辭任
2. 於2013年10月11日獲委任

Biographies of Directors and Senior Management

董事及高級管理人員簡歷

NON-EXECUTIVE DIRECTOR

Mr. Rui Xiaowu, aged 54, is the Chairman of the Company. Mr. Rui graduated from the Science & Technology University for National Defense of China in 1982 with a major in Computer Software, was a Master's postgraduate and a Research Fellow, and was awarded the "Government Special Allowance" by the State Council of the PRC. Mr. Rui is the chairman of China Electronics Corporation Limited ("CEC"), the ultimate controlling shareholder of the Company. Mr. Rui was previously the director of the 710 Research Institute of the Ministry of Aerospace Industry of China, the general manager of China Satellite Communications Corporation and the deputy general manager of China Aerospace Science & Technology Corporation. Mr. Rui was also the chairman of China Spacesat Company Limited (a company listed on the Shanghai Stock Exchange), the chairman, president and an executive director of China Aerospace International Holdings Limited, the chairman and a non-executive director of APT Satellite Holdings Limited. Mr. Rui joined the Company in August 2011.

EXECUTIVE DIRECTORS

Mr. Xie Qinghua, aged 46, is the Managing Director of the Company. Mr. Xie graduated from the School of Economics and Management of Beijing Institute of Technology and holds a postgraduate degree in Business Administration. Mr. Xie is the chairman of China Electronics Technology Development Co., Ltd, a wholly owned subsidiary of CEC. Mr. Xie was in charge of the Overseas Cooperation Department of CEC, the general manager of the Strategic Planning Department of China Great Wall Computer (Group) Corporation, the assistant general manager and the secretary to the board of directors of Great Wall Broadband Network Service Co., Ltd, the general manager of Beijing Branch of Great Wall Broadband Network Service Co., Ltd, the general manager of Shenzhen Great Wall Broadband Network Service Co., Ltd, the assistant general manager of Aerostrong Technology Co., Ltd, and in charge of the general manager office and the project manager of the Communication Network Department of Jitong Communications Limited. Mr. Xie joined the Company in August 2012.

非執行董事

芮曉武先生，54歲，本公司主席。芮先生於1982年畢業於中國國防科技大學電子計算器軟件專業，亦為碩士研究生及研究員，並享受中國國務院「政府特殊津貼」。芮先生現任本公司最終控股股東中國電子信息產業集團有限公司（「中國電子集團」）董事長。芮先生曾任中國航天工業部710所所長、中國衛星通信集團公司總經理及中國航天科技集團公司副總經理。芮先生亦曾擔任中國天地衛星股份有限公司（該公司於上海證券交易所公開上市）董事長、中國航天國際控股有限公司主席、總裁及執行董事和亞太衛星控股有限公司主席及非執行董事。芮先生於2011年8月加入本公司。

執行董事

謝慶華先生，46歲，本公司董事總經理。謝先生於北京理工大學經濟管理學院工商管理碩士研究生畢業。謝先生現任中國電子集團之全資附屬公司中國電子科技開發有限公司董事長。謝先生曾任中國電子集團對外合作部負責人，中國長城計算機集團公司戰略規劃部總經理，長城寬帶網絡服務有限公司總經理助理及董事會秘書，長城寬帶網絡服務有限公司北京分公司總經理，深圳市長城寬帶網絡服務有限公司總經理，航天四創科技有限公司總經理助理，吉通通信有限公司總經理辦公室負責人及通信網絡部項目經理。謝先生於2012年8月加入本公司。

Biographies of Directors and Senior Management

董事及高級管理人員簡歷

Mr. Liu Hongzhou, aged 51, is the Vice Chairman of the Company. Mr. Liu graduated from the School of International Business of Nanjing University and holds a postgraduate degree in Business and Administration, and is a senior engineer. Mr. Liu, having spent much of his career in CEC, was a divisional deputy director of the Asset Management Department of CEC, an executive director and the deputy general manager of Winfair Development Limited, a divisional director of the Investment Banking Department of CEC, the deputy general manager of China Electronics Technology Development Corporation, the deputy general manager of the Asset Management Department of CEC, the deputy general manager of the Company, a director of the General Office of CEC, a director of Shenzhen SED Industry Co., Ltd (a company listed on the Shenzhen Stock Exchange), and the managing director of Shenzhen SED Electronics Group Company Ltd. Mr. Liu was appointed director of the Company in October 2013.

Mr. Liu Jinping, aged 61, Mr. Liu graduated from the Department of Radio Engineering of Beijing Institute of Technology and is a senior engineer. Since 2003, Mr. Liu is the general manager of China Integrated Circuit Design Corp., Ltd (“China Huada”), the Company’s substantial shareholder, and the chairman of various subsidiaries of China Huada, which include Nationz Technologies Inc. (a company listed on the Shenzhen Stock Exchange) and Beijing Huada Zhibao Electronic System Co., Ltd. From 1994 to 2002, Mr. Liu was the deputy general manager of the SDIC Electronic Co. From 2002 to 2003, Mr. Liu was the deputy general manager of SDIC Venture Capital Co., Ltd. Mr. Liu was appointed director of the Company in July 2010.

劉紅洲先生，51歲，本公司副主席。劉先生於南京大學國際商學院工商管理碩士研究生畢業，並為高級工程師。劉先生長期於中國電子集團工作，曾任中國電子集團資產部副處長、金溢發展有限公司執行董事及副總經理、中國電子集團投資銀行部處長、中國電子科技開發公司副總經理、中國電子集團資產部副總經理、本公司副總經理、中國電子集團辦公廳主任、深圳市桑達實業股份有限公司董事（該公司於深圳證券交易所公開上市）及深圳桑達電子集團有限公司董事總經理。劉先生於2013年10月獲委任為本公司董事。

劉晉平先生，61歲，劉先生畢業於北京工業學院無線電工程系並為高級工程師。劉先生自2003年起至今擔任本公司之主要股東中國華大集成電路設計集團有限公司（「中國華大」）總經理，並擔任國民技術股份有限公司（該公司於深圳證券交易所公開上市）、北京華大智寶電子系統有限公司等多家中國華大附屬公司之董事長。於1994年至2002年間，劉先生出任國投電子公司副總經理。於2002年至2003年間，劉先生擔任國投創業投資有限公司副總經理。劉先生於2010年7月獲委任為本公司董事。

Biographies of Directors and Senior Management

董事及高級管理人員簡歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kay Cheung, aged 67, is a senior advisor of The Bank of East Asia, Limited, the vice chairman of The Bank of East Asia (China) Limited and the chairman of Shaanxi Fuping BEA Rural Bank Corporation. Mr. Chan was an executive director and the deputy chief executive of The Bank of East Asia, Limited. Mr. Chan joined The Bank of East Asia, Limited in 1965 and possesses extensive knowledge and experience in the banking industry. Mr. Chan is a fellow member of the Hong Kong Institute of Bankers, a member of the Process Review Committee for the oversight of Hong Kong Monetary Authority, a member of the Clearing and Settlement Systems Appeals Tribunal, a member of the Committee of Overseers of Lee Woo Sing College, The Chinese University of Hong Kong, a member of The China Unionpay International Advisory Group and an international senior economic consultant of The People's Government of Shaanxi Province. Mr. Chan is also an independent non-executive director of Chu Kong Shipping Enterprises (Group) Company Limited, Dah Chong Hong Holdings Limited, Hong Kong Food Investment Holdings Limited and SOCAM Development Limited. Mr. Chan was appointed director of the Company in May 1997.

Mr. Qiu Hongsheng, aged 49, Mr. Qiu graduated from the School of Management of Harbin Institute of Technology and holds a postgraduate degree in Management Science and Engineering; and is a Certified Public Valuer in the PRC, a Certified Senior Enterprise Risk Manager in the PRC and a senior economist. Mr. Qiu is an executive director and the general manager of China Consultants of Advisory and Finance Management Co., Ltd. Mr. Qiu worked in 710 Research Institute of the Ministry of Aerospace Industry of China as an economic analyst for a number of years. Mr. Qiu joined China Consultants of Advisory and Finance Management Co., Ltd (formerly known as China Financial and Accounting Consulting Company), a company directly managed by the State Ministry of Finance of the PRC, in 1994 and focuses on management consulting and corporation restructuring transactions. Mr. Qiu possesses a wealth of professional knowledge and practical experiences on corporate finance, mergers and acquisitions, strategic integration, meticulous management, etc. Mr. Qiu is also an independent director of Lingyun Industrial Corporation Limited, Beijing Tiantan Biological Products Co., Ltd, China National Software & Service Co., Ltd, and AVIC Heavy Machinery Co., Ltd (all being companies listed on the Shanghai Stock Exchange). Mr. Qiu was appointed director of the Company in November 2012.

獨立非執行董事

陳祺昌先生，67歲，現任東亞銀行有限公司高級顧問、東亞銀行（中國）有限公司副董事長及陝西富平東亞村鎮銀行有限責任公司董事長。陳先生曾任東亞銀行有限公司執行董事兼副行政總裁。陳先生於1965年加入東亞銀行有限公司，在銀行界具廣泛知識和豐富經驗。陳先生為香港銀行學會資深會士，並出任香港金融管理局程序覆檢委員會委員、結算及交收系統上訴審裁處委員、香港中文大學和聲書院院監會成員、中國銀聯國際業務專家委員會委員及陝西省人民政府國際高級經濟顧問。陳先生亦為珠江船務企業（股份）有限公司、大昌行集團有限公司、香港食品投資控股有限公司及瑞安建業有限公司獨立非執行董事。陳先生於1997年5月獲委任為本公司董事。

邱洪生先生，49歲，邱先生於哈爾濱工業大學管理學院管理科學與工程系碩士研究生畢業，並為中國註冊資產評估師、中國註冊高級企業風險管理師及高級經濟師。邱先生現任中華財務諮詢有限公司執行董事及執行總經理。邱先生曾於中國航天工業部710所從事經濟分析工作多年，並於1994年加入中國財政部直接管理之中華財務諮詢有限公司（前稱中華財務會計諮詢公司）從事管理諮詢及企業重組工作。邱先生在企業財務、購併定價、戰略整合及精細化管理等方面，具有豐富的專業知識和實踐經驗。邱先生現亦為凌雲工業股份有限公司、北京天壇生物製品股份有限公司、中國軟件與技術服務股份有限公司及中航重機股份有限公司（均為公司於上海證券交易所公開上市）之獨立董事。邱先生於2012年11月獲委任為本公司董事。

Biographies of Directors and Senior Management 董事及高級管理人員簡歷

Mr. Yin Yongli, aged 74, graduated from Shandong Finance Institute. Mr. Yin is a Certified Public Accountant in the PRC and has extensive experience in auditing and financial management. From 2005 to 2008, Mr. Yin was the chairman of Tianhua Certified Public Accountants. He was the chairman of China Rightson Certified Public Accountants and various audit firms in the PRC during the period from 1999 to 2005. Before that, Mr. Yin worked in the petrochemical industry in the PRC for over 35 years. From 1985 to 1999, Mr. Yin held various senior positions in the finance department of Sinopec Corporation. Mr. Yin is an independent director of China Merchants Energy Shipping Co., Ltd. Mr. Yin was appointed director of the Company in September 2004.

SENIOR MANAGEMENT

Mr. Ng Kui Kwan, aged 52, is the company secretary of the Company. Mr. Ng holds a Bachelor of Arts degree in Accounting from the University of Liverpool in England. Mr. Ng is a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Ng has many years of experience in auditing, finance and administration. Mr. Ng joined the Company in November 2008.

尹永利先生，74歲，畢業於山東財經學院。尹先生為中國註冊會計師並具有豐富的審計和財務管理經驗。2005年至2008年間擔任天華會計師事務所管委會主席並於1999年至2005年間擔任中瑞華恒信會計師事務所等多家國內會計師事務所主席。在此之前，尹先生在中國石油化工行業有超過35年工作經驗。從1985年至1999年間，尹先生在中國石油化工總公司財務部擔任多項高級職務。尹先生現任招商局能源運輸股份有限公司獨立董事。尹先生於2004年9月獲委任為本公司董事。

高級管理人員

伍舉鈞先生，52歲，本公司公司秘書。伍先生持有英格蘭利物浦大學會計學士學位。伍先生為英格蘭及威爾斯特許會計師公會及香港會計師公會會員。伍先生對審計、財務及行政方面積累多年經驗。伍先生於2008年11月加入本公司。

Report of the Directors

董事會報告

The directors submit their report together with the audited financial statements of the Company for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively the "Group") is the design, research and development and sale of integrated circuits. The activities of the principal subsidiaries are set out in Note 17 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 43 of the annual report.

The Company paid a special dividend in cash of HK\$0.03 per share out of the contributed surplus account of the Company to the shareholders whose names appear on the register of members of the Company on 2 October 2013.

A dividend in respect of the year ended 31 December 2013 of HK\$0.03 per share (2012: nil), amounting to a total dividend of HK\$50,747,000, is to be proposed at the forthcoming annual general meeting of the Company (the "Annual General Meeting").

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group and the Company during the year are set out in Note 15 to the financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 22 to the financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 47 of the annual report and Note 23 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2013 amounted to HK\$439,038,000 (2012: nil).

董事會同寅謹此提呈董事會報告及本公司截至2013年12月31日止年度之經審核財務報表。

主要業務

本公司為一家投資控股公司。本公司及其附屬公司(統稱「本集團」)之主要業務是集成電路之設計、研發及銷售。主要附屬公司之業務詳情載於財務報表附註17。

業績及分派

本集團本年度之業績載於年報第43頁之綜合收益表內。

本公司自其實繳盈餘賬向於2013年10月2日名列本公司股東名冊之股東以現金派付每股0.03港元特別股息。

將於本公司應屆股東週年大會(「股東週年大會」)上,建議就2013年12月31日止年度派付股息每股0.03港元(2012年:無),總計為50,747,000港元。

物業、廠房及設備

本集團及本公司之物業、廠房及設備於本年度內之變動詳情載於財務報表附註15。

股本

本公司之股本於本年度內之變動詳情載於財務報表附註22。

儲備

本集團及本公司之儲備於本年度內之變動詳情載於年報第47頁之綜合權益變動表及財務報表附註23。

可供分派儲備

於2013年12月31日,本公司之可供分派儲備為439,038,000港元(2012年:無)。

Report of the Directors

董事會報告

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, the assets and liabilities of the Group for the last five financial years is set out on page 104 of the annual report.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Non-executive Directors

Rui Xiaowu (*Chairman*)

Zhao Guiwu

(resigned on 11 October 2013)

Executive Directors

Xie Qinghua (*Managing Director*)

Liu Hongzhou (*Vice Chairman*)

(appointed on 11 October 2013)

Liu Jinping

Independent Non-executive Directors

Chan Kay Cheung

Qiu Hongsheng

Yin Yongli

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Rui Xiaowu and Mr. Yin Yongli will retire by rotation at the Annual General Meeting. Mr. Yin Yongli has notified the Company that due to age, he will not seek for re-election as director at the Annual General Meeting. Accordingly, except for Mr. Yin Yongli, the other retiring director, being eligible, offers himself for re-election at the Annual General Meeting.

五年財務資料摘要

本集團過去五個財政年度之業績、資產及負債之摘要載於年報第104頁內。

董事

於本年度內及截至本報告日止在任之董事如下：

非執行董事

芮曉武 (*主席*)

趙貴武

(於2013年10月11日辭任)

執行董事

謝慶華 (*董事總經理*)

劉紅洲 (*副主席*)

(於2013年10月11日獲委任)

劉晉平

獨立非執行董事

陳棋昌

邱洪生

尹永利

根據本公司之公司章程細則第87條，芮曉武先生及尹永利先生將於股東週年大會上輪席退任。尹永利先生已知會本公司，因年齡原因，彼將不會於股東週年大會上尋求膺選連任為董事。因此，除尹永利先生外，其他退任董事均符合資格並願意於股東週年大會上膺選連任。

Report of the Directors

董事會報告

None of the directors proposed for re-election at the Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and considers them to be independent.

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

At 31 December 2013, none of the directors nor the chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company or their respective associates (as defined under the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

擬於股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司訂立僱主在一年內不可在不予賠償(法定賠償除外)情況下終止之服務合約。

本公司已接獲各獨立非執行董事就彼等根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條發出的年度獨立性確認書,並認為彼等為獨立。

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於2013年12月31日,概無本公司董事、最高行政人員及彼等各自之聯繫人於本公司或本公司任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中持有任何須記錄於本公司根據證券及期貨條例第352條備存之登記冊內之權益或淡倉,或根據上市規則附錄10所載之上市發行人董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司之權益或淡倉。

董事購買股份或債券之權利

於本年度內,本公司、其控股公司或其任何附屬公司或同系附屬公司並無訂立任何使本公司董事或彼等各自之聯繫人(定義見上市規則)可藉著購入本公司或任何其他法人團體之股份或債券而獲益之安排。

董事於重大合約之權益

本公司之董事並無於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立並於年結日或本年度內任何時間仍然生效之任何重大合約中,直接或間接擁有任何重大權益。

CONNECTED TRANSACTIONS

On 5 July 2013, the Company and China Electronics Corporation Limited (“CEC”) has entered into an equity transfer agreement (the “Equity Transfer Agreement”) pursuant to which the Company has conditionally agreed to acquire and CEC has conditionally agreed to sell 100% equity interest in China Electronics Technology Development Co., Ltd (“CEC Technology”) at a cash consideration of RMB600 million (the “Acquisition”). The principal business activities of CEC Technology and its subsidiaries have been the development and management of industrial parks in the PRC which provides a platform for industry players to develop electronic information technology business. CEC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. The Equity Transfer Agreement and the Acquisition constitutes a connected transaction of the Company. Details of the Equity Transfer Agreement and the Acquisition are set out in the circular of the Company dated 28 August 2013. The Equity Transfer Agreement and the Acquisition has been approved by the independent shareholders of the Company on 11 October 2013. The PRC government and relevant regulatory authorities are in the course of approving the Equity Transfer Agreement and the Acquisition.

On 1 November 2013, CEC Huada Electronic Design Co., Ltd (“Huada Electronics”), a wholly-owned subsidiary of the Company, and CEC Information Technology Research Institute Co., Ltd (“CEC Research Institute”), entered into a transfer agreement (the “Transfer Agreement”) pursuant to which Huada Electronics has conditionally agreed to acquire and CEC Research Institute has conditionally agreed to sell a property transfer right (the “Property Transfer Right”) for the acquisition of all the 6-storey and 118 car-parking spaces on basement one of Block C of phase one of The China Electronics Information Security Technology Research Institute, which is located in the southern area of Future and Science Technology City, Beiqijia, Changping District, Beijing, the PRC (the “Property”). The consideration for the Property Transfer Right consists of (i) a basic consideration in the sum of RMB296,374,000 (the “Basic Consideration”); and (ii) the additional consideration representing the difference between the Basic Consideration and the total development cost of the

關連交易

於2013年7月5日，本公司與中國電子信息產業集團有限公司（「中國電子集團」）訂立權益轉讓協議（「權益轉讓協議」），據此，本公司有條件同意收購而中國電子集團有條件同意出售中國電子科技開發有限公司（「中電科技」）之100%股本權益，現金對價為人民幣6億元（「收購事項」）。中電科技及其附屬公司之主要業務為於中國境內從事為業內人士提供發展電子信息技術業務平台之產業園開發及管理。中國電子集團為本公司之最終控股股東，因此為本公司之關連人士。權益轉讓協議及收購事項構成本公司之一項關連交易。權益轉讓協議及收購事項的詳情載於本公司於2013年8月28日刊發之通函內。權益轉讓協議及收購事項已獲得本公司獨立股東於2013年10月11日舉行的股東特別大會上批准，中國政府及相關監管機構正在審批權益轉讓協議及收購事項。

於2013年11月1日，本公司之全資附屬公司北京中電華大電子設計有限責任公司（「華大電子」）與中電信息技術研究院有限公司（「中電研究院」）訂立轉讓協議（「轉讓協議」），據此，華大電子已有條件同意收購而中電研究院已有條件同意出售中國北京市昌平區北七家未來科技城南區中國電子信息安全技術研究院一期C棟之一至六層及地下一層118個車位（「該物業」）之物業轉讓權（「物業轉讓權」）。物業轉讓權之對價包括(i)金額為人民幣296,374,000元之基本對價（「基本對價」）；及(ii)額外對價，即基本對價與該物業之總發展成本之間之差額。中國電子集團為本公司之最終控股股東，因此為本公司之關連人士。中電研究院作

Report of the Directors

董事會報告

Property. CEC is the ultimate controlling shareholder of the Company and hence a connected person of the Company. CEC Research Institute, being a wholly-owned subsidiary of CEC, is also a connected person of the Company. The Transfer Agreement and the acquisition of the Property Transfer Right constitutes a connected transaction of the Company. Details of the Transfer Agreement and the acquisition of the Property Transfer Right are set out in the circular of the Company dated 20 December 2013. The Transfer Agreement and the acquisition of the Property Transfer Right has been approved by the independent shareholders of the Company on 10 January 2014.

CONTINUING CONNECTED TRANSACTIONS

The related party transactions as disclosed in Note 29 to the consolidated financial statements also fall under the definition of “continuing connected transactions” within the meaning of the Listing Rules. Details of certain of these transactions which are subject to the reporting and annual review requirements under the Listing Rules are summarised as follows:

為中國電子集團之全資附屬公司，亦為本公司之關連人士。轉讓協議及收購物業轉讓權構成本公司之一項關連交易。轉讓協議及收購物業轉讓權的詳情載於本公司於2013年12月20日刊發之通函內。轉讓協議及收購物業轉讓權已獲得本公司獨立股東於2014年1月10日舉行的股東特別大會上批准。

持續關連交易

根據上市規則的定義，綜合財務報表附註29所披露的關聯人士交易亦屬於持續關連交易。若干該等交易須遵守上市規則的申報及年度審閱規定，有關詳情概述如下：

Type of transaction	交易類別	Notes 附註	Amount 金額 HK\$'000 千港元
Sales of products to the CEC Group	向中國電子集團成員公司銷售產品	<i>i,ii</i>	92,950
Purchase of raw materials and modules from the CEC Group, provision of products processing, testing and assembling services by the CEC Group	向中國電子集團成員公司採購原材料及模組，及中國電子集團成員公司提供產品加工、成品測試及封裝服務	<i>i,iii</i>	451,708
Interest received from the CEC Group	向中國電子集團成員公司收取利息		3,148

Report of the Directors 董事會報告

Notes:

- (i) China Electronics Corporation Limited (“CEC”, together with its subsidiaries, the “CEC Group”), is a connected person of the Company by virtue of being the controlling shareholder of the Company.

On 19 July 2010, the Company entered into the 2010-2013 business services agreement (the “2010-2013 Business Services Agreement”) with CEC. The 2010-2013 Business Services Agreement took effect from 10 September 2010 and will expire on 30 June 2013. Pursuant to the 2010-2013 Business Services Agreement, the CEC Group provides products processing, testing and assembling services to the Group, while the Group purchases raw materials and modules from the CEC Group and sells products to the CEC Group. Details of the 2010-2013 Business Services Agreement and the related caps are set out in the circular dated 9 August 2010.

The Company has subsequently revised the caps for the provision of products processing, testing and assembling services by the CEC Group, and the purchase of raw materials and modules from the CEC Group under the 2010-2013 Business Services Agreement. Details of the revised caps are set out in the circular dated 19 September 2011.

On 7 May 2013, in order to continue the existing continuing connected transactions contemplated under the 2010-2013 Business Services Agreement and to facilitate the Group’s production and operation upon the expiration of the 2010-2013 Business Services Agreement on 30 June 2013, the Company entered into the 2013-2016 Business Services Agreement with CEC to reflect the terms of the proposed continuing connected transactions and the caps of the transactions thereunder for the period commencing from 1 July 2013 to 30 June 2016. Pursuant to the 2013-2016 Business Services Agreement, the CEC Group provides products processing, testing and assembling services to the Group, while the Group purchases raw materials and modules from the CEC Group and sells products to the CEC Group.

The 2013-2016 Business Services Agreement and the related caps were approved by the independent shareholders of the Company at the special general meeting held on 20 June 2013, details of which are set out in the circular dated 28 May 2013.

附註：

- (i) 中國電子信息產業集團有限公司（「中國電子集團」，連同其附屬公司，「中國電子集團成員公司」）為本公司之控股股東，因此亦為本公司之關連人士。

於2010年7月19日，本公司與中國電子集團訂立2010-2013綜合服務協議（「2010-2013綜合服務協議」）。2010-2013綜合服務協議有效期自2010年9月10日起至2013年6月30日止。根據2010-2013綜合服務協議，中國電子集團成員公司向本集團提供產品加工、成品測試及封裝服務，而本集團向中國電子集團成員公司採購原材料及模組及向中國電子集團成員公司銷售產品。2010-2013綜合服務協議及相關交易上限詳情已載於日期為2010年8月9日之通函內。

本公司其後已修訂本公司根據2010-2013綜合服務協議，就中國電子集團成員公司提供產品加工、成品測試及封裝服務，以及向中國電子集團成員公司購買原材料及模組之交易上限。修訂交易上限詳情已載於日期為2011年9月19日之通函內。

於2013年5月7日，為了繼續根據2010-2013綜合服務協議項下擬進行之持續關連交易，以及促進本集團在2010-2013綜合服務協議於2013年6月30日屆滿後的生產及經營，本公司與中國電子集團訂立2013-2016綜合服務協議，以規管自2013年7月1日起至2016年6月30日止期間之建議持續關連交易，以及其項下交易上限。根據2013-2016綜合服務協議，中國電子集團成員公司向本集團提供產品加工、成品測試及封裝服務，而本集團向中國電子集團成員公司採購原材料及模組及向中國電子集團成員公司銷售產品。

2013-2016綜合服務協議及相關上限已獲得本公司獨立股東於2013年6月20日舉行的股東特別大會上批准，有關詳情已載於日期為2013年5月28日之通函內。

Report of the Directors

董事會報告

(ii) Sales of products including integrated circuit cards and smart cards modules and chips to the CEC Group. Sales of products for the period from 1 January 2013 to 30 June 2013 and from 1 July 2013 to 31 December 2013 were based on the 2010-2013 Business Services Agreement and the 2013-2016 Business Services Agreement, respectively. All the transactions were carried out on normal commercial terms and with reference to market prices.

(iii) Raw materials and modules purchased from the CEC Group are for the Group's research and development of integrated circuit cards, smart cards and chips. The CEC Group also provides products processing, testing and assembling services to the Group. Purchase of raw materials and modules from the CEC Group and provision of products processing, testing and assembling services by the CEC Group for the period from 1 January 2013 to 30 June 2013 and from 1 July 2013 to 31 December 2013 were based on the 2010-2013 Business Services Agreement and the 2013-2016 Business Services Agreement, respectively. All the transactions were carried out on normal commercial terms and with reference to market prices.

On 19 July 2010, the Company entered into a comprehensive financial services agreement (the "Financial Services Agreement") with China Electronics Financial Co., Ltd ("CEC Finance"), a subsidiary of CEC. The Financial Services Agreement took effect from 10 September 2010 and will expire on 30 June 2013. Pursuant to the Financial Services Agreement, the financial services provided by CEC Finance to the Group includes deposit services, financial assistance and fee- and commission-based financial services. Details of the Financial Services Agreement and the related caps are set out in the circular dated 9 August 2010.

On 7 May 2013, in order to continue the existing continuing connected transactions contemplated under the Financial Services Agreement, and to facilitate the Group's operation upon the expiration of the Financial Services Agreement on 30 June 2013, the Company entered into the 2013-2016 Financial Services Agreement with CEC Finance to reflect the terms of the proposed continuing connected transactions and the caps of the transactions thereunder for the period commencing from 1 July 2013 to 30 June 2016. Pursuant to the 2013-2016 Financial Services Agreement, the financial services provided by CEC Finance to the Group includes deposit services, financial assistance and fee-and commission-based financial services.

(ii) 向中國電子集團成員公司銷售產品包括集成電路卡及智能卡模組和芯片。於2013年1月1日至2013年6月30日止期間和2013年7月1日至2013年12月31日止期間之產品銷售乃分別根據2010-2013綜合服務協議及2013-2016綜合服務協議進行。所有交易按一般商務條款和參考市場價格進行。

(iii) 向中國電子集團成員公司採購之原材料及模組乃供本集團研發集成電路卡、智能卡及芯片之用。中國電子集團成員公司亦向本集團提供產品加工、成品測試及封裝服務。於2013年1月1日至2013年6月30日止期間和2013年7月1日至2013年12月31日止期間向中國電子集團成員公司採購原材料及模組和中國電子集團成員公司提供產品加工、成品測試及封裝服務乃分別根據2010-2013綜合服務協議及2013-2016綜合服務協議進行。所有交易按一般商務條款和參考市場價格進行。

於2010年7月19日，本公司與中國電子集團之附屬公司中國電子財務有限責任公司（「中電財務」）訂立全面金融合作協議（「財務服務協議」）。財務服務協議有效期自2010年9月10日起至2013年6月30日止。根據財務服務協議，中電財務向本集團提供之財務服務包括存款服務、財務資助及按手續費及佣金計算收費之財務服務。財務服務協議及相關交易上限詳情已載於日期為2010年8月9日之通函內。

於2013年5月7日，為了繼續根據財務服務協議項下擬進行之持續關連交易，以及促進本集團在財務服務協議於2013年6月30日屆滿後的經營，本公司與中電財務訂立2013-2016全面金融合作協議，以規管自2013年7月1日起至2016年6月30日止期間之建議持續關連交易，以及其項下交易上限。根據2013-2016全面金融合作協議，中電財務向本集團提供之財務服務包括存款服務、財務資助及按手續費及佣金計算收費之財務服務。

Report of the Directors

董事會報告

The 2013-2016 Financial Services Agreement and the related caps were approved by the independent shareholders of the Company at the special general meeting held on 20 June 2013, details of which are set out in the circular dated 28 May 2013.

Pursuant to the 2013-2016 Financial Services Agreement, the interest rates for the deposit services provided by CEC Finance are determined by making reference to, and shall not be less than the rates offered to the Group by other domestic commercial banks for comparable deposits. The maximum daily balance of deposits (together with the interests accrued thereon) maintained by the Group with CEC Finance shall not exceed RMB280 million and the Group's actual balance of deposits with CEC Finance on any given day during the year ended 31 December 2013 had not exceeded such amount. For the provision of financial assistance, the interest rates for the financial assistance provided by CEC Finance to the Group are determined by making reference to, and shall not be higher than the rates offered to the Group by other domestic commercial banks for comparable financial assistance. The maximum amount of financial assistance provided by CEC Finance to the Group shall not exceed RMB280 million on any given day and no financial assistance had ever been granted to the Group pursuant to the 2013-2016 Financial Services Agreement during the year ended 31 December 2013. For the provision of fee- and commission-based financial services, the fees and commissions for the fee- and commission-based financial services provided by CEC Finance to the Group are determined by reference to, and shall not be higher than, the fees and commissions charged by other domestic commercial banks or financial institutions for the same type of financial services. The cap for fees and commissions payable for the fee- and commission-based financial services provided by CEC Finance to the Group for the year ended 31 December 2013 is RMB10 million and no fee- and commission-based financial service had ever been provided to the Group pursuant to the 2013-2016 Financial Services Agreement during the year ended 31 December 2013.

2013-2016全面金融合作協議及相關上限已獲得本公司獨立股東於2013年6月20日舉行的股東特別大會上批准，有關詳情已載於日期為2013年5月28日的通函內。

根據2013-2016全面金融合作協議，中電財務提供存款服務之存款利率經參考且不會低於其他境內商業銀行就同類存款向本集團提供之利率後計算。本集團存放於中電財務之存款之最高每日結餘（包括所產生之利息）不超過人民幣280百萬元，而本集團於截至2013年12月31日止年度任何特定日期於中電財務存款的實際餘額並未超出此數額。關於提供財務資助，中電財務向本集團提供財務資助之利率經參考且不會高於其他境內商業銀行就同類財務資助向本集團提供之利率後計算。中電財務向本集團提供財務資助之最高金額於任何特定日期不超過人民幣280百萬元，而中電財務於截至2013年12月31日止年度並沒有根據2013-2016全面金融合作協議提供任何財務資助予本集團。關於提供按手續費及佣金計算收費之財務服務，中電財務向本集團提供按手續費及佣金計算收費之財務服務之手續費及佣金經參考且不會高於其他境內商業銀行或財務機構就同類財務服務收取之手續費及佣金後計算。截至2013年12月31日止年度就中電財務向本集團提供按手續費及佣金計算收費之財務服務之手續費及佣金上限為人民幣10百萬元。中電財務於截至2013年12月31日止年度並沒有根據2013-2016全面金融合作協議提供任何按手續費及佣金計算收費之財務服務予本集團。

Report of the Directors

董事會報告

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the above continuing connected transactions. The above continuing connected transactions have been reviewed by the independent non-executive directors of the Company. In the opinion of the independent non-executive directors of the Company, the above continuing connected transactions were carried out in the ordinary and usual course of business of the Group, on normal commercial terms and were in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Based on the results of the work performed on the above continuing connected transactions, the auditor has confirmed in its letter to the board of directors that:

- nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
- nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded their respective maximum aggregate annual value as disclosed in the previous announcements.

就上述持續關連交易而言，本公司確認已遵守上市規則第14A章的披露規定。本公司獨立非執行董事已審閱上述持續關連交易。本公司獨立非執行董事認為，上述持續關連交易乃本集團於日常業務過程中按一般商務條款，以及規管該等交易之相關協議條款進行，而交易條款屬公平合理，並符合本公司股東之整體利益。

根據對上述持續關連交易執行的工作的結果，核數師已於致董事會之函件中確認：

- 他們並無注意到任何事項令他們相信該等已披露之持續關連交易未獲本公司董事會批准；
- 他們並無注意到任何事項令他們相信該等交易在所有重大方面未有按照本集團之定價政策進行；
- 他們並無注意到任何事項令他們相信該等交易在所有重大方面未有按照規管該等交易的相關協議進行；及
- 他們並無注意到任何事項令他們相信該等已披露之持續關連交易之交易總額已超過本公司於先前公告之各個最高全年總額。

Report of the Directors 董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, the following directors of the Company are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group:

董事於競爭業務之權益

於年度內及截至本報告日，下列本公司董事被視為持有與本集團直接或間接構成競爭或可能構成競爭之業務權益：

Name of director 董事姓名	Name of entity 實體名稱	Principal business of the entity 實體之主要業務	Nature of director's interest in the entity 董事於有關實體 之權益性質
Rui Xiaowu 芮曉武	CEC (Note 1) 中國電子集團 (附註1)	Investment holdings 投資控股	Chairman 董事長
Zhao Guiwu 趙貴武	Shanghai Belling Co., Ltd (Note 2) 上海貝嶺股份有限公司 (附註2)	Manufacturing of integrated circuits 集成電路製造	Chairman 董事長
	Shanghai Huahong Integrated Circuit Co., Ltd (Note 2) 上海華虹集成電路有限公司 (附註2)	Design of integrated circuits 集成電路設計	Chairman 董事長
	Shanghai Huahong (Group) Co., Ltd (Note 2) 上海華虹(集團)有限公司 (附註2)	Design and manufacturing of integrated circuits 集成電路設計及製造	Vice chairman 副董事長
	Hua Hong Semiconductor Ltd (Note 2) 華虹半導體有限公司 (附註2)	Manufacturing of integrated circuits 集成電路製造	Director 董事
	Shanghai Huahong NEC Electronics Company Ltd (Note 2) 上海華虹NEC電子有限公司 (附註2)	Manufacturing of integrated circuits 集成電路製造	Director 董事
Liu Jinping 劉晉平	China Integrated Circuit Design Corp., Ltd (Note 2) 中國華大集成電路設計集團 有限公司 (附註2)	Investment holdings 投資控股	General manager 總經理
	Nationz Technologies Inc (Note 2) 國民技術股份有限公司 (附註2)	Design of integrated circuits 集成電路設計	Chairman 董事長

Report of the Directors

董事會報告

Notes:

- (1) CEC is the ultimate controlling shareholder of the Company. CEC is a state-owned nationwide electronics and information technology conglomerate, and has subsidiaries or associates engaging in integrated circuits related businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group.
- (2) These companies are engaging in, or have subsidiaries or associates engaging in, integrated circuits related businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group.

The above mentioned competing businesses are operated and managed by independent management and administration. The board of directors of the Company exercises independent judgment and is always acting for the interests of the Company and its shareholders as a whole. Accordingly, the Group is capable of carrying on its business independently of, and at arm's length from, the competing businesses mentioned above.

SHAREHOLDERS WITH NOTIFIABLE INTERESTS

At 31 December 2013, the register maintained by the Company pursuant to Section 336 of the SFO showed that the following persons (other than the director or chief executive of the Company) had notified the Company that they had an interest of 5% or more in the issued share capital of the Company:

附註：

- (1) 中國電子集團為本公司之最終控股股東。中國電子集團為一家從事電子及資訊科技行業之全國性國有企業集團，其附屬公司或聯營公司均有從事與本集團業務直接或間接構成競爭或可能構成競爭之集成電路相關業務。
- (2) 此等公司或其附屬公司或聯營公司均有從事與本集團業務直接或間接構成競爭或可能構成競爭之集成電路相關業務。

上述之競爭業務均由獨立管理層和行政人員營運及管理。本公司董事會行使獨立判斷及以本公司及其股東之整體利益行事。因此，本集團得以按公平基準以獨立於上述競爭業務之方式經營本身業務。

擁有須申報權益之股東

於2013年12月31日，根據證券及期貨條例第336條本公司須備存之登記冊所示，下列人士（本公司董事或最高行政人員除外）已知會本公司彼等持有本公司已發行股本5%或以上之權益：

Name of interested party	持有權益者名稱	Number or attributable number of shares interested 持有或應佔股份數目	Percentage of shareholding 持股百分比
China Electronics Corporation (BVI) Holdings Company Limited ("CEC (BVI)")	China Electronics Corporation (BVI) Holdings Company Limited (「CEC (BVI)」)	812,500,000	48.03%
China Integrated Circuit Design Corp., Ltd ("China Huada")	中國華大集成電路設計集團有限公司 (「中國華大」)	393,680,000	23.27%
CEC (Notes 1 and 2)	中國電子集團 (附註1及2)	1,206,180,000	71.30%
SDIC High-Tech Investment Co., Ltd (Note 1)	國投高科技投資有限公司 (附註1)	393,680,000	23.27%
The State Development and Investment Corporation (Note 1)	國家開發投資公司 (附註1)	393,680,000	23.27%

Report of the Directors

董事會報告

Notes:

- (1) The equity interest of China Huada is contributed as to 50% by CEC and as to 50% by SDIC High-Tech Investment Co., Ltd. SDIC High-Tech Investment Co., Ltd is a wholly-owned subsidiary of The State Development and Investment Corporation, which is a state-owned investment holding company established under the laws of the PRC. By virtue of the SFO, CEC, SDIC High-Tech Investment Co., Ltd and The State Development and Investment Corporation are deemed to be interested in the 393,680,000 shares of the Company held by China Huada.
- (2) CEC holds 100% interest in CEC (BVI) and is deemed to be interested in the shares of the Company held by CEC (BVI). The directors regard CEC, a state-owned enterprise established under the laws of the PRC, as being the ultimate holding company of the Group.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, at 31 December 2013, the Company had not been notified of any other interest or short position in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept under Section 336 of the SFO.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the laws in Bermuda.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares and the Company had not redeemed any of its shares during the year ended 31 December 2013.

附註:

- (1) 中國華大之股本權益分別由中國電子集團及國投高科技投資有限公司各自出資50%。國投高科技投資有限公司為國家開發投資公司之全資附屬公司，而國家開發投資公司為一家根據中國法律成立之國有投資控股公司。根據證券及期貨條例，中國電子集團、國投高科技投資有限公司及國家開發投資公司被視為持有中國華大所持有之本公司393,680,000股股份之權益。
- (2) 中國電子集團持有CEC (BVI)之100%權益，因此被視為持有CEC (BVI)所持有之本公司股份之權益。董事會視中國電子集團（根據中國法律成立之國有企業）為本集團之最終控股公司。

所有上述所披露之權益均為本公司股份之好倉。

除上文披露者外，於2013年12月31日，本公司並未獲知會有任何其他人士持有本公司股份或相關股份須記錄於根據證券及期貨條例第336條須備存之登記冊內之權益或淡倉。

優先購買權

本公司之公司章程細則或百慕達法律均無有關優先購買權之條文。

購回、出售或贖回證券

於截至2013年12月31日止年度內，本公司或其任何附屬公司並無購回或出售任何本公司股份，且本公司亦無贖回其任何股份。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2013, the aggregate sales attributable to the five largest customers of the Group accounted for 62.5% of the Group's sales for the year and sales attributable to the Group's largest customer accounted for 17% of the Group's sales for the year. For the year ended 31 December 2013, the aggregate purchases attributable to the five largest suppliers of the Group accounted for 85.3% of the Group's purchases for the year and purchases attributable to the Group's largest supplier accounted for 50.9% of the Group's purchases for the year.

CEC Group is not a beneficial owner of any of the five largest customers and is the beneficial owner of two of the five largest suppliers of the Group.

Save as disclosed above, none of the directors, their respective associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers or suppliers.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, at the date of this report, at least 25% of the Company's total issued share capital are held by the public and fulfills the requirement under the Listing Rules.

AUDIT COMMITTEE

The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2013.

主要客戶及供應商

截至2013年12月31日止年度，本集團首五大客戶之總銷售額佔本集團本年度銷售額之62.5%，而本集團最大客戶之銷售額佔本集團本年度銷售額之17%。截至2013年12月31日止年度，本集團首五大供應商之總採購額佔本集團本年度採購額之85.3%，而本集團最大供應商之採購額佔本集團本年度採購額之50.9%。

中國電子集團成員公司並非本集團首五大客戶的實益擁有人及為本集團首五大供應商之其中兩位的實益擁有人。

除上文披露者外，概無董事、彼等各自的聯繫人或任何股東（據董事所知持有本公司已發行股本5%以上者）持有本集團首五大客戶或供應商之任何權益。

公眾持股量

於本報告日，就可提供本公司之公開資料及就本公司董事所知，本公司已發行股本總額至少有25%由公眾人士持有並符合上市規則之要求。

審核委員會

審核委員會已審閱本集團截至2013年12月31日止年度的經審核綜合財務報表。

Report of the Directors 董事會報告

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who will retire at the Annual General Meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Rui Xiaowu
Chairman

Hong Kong, 27 March 2014

核數師

綜合財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所將於股東週年大會上任滿告退，惟彼等合資格並願意膺選連任。

承董事會命

主席
芮曉武

香港，2014年3月27日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA ELECTRONICS CORPORATION HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

We have audited the consolidated financial statements of China Electronics Corporation Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 43 to 103, which comprise the consolidated and company balance sheets as at 31 December 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

獨立核數師報告

致中國電子集團控股有限公司全體股東

(於開曼群島註冊成立及於百慕達繼續經營之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第43頁至第103頁之中國電子集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此綜合財務報表包括於2013年12月31日之綜合及公司資產負債表與截至該日止年度之綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及重大會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔之責任

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

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並根據百慕達1981年《公司法》第90條僅向全體股東報告我們的意見，除此之外不可用作其他用途，而我們不會就本報告之內容對任何其他人士負上或承擔任何責任。

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

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關之內部監控，以設計適當之審核程序，但並非為對該公司之內部監控之有效性發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審核憑證足以充份和適當地為我們的審核意見提供基礎。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

OPINION

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

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實兼公平地反映貴公司與貴集團於2013年12月31日之事務狀況，及貴集團截至該日止年度之溢利及現金流量，並已按照香港《公司條例》之披露規定妥為編製。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2014

羅兵咸永道會計師事務所
執業會計師

香港，2014年3月27日

Consolidated Income Statement

綜合收益表

		Year ended 31 December		
		截至12月31日止年度		
		2013	2012	
		2013年	2012年	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Note 附註			
Revenue	收入	5	1,308,184	1,155,632
Cost of sales	銷售成本	7	(721,132)	(703,904)
Gross profit	毛利		587,052	451,728
Other gains – net	其他收益—淨額	6	33,937	28,679
Selling and marketing costs	銷售及市場推廣成本	7	(59,064)	(57,310)
Administrative expenses	行政開支	7	(318,705)	(200,768)
Operating profit	經營溢利		243,220	222,329
Finance income – net	融資收入—淨額	10	8,254	3,194
Profit before taxation	除稅前溢利		251,474	225,523
Taxation	稅項	11	(27,578)	(27,939)
Profit for the year	本年度溢利		223,896	197,584
Attributable to owners of the Company	歸屬於本公司權益持有者	12	223,896	197,584
Dividends	股息	13		
Special dividend paid	已派特別股息		50,747	–
Dividend proposed	建議股息		50,747	–
			101,494	–
			HK cents	HK cents
			港仙	港仙
Earnings per share	每股盈利	14		
– Basic	– 基本		13.24	11.68
– Diluted	– 攤薄		13.24	11.68

Consolidated Statement of Comprehensive Income

綜合全面收益表

		Year ended 31 December	
		截至12月31日止年度	
		2013	2012
		2013年	2012年
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year	本年度溢利	223,896	197,584
Other comprehensive income for the year:	本年度其他全面收益：		
Items that may be reclassified subsequently to profit or loss:	期後可能重分類至溢利或虧損的項目：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	24,692	639
Translation reserve of two PRC established subsidiaries reclassified to profit or loss on liquidation	兩家於中國成立之附屬公司之匯兌儲備於清盤時重分類至溢利或虧損	(8,823)	–
		15,869	639
Total comprehensive income for the year	本年度全面收益總額	239,765	198,223
Attributable to owners of the Company	歸屬於本公司權益持有者	239,765	198,223

Consolidated Balance Sheet

綜合資產負債表

			31 December 2013 2013年12月31日	31 December 2012 2012年12月31日
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	17,835	21,210
Intangible assets	無形資產	16	4,845	3,671
Deferred tax assets	遞延稅項資產	11	45,872	41,950
Available-for-sale financial assets	可供出售金融資產	18	2,544	2,467
Other non-current assets	其他非流動資產	31(i)	63,595	–
			134,691	69,298
Current assets	流動資產			
Inventories	存貨	19	291,264	308,185
Trade and other receivables	貿易及其他應收款項	20	539,714	494,604
Taxation recoverable	可退稅項		24,023	–
Cash and cash equivalents	現金及現金等價物	21	746,012	476,619
			1,601,013	1,279,408
Total assets	資產總額		1,735,704	1,348,706
EQUITY AND LIABILITIES	權益及負債			
Equity attributable to owners of the Company	本公司權益持有者應佔權益			
Share capital and premium	股本及溢價	22	289,171	889,171
Other reserves	其他儲備	23		
– Proposed dividend	– 建議股息		50,747	–
– Others	– 其他		(20,758)	(320,599)
Retained earnings	保留溢利		675,660	237,230
Total equity	權益總額		994,820	805,802
Liabilities	負債			
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	11	7,739	–
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	725,360	526,900
Taxation payables	應付稅項		7,658	14,771
Short term bank loans	短期銀行貸款	25	127	1,233
			733,145	542,904
Total liabilities	負債總額		740,884	542,904
Total equity and liabilities	權益及負債總額		1,735,704	1,348,706
Net current assets	流動資產淨值		867,868	736,504
Total assets less current liabilities	總資產減流動負債		1,002,559	805,802

The financial statements on pages 43 to 103 were approved and authorised for issue by the board of directors on 27 March 2014 and are signed on its behalf by:

載於第43頁至第103頁之財務報表經董事會於2014年3月27日批准及授權刊發，並由下列人士代表簽署：

Rui Xiaowu 芮曉武
Director 董事

Xie Qinghua 謝慶華
Director 董事

Balance Sheet

資產負債表

			31 December 2013 2013年12月31日	31 December 2012 2012年12月31日
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	914	1,031
Investments in subsidiaries	附屬公司投資	17	553,280	658,429
			554,194	659,460
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	20	83,559	3,278
Cash and cash equivalents	現金及現金等價物	21	103,582	78,737
			187,141	82,015
Total assets	資產總額		741,335	741,475
EQUITY AND LIABILITIES	權益及負債			
Equity	權益			
Share capital and premium	股本及溢價	22	289,171	889,171
Other reserves	其他儲備	23		
– Proposed dividend	– 建議股息		50,747	–
– Others	– 其他		345,644	61,672
Retained earnings/ (Accumulated losses)	保留溢利/ (累計虧損)		42,647	(214,534)
Total equity	權益總額		728,209	736,309
Liabilities	負債			
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	5,468	5,166
Taxation payables	應付稅項		7,658	–
Total liabilities	負債總額		13,126	5,166
Total equity and liabilities	權益及負債總額		741,335	741,475
Net current assets	流動資產淨值		174,015	76,849
Total assets less current liabilities	總資產減流動負債		728,209	736,309

The financial statements on pages 43 to 103 were approved and authorised for issue by the board of directors on 27 March 2014 and are signed on its behalf by:

載於第43頁至第103頁之財務報表經董事會於2014年3月27日批准及授權刊發，並由下列人士代表簽署：

Rui Xiaowu 芮曉武
Director 董事

Xie Qinghua 謝慶華
Director 董事

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

		Attributable to owners of the Company 本公司權益持有者應佔			
		Share capital and premium 股本及溢價 (Note 22) (附註22) HK\$'000 千港元	Other reserves 其他儲備 (Note 23) (附註23) HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1 January 2012	於2012年1月1日	889,171	(321,238)	39,646	607,579
Total comprehensive income	全面收益總額	–	639	197,584	198,223
At 31 December 2012	於2012年12月31日	889,171	(320,599)	237,230	805,802
At 1 January 2013	於2013年1月1日	889,171	(320,599)	237,230	805,802
Total comprehensive income	全面收益總額	–	15,869	223,896	239,765
Transfer of share premium to contributed surplus	轉撥股份溢價至 實繳盈餘	(600,000)	600,000	–	–
Elimination of accumulated losses of the Company	撤銷本公司累計 虧損	–	(214,534)	214,534	–
Payment of special dividend	派付特別股息	–	(50,747)	–	(50,747)
At 31 December 2013	於2013年12月31日	289,171	29,989	675,660	994,820

Consolidated Cash Flow Statement

綜合現金流量表

		Year ended 31 December	
		截至12月31日止年度	
		2013	2012
		2013年	2012年
		HK\$'000	HK\$'000
		千港元	千港元
	Note 附註		
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	26	373,850	219,168
Interest paid		(171)	(546)
Income tax paid		(30,200)	(28,530)
Net cash generated from operating activities		343,479	190,092
Cash flows from investing activities	投資活動之現金流量		
Interest received		8,425	3,740
Purchase of property, plant and equipment and intangible assets		(20,338)	(20,655)
Payment for acquisition of property transfer right	31(i)	(63,595)	-
Proceeds on disposal of property, plant and equipment		301	14
Net cash used in investing activities		(75,207)	(16,901)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from bank loans		127	1,233
Repayment of bank loans borrowed		(1,233)	(24,670)
Net cash used in financing activities		(1,106)	(23,437)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	267,166	149,754
Effect of exchange rate changes		2,227	(2,588)
Cash and cash equivalents at beginning of the year		476,619	329,453
Cash and cash equivalents at end of the year	21	746,012	476,619

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

1. GENERAL INFORMATION

China Electronics Corporation Holdings Company Limited (the "Company") was incorporated in the Cayman Islands and continued in Bermuda with limited liability. The Company has its shares listed on The Stock Exchange of Hong Kong Limited. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The ultimate holding company of the Company is China Electronics Corporation Limited ("CEC"), which is established in the People's Republic of China ("PRC").

The principal activities of the Company and its subsidiaries (collectively the "Group") are the design, research and development and sale of integrated circuits.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

(a) Compliance with HKFRS and Listing Rules

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention.

1. 一般資料

中國電子集團控股有限公司（「本公司」）為一家於開曼群島註冊成立，並於百慕達繼續經營的有限責任公司。本公司股份在香港聯合交易所有限公司上市。本公司的註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司之最終控股公司為中國電子信息產業集團有限公司（「中國電子集團」）（一家於中華人民共和國（「中國」）成立之企業）。

本公司及其附屬公司（統稱「本集團」）的主要業務是集成電路之設計、研發及銷售。

除另有註明外，本綜合財務報表以港元列報。

2. 重大會計政策概要

編製本綜合財務報表所採用的主要會計政策載列如下。除另有註明外，此等政策一直貫徹應用於所有呈報之年度。

2.1 編製基準

(a) 符合香港財務報告準則及上市規則

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」）而編製。該等綜合財務報表亦遵守香港聯合交易所有限公司證券上市規則（「上市規則」）所載之適用披露規定。綜合財務報表是按歷史成本常規法編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(a) Compliance with HKFRS and Listing Rules (Cont'd)

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

(b) New standards, amendments to standards and interpretations

During the year ended 31 December 2013, the Group had adopted the following new and amended standards that are relevant to its operations and effective for the accounting period beginning on 1 January 2013:

HKAS 1 (amendment)	Presentation of other comprehensive income
HKFRS 7 (amendment)	Financial instruments: Disclosures – offsetting financial assets and financial liabilities
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosures of interests in other entities
HKFRS 13	Fair value measurement
Annual improvements 2011	Amendment to HKAS 1 “Financial statements presentation” Amendment to HKAS 16 “Property, plant and equipment” Amendment to HKAS 32 “Financial instruments: presentation”

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(a) 符合香港財務報告準則及上市規則 (續)

編製符合香港財務報告準則的綜合財務報表須使用若干關鍵之會計估算，管理層在運用本集團的會計政策過程中亦須行使其判斷。對本綜合財務報表而言涉及高度判斷或複雜性的事項，或涉及重要範疇的假設及估算，在附註4中披露。

(b) 新訂準則、準則修訂及詮釋

於截至2013年12月31日止年度內，本集團已採納下列與其業務有關及於2013年1月1日開始之會計期間生效之新及經修訂準則：

香港會計準則第1號 (修訂)	其他全面收益項目之呈列
香港財務報告準則第7號 (修訂)	金融工具：披露 — 金融資產與金融負債之抵銷
香港財務報告準則第10號	綜合財務報表
香港財務報告準則第11號	合營安排
香港財務報告準則第12號	在其他實體權益之披露
香港財務報告準則第13號	公允值計量
2011年度改進	對香港會計準則第1號「財務報表之呈列」之修訂 對香港會計準則第16號「物業、廠房及設備」之修訂 對香港會計準則第32號「金融工具：呈列」之修訂

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(b) New standards, amendments to standards and interpretations (Cont'd)

The adoption of the above new and amended standards did not have significant impact on the results or financial position of the Group for the current year.

The following new and amended standards that are relevant to the Group have been issued but are not effective for the accounting period beginning on 1 January 2013 and have not been early adopted:

HKAS 32 (amendments)	Financial instruments: Presentation – offsetting financial assets and financial liabilities (effective from 1 January 2014)
HKFRS 10, HKFRS 12 and HKAS 27 (amendments)	Investment entities (effective from 1 January 2014)
HKFRS 9	Financial instruments (effective date yet to be determined)
Annual improvements 2012	Amendment to HKFRS 3 “Business combinations”; and consequential amendments to HKFRS 9 “Financial instruments”, HKAS 37 “Provisions, contingent liabilities and contingent assets”, and HKAS 39 “Financial instruments – Recognition and measurement” (effective from 1 January 2015) Amendment to HKFRS 8 “Operating segments” (effective from 1 January 2015) Amendment to HKAS 24 “Related Party Disclosures” (effective from 1 January 2015)

Management is currently assessing the impact of the above new and amended standards to the Group’s financial position and performance.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

(b) 新訂準則、準則修訂及詮釋 (續)

採納上述新及經修訂準則沒有對本集團於本年度之業績或財務狀況構成重大影響。

已頒佈但尚未於2013年1月1日開始之會計期間生效且並未被提早採納之與本集團相關之新及經修訂準則如下：

香港會計準則第32號 (修訂)	金融工具：呈列 – 金融資產與金融負債之抵銷 (自2014年1月1日起生效)
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號 (修訂)	投資實體 (自2014年1月1日起生效)
香港財務報告準則第9號	金融工具 (生效日期待定)
2012年度改進	對香港財務報告準則第3號「業務合併」之修訂；以及對香港財務報告準則第9號「金融工具」、香港會計準則第37號「撥備、或有負債和或有資產」、和香港會計準則第39號「金融工具－確認和計量」之相應修訂 (自2015年1月1日起生效) 對香港財務報告準則第8號「營運分部」之修訂 (自2015年1月1日起生效) 對香港會計準則第24號「關聯人士披露」之修訂 (自2015年1月1日起生效)

管理層目前正在評估上述新及經修訂準則對本集團財務狀況及表現之影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries acquired or disposed of during the year will be included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal (except for acquisition of subsidiaries under common control which are accounted for using the principles of merger accounting), as appropriate.

Apart from the application of merger accounting on those common control combination as disclosed in Note 2.2(c) below, the acquisition method of accounting is used to account for business combination by the Group. The consideration transferred for an acquisition is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Acquisition-related transaction costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

2. 重大會計政策概要 (續)

2.2 綜合賬目

(a) 附屬公司

附屬公司指由本集團控制的所有實體（包括結構實體）。當本集團因參與實體的營運而獲得或有權享有其可變回報，並有能力通過其對實體的管控影響有關回報時，則本集團控制該實體。

於年內所收購或出售的附屬公司將自收購生效日期起或直至出售生效日期止（視情況而定）計入綜合財務報表（惟共同控制下收購之附屬公司採用合併會計法原則入賬除外）。

除附註2.2(c)所述對共同控制下的合併採用合併會計法外，收購會計法乃用作本集團業務合併的入賬方法。收購的對價根據於交易日期所給予資產、承擔對被收購方之前權益持有者所產生的負債及本集團發行股本權益的公允值計算。所轉讓的對價包括或有對價安排所產生的任何資產或負債的公允值。本集團將轉讓的任何或有對價按收購日期的公允值計量。被視為資產或負債的或有對價公允值的其後變動，根據香港會計準則第39號的規定，在損益中或作為其他全面收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。相關交易收購成本於產生時確認為費用。在業務合併中所購買可識別的資產以及所承擔的負債及或有負債，始初按彼等於收購日期的公允值計量。就個別收購之收購基準而言，本集團可按公允值或按非控制性權益應佔被收購方可識別的資產淨值的比例，計量被收購方的非控制性權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(a) Subsidiaries (Cont'd)

The excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree is less than the fair value of the identifiable net assets acquired, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

The investments in subsidiaries are stated at cost less provision for impairment losses in the Company's balance sheet (Note 2.7). Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company in the Company's income statement to the extent of dividend received and receivable.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. 重大會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

轉讓的對價、被收購方任何非控制性權益以及之前於被收購方之任何權益在收購日期的公允值之總和超過所收購可識別資產淨值的公允值的數額記錄為商譽。若轉讓的對價、被收購方任何非控制性權益以及之前於被收購方之任何權益在收購日期的公允值之總和低於所收購可識別資產淨值的公允值，該差額直接在綜合收益表確認。

集團內公司間之交易、結餘及未實現交易收益予以對銷。未實現虧損亦予以對銷。附屬公司之會計政策於綜合財務報表中已按需要作出改變，以確保與本集團所採納之政策一致。

在本公司之資產負債表中，附屬公司投資乃按成本扣除減值虧損撥備列賬(附註2.7)。成本按因或有對價之修訂對對價之改變作出調整。成本亦包括投資的直接歸屬成本。附屬公司業績由本公司按已收股息及應收股息計入本公司之收益表內。

(b) 不導致失去控制權的附屬公司權益變動

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易—即與附屬公司權益持有者以其作為權益持有者身份進行的交易。所支付任何對價的公允值與相關應佔所收購附屬公司資產淨值的差額記錄為權益。向非控制性權益的出售的盈虧亦記錄在權益中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(c) Common control combination

Merger accounting is used to account for the acquisition of subsidiaries under common control by the Group.

Under merger accounting, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, whichever is shorter and regardless of the effective date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet dates or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination is recognised as an expense in the period in which it is incurred.

2. 重大會計政策概要 (續)

2.2 綜合賬目 (續)

(c) 共同控制下的合併

本集團以合併會計法核算共同控制下收購之附屬公司。

於合併會計法下，當共同控制下的合併發生時，綜合財務報表包括被合併實體或業務的財務報表，猶如被合併的實體或業務在開始處於控制方的控制下就已經被合併。

從控制方的角度，被合併的實體或業務的資產淨值以賬面值合併。在共同控制下的合併中產生的商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允值超過收購成本的金額不予確認。

綜合收益表包括每一個被合併實體或業務於其最早呈列日期披露或合併實體或業務開始受到共同控制時（以較遲者為準）的業績，而不考慮共同控制下的合併生效日期之因素。

綜合財務報表中的比較數字，已假設被合併實體或業務已於先前呈列之資產負債表日或開始受到共同控制時（以較遲者為準）合併已發生之基準呈列。

這些實體採用統一的會計政策。集團內被合併實體或業務之間的所有交易、結餘及未實現交易收益在合併賬目中對銷。

共同控制下的合併發生的交易成本（包括專業服務費、註冊費、提供資訊予股東的成本，將先前個別業務合併產生的成本或損失等），於發生時計入當期開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(c) Common control combination (Cont'd)

The difference between the share capital of entities combined and the fair value of consideration paid has been recorded in the merger reserve in consolidated financial statements.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance income/(costs) – net". All other foreign exchange gains and losses are presented in the consolidated income statement within "other gains/(losses) – net".

2. 重大會計政策概要 (續)

2.2 綜合賬目 (續)

(c) 共同控制下的合併 (續)

被合併實體之股本與收購所付之對價之公允值的差額於綜合財務報表中的合併儲備中列示。

2.3 分部報告

營運分部之呈報方式與提供予主要營運決策者之內部報告一致。負責分配資源及評估營運分部的表現之主要營運決策者為作出策略決定之董事會。

2.4 外幣換算

(a) 功能貨幣及列賬貨幣

本集團旗下各實體財務報表內之項目乃以該實體營運所在主要經濟環境所使用之貨幣（「功能貨幣」）計算。綜合財務報表以港元呈報，港元為本公司的功能貨幣及本集團的列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日期的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧及將以外幣計值的貨幣資產和負債按年終匯率換算產生的匯兌盈虧在綜合收益表確認。

與借貸和現金及現金等價物有關的匯兌盈虧在綜合收益表內的「融資收入／（成本）－淨額」中呈列。所有其他匯兌盈虧在綜合收益表內的「其他收益／（虧損）－淨額」中呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies

For the purpose of presenting consolidated financial statements, the results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income.

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2. 重大會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團內公司

就呈報綜合財務報表而言，功能貨幣與列賬貨幣不同的所有集團實體成員（當中沒有成員的貨幣列為嚴重通脹貨幣）的業績和財務狀況按以下方法換算為列賬貨幣：

- 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- 每份收益表內的收入和開支按平均匯率換算（除非此匯率並不代表交易日期匯率的累計影響的合理約數，則收支項目按交易日期的匯率換算）；及
- 所有由此產生的匯兌差額在其他全面收益中確認。

在處理綜合賬目時，換算海外實體的淨投資所產生的匯兌差額列入其他全面收益。

(d) 海外業務的處置

對於海外業務的處置（即處置本集團於海外業務中的全部權益，或者處置涉及喪失對擁有海外業務的附屬公司的控制權），就該項業務累計計入權益的歸屬於本公司權益持有者所有的匯兌差額均重分類至溢利或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment

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

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

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

– Leasehold improvements	5 years (or over the lease term, whichever is shorter)
– Plant and machinery	5-10 years
– Motor vehicles	5-10 years
– Furniture and fixtures	5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals or retirement are determined by comparing the proceeds with the carrying amount of the asset and are recognised within "other gains/(losses) – net" in the consolidated income statement.

2. 重大會計政策概要 (續)

2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊及減值虧損後列賬。歷史成本包括收購該項目直接應佔之開支。

資產之其後發生之成本只有在與該項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，方會計入資產賬面值或確認為一項獨立資產（視乎情況而定）。所有其他維修及保養成本在其產生之財務期間內於綜合收益表支銷。

物業、廠房及設備之折舊乃以直線法計算，按其估計可使用年期分攤成本，有關估計可使用年期如下：

– 租賃物業裝修	5年或租約年期（以較短者為準）
– 廠房及機器	5至10年
– 車輛	5至10年
– 傢俬及裝置	5年

資產的剩餘價值及可使用年期在每個結算日進行檢討及調整（如適用）。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回價值（附註2.7）。

出售或報廢的盈虧按所得款項與相關資產賬面值的差額釐定，並在綜合收益表內的「其他收益／（虧損）—淨額」中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of one to three years.

2.7 Impairment of investments in subsidiaries and non-financial assets

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

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. 重大會計政策概要 (續)

2.6 無形資產

電腦軟件

所購入的電腦軟件使用許可權乃根據購入特定軟件及使該軟件達到可使用所產生之成本予以資本化。該等成本乃在其估計可使用年期（一至三年）內予以攤銷。

2.7 於附屬公司及非金融資產投資之減值

沒有確定使用年期之資產（例如商譽）無需攤銷，但每年須就減值進行測試。各項資產，當有事件出現或情況改變顯示賬面值可能無法收回時須就減值進行檢討。減值虧損按資產之賬面值超出其可收回價值之數額確認。可收回價值以資產之公允價值扣除銷售成本或使用價值兩者之較高者為準。為評估減值，資產按可分開識別現金流量（現金產生單位）的最低層次分類。除商譽外，已減值的非金融資產在每個結算日均就減值是否可以撥回而進行檢討。

當從附屬公司收到股息而股息超過該附屬公司在股息宣佈期間之全面收益總額時，或若於獨立財務報表中，附屬公司投資之賬面值超過應佔被投資方於其綜合財務報表之淨資產（包括商譽）之賬面值時，則必須對有關附屬公司投資進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets into two categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 1 year after the balance sheet date, which are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet (Notes 2.10 and 2.11).

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial assets that are either designated in this category or not classified in the other category. They are included in non-current assets unless management intends to dispose of the investment within 1 year of the balance sheet date, which are classified as current assets.

2.8.2 Recognition and measurement

Regular way purchases and sale of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets. However, for available-for-sale financial assets that do not have a quoted market price, the range of reasonable fair value estimates is significant and the possibilities of the various estimates cannot be reasonably assessed, is stated at cost. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

2. 重大會計政策概要 (續)

2.8 金融資產

2.8.1 分類

本集團將金融資產項目劃分為兩類別：貸款及應收款項以及可供出售金融資產。分類方法乃取決於金融資產之購入目的劃分。管理層於始初確認時為其金融資產分類。

(a) 貸款及應收款項

貸款及應收款項為具有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等項目包括於流動資產內，但若到期日由結算日起計超過一年者，則分類為非流動資產。本集團之貸款及應收款項包括資產負債表中之「貿易及其他應收款項」及「現金及現金等價物」(附註2.10及2.11)。

(b) 可供出售金融資產

可供出售金融資產為非衍生金融資產，乃指定須列入此類別或不屬於任何其他類別之金融資產。此等項目包括於非流動資產內，除非管理層計劃於結算日起計一年內出售有關投資，則分類為流動資產。

2.8.2 確認及計量

按照一般市場規定或慣例購入及出售的金融資產在交易日予以確認—交易日指本集團承諾購入或出售該資產之日期。所有金融資產投資始初按公允值加交易成本確認。對於某些可供出售金融資產而然，如果沒有可以引用的市場價格、合理估計的公允值區間較大和無法合理估計多種假設的可能性時，則以成本列賬。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權之絕大部份風險和回報轉讓時，金融資產即終止確認。可供出售金融資產其後按公允值列賬。貸款及應收款項以實際利息法按攤銷成本列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Financial assets (Cont'd)

2.8.2 Recognition and measurement (Cont'd)

Changes in fair value of available-for-sale financial assets are recognised in other comprehensive income until the financial asset is disposed of or determined to be impaired. Dividend income from available-for-sale financial assets is recognised in the consolidated income statement as part of "other gains/(losses) – net" when the Group's right to receive payments is established. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of "other gains/(losses) – net".

When available-for-sale securities are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement.

2.8.3 Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. All impairment loss is recognised in the consolidated income statement. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value below its cost is considered as an indicator that the financial asset is impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement and in equity, is recognised in the income statement. Impairment losses recognised on available-for-sale equity instruments are not subsequently reversed. Impairment testing of trade and other receivables is described in Note 2.10.

2. 重大會計政策概要 (續)

2.8 金融資產 (續)

2.8.2 確認及計量 (續)

可供出售金融資產之公允值變動於其他全面收益中確認，直至金融資產售出或釐定出現減值。來自可供出售金融資產的股息，當本集團收取有關款項的權利確定時，在綜合收益表內確認為「其他收益／(虧損)－淨額」之一部份。可供出售證券採用實際利息法計算的利息在綜合收益表內確認為「其他收益／(虧損)－淨額」之一部份。

當可供出售證券被售出或減值時，於權益中確認的累計公允值調整列入收益表內。

2.8.3 金融資產減值

本集團將於每個結算日評估金融資產或一組金融資產是否出現減值的客觀證據。所有減值虧損於綜合收益表確認。對於分類為可供出售金融資產，公允值若大幅度或長期跌至低於其成本，會被視為金融資產已經顯示減值的跡象。若金融資產存在此等證據，累計虧損－按收購成本與當時公允值的差額，減該金融資產之前收益表及於權益確認的任何減值虧損計算並在收益表確認。可供出售股權投資之減值虧損將不會於往後期間撥回。貿易及其他應收款項之減值測試載於附註2.10。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, manufacturing cost of subcontractors, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in 1 year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the provision is recognised in the income statement within "administrative expenses". When the receivable is uncollectible, it is written off against the allowance account for receivables. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2. 重大會計政策概要 (續)

2.9 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本採用加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接勞工、分包商製造成本、其他直接成本和相關的生產經常開支（依據正常營運能力）。存貨成本不包括借貸成本。可變現淨值為在日常業務過程中的估計銷售價，扣除適用的可變動銷售開支。

2.10 貿易及其他應收款項

貿易應收款項為在日常業務過程中就商品銷售或服務執行而應收客戶的款項。如貿易及其他應收款項的收回預期在一年或以內，其被分類為流動資產；否則分類為非流動資產。貿易及其他應收款項始初按公允值確認，其後以實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款項的原有條款收回所有款項時，即就貿易及其他應收款項設定減值撥備。債務人出現重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是應收款項顯示減值的跡象。撥備金額為應收款項之賬面值與按原實際利率折現估計未來現金流量之現值之差額。應收款項的賬面值透過使用撥備賬戶削減，而有關的撥備數額則在收益表內的「行政開支」中確認。如應收款項無法收回時，會於應收款項撥備賬戶中予以撇銷。如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損在收益表撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other financial institutions and other short-term highly liquid investments with original maturities of 3 months or less.

2.12 Share capital

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

2.13 Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grant relating to an asset is included in non-current liabilities, which is credited to the consolidated income statement on a straight-line basis over the expected useful life of the related asset. Grant relating to an expense item is deferred and recognised as income in the consolidated income statement over the period necessary to match with the cost that it is intended to compensate.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2. 重大會計政策概要 (續)

2.11 現金及現金等價物

現金及現金等價物包括現金、銀行及其他財務機構通知存款及原到期日為3個月或以下的其他短期高流動性投資。

2.12 股本

普通股歸類為權益。與發行新股或購股權直接有關之成本，以除稅淨額沖減發行收入後於權益中列示。

2.13 政府補助

當能夠合理地保證政府補助將可收取，而本集團將會符合所有附帶條件時，則政府補助按其公允值確認入賬。與資產有關之政府補助列入非流動負債，並按有關資產之估計可使用年期以直線法在綜合收益表中確認。與開支項目有關之政府補助遞延入賬，並按該開支及補助之間之合理關係在補助之成本發生的期間在綜合收益表中確認為收入。

2.14 貿易應付款項

貿易應付款項為在日常業務過程中就購買供應商提供的商品或服務而應支付的責任。如貿易應付款項的支付日期在一年或以內，其被分類為流動負債；否則分類為非流動負債。貿易應付款項始初按公允值確認，其後以實際利息法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 1 year after the balance sheet date.

2.16 Current and deferred taxation

The taxation expense comprises current and deferred taxation. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

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

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

2. 重大會計政策概要 (續)

2.15 借貸

借貸始初按公允值並扣除產生的交易成本確認。借貸其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值的任何差額以實際利息法於借貸期間內在收益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少一年，否則借貸分類為流動負債。

2.16 當期及遞延稅項

稅項開支包括當期和遞延稅項。稅項在綜合收益表中確認，但與直接在權益中確認的項目有關者則除外。在該情況下，稅項亦在權益中確認。

當期所得稅支出根據本公司及其附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅的狀況，並在適當情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延稅項以負債法就資產和負債的稅基與資產和負債在綜合財務報表的賬面值之暫時差異確認。然而，若遞延稅項來自在交易（不包括業務合併）中對資產或負債的始初確認，而在交易時不影響會計盈虧或應課稅盈虧，則不予確認。遞延稅項採用在結算日已頒佈或實質頒佈，並預期在變現有關於遞延稅項資產或償付遞延稅項負債時適用之稅率（及法例）而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Current and deferred taxation (Cont'd)

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

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

2.17 Provisions

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

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

Provisions are measured at the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. 重大會計政策概要 (續)

2.16 當期及遞延稅項 (續)

倘日後應課稅溢利很有可能抵銷可動用之暫時差異，暫時差異方會確認為遞延稅項資產。

遞延稅項就附屬公司投資產生之暫時差異作出撥備，但假若本集團可以控制暫時差異之撥回時間；而暫時差異在可預見將來很有可能不會撥回者除外。

2.17 撥備

本集團因已發生的事件而須要承擔現有的法律或推定責任；很有可能需要付出資源以償付有關責任及金額已經可靠估計情況下確認撥備。不就未來營運虧損確認撥備。

如有多項類似責任，是否需要為償付而付出資源，則需根據該責任類別整體考慮。即使在同一責任類別所包含的其中某一個項目付出資源的可能性極低，仍須確認撥備。

撥備採用稅前利率折現預期需償付有關責任的開支的現值計量，該利率反映當時市場對金錢時間值和有關責任特定風險的評估。因時間流逝而增加的撥備確認為利息開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Employee benefits

(a) Pension obligations

The Group operates a mandatory provident fund scheme ("MPF Scheme") for the eligible employees in Hong Kong. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee – administered funds. The Group's contributions to MPF Scheme are expensed as incurred.

The Group's subsidiaries operating in the PRC have to make contribution to staff retirement scheme managed by local government authorities in accordance with the relevant rules and regulations. Contributions to these schemes are charged to the income statement as and when incurred. The Group has no legal or constructive obligations to pay further contributions.

(b) Employee leave entitlements

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

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

(c) Bonus plans

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for profit sharing and bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

2. 重大會計政策概要 (續)

2.18 僱員福利

(a) 退休金責任

本集團為香港之合資格僱員設立一項強制性公積金計劃（「強積金計劃」）。該強積金計劃乃一項定額供款計劃，其資產由獨立信託管理基金持有。本集團於強積金計劃之供款於產生時列作開支。

本集團在中國營運之附屬公司須根據相關法例及法規，向由中國有關地方政府機關管理之職工退休計劃供款。對該等退休計劃之供款於產生時計入收益表。本集團並無法律或推定責任作進一步供款。

(b) 僱員休假權益

僱員在年假之權益在僱員應享有時確認，本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假權益不予確認，直至僱員正式休假為止。

(c) 獎勵計劃

當本集團因為僱員已提供之服務而產生現有法律或推定支付獎勵之責任，而責任金額能可靠估計時，則將獎勵之預計成本確認為負債。

利潤分享及獎勵計劃之負債預期須在一年內償付，並根據在償付時預期會支付之金額計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not provided for as a provision but is disclosed in the notes to the financial statements. When a change in the probability of an outflow of resources occurs so that the outflow is probable, they will then be recognised as a provision.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, net of value-added tax, returns, rebates and discounts. Revenue is recognised when the goods are delivered to customers, the customers have accepted the goods or the product quality inspection time period has lapsed and collectability of the related receivables is reasonably assured.

Interest income is recognised on a time-proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Dividend income is recognised when the right to receive payment is established.

2.21 Operating leases

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

2. 重大會計政策概要 (續)

2.19 或有負債

或有負債乃因已發生的事件而可能產生的責任，並僅視乎日後會否出現一項或多項非本集團可完全控制的不可確定事件而確認其存在。或有負債亦可因已發生的事件而產生的現有責任，但由於未能肯定是否需要付出資源或未能可靠地估計有關責任的金額而不予確認。

或有負債並不確認為撥備，但於財務報表附註中披露。當資源流出的可能性有變而導致可能付出資源，或有負債將確認為撥備。

2.20 收入確認

收入包括銷售產品已收或應收對價之公允值，扣除增值稅、退貨、回扣及折扣。收入於產品已交付予顧客，而顧客已接受產品或產品質量檢查期屆滿時及合理地確定能收取有關應收款項時確認。

利息收入按尚未收回之本金及適用之利率以時間比例基準而確認。

股息收入於其獲派付之權利確立時確認入賬。

2.21 經營租賃

凡擁有權的絕大部份風險及回報乃歸出租人所有的租賃，均歸類為經營租賃。根據經營租賃需支付之款項（扣除出租人給予之任何獎勵），乃於租賃期內以直線法在綜合收益表內確認為費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Research and development costs

Research costs are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development of the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product cost includes employee costs for software development and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using straight-line method over their estimated useful lives, which does not exceed three years.

2. 重大會計政策概要 (續)

2.22 研究及開發成本

研究成本於產生時列作開支。當能證明能符合以下所有各項條件時，投放於設計和測試中的可識別和獨特軟件產品的直接開發成本可確認為無形資產：

- 在技術上完成該軟件產品以使其可供使用是可行的；
- 管理層有意圖完成並使用或出售該軟件產品；
- 有能力使用或出售該軟件產品；
- 可證實該軟件產品如何產生很有可能出現的未來經濟利益；
- 有足夠的技術、財務和其他資源完成開發該軟件產品；及
- 該軟件產品在開發期內應佔的開支能可靠地計量。

可資本化為軟件產品成本的直接成本包括軟件開發的員工成本和適當比例的相關經常開支。與維護電腦軟件程序有關的成本在產生時確認為開支。

不符合以上條件的其他開發成本在產生時確認為開支。過往確認為開支的開發成本不會在往後期間確認為資產。

確認為資產的電腦軟件開發成本乃以直線法按估計不超過三年之可使用年期攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Dividend distribution

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Foreign exchange risk

The foreign exchange risks of the Group occurred due to the fact that the Group had some business activities denominated in foreign currencies. The Group's business activities are primarily exposed to foreign exchange risk in respect of Renminbi ("RMB") against Hong Kong dollar ("HK dollar") and United States dollar ("US dollar") against RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. In additions, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group uses forward contracts, when appropriate, to hedge anticipated cash flows in major foreign currencies.

If RMB had strengthened/weakened by 5% against HK dollar with all other variables held constant, post-tax profit for the year ended 31 December 2013 would have been HK\$1,337,000 higher/lower (2012: HK\$109,000 higher/lower), mainly as a result of foreign exchange gains or losses on translation of RMB denominated cash and cash equivalents.

2. 重大會計政策概要 (續)

2.23 股息分派

向本公司股東派付的股息在股息獲本公司股東或董事(按適當)批准的期間內於本集團及本公司的財務報表內列為負債。

3. 財務風險管理

3.1 財務風險因素

本集團之經營活動承受各種不同財務風險：外匯風險、現金流量及公允值利率風險、信貸風險及流動資金風險。管理層對該等風險進行管理及監察，確保能按時有效地採取適當措施。

(a) 外匯風險

本集團承受外匯風險之原因是本集團之若干業務活動以外幣結算。本集團之業務主要面臨就人民幣兌港元及美元兌人民幣匯率變動產生之外匯風險。外匯風險因未來商業交易及已確認之資產及負債以相關實體功能貨幣以外之其他貨幣計值而產生。另外，人民幣兌換外幣須遵守中國政府頒佈之外匯管制法規。

為了管理來自未來商業交易及已確認之資產及負債之外匯風險，本集團於適時利用遠期合約對沖主要外幣的預期現金流量。

倘人民幣兌港元升值／貶值5%，而所有其他變數均不變，則截至2013年12月31日止年度之除稅後溢利會增加／減少1,337,000港元(2012年：增加／減少109,000港元)，主要由於換算以人民幣持有之現金及現金等價物時產生之外匯收益或虧損所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

3. FINANCIAL RISK MANAGEMENT

(Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Foreign exchange risk (Cont'd)

As HK dollar has been pegged to US dollar, the directors are of the view that foreign exchange risk in relation to transactions denominated in US dollar is low.

As less than 10% of the Group's foreign currency transactions are denominated in other foreign currencies, the directors are of the view that foreign exchange risk in relation to transactions denominated in other foreign currencies is low. Therefore, no sensitivity analysis for these currencies is presented.

(b) Cash flow and fair value interest rate risk

Other than deposits held in banks and other financial institutions, the Group does not have significant interest-bearing assets. The average rate on deposits held in banks and other financial institutions at 31 December 2013 was approximately 1.95% (2012: 1.42%) per annum. Any change in the interest rate from time to time is not considered to have significant impact to the Group's performance.

The Group's interest rate risk which affects its results and operating cash flows mainly arises from bank borrowings. The bank borrowings were at fixed rates and expose the Group to fair value interest rate risk. As all the Group's bank borrowings were short term loans and any change in the interest rate from time to time is not considered to have significant impact to the Group's performance.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 外匯風險 (續)

由於港元與美元掛鈎，故董事認為有關以美元計值交易之外匯風險甚低。

由於本集團少於10%之外幣交易以其他貨幣計值，故董事認為有關以其他貨幣計值交易之外匯風險甚微。因此，並無就此等貨幣呈列敏感性分析。

(b) 現金流量及公允值利率風險

除存放於銀行及其他財務機構之存款外，本集團並無重大之附息資產。於2013年12月31日，存放於銀行及其他財務機構之存款之平均年利率為1.95% (2012年：1.42%)。不時頒佈利率之任何變動對本集團之業績並無重大影響。

影響本集團業績及經營現金流量之利率風險主要來自銀行借貸。銀行借貸均為定息，並使本集團承擔公允值利率風險。由於本集團銀行借貸均為短期貸款，因此不時頒佈利率之任何變動對本集團之業績並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

3. FINANCIAL RISK MANAGEMENT

(Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents and trade and other receivables. The maximum exposure to credit risk at the balance sheet date is their carrying value. The Group has policies and procedures in place to ensure they are made to counterparties with acceptable credit quality.

All the Group's deposits with bank and other financial institution are placed in high quality financial institutions without significant exposure to credit risk.

For trade and other receivables, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the directors are of the opinion that the risk of default by these counterparties is not significant. Further disclosure on credit risk are set out in Note 20.

(d) Liquidity risk

Prudent liquidity risk management, including maintaining sufficient working capital, the availability of funding through an adequate amount of committed borrowing facilities and the ability to close out market positions is adopted. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by ensuring sufficient committed borrowing facilities are available.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 信貸風險

本集團並無高度集中之信貸風險。信貸風險因現金及現金等價物和貿易及其他應收款項而產生。於結算日面對之最高信貸風險為其賬面值。本集團已定下程序及政策，確保交易方之信貸質素為可以接受水平。

本集團所有於銀行及其他財務機構之存款均存於並無重大信貸風險之優質財務機構。

就貿易及其他應收款項而言，交易對手之信貸質素透過考慮其財務狀況、信貸記錄及其他因素而作出評估。個別信貸限額按照信貸質素評估而訂定。鑒於穩定之還款記錄，董事認為該等交易對手拖欠款項之風險並不大。有關信貸風險之進一步詳情載於附註20內。

(d) 流動資金風險

本集團採納審慎之流動資金風險管理，包括透過維持足夠營運資金、充裕之已承諾借貸備用額以提供充足可供動用資金及處理市場平倉之能力。鑒於相關業務多變之特性，本集團通過確保足夠可供動用之已承諾借貸備用額，藉以維持資金供應之靈活性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

3. FINANCIAL RISK MANAGEMENT

(Cont'd)

3.1 Financial risk factors (Cont'd)

(d) Liquidity risk (Cont'd)

The table below analyses the Group's and the Company's financial liabilities by maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows of the financial liabilities.

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Within 1 year	一年內		
Group	本集團		
Short term bank loans	短期銀行貸款	133	1,293
Trade and other payables (excluding deferred government grants, other taxes payables and advances from customers)	貿易及其他應付款項 (不包括遞延政府補助、 其他應付稅項及預收賬款)	520,869	385,598
		521,002	386,891
Company	本公司		
Trade and other payables (excluding other taxes payables)	貿易及其他應付款項 (不包括其他應付稅項)	5,394	5,141

3.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which includes bank borrowings, and equity attributable to owners of the Company, which comprises issued equity and reserves.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(d) 流動資金風險 (續)

下表載列本集團及本公司將結算之金融負債，此乃按照相關到期組別，根據由結算日至合約到期日之剩餘期間進行分析。於表中披露之金融負債金額乃根據合約之未貼現現金流量計算。

3.2 資本風險管理

本集團實行資本管理是要確保本集團之實體將可持續經營，並透過優化債務及權益結餘為權益持有人帶來最大回報。本集團整體策略保持與以前年度一致。

本集團之資本結構包括債務（包括銀行借貸），及本公司權益持有人應佔權益（包括已發行權益及儲備）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

3. FINANCIAL RISK MANAGEMENT

(Cont'd)

3.2 Capital risk management (Cont'd)

The Group monitors capital risk using a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheets, plus net debt.

The Group's strategy is to maintain an operation with minimal capital risk. As at 31 December 2013, the Group's cash and cash equivalents exceeded its borrowings by HK\$745,885,000 (2012: HK\$475,386,000). The directors are of the opinion that the Group's capital risk is low.

3.3 Fair value estimation

Financial instruments measured at fair value are grouped into Levels 1 to 3, based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2013 and 2012, the Group had no financial instrument measured at fair value and hence did not have any Level 1, Level 2 or Level 3 financial instrument.

3. 財務風險管理 (續)

3.2 資本風險管理 (續)

本集團採用資本負債比率監察資本風險。此比率乃以債務淨額除以資本總額計算。債務淨額按借貸總額減現金及現金等價物計算。資本總額按綜合資產負債表所列示之權益加債務淨額計算。

本集團之策略是保持以最低資本風險營運。於2013年12月31日，本集團之現金及現金等價物超過借貸745,885,000港元（2012年：475,386,000港元）。董事認為本集團面對之資本風險甚低。

3.3 公允值估計

以公允值計量之金融工具按其可觀察公允值程度分類為下列一至三級：

- 第一級公允值計量乃自相同資產或負債於活躍市場中之報價（未經調整）得出。
- 第二級公允值計量乃除第一級所包括之報價外，自資產或負債可直接（即價格）或間接（自價格衍生）觀察之輸入數據得出。
- 第三級公允值計量乃以使用計入並非根據可觀察市場數據之資產或負債之輸入數據（無法觀察之輸入數據）之估值技術得出。

於2013年及2012年12月31日，本集團沒有以公允值計量之金融工具，因此並無任何第一級、第二級或第三級金融工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Income tax and deferred taxation

The Group is subject to income tax in different jurisdictions. Estimation and judgment is required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

In accordance with the corporate income tax laws in the PRC, a 10% withholding tax will be levied on the dividend declared by the companies established in the PRC to their foreign investors starting from 1 January 2008. During the year, the directors of the Company reassessed the dividend policy of its major subsidiary established in the PRC, CEC Huada Electronic Design Co., Ltd ("Huada Electronics"), based on the Group's current business plan and financial position, certain retained earnings generated by Huada Electronics would be distributed to its non-PRC registered intermediate holding company and as such, deferred tax liabilities in this respect was provided in the year to the extent that such earnings are estimated by the directors of the Company to be distributed in the foreseeable future.

No deferred tax liability has been provided by the Group for the earnings of HK\$586,990,000 (2012: HK\$482,000,000) expected to be retained by the subsidiaries in the PRC and not to be remitted out of the PRC in the foreseeable future.

4. 主要會計估計及判斷

4.1 所得稅及遞延稅項

本集團須於不同司法權區繳納所得稅。於釐定所得稅項撥備之金額時，需作出估計及判斷。於日常業務過程中存在交易及計算均難以確定其最終之稅務釐定。倘該等事項之最終稅務結果有別於始初確認之金額，該等差異的釐定將對當期之所得稅及遞延稅項撥備產生影響。

根據中國企業所得稅法，自2008年1月1日起，對在中國成立的公司向其海外投資者分派的股息徵收10%的預扣所得稅。於本年內，本公司董事基於本集團現時業務計劃及財務狀況重新審視成立於中國之主要附屬公司北京中電華大電子設計有限責任公司（「華大電子」）的股息政策，華大電子的若干保留溢利將分派予其中國境外的中間控股公司。因此，以本公司董事估計於可預見將來分派的溢利為基礎，於本年度就有關遞延稅項負債作出撥備。

本集團並無就預期由中國附屬公司保留且不會於可預見未來分派出中國境外金額為586,990,000港元（2012年：482,000,000港元）的溢利撥備遞延稅項負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

4.2 Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment. Significant financial difficulty of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as objective evidence that a receivable is impaired. In determining this, management makes judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect on the market and economic environment in which the debtor operates. Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recognised as an expense.

Provision for impairment of trade receivables of the Group at 31 December 2013 is HK\$45,308,000 (2012: HK\$4,335,000).

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

4. 主要會計估計及判斷 (續)

4.2 貿易應收款項減值

管理層審閱其貿易應收款項有否客觀減值證據。債務人出現重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是應收款項有客觀減值證據。在釐定減值時，管理層需判斷有否可觀察資料顯示債務人的還款能力有重大變動，或有否對債務人業務所在的市場及經濟環境構成不利影響的重大變動。如有客觀減值證據，管理層判斷有否減值虧損應確認為開支。

本集團於2013年12月31日的貿易應收款項減值撥備為45,308,000港元（2012年：4,335,000港元）。

5. 收入及分部資料

(a) 收入

Year ended 31 December 截至12月31日止年度

		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Integrated circuits products	集成電路產品	1,308,184	1,155,632

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

(b) Operating segments

Management has determined the operating segments based on the reports reviewed by the directors (the chief operating decision maker) that are used to assess performance and allocate resources.

The directors consider that the Group's operations are operated and managed as a single segment, accordingly no operating segment information is presented.

In terms of geographical location, nearly 100% of the Group's revenue is attributable to the market in the PRC and over 90% of the Group's non-current assets are located in the PRC.

Total non-current assets by location are as follows:

5. 收入及分部資料 (續)

(b) 營運分部

管理層已根據董事（主要營運決策者）已審閱作評估表現及分配資源用的報告，確定營運分部。

董事認為本集團經營之業務以單一分部營運及管理，故無披露營運分部資料。

按地區分佈而言，本集團接近100%之收入來自於中國市場且超過90%之非流動資產位於中國。

按地區劃分之非流動資產總額如下：

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
PRC	中國	87,771	26,112
Hong Kong	香港	1,048	1,236
		88,819	27,348
Deferred tax assets	遞延稅項資產	45,872	41,950
Total non-current assets per consolidated balance sheet	於綜合資產負債表之非流動資產總額	134,691	69,298

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

6. OTHER GAINS – NET

6. 其他收益－淨額

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Government grants	政府補助	26,859	30,737
Gain on liquidation of subsidiaries	附屬公司清盤收益	8,823	–
Exchange gains/(losses)	匯兌收益／(虧損)	680	(717)
Others	其他	(2,425)	(1,341)
		33,937	28,679

During the year, the Company liquidated CEC Media Technology & Service (Suzhou) Co., Ltd and CEC Integrated Circuit (Beijing) Co., Ltd, both of which were wholly-owned by the Company and had been dormant. As a result, translation reserve attributable to these two PRC established subsidiaries of HK\$8,823,000 was reclassified and recognised as a gain on liquidation of subsidiaries.

於年內，本公司就其全資擁有之兩家一直處於歇業的公司，中電傳媒技術與服務（蘇州）有限公司及中電集成電路（北京）有限公司作出清盤。據此，該兩家於中國成立之附屬公司產生8,823,000港元之匯兌儲備被重分類並確認為一項附屬公司清盤收益。

7. EXPENSES BY NATURE

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

7. 按性質劃分之費用

列作銷售成本、銷售及市場推廣成本和行政開支之費用分析如下：

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Depreciation and amortisation expenses (Notes 15 and 16)	折舊及攤銷費用 (附註15及16)	22,722	16,982
Employee benefit expenses (Note 8)	僱員福利開支(附註8)	140,523	130,680
Changes in inventories of finished goods and work in progress	製成品及在製品 存貨變動	25,064	(60,729)
Raw materials and consumables used	所用原材料及消耗品	700,445	731,534
Research and development costs	研究及開發成本	213,002	163,355
Impairment/(reversal of impairment) provision for trade receivables (Note 20)	貿易應收款項之減值 撥備／(撥回)(附註20)	40,238	(14,905)
(Reversal of provision)/provision for inventories (Note 19)	存貨之(撥備撥回)／撥備 (附註19)	(8,143)	21,001
Operating lease expenses on property	物業之經營租賃開支	15,607	11,289
Auditor's remuneration	核數師酬金	5,838	1,909

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

8. EMPLOYEE BENEFIT EXPENSES

8. 僱員福利開支

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	125,433	116,441
Contributions to retirement schemes (Notes (a) and (b))	退休計劃供款 (附註(a)及(b))	15,090	14,239
		140,523	130,680

(a) The Group operates a MPF Scheme for the eligible employees in Hong Kong. The Group's contributions to MPF Scheme are expensed as incurred.

(b) The Company's PRC subsidiaries participate in defined contribution retirement scheme based on laws and regulations in the PRC. The local government authority of the PRC is responsible for the pension liabilities to these retired employees in the PRC. These PRC subsidiaries made contributions to retirement schemes in the PRC and are expensed as incurred.

(a) 本集團為其香港合資格僱員設立強積金計劃。本集團對強積金計劃之供款於產生時列作開支。

(b) 本公司在中國之附屬公司根據中國法例及規例參與定額供款退休計劃。中國有關地方政府機構負責該等中國退休僱員之退休金責任。該等中國附屬公司對退休計劃作出供款並於產生時列作開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The remuneration of each director for the year ended 31 December 2013 is set out below:

Name of director 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind	Pension scheme contributions	Discretionary bonus	Total
		薪金、津貼及 實物福利 HK\$'000 千港元	退休金計劃 供款 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	合計 HK\$'000 千港元
Rui Xiaowu 芮曉武	-	-	-	-	-
Liu Hongzhou* 劉紅洲*	-	167	3	-	170
Zhao Guiwu** 趙貴武**	-	-	-	-	-
Xie Qinghua 謝慶華	-	750	171	1,263	2,184
Liu Jinping 劉晉平	200	-	-	-	200
Chan Kay Cheung 陳棋昌	200	-	-	-	200
Qiu Hongsheng 邱洪生	200	-	-	-	200
Yin Yongli 尹永利	200	-	-	-	200
	800	917	174	1,263	3,154

* Appointed on 11 October 2013.

** Resigned on 11 October 2013.

During the year, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company had waived any emoluments during the year.

9. 董事及僱員酬金

(a) 董事酬金

各董事於截至2013年12月31日止年度之酬金載列如下：

Name of director 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind	Pension scheme contributions	Discretionary bonus	Total
		薪金、津貼及 實物福利 HK\$'000 千港元	退休金計劃 供款 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	合計 HK\$'000 千港元
Rui Xiaowu 芮曉武	-	-	-	-	-
Liu Hongzhou* 劉紅洲*	-	167	3	-	170
Zhao Guiwu** 趙貴武**	-	-	-	-	-
Xie Qinghua 謝慶華	-	750	171	1,263	2,184
Liu Jinping 劉晉平	200	-	-	-	200
Chan Kay Cheung 陳棋昌	200	-	-	-	200
Qiu Hongsheng 邱洪生	200	-	-	-	200
Yin Yongli 尹永利	200	-	-	-	200
	800	917	174	1,263	3,154

* 於2013年10月11日獲委任。

** 於2013年10月11日辭任。

年內，本集團並無向本公司董事支付任何酬金作為加盟本集團或加盟時之獎勵或作為離任之補償。年內亦無本公司董事放棄任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

(a) Directors' emoluments (Cont'd)

The remuneration of each director for the year ended 31 December 2012 is set out below:

Name of director 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 HK\$'000 千港元	Pension scheme contributions 退休金計劃 供款 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Rui Xiaowu 芮曉武	–	–	–	–	–
Zhao Guiwu 趙貴武	–	–	–	–	–
Xie Qinghua* 謝慶華*	–	108	28	–	136
Fan Qingwu** 范卿午**	–	346	76	640	1,062
Liu Jinping 劉晉平	200	–	–	–	200
Chan Kay Cheung 陳棋昌	200	–	–	–	200
Qiu Hongsheng*** 邱洪生***	33	–	–	–	33
Wong Po Yan**** 黃保欣****	167	–	–	–	167
Yin Yongli 尹永利	200	–	–	–	200
	800	454	104	640	1,998

* Appointed on 24 August 2012.

** Resigned on 24 August 2012.

*** Appointed on 1 November 2012.

**** Resigned on 1 November 2012.

(b) Five highest paid individuals

The emoluments payable to the five individuals whose paid were the highest in the Group during the year are as follows:

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利		4,931	3,549
Bonuses 花紅		13,133	8,195
Contributions to retirement schemes 退休計劃供款		352	237
		18,416	11,981

9. 董事及僱員酬金 (續)

(a) 董事酬金 (續)

各董事於截至2012年12月31日止年度之酬金載列如下：

Name of director 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 HK\$'000 千港元	Pension scheme contributions 退休金計劃 供款 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Rui Xiaowu 芮曉武	–	–	–	–	–
Zhao Guiwu 趙貴武	–	–	–	–	–
Xie Qinghua* 謝慶華*	–	108	28	–	136
Fan Qingwu** 范卿午**	–	346	76	640	1,062
Liu Jinping 劉晉平	200	–	–	–	200
Chan Kay Cheung 陳棋昌	200	–	–	–	200
Qiu Hongsheng*** 邱洪生***	33	–	–	–	33
Wong Po Yan**** 黃保欣****	167	–	–	–	167
Yin Yongli 尹永利	200	–	–	–	200
	800	454	104	640	1,998

* 於2012年8月24日獲委任。

** 於2012年8月24日辭任。

*** 於2012年11月1日獲委任。

**** 於2012年11月1日辭任。

(b) 五名最高薪酬人士

年內應付予本集團薪酬最高之五名人士之酬金如下：

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利		4,931	3,549
Bonuses 花紅		13,133	8,195
Contributions to retirement schemes 退休計劃供款		352	237
		18,416	11,981

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

(b) Five highest paid individuals (Cont'd)

The emoluments of the five highest paid individuals included one (2012: one) director of the Company and their emoluments were within the following bands:

9. 董事及僱員酬金 (續)

(b) 五名最高薪酬人士 (續)

五名最高薪酬人士包括本公司的一名(2012年: 一名)董事而彼等之酬金介乎以下範圍:

		Number of individuals 人數	
		2013 2013年	2012 2012年
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	–	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	–
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	1	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	–	2
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元	–	1
HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元	3	–
HK\$4,000,001 – HK\$4,500,000	4,000,001港元 – 4,500,000港元	–	–
HK\$4,500,001 – HK\$5,000,000	4,500,001港元 – 5,000,000港元	1	–
		5	5

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團並無向五名最高薪酬人士支付任何酬金作為加盟本集團或加盟時之獎勵或作為離任之補償。

10. FINANCE INCOME – NET

10. 融資收入 – 淨額

		Year ended 31 December 截至12月31日止年度	
		2013 2013年	2012 2012年
		HK\$'000 千港元	HK\$'000 千港元
Interest income on short term deposits	短期存款利息收入	8,425	3,740
Interest on loans	貸款利息	(171)	(546)
		8,254	3,194

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

11. TAXATION

11. 稅項

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Current taxation	本年度稅項		
– PRC corporate income tax	– 中國企業所得稅	15,554	41,288
– Withholding tax on distributed profits	– 已分配溢利之 預扣所得稅	7,533	–
		23,087	41,288
Deferred taxation	遞延稅項		
– PRC corporate income tax	– 中國企業所得稅	(3,248)	(13,349)
– Withholding tax on undistributed profits	– 未分配溢利之 預扣所得稅	7,739	–
		4,491	(13,349)
		27,578	27,939

- (a) No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profit in Hong Kong during the year (2012: nil).
- (a) 由於本集團於本年度內於香港並無產生任何應課稅溢利，故並無就香港利得稅作出撥備（2012年：無）。
- (b) In accordance with the corporate income tax laws of the PRC, the applicable statutory tax rate of Huada Electronics is 25% from 1 January 2008. However, Huada Electronics qualified as an “Integrated Circuit Design Enterprises in National Planning Layout” and thus enjoyed a 10% preferential tax rate from 1 January 2013 to 31 December 2014.
- (b) 根據中國企業所得稅法，華大電子自2008年1月1日起之適用法定稅率為25%。然而，由於華大電子被確定為「國家規劃佈局內集成電路設計企業」，因此自2013年1月1日起至2014年12月31日華大電子享受10%之優惠稅率。
- (c) According to the relevant regulations of the corporate income tax laws of the PRC, when a foreign investment enterprise distributed dividends out of the profits earned from 1 January 2008 onwards to its overseas investors, such dividends are subject to withholding tax at a rate of 10%.
- (c) 根據中國企業所得稅法的有關規定，中國境內之外商投資企業向其境外投資者分派自2008年1月1日起產生的溢利作為股息，該等股息須繳納10%的預扣所得稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

11. TAXATION (Cont'd)

(d) Reconciliation between the taxation expense on the Group's profit before taxation and the theoretical taxation that would arise using the respective applicable statutory tax rates are as follows:

11. 稅項 (續)

(d) 本集團除稅前溢利之稅項開支與按各自適用法定稅率所計算之理論稅項之對賬如下：

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Profit before taxation	除稅前溢利	251,474	225,523
Calculated at respective applicable statutory tax rates	按各自適用法定稅率計算之稅項	65,155	57,739
Effect of tax concession	稅項減免之影響	(21,002)	(24,179)
Research and development costs additional deductions	研究及開發成本額外扣除	(23,047)	(8,701)
Expenses not deductible for taxation purposes	不可扣稅開支	1,003	372
Effect of change in tax rate on deferred taxation	稅率變動對遞延稅項之影響	(12,783)	–
Withholding tax on distributed profits and current year's undistributed profits	已分配溢利及本年度未分配溢利之預扣所得稅	15,272	–
Tax losses for which no deferred tax asset was recognised (Note (e))	並無確認遞延稅項資產之稅項虧損(附註(e))	2,980	2,708
Taxation expense	稅項開支	27,578	27,939

(e) Deferred taxation

(e) 遞延稅項

		31 December 2013 2013年 12月31日 HK\$'000 千港元	31 December 2012 2012年 12月31日 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	45,872	41,950
Deferred tax liabilities	遞延稅項負債	(7,739)	–
		38,133	41,950

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

11. TAXATION (Cont'd)

(e) Deferred taxation (Cont'd)

The movements in the deferred tax assets and liabilities during the year are as follows:

11. 稅項 (續)

(e) 遞延稅項 (續)

年內遞延稅項資產及負債之變動如下：

Deferred tax assets	遞延稅項資產	Impairment of inventories 存貨減值 HK\$'000 千港元	Salary and welfare payables 應付職工薪酬 HK\$'000 千港元	Deferred government grants 遞延政府補助 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2012	於2012年1月1日	2,857	7,507	11,972	6,224	28,560
Exchange differences	匯兌差額	10	5	24	2	41
Credited to the income statement	抵免收益表	3,150	1,649	7,727	823	13,349
At 31 December 2012	於2012年12月31日	6,017	9,161	19,723	7,049	41,950
At 1 January 2013	於2013年1月1日	6,017	9,161	19,723	7,049	41,950
Exchange differences (Charged)/credited to the income statement	匯兌差額 (計入)/抵免收益表	49	97	267	261	674
		(2,755)	(2,624)	(1,856)	10,483	3,248
At 31 December 2013	於2013年12月31日	3,311	6,634	18,134	17,793	45,872

Deferred tax liabilities	遞延稅項負債	Withholding tax on undistributed profits of a PRC subsidiary 中國附屬公司未分配溢利之預扣所得稅 HK\$'000 千港元
At 1 January 2013	於2013年1月1日	-
Charged to the income statement	計入收益表	7,739
At 31 December 2013	於2013年12月31日	7,739

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

11. TAXATION (Cont'd)

(e) Deferred taxation (Cont'd)

The amounts shown in the consolidated balance sheet include the following:

11. 稅項 (續)

(e) 遞延稅項 (續)

於綜合資產負債表列示之金額包括以下項目：

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Deferred tax assets	遞延稅項資產		
- To be recovered after more than 12 months	- 將於12個月後收回	11,554	737
- To be recovered within 12 months	- 將於12個月內收回	34,318	41,213
		45,872	41,950
Deferred tax liabilities	遞延稅項負債		
- To be recovered within 12 months	- 將於12個月內收回	7,739	-

Deferred tax assets are recognised for tax losses carrying-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. During the year, the Group did not recognise deferred tax assets of HK\$2,980,000 (2012: HK\$2,708,000) in respect of losses amounting to HK\$18,058,000 (2012: HK\$16,263,000) that can be carried forward against future taxable income.

遞延稅項資產乃就結轉之稅項虧損而被確認，惟以有可能透過未來之應課稅溢利變現有關稅項利益為限。於本年內，本集團並未就可結轉以抵銷未來應課稅溢利之虧損18,058,000港元（2012年：16,263,000港元）確認遞延稅項資產2,980,000港元（2012年：2,708,000港元）。

12. PROFIT/LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 December 2013 included a profit of HK\$42,647,000 (2012: loss of HK\$13,764,000) which has been dealt with in the separate financial statements of the Company.

12. 本公司權益持有者應佔溢利／虧損

截至2013年12月31日止年度，本公司權益持有者應佔綜合溢利中，為數42,647,000港元（2012年：虧損13,764,000港元）的溢利已於本公司之獨立財務報表內處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

13. DIVIDENDS

During the year, the Company paid a special dividend of an aggregate amount in cash of HK\$50,747,000 (representing HK\$0.03 per share) out of the contributed surplus account of the Company to the shareholders whose names appear on the register of members of the Company on 2 October 2013.

A dividend in respect of the year ended 31 December 2013 of HK\$0.03 per share (2012: nil), amounting to a total dividend of HK\$50,747,000, is to be proposed at the forthcoming annual general meeting of the Company. It is proposed that such dividend will be paid out of the contributed surplus account of the Company. Such proposed dividend is not recognised as a liability in these financial statements.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

13. 股息

於年內，本公司自其實繳盈餘賬向於2013年10月2日名列本公司股東名冊之股東以現金派付總額50,747,000港元（每股0.03港元）之特別股息。

將於本公司應屆股東週年大會上，建議就2013年12月31日止年度派付股息為每股0.03港元（2012年：無），總計為50,747,000港元。該股息建議將自本公司之實繳盈餘賬派付。該建議股息並無於本財務報表內確認為一項負債。

14. 每股盈利

每股基本及攤薄盈利乃根據下列數據計算：

		Year ended 31 December 截至12月31日止年度	
		2013 2013年	2012 2012年
Profit for the year attributable to owners of the Company (HK\$'000)	本公司權益持有者應佔之年度溢利（千港元）	223,896	197,584
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	用以計算每股基本及攤薄盈利之普通股加權平均數目	1,691,560,000	1,691,560,000
Earnings per share (HK cents)	每股盈利（港仙）		
– Basic	– 基本	13.24	11.68
– Diluted (Note (a))	– 攤薄（附註(a)）	13.24	11.68

(a) The Company did not have any potential ordinary shares outstanding for the year ended 31 December 2013 (2012: nil). Diluted earnings per share is therefore equal to basic earnings per share.

(a) 截至2013年12月31日止年度，本公司並無任何未發行潛在普通股（2012年：無）。因此，每股攤薄盈利與每股基本盈利相等。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

15. PROPERTY, PLANT AND EQUIPMENT

(a) Group

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2012	於2012年1月1日					
Cost	成本	5,433	23,583	7,872	677	37,565
Accumulated depreciation	累計折舊	(3,819)	(13,116)	(3,193)	(449)	(20,577)
Net book amount	賬面淨值	1,614	10,467	4,679	228	16,988
Year ended 31 December 2012	截至2012年12月31日					
	止年度					
Opening net book amount	年初賬面淨值	1,614	10,467	4,679	228	16,988
Exchange differences	匯兌差額	(8)	(17)	(1)	(1)	(27)
Additions	添置	3,177	7,674	701	35	11,587
Depreciation	折舊	(2,273)	(4,713)	(285)	(67)	(7,338)
Closing net book amount	年末賬面淨值	2,510	13,411	5,094	195	21,210
At 31 December 2012	於2012年12月31日					
Cost	成本	8,609	28,606	8,572	702	46,489
Accumulated depreciation	累計折舊	(6,099)	(15,195)	(3,478)	(507)	(25,279)
Net book amount	賬面淨值	2,510	13,411	5,094	195	21,210
Year ended 31 December 2013	截至2013年12月31日					
	止年度					
Opening net book amount	年初賬面淨值	2,510	13,411	5,094	195	21,210
Exchange differences	匯兌差額	59	352	137	3	551
Additions	添置	59	2,043	604	115	2,821
Disposals	出售	-	-	(217)	(24)	(241)
Depreciation	折舊	(1,110)	(4,527)	(803)	(66)	(6,506)
Closing net book amount	年末賬面淨值	1,518	11,279	4,815	223	17,835
At 31 December 2013	於2013年12月31日					
Cost	成本	8,933	31,544	8,138	755	49,370
Accumulated depreciation	累計折舊	(7,415)	(20,265)	(3,323)	(532)	(31,535)
Net book amount	賬面淨值	1,518	11,279	4,815	223	17,835

Depreciation expense of HK\$28,000 (2012: HK\$26,000) and HK\$6,478,000 (2012: HK\$7,312,000) has been charged to selling and marketing costs and administrative expenses, respectively.

Lease rental expenses amounting to HK\$15,607,000 (2012: HK\$11,289,000) relating to the lease of property are included in the income statement.

15. 物業、廠房及設備

(a) 本集團

折舊開支中28,000港元(2012年: 26,000港元)及6,478,000港元(2012年: 7,312,000港元)已分別計入銷售及市場推廣成本和行政開支。

與租賃物業相關的15,607,000港元租金(2012年: 11,289,000港元)已計入收益表之租賃開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

15. PROPERTY, PLANT AND EQUIPMENT

(Cont'd)

(b) Company

15. 物業、廠房及設備 (續)

(b) 本公司

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2012	於2012年1月1日				
Cost	成本	220	1,877	325	2,422
Accumulated depreciation	累計折舊	(220)	(1,406)	(205)	(1,831)
Net book amount	賬面淨值	-	471	120	591
Year ended 31 December 2012	截至2012年12月31日止年度				
Opening net book amount	年初賬面淨值	-	471	120	591
Exchange differences	匯兌差額	-	(1)	1	-
Additions	添置	-	701	13	714
Depreciation	折舊	-	(237)	(37)	(274)
Closing net book amount	年末賬面淨值	-	934	97	1,031
At 31 December 2012	於2012年12月31日				
Cost	成本	220	2,578	329	3,127
Accumulated depreciation	累計折舊	(220)	(1,644)	(232)	(2,096)
Net book amount	賬面淨值	-	934	97	1,031
Year ended 31 December 2013	截至2013年12月31日止年度				
Opening net book amount	年初賬面淨值	-	934	97	1,031
Exchange differences	匯兌差額	-	10	2	12
Additions	添置	59	-	115	174
Disposals	出售	-	-	(1)	(1)
Depreciation	折舊	(7)	(252)	(43)	(302)
Closing net book amount	年末賬面淨值	52	692	170	914
At 31 December 2013	於2013年12月31日				
Cost	成本	306	1,906	435	2,647
Accumulated depreciation	累計折舊	(254)	(1,214)	(265)	(1,733)
Net book amount	賬面淨值	52	692	170	914

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

16. INTANGIBLE ASSETS – GROUP

16. 無形資產－本集團

Computer
software
電腦軟件
HK\$'000
千港元

At 1 January 2012	於2012年1月1日	
Cost	成本	35,121
Accumulated amortisation	累計攤銷	(30,840)
Net book amount	賬面淨值	4,281
Year ended 31 December 2012	截至2012年12月31日止年度	
Opening net book amount	年初賬面淨值	4,281
Exchange differences	匯兌差額	(34)
Additions	添置	9,068
Amortisation	攤銷	(9,644)
Closing net book amount	年末賬面淨值	3,671
At 31 December 2012	於2012年12月31日	
Cost	成本	44,183
Accumulated amortisation	累計攤銷	(40,512)
Net book amount	賬面淨值	3,671
Year ended 31 December 2013	截至2013年12月31日止年度	
Opening net book amount	年初賬面淨值	3,671
Exchange differences	匯兌差額	(127)
Additions	添置	17,517
Amortisation	攤銷	(16,216)
Closing net book amount	年末賬面淨值	4,845
At 31 December 2013	於2013年12月31日	
Cost	成本	63,083
Accumulated amortisation	累計攤銷	(58,238)
Net book amount	賬面淨值	4,845

Amortisation expense amounting to HK\$16,216,000 (2012: HK\$9,644,000) has been charged to research and development costs under administrative expenses.

攤銷開支16,216,000港元(2012年:9,644,000港元)已計入行政開支項下之研究及開發成本中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

17. INVESTMENTS IN SUBSIDIARIES – COMPANY

17. 附屬公司投資—本公司

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Investments – unlisted equity interests, at cost	投資—非上市股權， 按成本值	553,280	646,729
Amounts due from subsidiaries (Note (b))	應收附屬公司款項 (附註(b))	–	11,700
		553,280	658,429
Less: provision for impairment	減：減值撥備	–	–
		553,280	658,429

(a) Particulars of the principal subsidiaries at 31 December 2013 and 2012 are as follows:

(a) 主要附屬公司於2013年及2012年12月31日之詳情如下：

Name 名稱	Place of establishment and type of legal entity 成立地點及公司性質	Principal place of operation and activities 主要經營地點及業務	Registered and paid-in capital 註冊及實收 資本	Interest held directly 直接所持權益	
				2013	2012
CEC Integrated Circuit (Beijing) Co., Ltd* 中電集成電路(北京) 有限公司*	PRC, limited liability company 中國，有限責任公司	PRC, design, research and development and sale of integrated circuits 中國，集成電路之設計、 研發及銷售	US\$12,000,000 12,000,000美元	–	100%
Huada Electronics 華大電子	PRC, limited liability company 中國，有限責任公司	PRC, design, research and development and sale of integrated circuits 中國，集成電路之設計、 研發及銷售	RMB50,000,000 人民幣50,000,000元	100%	100%

* It was liquidated by the Company in October 2013.

* 該公司由本公司於2013年10月作出清盤。

(b) The amounts due from subsidiaries were quasi-equity in nature, unsecured, interest-free and with no fixed term of repayment.

(b) 應收附屬公司款項屬準權益性質，均為無抵押、免息，且無固定還款期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP

Available-for-sale financial assets represent unlisted equity interest in a company established in the PRC and are measured at costs less impairment at balance sheet date, as these assets do not have a quoted market price, the range of reasonable fair value estimates is significant and the possibilities of the various estimates cannot be reasonably assessed.

19. INVENTORIES – GROUP

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$725,509,000 (2012: HK\$670,805,000).

Reversal of provision for inventories of HK\$8,143,000 (2012: Provision for inventories of HK\$21,001,000) has been credited/charged to cost of sales.

20. TRADE AND OTHER RECEIVABLES

18. 可供出售金融資產 – 本集團

可供出售金融資產指在一家中國成立之非上市公司的股權，由於沒有可以引用的市場價格、合理估計的公允價值區間較大和無法合理估計多種假設的可能性，其於結算日以成本減減值撥備計量。

19. 存貨 – 本集團

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Work in progress	在製品	71,419	84,852
Finished goods	製成品	219,845	223,333
		291,264	308,185

確認為開支並計入銷售成本之存貨成本為725,509,000港元（2012年：670,805,000港元）。

為數8,143,000港元之存貨撥備撥回（2012年：存貨撥備21,001,000港元）已抵免／計入銷售成本。

20. 貿易及其他應收款項

		Group 本集團		Company 本公司	
		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元	31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Trade receivables	貿易應收款項	551,190	488,304	2,486	–
Less: provision for impairment (Note (c))	減：減值撥備 (附註(c))	(45,308)	(4,335)	–	–
		505,882	483,969	2,486	–
Other receivables from related parties (Note 29)	其他應收關聯人士 款項(附註29)	242	265	80,248	2,807
Undeducted input value-added tax	未扣除的 進項增值稅	21,213	–	–	–
Prepayments and deposits	預付款項及按金	4,799	7,507	765	469
Other receivables	其他應收款項	7,578	2,863	60	2
		539,714	494,604	83,559	3,278

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

20. TRADE AND OTHER RECEIVABLES

(Cont'd)

At 31 December 2013 and 2012, the carrying amounts of trade and other receivables of the Group and the Company approximate their fair values.

All trade and other receivables were due within 1 year, non interest-bearing and unsecured. Included in the balance of trade receivables are trade receivables from related parties of HK\$32,086,000 (2012: HK\$16,744,000) (Note 29).

Trade and other receivables of the Group and the Company at 31 December 2013 and 2012 are denominated in the following currencies:

		Group 本集團		Company 本公司	
		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元	31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Renminbi	人民幣	533,264	493,238	76,633	369
US dollar	美元	2,486	541	2,486	-
HK dollar	港元	3,964	825	4,440	2,909
		539,714	494,604	83,559	3,278

(a) The majority of the Group's sales are with credit terms of 30 days to 135 days. The remaining amounts are due immediately after the delivery of goods. At 31 December 2013, the ageing analysis of the trade receivables (net of provision for impairment) based on revenue recognition date are as follows:

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Current to 30 days	30日內	303,252	241,603
31 – 60 days	31日至60日	71,798	81,632
Over 60 days and within 1 year	60日以上及1年內	127,096	158,580
Over 1 year	1年以上	3,736	2,154
		505,882	483,969

20. 貿易及其他應收款項 (續)

於2013年及2012年12月31日，本集團及本公司之貿易及其他應收款項之賬面值與其公允值相若。

所有貿易及其他應收款項均於一年內到期，並沒有計息及無抵押。計入貿易應收款項結餘內之應收關聯人士貿易款項為32,086,000港元（2012年：16,744,000港元）（附註29）。

本集團及本公司於2013年及2012年12月31日之貿易及其他應收款項按貨幣劃分如下：

(a) 本集團之銷售大部份之信貸期為30日至135日。其餘銷售於緊隨貨品交付時到期。於2013年12月31日，貿易應收款項（扣除減值撥備）之基於收入確認日之賬齡分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

20. TRADE AND OTHER RECEIVABLES

(Cont'd)

- (b) The trade receivables which were past due but not impaired amounted to HK\$75,367,000 at 31 December 2013 (2012: HK\$107,542,000). These related to a number of customers with high reputation for whom there is no recent history of default, the ageing analysis of these trade receivables are as follows:

		31 December 2013	31 December 2012
		2013年12月31日	2012年12月31日
		HK\$'000	HK\$'000
		千港元	千港元
Within 30 days	30日內	20,023	23,753
31 – 60 days	31日至60日	18,276	35,735
Over 60 days and within 1 year	60日以上及1年內	33,332	45,900
Over 1 year	1年以上	3,736	2,154
		75,367	107,542

The other classes within trade and other receivables do not contain impaired assets.

- (c) At 31 December 2013, trade receivables of HK\$45,308,000 (2012: HK\$4,335,000) were impaired. The individually impaired receivables mainly related to certain customers which are in unexpectedly difficult economic situations. It was assessed that these receivables are not expected to be recovered and thus full impairment provision was provided against them.

Movements in the provision for impairment on the Group's trade receivables are as follows:

		Year ended 31 December	
		截至12月31日止年度	
		2013	2012
		2013年	2012年
		HK\$'000	HK\$'000
		千港元	千港元
Beginning of the year	年初	4,335	19,295
Impairment/(reversal of impairment) provision	減值撥備／(撥回)	40,238	(14,905)
Exchange differences	匯兌差額	735	(55)
End of the year	年末	45,308	4,335

20. 貿易及其他應收款項 (續)

- (b) 於2013年12月31日，已逾期但並無減值之貿易應收款項為75,367,000港元(2012年：107,542,000港元)。此等貿易應收款項乃與某些近年並無拖欠款項記錄之信譽較好客戶有關，其賬齡分析如下：

貿易及其他應收款項內之其他類別並無包含減值資產。

- (c) 於2013年12月31日，45,308,000港元(2012年：4,335,000港元)之貿易應收款項已被減值。個別減值的應收款項主要來自處於預料以外的經濟困境中的某些客戶。這些應收款項預計將不能收回，因此已對其計提全額減值撥備。

本集團貿易應收款項減值撥備之變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等價物

		Group 本集團		Company 本公司	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		2013年12月31日	2012年12月31日	2013年12月31日	2012年12月31日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cash	現金				
At banks and on hand	銀行結存及現金	90,876	218,637	5,587	3,355
At other financial institutions	其他財務機構結存				
– A related party (Note 29)	– 關聯人士 (附註29)	40,701	46,864	40,701	46,864
		131,577	265,501	46,288	50,219
Short term deposits	短期存款				
At banks	銀行結存	304,093	159,321	31,856	3,853
At other financial institutions	其他財務機構結存				
– A related party (Note 29)	– 關聯人士 (附註29)	310,342	51,797	25,438	24,665
		614,435	211,118	57,294	28,518
		746,012	476,619	103,582	78,737

The effective interest rate on short term deposits at 31 December 2013 was 1.95% (2012: 1.42%) per annum.

於2013年12月31日，短期存款之實際年利率為1.95%（2012年：1.42%）。

22. SHARE CAPITAL AND PREMIUM

22. 股本及溢價

Group and Company

本集團及本公司

		Ordinary share of HK\$0.01 each 每股面值0.01港元之 普通股				
		Authorised 法定 '000 千股	Issued and fully paid 已發行及繳足 '000 千股	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2012 and at 31 December 2012	於2012年1月1日及 於2012年12月31日	30,000,000	1,691,560	16,916	872,255	889,171
At 1 January 2013	於2013年1月1日	30,000,000	1,691,560	16,916	872,255	889,171
Transfer to contributed surplus (Note 23(c))	轉撥至實繳盈餘 (附註23(c))	-	-	-	(600,000)	(600,000)
At 31 December 2013	於2013年12月31日	30,000,000	1,691,560	16,916	272,255	289,171

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

23. OTHER RESERVES

Group

		Surplus reserve 盈餘儲備 HK\$'000 千港元 (Note (a)) (附註(a))	Translation reserve 匯兌儲備 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元 (Note (b)) (附註(b))	Other reserves 其他儲備 HK\$'000 千港元 (Note (c)) (附註(c))	Total 合計 HK\$'000 千港元
At 1 January 2012	於2012年1月1日	16,309	58,258	(327,605)	(68,200)	(321,238)
Currency translation differences	貨幣換算差額	-	639	-	-	639
At 31 December 2012	於2012年12月31日	16,309	58,897	(327,605)	(68,200)	(320,599)
At 1 January 2013	於2013年1月1日	16,309	58,897	(327,605)	(68,200)	(320,599)
Currency translation differences	貨幣換算差額	-	24,692	-	-	24,692
Reclassify to the income statement on liquidation of subsidiaries (Note 6)	於附屬公司清盤時 重分類至收益表 (附註6)	-	(8,823)	-	-	(8,823)
Transfer from share premium to contributed surplus	轉撥股份溢價至 實繳盈餘	-	-	-	600,000	600,000
Elimination of accumulated losses of the Company	撇銷本公司累計 虧損	-	-	-	(214,534)	(214,534)
Payment of special dividend	派付特別股息	-	-	-	(50,747)	(50,747)
At 31 December 2013	於2013年12月31日	16,309	74,766	(327,605)	266,519	29,989

(a) Surplus reserve

According to the laws and regulations of the PRC and enterprise's articles of association, the Company's PRC subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its profit after taxation to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the board of directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital. Enterprise expansion fund can be used to expand production or to increase capital.

23. 其他儲備

本集團

(a) 盈餘儲備

根據中國法律及法規，以及企業之公司章程，本公司在中國之附屬公司須計提若干法定基金，分別為一般儲備基金及企業發展基金，均自根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算之稅後但未計提股息分派之溢利中提取。此等中國附屬公司須將其稅後溢利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事會酌情釐定。一般儲備基金僅在有關當局批准後始可用作抵銷累計虧損或增加資本。企業發展基金可用於擴大生產或增加資本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

23. OTHER RESERVES (Cont'd)

Group (Cont'd)

(b) Merger reserve

Merger reserve represents the difference between the fair value of the consideration shares issued to China Integrated Circuit Design Corp., Ltd ("China Huada") and the 64.75% of paid-in capital of Huada Electronics acquired from China Huada under common control.

(c) Other reserves

The amount recognised in other reserves includes the difference between the fair value of consideration shares issued to non-controlling interests of Huada Electronics for the acquisition of their interest in Huada Electronics and the Group's share of the carrying value of net assets of Huada Electronics acquired.

At a special general meeting of the Company held on 20 June 2013, resolutions were passed by the shareholders to approve the followings:

- i) the share premium account of the Company be reduced from HK\$872,255,000 to HK\$272,255,000 by the amount of HK\$600,000,000;
- ii) transfer of the credit arising from the reduction of the share premium account to the contributed surplus account (included in "other reserves") of the Company;
- iii) using the amount then standing to the credit of the contributed surplus account of the Company to eliminate the accumulated losses of the Company as at 31 December 2012 totaling HK\$214,534,000; and
- iv) payment of a special dividend of an aggregate amount in cash of HK\$50,747,000 (representing HK\$0.03 per share) out of the contributed surplus account of the Company to the shareholders whose names appear on the register of members of the Company on 2 October 2013.

23. 其他儲備 (續)

本集團 (續)

(b) 合併儲備

合併儲備指在共同控制下發行給中國華大集成電路設計集團有限公司(「中國華大」)對價股份之公允值與收購中國華大持有之64.75%華大電子實收資本之差額。

(c) 其他儲備

在其他儲備中確認之金額包括因收購華大電子非控制性權益之權益而發行予華大電子非控制性權益之對價股份之公允值與本集團應佔所收購華大電子之資產淨值賬面值之差異。

於本公司2013年6月20日召開的股東特別大會上，股東通過決議案以批准下列事項：

- i) 將本公司股份溢價賬由872,255,000港元削減600,000,000港元至272,255,000港元；
- ii) 將削減股份溢價賬產生之進賬轉撥至本公司之其他儲備內之實繳盈餘賬；
- iii) 動用實繳盈餘賬之進賬額撇銷本公司於2012年12月31日之累計虧損共214,534,000港元；及
- iv) 自實繳盈餘賬向於2013年10月2日名列本公司股東名冊之股東以現金派付總額50,747,000港元(每股0.03港元)之特別股息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

23. OTHER RESERVES (Cont'd)

Group (Cont'd)

(c) Other reserves (Cont'd)

Subsequent to the end of the reporting period, the board of directors proposed the payment of a dividend for the year ended 31 December 2013 of an aggregated amount of HK\$50,747,000 (2012: nil) out of the contributed surplus account (included in "other reserves") of the Company. After payment of the dividend, the other reserves will have a debit balance of HK\$20,758,000.

Company

23. 其他儲備 (續)

本集團 (續)

(c) 其他儲備 (續)

於報告期末後，董事會建議就2013年12月31日止年度自本公司之其他儲備內之實繳盈餘賬派付總額50,747,000港元(2012年：無)之股息。扣除派付該股息後，其他儲備將有20,758,000港元的借方餘額。

本公司

Contributed surplus 實繳盈餘 HK\$'000 千港元

At 1 January 2012 and at 31 December 2012	於2012年1月1日及 於2012年12月31日	61,672
At 1 January 2013	於2013年1月1日	61,672
Transfer from share premium	轉撥自股份溢價	600,000
Elimination of accumulated losses of the Company	撇銷本公司累計虧損	(214,534)
Payment of special dividend	派付特別股息	(50,747)
At 31 December 2013	於2013年12月31日	396,391

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders in certain circumstances as specified in Section 54 thereof.

根據百慕達1981年公司法(經修訂)，本公司之實繳盈餘可於該條例第54條所訂明之若干情況下分派予股東。

Subsequent to the end of the reporting period, the board of directors proposed the payment of a dividend for the year ended 31 December 2013 of an aggregated amount of HK\$50,747,000 (2012: nil) out of the contributed surplus account of the Company. The balance of the contributed surplus account after payment of the dividend will be HK\$345,644,000.

於報告期末後，董事會建議就2013年12月31日止年度自本公司實繳盈餘賬派付總額50,747,000港元(2012年：無)之股息。扣除派付該股息後，實繳盈餘賬結餘將為345,644,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

		Group 本集團		Company 本公司	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		2013年12月31日	2012年12月31日	2013年12月31日	2012年12月31日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Trade payables	貿易應付款項	274,142	243,889	1,873	–
Other payables to related parties (Note 29)	其他應付關聯人士款項 (附註29)	61,051	3,701	438	–
Salary and welfare payables	應付職工薪酬	76,064	72,536	1,012	3,317
Deferred government grants (Note (a))	遞延政府補助 (附註(a))	181,342	131,488	–	–
Other taxes payables	其他應付稅項	1,542	7,615	74	25
Advances from customers	預收賬款	21,607	2,199	–	–
Other payables and accrued expenses (Note (b))	其他應付款項及預提費用 (附註(b))	109,612	65,472	2,071	1,824
		725,360	526,900	5,468	5,166

(a) Amount represents various subsidies granted by and received from local government authorities for financing various research and development projects conducted by the Group. These subsidies will be recognised as income over the period necessary to match with the cost that they are intended to compensate.

(b) Other payables and accrued expenses mainly represented payables for software usage fees for the purposes of research and development and sales commissions.

At 31 December 2013, the ageing analysis of the Group's trade payables are as follows:

(a) 該款項為因本集團研究及開發項目而從地方政府機關收取之各種補助。此補助將按該開支及補助之間之合理關係在補助之成本發生之期間確認為收入。

(b) 其他應付款項及預提費用主要為應付用於研究和開發目的之軟件使用費以及銷售佣金。

於2013年12月31日，本集團貿易應付款項之賬齡分析如下：

		31 December 2013	31 December 2012
		2013年12月31日	2012年12月31日
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	30日內	90,195	78,516
31 – 60 days	31日至60日	66,410	76,376
Over 60 days	60日以上	117,537	88,997
		274,142	243,889

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

24. TRADE AND OTHER PAYABLES (Cont'd)

Included in the balance of trade payables are trade payables to related parties amounted to HK\$159,065,000 (2012: HK\$227,568,000) (Note 29).

At 31 December 2013 and 2012, the carrying amounts of trade and other payables of the Group and Company approximate their fair values.

25. SHORT TERM BANK LOANS – GROUP

The bank loans at 31 December 2013 were repayable within one year and bear interest at the average borrowing rate of 6.90% per annum (2012: 6.00%).

The short term bank loans are all denominated in Renminbi and their carrying amounts approximate their fair values.

The Group has undrawn committed banking facilities of HK\$76,186,000 at 31 December 2013 (2012: HK\$72,763,000).

24. 貿易及其他應付款項 (續)

計入貿易應付款項結餘內之應付關聯人士貿易款項為159,065,000港元(2012年:227,568,000港元)(附註29)。

於2013年及2012年12月31日,本集團及本公司之貿易及其他應付款項之賬面值與其公允值相若。

25. 短期銀行貸款—本集團

於2013年12月31日,銀行貸款須於一年內償還及按平均借貸年利率6.90%(2012年:6.00%)計息。

短期銀行貸款均以人民幣計值,而其賬面值與其公允值相若。

於2013年12月31日,本集團尚未動用之已承諾銀行借貸備用額為76,186,000港元(2012年:72,763,000港元)。

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Unsecured	無抵押	127	1,233

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

26. CASH GENERATED FROM OPERATIONS

26. 經營產生之現金

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Profit before taxation	除稅前溢利	251,474	225,523
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	6,506	7,338
Amortisation of intangible assets	無形資產攤銷	16,216	9,644
Interest income	利息收入	(8,425)	(3,740)
Interest expenses	利息支出	171	546
Gain on liquidation of subsidiaries (Note 6)	附屬公司清盤收益 (附註6)	(8,823)	—
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備收益	(60)	(14)
		257,059	239,297
Changes in working capital	營運資金變動		
Inventories	存貨	16,921	(39,728)
Trade and other receivables	貿易及其他應收款項	(60,702)	(89,932)
Trade and other payables	貿易及其他應付款項	160,572	109,531
Cash generated from operations	經營產生之現金	373,850	219,168

27. COMMITMENTS

27. 承擔

(a) Operating lease commitments

(a) 經營租賃承擔

The Group and the Company's future aggregate minimum lease payments under non-cancellable operating leases for factories and office premises are as follows:

本集團及本公司根據不可解除之廠房及辦公室物業之經營租賃而須於未來支付之最低租賃款項總額如下：

		Group 本集團		Company 本公司	
		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元	31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Not later than one year	1年內	14,538	13,649	1,028	1,689
In the second to fifth year	第2年至第5年內	8,593	18,352	852	39
		23,131	32,001	1,880	1,728

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

27. COMMITMENTS (Cont'd)

(b) Capital commitments

The Group had the following outstanding capital commitment at the end of the reporting period:

27. 承擔 (續)

(b) 資本承擔

本集團於報告期末尚未履行的資本承擔如下:

	31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
Contracted but not provided for:		
– Acquisition of 100% equity interest in China Electronics Technology Development Co., Ltd (Note 30)	763,135	–
已訂約但未撥備： – 收購中國電子科技開發有限公司100%股本權益 (附註30)		

28. CONTINGENT LIABILITIES

The Group did not have any material contingent liability at 31 December 2013 (2012: nil).

28. 或有負債

於2013年12月31日，本集團並無任何重大或有負債 (2012年：無)。

29. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to those transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions in the ordinary course of business with related parties during the year:

29. 關聯人士交易及結餘

除於本綜合財務報表其他部份已披露的交易及結餘外，於本年度內本集團於日常業務過程中與關聯人士進行了下列各項重大交易：

(a) Significant transactions with companies under common control of CEC

(a) 與受中國電子集團共同控制之公司之重大交易

	Year ended 31 December 截至12月31日止年度	
	2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Sales of products	92,950	101,099
Purchase of goods and services	451,708	584,997
Interest received	3,148	1,235
Rental paid	992	941
Loan from CEC (BVI) (Note (i))	10,000	–
Interest paid	110	–
銷售產品		
採購貨品及服務		
收取利息		
支付租金		
CEC (BVI)貸款 (附註(i))		
支付利息		

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

29. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

(a) Significant transactions with companies under common control of CEC (Cont'd)

Note (i):

In April 2013, the Company obtained a HK\$10,000,000 unsecured short-term loan from China Electronics Corporation (BVI) Holdings Company Limited ("CEC (BVI)"), the immediate holding company of the Company. Such loan bore an interest rate of 2.2% per annum and was repaid in October 2013.

(b) Significant balances with CEC and companies under common control of CEC

		31 December 2013 2013年12月31日 HK\$'000 千港元	31 December 2012 2012年12月31日 HK\$'000 千港元
CEC	中國電子集團		
Other payables	其他應付款項	61,051	3,701
Companies under common control of CEC	受中國電子集團共同控制之公司		
Trade receivables	貿易應收款項	32,086	16,744
Other receivables	其他應收款項	242	265
Deposits	存款	351,043	98,661
Trade payables	貿易應付款項	159,065	227,568

Other than the deposits which is interest bearing, the above balances with related parties were unsecured, interest-free and settled according to the contract terms.

29. 關聯人士交易及結餘 (續)

(a) 與受中國電子集團共同控制之公司之重大交易 (續)

附註(i):

於2013年4月，本公司向其直接控股公司China Electronics Corporation (BVI) Holdings Company Limited (「CEC (BVI)」)取得10,000,000港元之無抵押短期貸款。該貸款之年利率為2.2%並已於2013年10月償還。

(b) 與中國電子集團以及受中國電子集團共同控制之公司之重大結餘

除存款為附息外，上述關聯人士結餘為無抵押、免息並根據合同條款結算。

(c) Key management compensation

(c) 主要管理人員酬金

		Year ended 31 December 截至12月31日止年度	
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,991	2,864
Contributions to retirement schemes	退休計劃供款	225	152
		4,216	3,016

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

30. ACQUISITION OF CHINA ELECTRONICS TECHNOLOGY DEVELOPMENT CO., LTD

On 5 July 2013, the Company and CEC entered into an equity transfer agreement pursuant to which the Company has conditionally agreed to acquire and CEC has conditionally agreed to sell 100% equity interest in China Electronics Technology Development Co., Ltd at a consideration of RMB600 million (equivalent to HK\$763,135,000) (the "Acquisition"). The Acquisition was approved by the independent shareholders of the Company at the special general meeting held on 11 October 2013. As at the date of these financial statements, the Acquisition has not yet been approved by the relevant PRC government authorities.

31. SUBSEQUENT EVENTS

(i) Acquisition of property transfer right

On 1 November 2013, Huada Electronics and CEC Information Technology Research Institute Co., Ltd ("CEC Research Institute") entered into a transfer agreement (the "Agreement") pursuant to which Huada Electronics has conditionally agreed to acquire and CEC Research Institute has conditionally agreed to sell a property transfer right (the "Property Transfer Right") for the acquisition of all the 6-storey and 118 car-parking spaces on basement one of Block C of phase one of The China Electronics Information Security Technology Research Institute, which is located in the southern area of Future and Science Technology City, Beiqijia, Changping District, Beijing, the PRC (the "Property"). The consideration for the Property Transfer Right consists of the sum of RMB296,374,000 (the "Basic Consideration") and the additional consideration representing the difference between the Basic Consideration and the total development cost of the Property.

As of 31 December 2013, the Group has paid a deposit of RMB50,000,000 (equivalent to HK\$63,595,000) to CEC Research Institute in accordance with the terms and conditions of the Agreement. The payment of the above deposit was captured in "other non-current assets". The acquisition of the Property Transfer Right was approved by the independent shareholders of the Company at the special general meeting held on 10 January 2014. As at the date of these financial statements, the total development cost of the Property has not yet been finalised and the acquisition of the Property Transfer Right has not yet completed.

30. 收購中國電子科技開發有限公司

於2013年7月5日，本公司與中國電子集團訂立權益轉讓協議，據此，本公司有條件同意收購而中國電子集團有條件同意出售中國電子科技開發有限公司之100%股本權益，對價為人民幣6億元（相等於763,135,000港元）（「收購」）。該收購已獲得本公司獨立股東於2013年10月11日舉行的股東特別大會批准。截至本財務報表日期，該收購尚待中國相關政府機構批准。

31. 期後事項

(i) 收購物業轉讓權

於2013年11月1日，華大電子與中電信息技術研究院有限公司（「中電研究院」）訂立轉讓協議（「協議」），據此，華大電子已有條件同意收購而中電研究院已有條件同意出售中國北京市昌平區北七家未來科技城南區中國電子信息安全技術研究院一期C棟之一至六層及地下一層118個車位（「該物業」）之物業轉讓權（「物業轉讓權」）。物業轉讓權之對價包括金額為人民幣296,374,000元之基本對價（「基本對價」）；及額外對價，即基本對價與該物業之總發展成本之間之差額。

截至2013年12月31日止，本集團根據協議的條款及條件向中電研究院支付人民幣50,000,000元（相等於63,595,000港元）的按金。上述按金的付款計入「其他非流動資產」。收購物業轉讓權事項已獲得本公司獨立股東於2014年1月10日舉行的股東特別大會批准。截至本財務報表日期，該物業總發展成本尚未結算，收購物業轉讓權事項尚未完成。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013 截至2013年12月31日止年度

31. SUBSEQUENT EVENTS (Cont'd)

(ii) Issue of RMB2,750,000,000 4.70% bonds due 2017

On 16 January 2014, the Company issued a 4.70% unsecured bonds due 2017 in the principal amount of RMB2,750,000,000 (the "Bonds"). The issue price of the Bonds is 100% of the principal amount of the Bonds and will mature on 16 January 2017. The Bonds bear interest at the rate of 4.70% per annum, payable semi-annually in arrears. The Bonds are listed on The Stock Exchange of Hong Kong Limited (Stock Code: 85940).

CEC assists the Company in meeting its obligations under the Bonds by entering into a keepwell deed and a deed of equity interest purchase undertaking. Under the keepwell deed, CEC will undertake to, inter alia, directly or indirectly own and hold more than 50% of the outstanding shares of the Company, cause the Company to maintain a consolidated net worth position of at least US\$1.00 at all times and to have sufficient liquidity to ensure timely payment of any and all amounts payable under or in respect of the Bonds in accordance with the terms and conditions thereof. If the Company at any time determines that it will have insufficient liquidity to meet its payment obligations as they fall due, then the Company shall promptly notify CEC of the shortfall and CEC will make available to the Company, before the due date of the relevant payment obligations under the Bonds, funds sufficient to enable the Company to pay such payment obligations in full as they fall due.

Under the deed of equity interest purchase undertaking, CEC will undertake to, upon the occurrence of events of default under the terms and conditions of the Bonds, subject to satisfaction of certain conditions (including compliance with the Listing Rules by the Company), either by itself or through one of its PRC incorporated subsidiaries, purchase certain equity interests in the registered capital of one or more PRC incorporated subsidiaries of the Company at a certain price in order to allow the Company to discharge its obligations under the Bonds.

31. 期後事項 (續)

(ii) 發行於2017年到期之人民幣2,750,000,000元4.70%債券

於2014年1月16日，本公司發行本金總額為人民幣2,750,000,000元於2017年到期的4.70%無抵押債券（「債券」）。債券之發行價為債券本金額之100%並於2017年1月16日到期。債券按年利率4.70%計息，並須每半年於期末支付。債券於香港聯合交易所有限公司上市（股份代號：85940）。

中國電子集團透過訂立保持良好契約及股權購買承諾契約協助本公司履行其於債券項下之責任。根據保持良好契約，中國電子集團將承諾（其中包括）直接或間接擁有並持有本公司50%以上之已發行股份，促使本公司於任何時間均維持綜合淨值最少1.00美元，並有充足流動資金以確保根據或就債券之條款及條件而言須適時支付之任何及所有應付款項。倘本公司於任何時間認為其將沒有充足流動資金履行其到期付款之責任，則本公司須即時通知中國電子集團有關該短缺金額，而中國電子集團須根據債券於相關付款責任到期日前向本公司提供充足資金，以使本公司可於到期前悉數履行有關付款責任。

根據股權購買承諾契約，倘發生債券之條款及條件項下之違約事件，則中國電子集團將承諾在若干條件獲達成（包括本公司遵守上市規則）之情況下由其本身或通過其在中國註冊成立之其中一家附屬公司按某一價格購買本公司於中國註冊成立之一家或多家附屬公司之註冊資本中之若干股本權益，以便本公司履行其於債券項下之責任。

Five-year Financial Summary

五年財務資料摘要

Set out below is a summary of the financial information of the Group for the last five financial years.

以下為本集團過去五個財政年度財務資料摘要。

RESULTS

業績

		Year ended 31 December 截至12月31日止年度				
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Continuing operations Revenue	持續經營之業務收入	1,308,184	1,155,632	995,111	574,586	460,533
Profit before taxation	除稅前溢利	251,474	225,523	131,229	63,126	60,995
Taxation	稅項	(27,578)	(27,939)	(16,570)	(3,185)	(7,171)
Profit for the year from continuing operations	持續經營之業務之本年度溢利	223,896	197,584	114,659	59,941	53,824
Loss for the year from discontinued operation	已終止經營之業務之本年度虧損	-	-	-	-	(15,819)
Profit for the year	本年度溢利	223,896	197,584	114,659	59,941	38,005
Attributable to:	歸屬於：					
Owners of the Company	本公司權益持有者	223,896	197,584	114,659	59,941	41,072
Non-controlling interests	非控制性權益	-	-	-	-	(3,067)
		223,896	197,584	114,659	59,941	38,005

ASSETS AND LIABILITIES

資產及負債

		31 December 12月31日				
		2013 2013年 HK\$'000 千港元	2012 2012年 HK\$'000 千港元	2011 2011年 HK\$'000 千港元	2010 2010年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元
Total assets	資產總額	1,735,704	1,348,706	1,054,878	858,146	732,790
Total liabilities	負債總額	(740,884)	(542,904)	(447,299)	(385,359)	(328,461)
		994,820	805,802	607,579	472,787	404,329

Room 3403, 34th Floor,
China Resources Building,
26 Harbour Road,
Wanchai, Hong Kong
香港灣仔港灣道26號
華潤大廈34樓3403室
Tel 電話 : (852) 2598 9088
Fax 傳真 : (852) 2598 9018

www.cecholding.com