



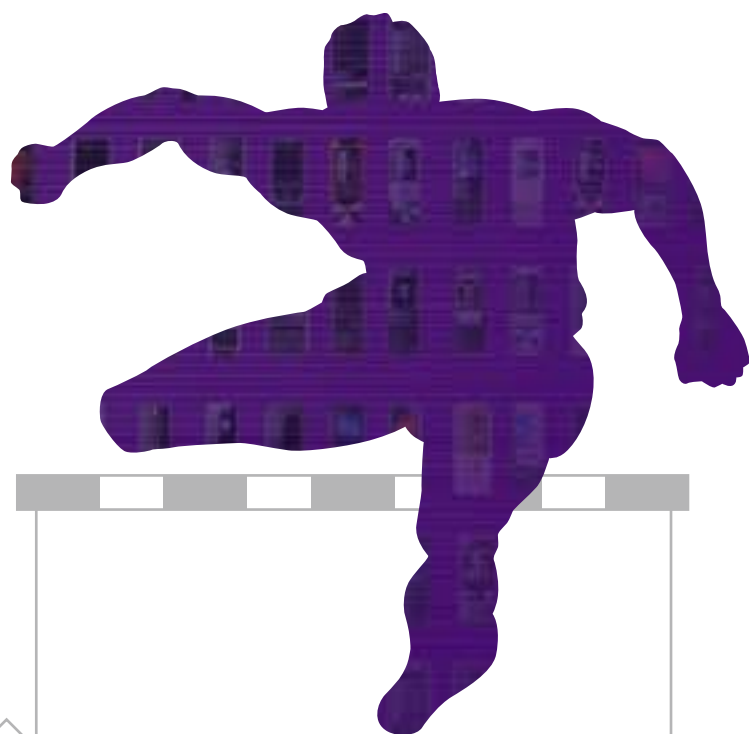
SIM Technology Group Limited

晨訊科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

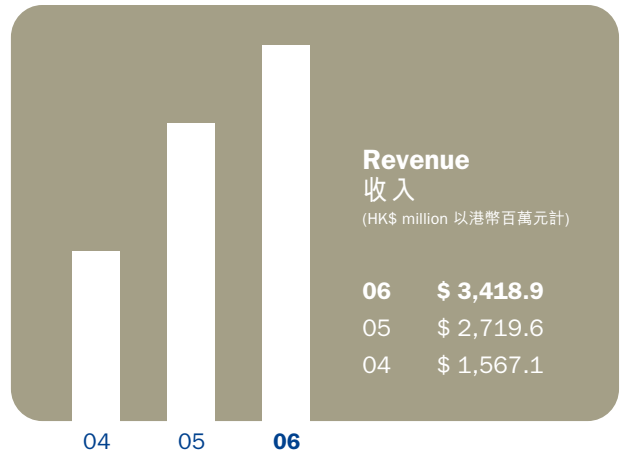
(Stock Code 股份代號: 2000)



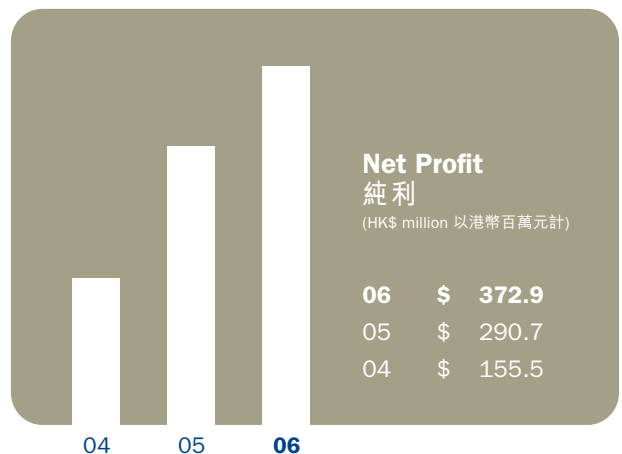
Annual Report 年報 2006

Financial Highlights 財務概要

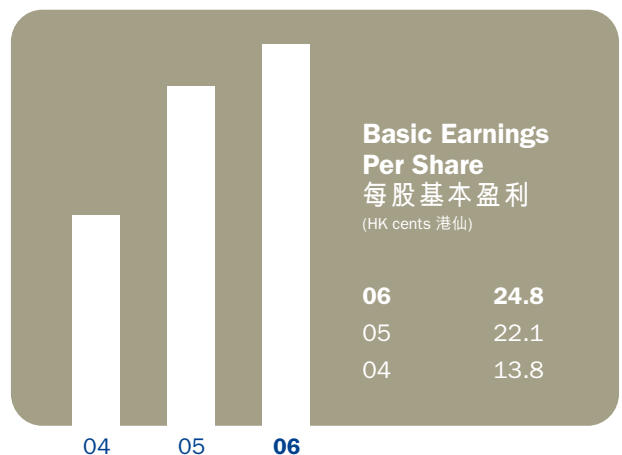
Revenue for 2006 growth 25.71% to HK\$ 3,418.9 million from 2005
二零零六年度之收入較二零零五年度增加25.71%至3,418,900,000港元



Net profit for 2006 increased 28.28% to HK\$ 372.9 million from 2005
二零零六年度之純利較二零零五年度增加28.28%至372,900,000港元



Basic earnings per share for 2006 increased 12.22% to HK 24.8 cents per share from 2005
二零零六年度每股基本盈利較二零零五年度增加12.22%至每股24.8港仙



Highlights of the Year

本年度大事紀

January

- A licence was granted by QUALCOMM to develop, manufacturing and sales of WCDMA modem card products
- Shanghai Simcom obtained the CMM3 certification

一月

- 高通授予CDMA 專利以開發、生產和銷售 WCDMA modem Card 產品
- 上海希姆通通過CMM3 認證

February

- The second R&D company Shanghai Speedcomm was established to expand into the overseas markets and 3G business

二月

- 成立第二家研發公司上海思必得，拓展海外市場和3G 業務

April

- Sales quantity of handset design solutions and wireless communication module solutions for the month reached one million units
- Shanghai Simcom, Shanghai Speedcomm and Suncom Logistics obtained the OHSAS18001 occupational safety, health and management system certifications and ISO14001:2004 environmental management system certification

四月

- 本月手機設計解決方案和無線通訊模塊解決方案銷售量突破一百萬
- 上海希姆通，上海思必得和上海羅捷斯迪通過OHSAS18001 職業安全衛生管理體系認證與ISO14001:2004 環境管理體系認證

May

- Shanghai Sunrise's new LCD liquid filling line was put into operation
- Shanghai Simcom and Datang Mobile set up the TD-SCDMA joint laboratory
- SIM Technology was selected as constituent stock of MSCI Hong Kong small cap index

五月

- 上海晨興嶄新的液晶灌裝綫開始投產
- 上海希姆通與大唐移動建立TD-SCDMA 聯合實驗室
- 晨訊科技入選摩根士丹利香港小型企業指數

June

- Shanghai Simcom integrated Kineto Wireless' UMA client-software to develop UMA handset design solution

六月

- 上海希姆通集成Kineto Wireless 的UMA 客戶端軟件以開發UMA 移動手機方案

July

- Shanghai Simcom, Shanghai Speedcomm and Shanghai Sunrise obtained the RoHS certification

七月

- 上海希姆通，上海思必得和上海晨興通過RoHS 認證

August

- TD-SCDMA mobile handsets developed by Shanghai Simcom was granted the temporary network access licence by the Ministry of Information Industry of the PRC

八月

- 上海希姆通開發的TD-SCDMA 移動手機獲得中國信息產業部的臨時入網許可證

October

- Shanghai Simcom successfully developed the complete handset turnkey solution with UMA function by applying Nexperia solution 6120 of NXP

十月

- 上海希姆通採用NXP 公司Nexperia 方案6120 成功研製具有UMA 功能的手機整體解決方案

November

- Mr Wong Hei, Simon promoted to President of SIM Technology Group Limited
- SIM Technology was again awarded Deloitte Technology Fast 500 Asia Pacific 2006 Program and Technology Fast 50 China
- Handset system software of Shanghai Simcom was awarded National Key New Product (國家重點新產品)

十一月

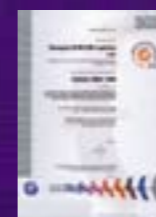
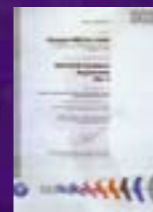
- 擢升王曦先生為晨訊科技集團總裁
- 晨訊科技再次榮獲德勤關黃陳方會計師行頒“2006德勤亞太地區高科技、高成長500 強及德勤高科技、高成長中國50 強”
- 上海希姆通手機系統軟件被評為“國家重點新產品”

December

- Sales quantity of handset design solutions and wireless communication module solutions in 2006 achieved ten million units
- Shanghai Simcom was awarded as Key Software Enterprise under the State's Planning Projects (國家規劃布局內重點軟件企業產品)
- Applied a total of 90 invention patents, 34 utility patents and 114 design patents

十二月

- 2006年度手機設計解決方案和無線通訊模塊解決方案銷售量突破一千萬
- 上海希姆通被授予為“國家規劃布局內重點軟件企業”
- 共申請90 個發明專利、34 個實用新型專利和114 個外觀專利



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Chairman's Statement 主席報告



Dear Shareholders:

I am pleased to report that, SIM Technology Group Limited (the “Company”) and its subsidiaries (the “Group”) continued to record growth in both revenue and profit in 2006. Although growth rate for the year slightly fell behind the target we set at the beginning of the year, considering there was fierce competition and delay in expected development in the new markets, it is not easy to achieve such valuable growth rate. What gratifies us more is that, the Group has laid a solid foundation for future development. Backed by numerous potential quality projects and sufficient funds on hand, we believe the years to come will be very promising.

各位股東：

本人欣然匯報，晨訊科技集團有限公司（「本公司」）及其附屬公司（「本集團」）於二零零六年度之收入及純利繼續錄得增長。雖然本年度的增長率與年初預定的目標有點距離，但是考慮到激烈的競爭環境和預期的新市場有所延遲，這樣的增長率已經是難能可貴了。更令人欣慰的是，本集團為未來的發展打好了堅實的基礎，在擁有眾多潛在優質項目及充足資金支持的前景下，未來幾年將會是充滿期待的。



During the year, we also made huge progress in establishing a solid business foundation, which will provide a strong platform for our future growth.

本年度，本集團更於建立穩固業務基礎上獲得長足進步，為未來發展奠定強大基礎。



On behalf of the board of directors of the Company (the "Board"), I would like to express my heartfelt appreciation to all members of the management and the Group's employees for their efforts and dedication throughout the year. Finally, I would like to thank the financial institutions, shareholders and investors for their support and confidence in us.

藉此機會，本人謹代表本公司董事會（「董事會」）衷心感謝所有管理層成員及集團員工過去一年所付出的努力和無私奉獻。最後，本人謹此對各財務機構、股東及投資者對本集團的不斷支持和信賴致謝。

Yeung Man Ying

Chairman

Hong Kong

14 March 2007

楊文瑛

主席

香港

二零零七年三月十四日



RESULTS

I am delighted to present the annual report of the Group for the year ended 31 December 2006. The Group's revenue and net profit were approximately HK\$3,419 million and approximately HK\$373 million, representing an increase of 25.71% and 28.28% respectively when compared to 2005. Basic earnings per share for the year was HK24.8 cents, representing an increase of 12.22% when compared to last year.

PROPOSED FINAL DIVIDEND

The directors of the Company ("Directors") have recommended the payment of a final dividend of HK10.5 cents per share to shareholders whose names appear on the Register of Members of the Company on 27 April 2007. The Company's Register of Members will be closed from 25 April 2007 to 27 April 2007, both days inclusive, and the proposed final

業績

本人欣然提呈本集團的年報，載述本集團截至二零零六年十二月三十一日止年度的業績。本集團的收入及純利分別為約34.19億港元和約3.73億港元，與二零零五年相比分別增長25.71%和28.28%。本年度每股基本盈利為24.8港仙，較去年同期增長12.22%。

建議末期股息

本公司董事（「董事會」）已建議向於二零零七年四月二十七日名列本公司股東名冊的股東支付每股10.5港仙之末期股息。本公司將於二零零七年四月二十五日至二零零七年四月二十七日暫停辦理股份過戶登記（首尾兩日包括在內），



dividend will be paid on or about 8 May 2007. The payment of dividends shall be subject to the approval of the shareholders at the forthcoming annual general meeting to be held on 27 April 2007 (“Annual General Meeting”).

THE WIRELESS MARKET

The priority for the Group in 2006 was to attain a leading position in the competition of several new technologies such as 3G, FMC/WiFi, mobile handsets with TV function and GPS, and our target was to become one of the major suppliers when these new technologies become formally commercialised. I am pleased to report that with the Group’s investment in its research and development resources to develop these new technologies and products during 2006, we are now in the leading position in the research and development of these new technologies and in the competition in our new focusing market – the handset market.

Another focus of the Group in 2006 was to strengthen our team in order to explore new business opportunities and to compete for a share in the international market, we need more talented people to join us. In fact, competition in the IT industry is basically competition of people. Many industry elites have joined the Group during the last half year. The Group will continue its effort in recruiting more talents and industry elites in the near future.

We have accomplished the above two significant strategic deployments in 2006, we are confident that the Group will realise its “second leap” in the the coming years.

而建議末期股息將於二零零七年五月八日前後支付。股息支付須經股東於即將於二零零七年四月二十七日召開之應屆股東周年大會（「股東周年大會」）批准，方可作實。

無線市場

對於本集團來說，二零零六年度最重要的工作是在3G，FMC/WiFi，電視手機以及定位導航(GPS)手機這幾項新技術的競賽中搶佔制高點，目標是當這些新技術正式商用(其中一些已經開始商用)時，本集團要成為主要供應商之一。今天，本人欣然向各位匯報，由於二零零六年來本集團將大部分的研發資源都投入到新技術、新產品的開發中，我們在這幾項新技術的研發方面或者說在手機市場這幾個新熱點的競爭中已經處於領先地位。

2006年本集團工作的另一個重點是加強團隊的建設，要想拓展新業務機會，要想在國際市場佔據一席之地，需要有更多的精英人才加入。畢竟，IT行業的競爭，歸根結底是人才的競爭。過去的半年來，已經有許多業界精英先後加入本集團。今後本集團將招募更多人材及業界精英加盟本集團。

2006年我們完成了以上兩項重大戰略部署，我們有信心在未來的數年內，本集團一定能實現第二次的飛躍。



BUSINESS REVIEW

Leading the field of handset independent design house in China

In 2006, the Group achieved a year of substantial growth in both revenue and profit. We further strengthened our leading position in the China handset independent design house industry while further gaining market share in China, and increased our revenue to HK\$3.4 billion. The Company was able to maintain healthy business growth together with a stable net profit margin in the handset market in China which was competitive particularly in the second half of 2006.

1) *Increasing investments in technologies and solutions offered*

During 2006, the Group's research and development team continued to expand both in headcount and strategic investments in technology licensing. New technology licences obtained in 2006 included Qualcomm WCDMA/HSDPA (3.5G), Kineto UMA Fix Mobile Convergent (FMC) technology and NXP EDGE (2.75G) technology platform for WiFi and EDGE combo handset solutions.

In 2006 we have launched altogether 29 handset platforms that covered the global market from ultra low-cost handsets for developing countries including Brazil and India, to multi-media feature handsets with MP3, MPEG4, Camera, PDA, touch screen with hand written recognition and GPS function for China's mid-range market and high-end custom design handset solutions for European and US operators for EDGE/WiFi combo application and 3.5G WCDMA/HSDPA application.

2) *Establishing a global customer base*

In 2006, our wireless handset solutions together with our wireless communication module solutions were shipped to more than 10 countries globally including China, Italy, Brazil, India, Russia, Spain, USA, Malaysia and Singapore. Today, China still represents our biggest business share and the Directors are pleased to report our continuous market share growth within China.

業務回顧

領導中國的獨立手機設計領域

於二零零六年，本集團獲得收入及利潤的重大增長。於中國繼續贏得市場份額的同時，進一步鞏固在中國手機獨立設計公司行業的龍頭地位，令我們的收益增至34億港元。本公司能夠在中國手機市場於二零零六年度下半年競爭尤為激烈的情況下保持穩健的業務增長以及穩定的純利率。

1) *增加技術投資及解決方案的提供*

於二零零六年期間，本集團的研究及開發團隊繼續在人員數量及技術許可的策略投資方面取得突破。二零零六年內獲得的新技術許可包括Qualcomm WCDMA/HSDPA (3.5G)、Kineto UMA固網流動融合(「FMC」)技術以及WiFi與EDGE組合手機解決方案的NXP EDGE (2.75G)技術平台。

我們於二零零六年合共推出29個手機平台，覆蓋全球由針對包括巴西及印度等發展中國家的超廉價手機、針對中國中端市場具備MP3、MPEG4、攝影、PDA、附手寫識別功能的觸感屏幕及GPS功能的多媒體手機，以至針對歐美EDGE/WiFi組合應用和WCDMA/HSDPA (3.5G)應用營運商推出高端自訂手機解決方案各個市場。

2) *建立全球客戶基礎*

於二零零六年，我們的無線手機解決方案以及無線通訊模塊解決方案裝運至全球逾10個國家，包括中國、意大利、巴西、印度、俄羅斯、西班牙、美國、馬來西亞及新加坡。目前，中國仍然佔我們最大的業務份額，董事欣然呈報我們在中國的市場份額繼續在不斷擴大。



In the market segment of wireless communication module solutions, Shanghai Simcom was ranked number one in China in terms of market share. On a global basis our wireless module market share was ranked number three and we are growing at a pace of 159.27% year-on-year unit shipment in 2006.

In the handset design solutions segment, we shipped a total of 7.4 million solutions in 2006 and helped customers successfully launched 269 handset models into the global market. The handset design solutions are growing at a pace of 76.97% year-on-year on unit shipment.

3) *Effective cost and overheads control*

In the second half of 2006, price competition was fierce in the China handset market, attributed mostly by competitions from global handset OEMs and partially by the over inventory situation after the Labor Day holidays.

Despite the fierce competitions, the Group was successful in maintaining net profit margins through effective overhead control and operational efficiency enhancement. The cost competitiveness of the Group was further improved through constructive supplier negotiations to reduce components pricing. Furthermore, our research and development (“R&D”) team helped develop competitive cost solutions and our sales team worked with customers on inventory pipeline management. Our management team’s decades of experience in the electronics market has helped the Group to overcome challenges its faced in 2006.

Strong financial performance and encouraging results from R&D investment

Maintaining a strong and sustainable financial performance has always been our business goal. Throughout 2006, the Group continued to run the business with strong cash flow. Net cash generated from operations in 2006 amounted to approximately HK\$752 million. It is our goal to continue our healthy business growth whilst maintaining a net cash position at the same time. Despite the challenges in 2006, the Group achieved significant improvements in product cost and overall expense

在無線通訊模塊解決方案的市場分部方面，以市場份額計，上海希姆通是在中國市場位列第一。我們的無線模塊市場佔有率在全球名列第三，於二零零六年按裝運量年升幅 159.27% 的速度增長。

在手機設計解決方案業務方面，我們於二零零六年共裝運 7,400,000 套解決方案，幫助客戶成功地將 269 種手機型號推向全球市場。手機設計解決方案按裝運量年升幅 76.97% 的速度增長。

3) *有效成本和經常支出控制*

於二零零六年度下半年，中國手機市場出現激烈的價格競爭，主要由於來自全球手機原設備製造商的競爭所致，另外部分是由於勞動節假日後出現的存貨過剩所致。

儘管市場競爭激烈，本集團通過有效的費用控制和加強營運效率極為成功地保持了邊際利潤。並與供應商建設性地協商降低部件價格，使得本集團的成本競爭力得到改善，加上研究和開發（「研發」）團隊協助開發具成本競爭力的解決方案，以及銷售團隊與客戶在存貨銷售過程管理方面進行合作。憑借我們的管理層隊伍所擁有的 20 年的電子行業經驗，成功幫助本集團戰勝了在二零零六年所面對的挑戰。

強健的財務表現及研發投資帶來的鼓舞業績

保持強勁及持續增長之財務表現，乃一直為本集團之業務目標。於二零零六年全年，本集團業務持續在充沛的現金流下經營。二零零六年經營產生之現金約達 752,000,000 港元，而本集團旨在促進業務持續增長之同時並維持淨現金流入狀況。儘管二零零六年有諸多挑戰，但透過擴大經營規模及提高生產能力，二零零六



effectiveness through increasing its scale of operations and higher productivity. In addition to achieving strong revenue and higher profits, the Group was able to maintain its net profit margin at 10.91% despite a slight decline in overall gross profit margin to 14.74% as compared to 16.28% in 2005.

Our goal is to achieve continuous strong operational and financial performance whilst creating best value and return for our shareholders.

BUSINESS OUTLOOK

1) *Global operators custom handset design*

We have been engaging with 13 global operators on various custom handset solution projects in 2006. In 2007, we will start establishing global sales and marketing presence led by our international sales and marketing senior vice president Mr Michael Fu in order to support the local operators in their custom handset projects launches.

2) *Increasing resources in R&D to support new product launches*

In the second half of year 2006, we had a controlled growth in our in-house R&D team and used engineering out-sourcing to support some of the lower priority projects. In year 2007, we will increase the speed of expanding our in-house R&D team development in order to support new technology platforms including TV-phones, game phones, GPS phones, EDGE phones, pocket PC phones and 3.5G HSDPA solutions.

3) *China 3G TD-SCDMA*

The Group, in late 2006, was awarded the TD-SCDMA preliminary approval licence by The Ministry of Information Industry of the PRC for our single mode TD-SCDMA handset model. Together with our designed single mode TD-SCDMA handset model for a global OEM customer, we have two solutions supporting the current “friendly user” test program run by the PRC government.

年產品成本及整體開支效率顯著改善，除收益強勁及利潤更高之外，我們得以將純利率維持在10.91%的水平，儘管毛利率相對於二零零五年的16.28%稍有下降至14.74%。

本集團之目標一直為在為我們的股東創造最大價值及回報的同時驅使持續發展。

業務展望

1) *全球營運商自訂手機設計*

於二零零六年，我們一直與13家全球營運商在各種各樣的自訂手機解決方案項目上進行協商。於二零零七年，我們將著手建立全球銷售及市場推廣覆蓋，從而為當地營運商的自訂手機項目啟動提供支援，此等活動將由我們的「國際銷售及市場推廣」高級副總裁傅浩強先生領導。

2) *增加研發資源，支援推出新產品*

於二零零六年度下半年，我們對內部研發隊伍實施受控制增長，並採用工程外判支援部分優先級比較低的項目。於二零零七年，我們將加快內部研發隊伍的擴充，以支援新技術平台，包括電視手機、遊戲手機、GPS手機、EDGE手機、袖珍電腦智能手機以及3.5G HSDPA解決方案。

3) *中國3G TD-SCDMA*

本集團在二零零六年後期獲中國信息產業部授予我們的單制式TD-SCDMA的TD-SCDMA初審牌照。連同我們為一家全球OEM客戶設計的單制式TD-SCDMA手機型號，我們共有兩項方案支援當前由中國政府推行的「友好用戶」測試項目。



Also, our developing dual mode TD-SCDMA handset model is expected to be ready for launch around June or July of 2007. The Directors believe the potential of the China 3G handset market is huge and our current strong market position will enable us to be one of the leading China 3G handset solution suppliers.

4) *Wireless module solution up-scaling*

The Directors are committed to maintain our strong market position in wireless module applications. Investments have been made in cost improvement for the low-end models, which, together with higher integration of system hardware and software engineering support will give the Group a strong competitive edge in the global market.

PROSPECTS

The Directors expect the global mobile handset demand will maintain a steady growth in the coming years. The Directors also believe there will be a significant growth in the newly developing technologies like WiFi combo solutions for FMC fix mobile convergent applications in China 3G TD-SCDMA and 3.5G WCDMA/HSDPA.

The Directors are delighted to have new young talents including Mr Michael Fu (senior vice-president for international sales and marketing team), Mr Derick Tsang (co-general manager for wireless module business unit), Ms Sherry Xu (senior director for corporate sourcing) and Mr Zhemin Li (general manager for TD-SCDMA business unit) joining our management team and are optimistic about our business future.

Wong Hei, Simon

President

Hong Kong

14 March 2007

此外，我們正在開發的雙制式TD-SCDMA手機型號，預期將於二零零七年六月或七月前後推出，董事相信中國的3G手機市場未來數年的潛力極大，我們目前強大的市場地位將使我們成為中國主要的3G手機解決方案供應商之一。

4) *無線模塊解決方案不斷升級*

董事致力維持我們在無線模塊應用領域的強大市場地位。已在低端機型的成本改善上投入資金，加上系統硬件與軟件整合程度增加，將為本集團帶來在全球市場上的強大競爭力。

前景

董事預期未來數年全球手機需求將持續穩定增長。在諸如固網流動融合應用的WiFi組合解決方案、中國的3G TD-SCDMA及3.5G WCDMA/HSDPA等新技術領域，董事相信將會有顯著增長。

董事歡迎傅浩強先生(國際銷售及市場推廣團隊之高級副總裁)、曾兆強先生(無線模塊業務部聯席總經理)、徐竑女士(企業採購部高級總監)及李哲民先生(TD-SCDMA業務部總經理)等年輕人才加盟我們的管理團隊，並對我們的業務前景抱樂觀態度。

王曦

總裁

香港

二零零七年三月十四日

Ready for the Game



The Group are now on the leading position in the research and development of several new technologies such as 3G, FMC/WiFi, mobile handset with TV function and GPS.

本集團在幾項新技術之研究及開發如3G，FMC/WiFi，電視手機及定位導航(GPS)手機處於領先地位。



FINANCIAL REVIEW

Financial results

For the year ended 31 December 2006, the Group's revenue increased by 25.71% to HK\$3,418.9 million (2005: HK\$2,719.6 million) as compared with that of the year 2005. The increase was due to the strong growth in the sales of handset design solutions (full handsets and in SKD/CKD form) and wireless communication module solutions, despite the decrease in the revenue of the sales of LCD modules.

Driven by the Group's marketing and operating strategies to gain market share and maximise the profit of the Group, the gross profit of the Group increased by 13.83% to HK\$504.0 million (2005: HK\$442.7 million) for the year 2006 as compared with that of 2005. The gross profit margin of the Group dropped to 14.74% (2005: 16.28%).

財務回顧

財務業績

截至二零零六年十二月三十一日止年度，本集團收入達3,418,900,000港元（二零零五年：2,719,600,000港元），較二零零五年增長25.71%。此項增長乃由於手機設計解決方案（整機及形式為半製成組裝套件／組裝零件）以及無線通訊模塊解決方案的銷售增幅強勁所致，惟由於液晶顯示模塊的銷售額下降而有所抵銷。

在本集團為取得市場佔有率並將溢利最大化而採取的市場推廣及經營策略的推動下，本集團二零零六年的毛利為504,000,000港元（二零零五年：442,700,000港元），較二零零五年上升13.83%。本集團的邊際毛利率下降至14.74%（二零零五年：16.28%）。



二零零六年經營開支淨額佔營業額的百分比下降至3.83% (二零零五年：5.43%)，純利率則維持於10.91% (二零零五年：10.69%)。於二零零六年度，本集團錄得本公司股東應佔溢利372,900,000港元 (二零零五年：290,700,000港元)，比二零零五年增長28.28%。二零零六年每股基本盈利按年計增長12.22%至24.8港仙 (二零零五年：22.1港仙)。

研究及開發費用

於二零零六年，本集團繼續投資於移動手機設計解決方案的開發。二零零六年設計及開發隊成員增至638人 (二零零五年：580人)。研究及開發費用為76,000,000港元 (二零零五年：79,600,000港元)，佔本集團整體收入的百分比下降至2.22% (二零零五年：2.93%)。

The net operating expenses for the year 2006 decreased to 3.83% (2005: 5.43%) of the revenue and the net profit margin was maintained at 10.91% (2005: 10.69%). The Group achieved a profit attributable to equity holders of the Company of HK\$372.9 million (2005: HK\$290.7 million) for the year 2006, representing a growth of 28.28% as compared with that of 2005. The basic earnings per share for the year 2006 increased by 12.22% year-on-year to HK24.8 cents (2005: HK22.1 cents).

Research and development expenses

In 2006, the Group continued to invest in the development of mobile handset design solutions. The number of design and development team members increased to 638 (2005: 580) in 2006. The research and development expenses, which amounted to HK\$76 million (2005: HK\$79.6 million) and reduced to 2.22% (2005: 2.93%) of the Group's revenue.





Selling and distribution costs

In 2006, the selling and distribution costs increased by 17.5% to HK\$50 million (2005: HK\$42.6 million) resulting from the Group's expanded operations. The ratio of the selling and distribution costs over revenue improved to 1.46% (2005: 1.57%).

Administrative expenses

In 2006, the Group's administrative expenses was HK\$77.1 million (2005: HK\$74.8 million) and the ratio over revenue was improved to 2.26% (2005: 2.75%). The increase was mainly due to the granting of the post initial public offering share options and additional share-based payment which was recognised as expense during 2006.

銷售及分銷成本

於二零零六年，銷售及分銷成本上升17.5%至50,000,000港元(二零零五年：42,600,000港元)，乃因本集團業務擴充所致。銷售及分銷成本佔收入的百分比改善至1.46%(二零零五年：1.57%)。

行政開支

於二零零六年，本集團的行政開支為77,100,000港元(二零零五年：74,800,000港元)，佔收入的百分比改善至2.26%(二零零五年：2.75%)。增加的原因主要是授出首次公開發售後購股權以及額外以股份為基礎的付款於二零零六年內確認為開支。



Segment results

分類業績

		Year 2006 二零零六年				Year 2005 二零零五年			
		Revenue	Units shipped	Gross profit	Gross profit margin	Revenue	Units shipped	Gross profit	Gross profit margin
		收入	付運量	毛利	毛利率	收入	付運量	毛利	毛利率
		HK\$'M	'000	HK\$'M	%	HK\$'M	'000	HK\$'M	%
		百萬港元	千件	百萬港元		百萬港元	千件	百萬港元	
Sale of handset design solutions (in SKD/CKD form)	銷售手機設計解決方案 (形式為半製成組裝 套件/組裝零件)	2,161.8	7,449	320.6	14.83%	1,484.4	4,245	283.5	19.10%
Sale of complete mobile handsets	銷售完整移動手機	16.5	20	3.0	18.18%	261.4	325	51.4	19.67%
Sales of LCD modules and others	銷售液晶顯示模塊及其他	690.4	5,634	52.2	7.56%	752.3	4,443	70.9	9.43%
Sale of wireless communication module solutions	銷售無線通訊模塊 解決方案	550.2	2,572	128.2	23.30%	221.5	992	36.9	16.67%
		3,418.9	15,675	504.0	14.74%	2,719.6	10,005	442.7	16.28%





Complete mobile handsets and handset design solutions (in SKD/CKD form)

Capitalising on the continuous increasing demands in the China mobile handsets market, the revenue for the complete mobile handsets and handset design solutions (in SKD/CKD form) for the year 2006 increased by 24.77% to HK\$2,178.3 million (2005: HK\$1,745.8 million) as compared with that of 2005. The Group launched 269 handset models and 29 handset platforms in 2006. On the other hand, under the pricing pressure in 2006 in the handsets industry, the gross profit ratio in 2006 dropped to 14.85% (2005: 19.18%).

LCD modules and others

In 2006, the sales quantity in this segment increased by 26.81% year-on-year to 5.6 million units. The Group changed the product mix from flip phone dual display to bar phone single display. Due to pricing pressure, the average selling price of the LCD modules dropped by 27.22% as compared with that of 2005. As a result, the revenue for this segment decreased 8.23% to HK\$690.4 million (2005: HK\$752.3 million).

完整移動手機及手機設計解決方案(形式為半製成組裝套件/組裝零件)

得益於中國的移動手機市場需求持續增長，二零零六年度完整移動手機及手機設計解決方案(形式為半製成組裝套件/組裝零件)的收入，較二零零五年增加24.77%至2,178,300,000港元(二零零五年：1,745,800,000港元)。本集團於二零零六年推出269種手機型號和29個手機平台。另一方面，在全球營運商主導的手機行業價格壓力下，二零零六年毛利率下降至14.85%(二零零五年：19.18%)。



液晶顯示模塊及其他

於二零零六年度，該業務分類的銷量按年計增長26.81%至5,600,000件。本集團將產品組合由揭蓋式手機的雙顯示屏變為直板手機的單顯示屏，由於價格壓力，液晶顯示模塊的平均售價較去年下跌27.22%。故此，本銷售分部的收入減少8.23%至690,400,000港元(二零零五年：752,300,000港元)。

Position for Global



We have been engaging with 13 global operators on various customers handset solution project in 2006.

於2006年，我們一直與13家全球營運商在各種各樣的自訂手機解決方案項目上進行協商。



Wireless communication module solutions

Driven by the significant growth in the wireless communication demands in the rural areas of China and the success in cost reduction, the Group recorded an impressive result for the sales of wireless communication module solutions in 2006. The revenue and sales quantity increased substantially by 148.4% and 159.27% respectively as compared with that of 2005. Under the Group' cost control program, the gross profit ratio greatly improved to 23.3% (2005: 16.67%) and the gross profit increased significantly by 247.43% as compared to that of 2005.

USE OF PROCEEDS OF THE GLOBAL OFFERING

The Company issued 375 million shares at HK\$1.7 per share in its global public offering in June 2005. The net proceeds after deducting the relevant expenses was approximately HK\$598.2 million.

During the year 2006, The Group utilised the above said proceeds of HK\$37.8 million for the development of the latest mobile handset design solutions; HK\$77.1 million for the development of the new chipset technology platforms; HK\$42.5 million for the operation of the new LCD panel back-end production and assembly line; and HK\$13.3 million for the establishment of the new design and development centre.

無線通訊模塊解決方案

在中國農村地區無線通訊需求顯著增長的推動下，加上在擴大銷售規模下成功削減成本，本集團無線通訊模塊解決方案的銷售於二零零六年錄得可觀業績。收入及銷量比二零零五年分別大幅上升148.4%及159.27%。在本集團的成本控制計劃下，毛利率大幅上升至23.3%（二零零五年：16.67%），毛利較二零零五年顯著增加247.43%。

全球發售所得款項用途

本公司於二零零五年六月進行之全球股份發售中，按每股1.70港元發行375,000,000股。所得款項淨額扣除相關費用後約為598,200,000元。

於二零零六年，本集團分別動用上述所得款項中37,800,000港元開發最新移動手機設計方案；77,100,000港元開發新芯片組技術平臺；42,500,000港元營運新設液晶顯示屏後端生產及裝配線；以及13,300,000港元設立新設計及開發中心。



The balances of the proceeds have been placed in banks as short-term deposits as at 31 December 2006.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The financial position of the Group remains strong and healthy. As at 31 December 2006, the Group had bank balances of HK\$822.7 million (2005: HK\$579.9 million), of which 78.16% was held in Renminbi, 21.24% was held in United States ("US") dollars and the remaining balance was held in Hong Kong dollars. The bank balances are expected to finance the Group's working capital and capital expenditure plans in developing new technologies for mobile handsets.

As at 31 December 2006, the Group had no bank borrowings (2005: HK\$9.6 million). The Group's inventory turnover, trade receivables together with notes and bills receivable turnover and trade payables turnover period were decreased to 54 days, 19 days and 61 days (2005: 57 days, 26 days and 54 days respectively) respectively in 2006. The turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.



於二零零六年十二月三十一日，所得款項餘額已存入銀行作為短期存款。

流動資金、財務資源及資本結構

本集團具有雄厚及穩健的財務狀況。於二零零六年十二月三十一日，本集團的銀行結餘為822,700,000港元(二零零五年：579,900,000港元)，其中78.16%以人民幣持有，21.24%以美元持有，其餘則以港元持有。預期銀行結餘將用作本集團營運資金以及為開發移動手機新科技的資本開支計劃提供融資。

於二零零六年十二月三十一日，本集團並無銀行借貸(二零零五年：9,600,000港元)。於二零零六年，本集團之存貨、應收貿易賬款及應收票據及賬單和應付貿易賬款的週轉率分別下降至54日、19日及61日(二零零五年：分別為57日、26日及54日)。週轉期與本集團就授予客戶之信貸條款及從供應商獲得之信貸條款所訂相關政策貫徹一致。





After reviewing the current financial position based on the Group's finance policy, the management of the Group considered that it was not necessary to use any financial instrument for hedging purpose nor adopt any particular hedging policy.

As at 31 December 2006, the Company had an issued capital comprising 1,508,326,000 ordinary shares of HK\$0.10 each.

於根據本集團之融資政策檢討現有財政狀況後，本集團管理層認為毋需使用任何金融工具作對沖用途或採納任何特定對沖政策。

於二零零六年十二月三十一日，本公司已發行股本包括1,508,326,000股每股面值0.10港元之普通股。

CASH FLOW DATA

現金流量數據

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net cash inflow from operating activities	經營活動現金流入淨額	751,765	217,188
Net cash outflow from investing activities	投資活動現金流出淨額	(213,622)	(72,942)
Net cash (outflow) inflow from financing activities	融資活動現金(流出)流入淨額	(314,424)	231,938
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加淨額	223,719	376,184

The Group's net increases in cash and cash equivalents for the year 2006 were primarily attributable to the cash inflows from operating activities, offset by the purchases of fixed and intangible assets, the payment of year 2005 final and year 2006 interim dividends.

Due to the increase in operating profit under the continuous sales growth in 2006, there was a net cash inflow from operating activities of approximately HK\$751.8 million.

The net cash outflow from investing activities in 2006 was mainly due to the acquisitions of fixed assets and intangible assets for the development of the latest mobile handset design solutions.

The net cash outflow from financing activities in 2006 was mainly due to the payment of year 2005 final and year 2006 interim dividend.

於二零零六年，本集團之現金及現金等值項目增加淨額主要來自經營活動之現金流入，惟受購買固定及無形資產和支付二零零五年末期及二零零六年中期股息所抵銷。

由於二零零六年銷售持續增長帶動經營溢利上升，經營活動錄得現金流入淨額為751,800,000港元。

二零零六年產生投資活動現金流出淨額，主要由於購買固定資產及無形資產以開發最新移動手機設計方案所致。

二零零六年自融資活動產生的現金流出淨額，主要由於支付二零零五年末期及二零零六年中期股息。



GEARING RATIO

As at 31 December 2006, the total assets value of the Group was HK\$1,833.9 million (2005: HK\$1,461.9 million) and there was no bank borrowings (2005: HK\$9.6 million). The gearing ratio of the Group, calculated as total bank borrowings over total assets, was 0% (2005: 0.66%).

EMPLOYEES

As at 31 December 2006, the Group had 1,903 (2005: 1,971) employees. The Group operates a Defined Contribution Mandatory Provident Fund retirement benefits scheme for all its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC. The Group also offers discretionary bonuses to its employees by reference to individual performance and the performance of the Group. Total staff costs incurred by the Group amounted to HK\$180.7 million (2005: HK\$124.3 million) during the year 2006.

The Board believes that the Group's employees are among the most valuable assets of the Group and have contributed to the success of the Group. The Group provides in-house training for its employees to enhance their knowledge in relation to their jobs.

負債比率

於二零零六年十二月三十一日，本集團之資產總值為1,833,900,000港元(二零零五年：1,461,900,000港元)，且並無銀行借貸(二零零五年：9,600,000港元)。本集團的負債比率(按銀行借貸總額除以資產總值計算)為0%(二零零五年：0.66%)。

僱員

截至二零零六年十二月三十一日，本集團共有1,903名(二零零五年：1,971名)僱員。本集團為其所有香港僱員設立一項界定供款之強制性公積金退休計劃，並根據中國適用之法律及規例之規定向中國僱員提供福利計劃。本集團亦根據僱員個別表現及本集團之表現向僱員提供酌情花紅。於二零零六年，本集團產生之總員工成本為180,700,000港元(二零零五年：124,300,000港元)。

董事會相信，本集團員工為本集團最具價值資產之一，並為本集團之成功作出貢獻。本集團根據員工本身之職責提供內部培訓，以提升彼等之崗位知識。





The emolument policies of the Group are set out in page 39 of this report.

The Company has adopted share option schemes. A summary of the principal terms and conditions of the share option schemes are set out in note 30 to the financial statements.

FOREIGN EXCHANGE EXPOSURE

The Directors believe that the risk of exposure of the Group to foreign exchange is mitigated since most of the sales of the Group are denominated in Renminbi and most of the purchases of inventories are denominated in US dollars.

On the other hand, with the introduction of a more elastic exchange rate regime for Renminbi, the Renminbi exchange rate movements might denominated become more volatile, creating an uncertainty effect on the Group's business. Furthermore, certain trade receivables and bank balances are denominated in US dollars, therefore exposing the Group to US dollars currency risk. The Group does not have a foreign currency hedging policy but will continue to monitor any further changes in Renminbi's exchange rate and would proactively take measures to minimise any adverse impact that fluctuations of exchange rates might have on the Group.

CONTINGENT LIABILITIES

As at 31 December 2006, the Group did not have any material contingent liabilities.

本集團之薪酬政策載於本年報第39頁。

本公司已採納購股權計劃。購股權計劃之條款及條件概要載於財務報表附註30。

外匯風險

由於本集團大部分銷售額均以人民幣計算幣值，而購買存貨大部分以美元計算幣值，故董事相信本集團承受的外匯波動風險程度較輕。

另一方面，由於實施更具彈性的人民幣匯率制度，人民幣匯率變動波幅可能更大，因而對本集團的業務構成不明朗影響。另本集團若干應收及應付貿易款項及銀行結餘乃以美元計值，因此承受美元貨幣風險。本集團現時尚無外幣對沖政策，然而，本集團將繼續監察人民幣匯率的任何進一步變動，並積極採取措施將匯率變動可能為本集團帶來的任何不利影響減至最低。

或然負債

於二零零六年十二月三十一日，本集團並無任何重大或然負債。



Care for our Future



The world will become more wonderful.

世界多一分美好。

CARE FOR OUR FUTURE

“An enterprise cannot develop itself well without support from the society. Therefore, it is the enterprise's unshirkable responsibility to make contributions to the society. We are aware that our ability in this regard is quite limited, but I am confident that the world will become more wonderful if we try our best and discharge our own duties with heart and soul”.

— Mr Wong



“In addition to material wealth, Sunrise people should also have more spiritual wealth. I hope there will be more people who assent to the charity culture and put it into practice. Let's work together to make our future more and more wonderful and harmonious.”

— Mrs Wong

Sunrise people

An organisation establishes and funds by the employees of the Group for charity purpose.

Hope primary schools

Since 2002, Sunrise people has donated a total of RMB6 million to Wanzai County, Jiangsu Province, which were used to build 22 primary schools with a total floor area of 18,600 square meter.

Sunrise project

From 2002 to now, more than 78 students have left the poverty-stricken areas and studied on the university campus, where they can broaden their mind horizons.

Encouragement and recognition

Sunrise people was award the China Philanthropy Outstanding Contribution Award by the China Charity Federation and was nominated for the China Charity Award by the Ministry of Civil Affairs in acknowledgement of its charity spirit. Sunrise people will continue to make donations to bring a colorful future to more people.

關注我們的未來

「企業發展離不開社會的支持，所以回報社會是企業義不容辭的責任。我們深知自己的能力有限，但我想只要我們努力去做，用心去做，從小事做起，從身邊的事情做起，盡我們的一份責任，這個世界畢竟會因為我們多一分美好。」

—王先生

「晨興人除了物質上的財富，還應該有更多精神上的財富。我希望有更多的晨興人認同慈善文化，並付諸於實踐，大家攜手創造更加美好、和諧的明天。」

—王太太

晨興人

由本集團僱員建立並資助的慈善組織。

希望小學

2002年以來，晨興人向江西省萬載縣捐款人民幣六百多萬元，興建了22所希望小學，總校舍建築面積達1.86萬平方米。

旭日工程

2002年至今，已有78名莘莘學子離開貧困山區，走進大學校園，開拓他們的新天地。



鼓勵與認同

晨興人精神得到鼓勵與認同，被中華慈善總會授予「中華慈善事業突出貢獻獎」及獲得民政部頒發的「中華慈善獎」提名。晨興人繼續發揮其力量令更多人有美好的將來。



Directors and Senior Management Profile

董事及高級管理人員

DIRECTORS

董事



Ms Yeung Man Ying (“Mrs Wong”), aged 62, is chairman and executive Director of the Company, chairperson of Shanghai Sunrise Electronic Technology Co., Limited (“Shanghai Sunrise”) and director of Sunrise Electronic Industry Limited (“SEIL”). Mrs Wong is responsible for developing strategic direction and development of the Group. In 1986, Mrs Wong together with her spouse, Mr. Wong Cho Tung, founded Sunrise Technology Limited (“Sunrise Technology (HK)”), a company which engaged in the distribution of electronic components. Over the years, Mrs Wong and Mr Wong Cho Tung had established a number of companies which engaged in the electronics and telecommunications business including Shanghai Sunrise which was established in November 1993 and which is one of the major operating subsidiaries of the Group. Mrs Wong has accumulated over 20 years of operations and management experience in the electronics and telecommunications industry. Before setting up Sunrise Technology (HK), Mrs Wong also lectured at the Electrical Department of the South China University of Technology in 1977. Mrs Wong has been a guest professor at Tongji University since 2003. Mrs Wong graduated in 1968 from the Beijing University of Aeronautics and Astronautics, specialising in electrical engineering.

楊文瑛女士(「王太太」)，62歲，本公司主席兼執行董事、上海晨興電子科技有限公司(「上海晨興」)主席、晨興電子工業有限公司(「晨興電子工業」)之董事，負責為本集團發展策略性方向和本集團之發展。於一九八六年，王太太及其配偶王祖同先生創立晨興電子科技有限公司(「晨興電子」)，該公司從事分銷電子元件。多年來，王太太及王祖同先生成立多家公司，從事電子及通訊業務，包括於一九九三年十一月成立之上海晨興，該公司為本集團主要營運附屬公司之一。王太太於電子及電信業擁有逾20年營運及管理經驗。於成立晨興電子前，王太太於一九七七年曾任教華南理工大學電子工程學系。自二零零三年起，彼為同濟大學之客席教授。王太太於一九六八年畢業於北京航空航天大學，主修電子工程專業。



DIRECTORS

Mr Wong Hei, Simon, aged 34, is president and an executive Director of the Company, the managing director of SIM Technology HK Limited (“SIM Technology (HK)”), director of Shanghai Sunrise, SEIL, Simcom International Holdings Limited, Suncom International Holdings Limited and Max Vision Limited and is responsible for overall management and supervisor of the Group’s business, ranging from production development, marketing operation, supply chain management to formulation of the business strategies. He is the younger son of Mr Wong and Mrs Wong and the younger brother of Mr Wong Sun. Mr Wong Hei, Simon has over 10 years of experience in the electronics and telecommunications industry and extensive experience in investment and business management. Prior to joining Sunrise Technology (HK), the original holding company of Shanghai Sunrise, in 1995, he worked at the headquarters of National Semiconductor in the Silicon Valley. In May 2001, Sunrise Technology (HK), Sunrise Technology Group Limited and their subsidiaries (together, the “Sunrise Group”) was acquired by Avnet Sunrise Limited and Avnet Asia Pte Limited upon which Mr Wong Hei, Simon was appointed as the managing director of Chinatronic Technology Limited. Mr Wong Hei, Simon joined the Group as a director of SEIL since February 2000 and subsequently became a director of Shanghai Sunrise in October 2003. He obtained a bachelor’s degree in science from Boston University in 1995, specializing in electrical engineering.

Mr Tsang Hen Loon, Raymond (“Mr Tsang”), aged 48, is an executive Director, executive vice president and chief executive officer of the Company and is responsible for overseeing the Group’s overall operations and managing the Group’s business affairs. Mr Tsang has over 20 years of experience in the electronics industry. Mr Tsang was the marketing director (Asia-Pacific region) of National Semiconductor. In 1995, Mr Tsang joined the Sunrise Group in Hong Kong as the managing director of Sunrise Technology (HK). Two years later, he joined Pericom Technology (Shanghai) Co., Ltd., a semiconductor company, as general manager. Mr Tsang re-joined Sunrise Technology (HK) as chief executive officer in 2000. In 2001, the electronic components distribution business of the Sunrise Group was acquired by Avnet. Mr Tsang became vice president and regional director (Hong Kong and PRC) of Avnet Sunrise Limited in May 2001 and was promoted to president of Avnet Electronics Marketing Asia in March 2002.

Mr Tsang has extensive experience in corporate management and strategic business planning. Mr Tsang rejoined the Group on 1 January 2005. Mr Tsang graduated and obtained a bachelor of science degree in electrical engineering from the University of Wisconsin - Madison in 1981 and a master’s degree in business administration from the East Asia Open Institute in 1993.

董事

王曦先生，34歲，本公司之總裁兼執行董事、晨訊科技香港有限公司(「晨訊科技(香港)」)之董事總經理以及上海晨興、晨興電子工業、Simcom International Holdings Limited、Suncom International Holdings Limited及天景有限公司之董事，負責本集團整體生意管理及監管、包括產品開發、營銷運作、供應鏈管理以及制定生意策略。彼為王先生及王太太之次子及王晨先生之胞弟。王曦先生於電子及電信業擁有逾10年經驗及於投資及業務管理上擁有豐富經驗。於一九九五年加盟上海晨興之原控股公司晨興電子前，彼曾任職於矽谷National Semiconductor之總部。二零零一年五月，晨興電子、晨興科技集團有限公司及其附屬公司(統稱為「晨興集團」)由Avnet Sunrise Limited及Avnet Asia Pte Limited收購，而王曦先生獲委任為Chinatronic Technology Limited之董事總經理。王曦先生自二零零零年二月起加入本集團為晨興電子工業之董事，並隨後於二零零三年十月成為上海晨興之董事。彼於一九九五年取得波士頓大學之理學士學位，專修電氣工程。



曾憲龍先生(「曾先生」)，48歲，本公司之執行董事、行政副總裁兼首席執行總監，負責本集團整體業務營運及管理本集團之業務事務。曾先生於電子業擁有逾20年經驗。曾先生曾任National Semiconductor亞太區市場總監。於一九九五年，曾先生加盟香港晨興集團，出任晨興電子之董事總經理。兩年後，彼加盟一間半導體公司Pericom Technology (Shanghai) Co., Ltd. 擔任總經理。曾先生於二零零零年重新加盟晨興電子出任行政總裁。於二零零一年，晨興集團的電子元件分銷業務由Avnet購入。曾先生於二零零一年五月成為Avnet Sunrise Limited之副總裁兼地區經理(香港及中國)，並於二零零二年三月晉升為Avnet Electronics Marketing Asia之總裁。



曾先生於企業管理及策略業務策劃方面擁有豐富經驗。曾先生於二零零五年一月一日重返本集團。曾先生於一九八一年畢業於University of Wisconsin - Madison，獲電子工程理學士學位，以及於一九九三年取得澳門東亞大學工商管理碩士學位。



DIRECTORS

董事



Mr Wong Cho Tung (“Mr Wong”), aged 62, is an executive Director of the Company. Mr Wong’s primary focus is in the overall management and supervision of the Group’s PRC business, ranging from product development, marketing operation, supply chain management to the formulation of business strategies. Mr Wong is chairperson of Shanghai SIM Technology Limited, a director of Shanghai Sunrise, SEIL, SIM Technology Group (BVI) Limited and SIM Technology (HK). Mr Wong is also the director of Info Dynasty Group Limited, a controlling shareholder of the Company. In 1986, Mr Wong together with his spouse, Ms Yeung Man Ying, founded Sunrise Technology (HK), a company which engaged in the distribution of electronic components. In 1993, Shanghai Sunrise was incorporated as a subsidiary of Sunrise Technology (HK). The significance of Shanghai Sunrise is that it is one of the main operating subsidiaries of the Group. Under the leadership of Mr Wong, Sunrise Technology (HK) has expanded into one of the larger distributors of electronic components in China. In May 2001, Sunrise Group attracted Avnet Sunrise Limited and Avnet Asia Pte Limited (“Avnet”) to acquire the Sunrise Group’s components distribution business. After the successful acquisition of the component distribution business by Avnet, Mr Wong was appointed as a senior vice president of Avnet Asia Pte Limited. Mr Wong graduated in 1968 from the Beijing University of Aeronautics and Astronautics, specializing in field of electrical engineering. Mr Wong has decades of experience in the electrical, electronics and telecommunications industry. Prior to co-founding Sunrise Technology (HK), Mr Wong had held several positions in various companies such as manufacturing plants in Sichuan Province, the Computer Centre of South China Institute of Technology in Guangzhou, as well as the Mass Transit Railway Corporation in Hong Kong. Mr Wong’s responsibilities in these companies included electrical product design as well as computer hardware and software system development and modification.

王祖同先生(「王先生」)，62歲，本公司之執行董事。王先生主要專注於本集團中國之業務，負責整體生意管理及監督，包括產品開發、營銷運作、供應鏈管理以至制定生意策略。王先生為晨訊科技(上海)有限公司主席、上海晨興、晨興電子工業、SIM Technology Group (BVI) Limited及晨訊科技(香港)之董事。王先生亦為本公司控股公司Info Dynasty Group Limited之董事。於一九八六年，王先生及其配偶楊文瑛創立晨興電子，主要從事電子元器件分銷業務。上海晨興於一九九三年成立，並成為晨興電子之附屬公司。上海晨興之重要性在於其為本集團其中一主要營運附屬公司。在王先生的領導下，晨興電子發展成為中國最大的電子元件分銷商之一。於二零零一年五月晨興集團獲Avnet Sunrise Limited及Avnet Asia Pte Limited(「Avnet」)垂青，收購晨興集團元器件分銷業務。於Avnet成功收購電子元件分銷業務後，王先生其後獲委任為Avnet Asia Pte Limited之高級副總裁。王先生於一九六八年畢業於北京航空航天大學，主修電子工程專業。王先生於電機、電子及電信業擁有豐富經驗。創立晨興電子之前，王先生曾於四川省的工廠、廣州華南理工大學電腦中心以及香港地下鐵路公司任職。在這些職位上，王先生主要從事電機設計，電腦硬件及軟件的研發和改進。



Mr Zhang Jianping (“Mr Zhang”), aged 41, is an executive Director and executive vice president of the Company. He is also the managing director of Shanghai Sunrise and director of Shanghai SIM Technology Limited. He assists the president and the chief executive officer in the overall management of the Group, including the overall operation of Shanghai Sunrise and Shanghai Simcom. Mr Zhang joined Shanghai Sunrise in 1996 and was responsible for the establishment of Shanghai Simcom in 2002. Mr Zhang has over 18 years of technology and management experience in the electronics and telecommunications industry. Prior to joining the Group, Mr Zhang was engaged in research with No. 14 Research Institute of the Ministry of Electronics Industry in China. Mr Zhang has also been awarded a third class award for national technological improvements by the State in 1990 and first and second class awards for technological improvements by the Ministry of Electronics in 1989 and 1992 respectively. In 2004, he was named as 上海市優秀專業技術人才 (“Shanghai Outstanding Technology Calibre”) by the Shanghai Municipal Government. Mr Zhang graduated and obtained a bachelor’s degree in engineering from Shanghai Jiao Tong University in 1986 and a master’s degree in business administration from China Europe International Business School in 2002.

張劍平先生(「張先生」)，41歲，本公司之執行董事兼行政副總裁。彼亦為上海晨興之董事總經理及晨訊科技(上海)有限公司董事。彼協助總裁及行政總裁全面管理本集團，包括上海晨興及上海希姆通之整體業務營運。張先生於一九九六年加入上海晨興，並負責於二零零二年成立上海希姆通。張先生於電子及電信業擁有逾18年技術及管理經驗。於加盟本集團前，張先生於中國電子工業部第十四研究所從事研究工作。張先生亦於一九九零年獲國家頒發之國家科技進步三等獎及分別於一九八九年及一九九二年獲電子工業部頒發科技進步一等及二等獎。於二零零四年，彼獲上海市政府稱譽為「上海市優秀專業技術人才」。張先生於一九八六年畢業於上海交通大學，獲工程學學士學位，並於二零零二年在中歐國際工商管理學院獲工商管理碩士學位。



DIRECTORS

董事

Mr Wong Sun (王晨), aged 34, is an executive Director of the Company, vice chairman and director of Shanghai Sunrise, director of SEIL and is responsible for the business development and operation of the Group. He is the son of Mr Wong and Mrs Wong and the elder brother of Mr Wong Hei, Simon. Since joining Sunrise Technology (HK), the original holding company of Shanghai Sunrise, in 1996, Mr Wong Sun has been involved in the sales operations of the Group in Beijing, Shanghai and Shenzhen and has been responsible for the management of the investment and business development of Sunrise Technology (HK) and the Group. Mr Wong Sun joined the Group as a director of SEIL since February 2000 and subsequently became a director of Shanghai Sunrise in March 2000. Mr Wong Sun has over 10 years of experience in the electronics and telecommunications industry and extensive experience in investment and business management. In 1994, Mr Wong Sun obtained a bachelor's degree in science from the University of Southern California specialising in engineering and in 2004, a master's degree in business administration from the China Europe International Business School.

王晨先生，34歲，本公司之執行董事、上海晨興之副主席兼董事及晨興電子工業之董事，負責本集團之業務發展及營運。彼為王先生及王太太之長子及王曦先生之胞兄。自一九九六年加入上海晨興之原控股公司晨興電子以來，王晨先生一直負責本集團於北京、上海及深圳之銷售營運，並負責管理晨興電子及本集團之投資及業務發展。王晨先生自二零零零年二月起加入本集團擔任晨興電子工業之董事，並隨後於二零零零年三月成為上海晨興之董事。王晨先生於電子及電信業擁有逾10年經驗，並於投資及業務管理上擁有豐富經驗。於一九九四年，王晨先生取得南加州大學理學士學位，專修工程學，並於二零零四年在中歐國際工商管理學院取得工商管理碩士學位。



Ms Tang Rongrong ("Ms Tang"), aged 53, is an executive Director of the Company, and director and deputy general manager of Shanghai Sunrise. Ms Tang has nearly 20 years of experience in human resources management, administration and corporate operation. Prior to joining the Group in 1995, Ms Tang was a physician of 江西省贛州市第一醫院 (Jiangxi Ganzhou First People's Hospital) and the head of technology and deputy chief physician of 南昌市計劃生育指導所 (Nanchang Birth Planning Institute). Since then, Ms Tang has served as the manager and deputy general manager of the personnel and administration department of Shanghai Sunrise. Ms Tang graduated from 贛南醫專科學校 (Gannan Medical College) in 1978.

唐融融女士(「唐女士」)，53歲，本公司之執行董事及上海晨興之董事兼副總經理。唐女士於人力資源管理、行政管理及企業經營方面擁有近20年經驗。於一九九五年加盟本集團之前，唐女士為江西省贛州市第一人民醫院之醫師，並為南昌市計劃生育指導所醫療技術負責人及副總醫師。此後，唐女士於上海晨興擔任人事管理部經理及副總經理。唐女士於一九七八年於贛南醫學專科學校畢業。





DIRECTORS

董事



Mr Heng Kwoo Seng (“Mr Heng”), aged 59, is an independent non-executive Director and chairman of the Audit Committee. Mr Heng is the managing partner of Morison Heng, Chartered Accountants and Certified Public Accountants in Hong Kong. Mr Heng has the appropriate professional qualifications as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) as he is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr Heng is currently an independent non-executive director of a number of listed companies in Hong Kong including Winfair Investment Company Limited, Lee & Man Paper Manufacturing Limited, Lee & Man Holding Limited, China Fire Safety Enterprise Group Holdings Limited, Tack Fat Group International Limited, Soundwill Holdings Limited and Minth Group Limited. Mr Heng is also the company secretary of AEON Stores (Hong Kong) Co., Limited and China Life Insurance Company Limited. Mr Heng was appointed as an independent non-executive Director in January 2005.

邢詒春先生(「邢先生」)，59歲，為獨立非執行董事及審核委員會主席。邢先生為華利信會計師事務所(特許會計師及香港執業會計師)之主管合夥人。由於邢先生為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員，故符合香港聯合交易所有限公司證券上市規則(「上市規則」)第3.10(2)條所規定之合適專業資格。邢先生現為香港多間上市公司之獨立非執行董事，包括永發置業有限公司、理文造紙有限公司、理文集團有限公司、中國消防企業集團控股有限公司、德發集團國際有限公司、金朝陽集團有限公司及敏實集團有限公司。邢先生亦為永旺(香港)百貨有限公司及中國人壽保險股份有限公司之公司秘書。邢先生於二零零五年一月獲委任為獨立非執行董事。



Mr Wang Chengwei (“Mr Wang”), aged 67, is an independent non-executive Director of the Company. Mr Wang has 30 years experience in the steel industry. Mr Wang joined Bao Steel Group in 1980 and has held a number of senior positions including vice commander of 上海寶鋼工程指揮部 (Shanghai Bao Steel Construction Headquarters) and chairman of the board of several of its joint venture companies. Mr Wang is a winner of first class award of national technology improvements granted by the State in 1993. Mr Wang graduated from Beijing University of Mechanical Engineering in 1964. Mr Wang was appointed as an independent non-executive Director in January 2005.

汪誠蔚先生(「汪先生」)，67歲，本公司之獨立非執行董事。汪先生於鋼鐵業擁有30年經驗。汪先生於一九八零年加入寶鋼集團，並擔任多個高級職位，包括上海寶鋼工程指揮部之副司令及該公司若干合營公司之董事會主席。汪先生於一九九三年榮獲中國國家科技進步一等獎。汪先生於一九六四年畢業於北京機械工程學院。汪先生於二零零五年一月獲委任為獨立非執行董事。



Mr Zhuang Xingfang (“Mr Zhuang”), aged 58, is an independent non-executive Director of the Company. Mr Zhuang is a graduate in management engineering of Hangzhou University of Electronics Technology Industry and obtained a master's degree in engineering in 1996. He has acted as deputy head of Plant 877 of the Ministry of Electronics Industry and the Economic Adjustment and State-owned Assets Supervisory Department of the Ministry of Electronics Industry. He is now the chairman of the Hong Kong-listed CCID Consulting and deputy director of the Alliance for the Promotion of Informatisation in China. He is a senior accountant and registered accountant (non-practising member). Mr Zhuang was appointed as an independent non-executive Director in January 2005.

庄行方先生(「庄先生」)，58歲，本公司之獨立非執行董事。庄先生為杭州電子工業大學管理工程系畢業生，並於一九九六年取得工程碩士學位。他曾擔任電子工業部877廠副廠長、電子工業部經濟調節司及國有資產監管部副主任。彼現時為在香港上市之賽迪顧問董事長及中國信息化推進聯盟副董事。彼為高級會計師及註冊會計師(非執業會員)。庄先生於二零零五年一月獲委任為獨立非執行董事。



SENIOR MANAGEMENT

高級管理人員

Mr Chan Tat Wing, Richard (“Mr Chan”), aged 50, is chief finance officer of the Group. Mr Chan qualified as a certified general accountant (CGA) in Canada in 1988. He is a member of the Certified General Accountants Association of Canada and is employed by the Company on a full time basis as a qualified accountant pursuant to Rule 3.24 of the Listing Rules. Mr Chan has more than 15 years of financial management experience having worked as, amongst other positions, the chief finance officer of E-Mice Solutions (HK) Limited and Chinatron Group Holdings Limited, the financial controller of SmarTone Telecommunications Holdings Limited and the finance director of EMI (Hong Kong) Ltd and had also held a financial management position in Merrell Dow Pharmaceuticals (Canada) Inc. Mr Chan obtained a bachelor’s degree in arts from York University, Canada in 1979 and a bachelor’s degree in administrative studies with honours from the same university in 1982. Mr Chan joined SIM Technology (HK) in July 2004.

陳達榮先生(「陳先生」)，50歲，本集團之財務總監。陳先生於一九八八年成為加拿大註冊會計師。彼為加拿大註冊會計師公會會員，並為本公司根據上市規則第3.24條全職聘用之合資格會計師。陳先生擁有逾15年財務管理經驗，曾擔任(其中包括)香港億軟信息技術有限公司及中國傳訊控股有限公司之財務總監、數碼通電訊集團有限公司之財務總監及百代唱片有限公司之財務總監，亦於Merrell Dow Pharmaceuticals (Canada) Inc. 擔任財務管理職位。陳先生一九七九年畢業於加拿大York University，取得文學士學位，並於一九八二年於同一所大學獲頒行政學榮譽學士學位。陳先生於二零零四年七月加入晨訊科技(香港)。



Mr Fan Liming (“Mr Fan”), aged 41, is a vice president of the Company, director of Shanghai SIM Technology Limited, general manager of Speedcomm and acting chief technology officer and is responsible for the product development and manufacture of the Company. Mr Fan has more than 15 years of research and development experience in mobile handset and radio communication technology. Prior to joining the Group in May 2004, Mr Fan held various senior positions in several mobile handset companies including Eastern Communications Co., Ltd., Hangzhou Motorola Cellular Equipment Co., Ltd, CEC Wireless R&D Ltd., and STEP Technologies (Beijing) Co., Ltd. Mr Fan obtained a bachelor’s degree in engineering from Xian Jiao Tong University in 1985, specialising in wireless communications technology. He also obtained a master’s degree in engineering from the same university in 1990, specialising in magnetic field and microwave technology.

范立明先生(「范先生」)，41歲，本公司副總裁，晨訊科技(上海)有限公司之董事，思必得之總經理兼署理科技總監負責本公司產品開發及生產。范先生於移動手機及無線電通信技術方面擁有逾15年研究與開發經驗。於二零零四年五月加盟本集團前，范先生曾於多間移動手機公司擔任高級職務，包括東方通信股份有限公司、杭州摩托羅拉移動通信設備有限公司、中電賽龍通信研究中心有限公司及STEP Technologies (Beijing) Co., Ltd. 范先生於一九八五年取得西安交通大學工程學學士學位，專修無線通信技術。彼亦於一九九零年在同一所大學取得工程學碩士學位，專修磁力學及微波技術。



Mr Hua Meishi (“Mr Hua”), aged 51, is currently a vice president of the Company and the general manager of Suncom Logistics. Mr Hua has over 20 years’ management experience in procurements, sales, logistics and bonded operations. Since 1976, he has worked at Hangzhou Semiconductor Plant and Hangzhou Power Supply Technology Research Institute. He joined Sunrise Electronic (HK) in 1991 and acted as the chief person-in-charge of Sunrise Electronic (HK) in the southern and northern regions in China. In 2000, he was responsible for establishing Sunrise Logistics (Shanghai) Limited and acted as its general manager. In May 2001, following the acquisition by the Avnet Group, Mr Hua continued to act as the general manager of Sunrise Logistics (Shanghai) Limited (a subsidiary of the Avnet Group). In early 2004, Mr Hua left Avnet and joined the Group.

華美石先生(「華先生」)，51歲，現為本公司副總裁及上海羅捷斯迪總經理。華先生於採購、銷售、物流及焊接業務擁有逾20年經驗。自一九七六年以來，彼一直任職於杭州半導體廠及杭州電源技術研究所。彼於一九九一年加入晨興電子並擔任晨興電子在華南及華北地區總負責人。二零零零年，彼負責成立申萊斯電子(上海)有限公司及擔任總經理。於二零零一年五月獲Avnet Group收購後，華先生繼續擔任申萊斯電子(上海)有限公司(Avnet Group之附屬公司)之總經理。二零零四年初，華先生離開Avnet並加入本集團。





SENIOR MANAGEMENT

高級管理人員



Mr Fu Haoqiang (“Mr Fu”), aged 32, is the senior vice president of the Group. Mr Fu has about 8 years of experience in overseas marketing and sales in the field of mobile telecommunications technology. Before joining the Group in November 2006, Mr Fu held marketing and sales positions in many mobile phone design houses, including Techfaith Wireless Communication Technology Ltd, CEC Wireless R&D Limited, Mobicom Corporation (USA), Capitel Communication Equipment Group Co. Ltd, etc.

In 1996, Mr Fu obtained a bachelor’s degree in English from Hangzhou University.

傅浩強先生(「傅先生」)，32歲，本集團高級副總裁。傅浩強先生在移動電話通訊技術方面擁有近8年國外市場和銷售的經驗。2006年11月加盟本集團前，傅先生曾在多家移動電話設計公司擔任市場和銷售職務，包括德信無線通訊科技有限公司，中電賽龍通信研究中心有限責任公司，Mobicom Corporation(USA)，普天首信集團等。

傅先生1996年取得杭州大學學士學位，專修英語專業。



Mr Li Zhemín (“Mr Li”), aged 34, is the general manager of the newly established TD-SCDMA business unit of the Group. Mr Li has over 10 years of experience in R&D and technical management in the fields of mobile phone and mobile telecommunication technology. Before joining the Group in December 2006, Mr Li held senior technical and administrative positions in various large international telecommunications companies, including Motorola (China) ELECTRONICS Ltd., Alcatel Shanghai Bell Co., Ltd. and Analog Devices, Inc.

Mr Li obtained a bachelor’s degree in engineering from XiDian University, specializing in electronic engineering.

李哲民先生(「李先生」)，34歲，本集團TD-SCDMA及新業務事業部總經理。李先生在移動電話及移動通訊技術方面擁有超過10年的研究開發與技術管理經驗。2006年12月加盟本集團前，李哲民先生曾在多家大型國際通訊公司擔任高級技術及管理職務，包括摩托羅拉電子有限公司，上海貝爾阿爾卡特股份有限公司和美國模擬器件公司。

李先生1996年取得西安電子科技大學工程學學士學位，專修電子工程技術。



Ms Xu Hong (“Ms Xu”), aged 37, is currently head of the Material Supply Department of the Group. In 1991, Ms Xu joined Sunrise Technology (HK) as the person-in-charge for the northern region in China and was responsible for the sales and marketing activities in this region. Following the acquisition of Sunrise Technology (HK) by Avnet in May 2001, Ms Xu served as the IMS sales managing director of Avnet Inc in the PRC. From 2005 onward, Ms Xu was the OEM sales managing director of Avnet’s operations in Hong Kong and the PRC.

Ms Xu has over 16 years of experience in supply chain management and electronic components sales management. In early 2006, Ms Xu left Avnet Inc and joined the Group subsequently.

Ms Xu is attending MBA courses jointly held by Peking University and the Duke University.

徐竄女士(「徐女士」)，37歲，現為集團物料供應部總監。徐女士於一九九一年加入晨興電子，擔任中國北區負責人，負責整個中國北方地區的銷售、市場等工作。二零零一年五月當晨興集團被Avnet收購後，徐女士擔任安富利集團中國區IMS銷售總經理，並於二零零五年起擔任安富利香港及中國地區OEM銷售總經理。

徐女士有著超過16年的供應鏈管理及電子元器件銷售管理經驗。2006年初徐女士離開安富利集團加入本集團。

徐女士現進修北京大學與杜克大學聯合開設的工商管理碩士課程。



SENIOR MANAGEMENT

高級管理人員

Mr Shen Jianguo (“Mr Shen”), aged 41, is the co-general manager of the module business unit of the Group. Mr Shen has over 15 years of experience in marketing and sales of electronic components and 6 years of experience in software-related work. Before joining the Group in January 2004, Mr Shen was the sales general manager of the South China’s operations of Chinatronic Technology Limited, a subsidiary of Avnet Inc..

Mr Shen obtained a bachelor’s degree from Nantong Vocational College, specializing in application of electronic technique.

沈建國先生(「沈先生」)，41歲，本集團模塊事業部聯席總經理。沈先生擁有超過15年的電子元器件市場銷售經驗和6年的軟件工作經驗。2004年1月加盟本集團前，沈建國先生擔任安富利集團下屬華創科技有限公司南中國區銷售總經理。

沈先生1986年取得南通職業技術大學學士學位，專修電子技術應用。



Mr Tsang Shiu Keung, aged 39, is the co-general manager of the module business unit of the Group. Mr Tsang Shiu Keung is responsible for driving the international business growth of wireless module and machine to machine application. Mr Tsang Shiu Keung brings years of leadership and business experience from other multi-national companies. Prior to joining the Group, Mr Tsang Shiu Keung has worked in various financial management positions at Intel supporting new product launch.

Mr Tsang Shiu Keung graduated with a Science degree in Mechanical Engineering from California Polytechnic and Master of Business Administration from the Marshall School of Business, University of Southern California.

曾兆強先生，39歲，本集團模塊事業部聯席總經理。曾兆強負責推動無線模塊及機器至機器應用的國際業務增長。曾兆強於其他跨國公司有多年領導及業務經驗。加入本集團之前曾在英特爾擔任不同財務管理職位，為新產品上市提供支援。

曾先生畢業於加州理工大學機械工程專業，獲理學學位，並獲南加州大學馬歇爾商學院工商管理碩士學位。



Mr Chan Yee Tak CPA, FCCA, aged 36, is the company secretary of the Company and manager of SIM Technology (HK). Mr Chan is responsible for the assurance and financial reporting of the Group. Mr Chan is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr Chan has over 10 years of experience in the field of accounting. Prior to joining the Group in March 2005, Mr Chan has held several accounting related positions such as a senior accountant of Deloitte Touche Tohmatsu and an accounting manager of Ever Profit Technology Company Ltd. Mr Chan obtained the Honours Diploma in Accountancy from Lingnan College in 1994.

陳怡德先生(CPA·FCCA)，36歲，本公司之公司秘書及晨訊科技(香港)之經理，負責本集團之保證及財務申報事宜。陳先生為香港會計師公會會員及特許會計師公會資深會員。陳先生於會計界擁有逾10年經驗。於二零零五年三月加入本集團前，陳先生曾擔任多個與會計有關之職位，如德勤·關黃陳方會計師行之高級會計師及日盈科技有限公司之會計經理。陳先生於一九九四年畢業於嶺南學院，取得會計學榮譽文憑。



The Directors have pleasure in presenting the annual report and the audited consolidated financial statements for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 56.

An interim dividend of HK6.8 cents per share amounting to HK\$102,488,000 was paid to the shareholders during the year. The Directors have recommended the payment of a final dividend of HK10.5 cents per share to the shareholders on the register of members on 27 April 2007, amounting to HK\$158,374,000, and the retention of the remaining profit for the year of HK\$112,011,000.

The payment of final dividend is subject to the approval of the shareholders at the annual general meeting of the Company to be held on 27 April 2007.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2006 and assets and liabilities of the Group as at 31 December 2006 and 2005 is set out on pages 119 to 120 of the annual report.

PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHT

Details of the movements during the year in the property, plant and equipment and land use right of the Group are set out in notes 15 and 16 to the consolidated financial statements respectively.

董事會欣然提呈截至二零零六年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司乃一家投資控股公司。各主要附屬公司之業務載於綜合財務報表附註32。

業績及分派

本集團截至二零零六年十二月三十一日止年度之業績載於第56頁之綜合收益表。

本年度向股東派發的中期股息為每股6.8港仙，合共102,488,000港元。董事目前建議向於二零零七年四月二十七日登記在股東名冊的股東派發末期股息每股10.5港仙，合共158,374,000港元，並保留本年度剩餘溢利為112,011,000港元。

股息之支付須待股東於即將於二零零七年四月二十七日召開之本公司股東週年大會上批准，方可作實。

財務概要

本集團於截至二零零六年十二月三十一日止過往五個財政年度之業績概要及本集團於二零零六年十二月三十一日和二零零五年十二月三十一日之資產與負債載於年報第119至120頁。

物業、廠房及設備及土地使用權

本年度本集團物業、廠房及設備及土地使用權之變動詳情分別載於綜合財務報表附註15及16。



SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 24 to the consolidated financial statements.

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

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2006 were approximately HK\$187,977,000 (2005: HK\$181,539,000), being the contributed surplus of approximately HK\$193,846,000 (2005: HK\$193,846,000) less accumulated losses of approximately HK\$5,869,000 (2005: HK\$12,307,000).

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

股本

本年度本公司股本之變動詳情載於綜合財務報表附註24。

本年度，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

本公司之可供分派儲備

本公司於二零零六年十二月三十一日可供分派予股東之儲備約為187,977,000港元(二零零五：181,539,000港元)，即繳入盈餘約193,846,000港元(二零零五年：193,846,000港元)減累計虧損約5,869,000港元(二零零五年：12,307,000港元)。

根據百慕達一九八一年公司法(經修訂)，本公司之繳入盈餘賬可用作分派用途。然而，倘發生下列情況，本公司不可宣派或派付股息，或於繳入盈餘作出分派：

- (a) 於作出派付後，其未能或可能未能於債項到期時作出償還；或
- (b) 其資產之可變現淨值將因此少於其負債及其已發行股本及股份溢價賬之總值。



DIRECTORS AND SERVICE CONTRACTS

The Directors of the Company up to date of this report are:

Executive Directors:

Ms Yeung Man Ying
Mr Wong Cho Tung
Mr Tsang Hen Loon, Raymond
Mr Zhang Jianping
Mr Wong Hei, Simon
Mr Wong Sun
Ms Tang Rongrong

Independent non-executive Directors:

Mr Heng Kwo Seng
Mr Wang Chengwei
Mr Zhuang Xingfang

In accordance with the provisions of the Company's Bye-laws, Ms Yeung Man Ying, Mr Wong Sun, Mr Wang Chengwei and Mr Zhuang Xingfang will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事及服務合約

截至本報告刊發當日之本公司董事如下：

執行董事：

楊文瑛女士
王祖同先生
曾憲龍先生
張劍平先生
王曦先生
王晨先生
唐融融女士

獨立非執行董事：

邢詒春先生
汪誠蔚先生
庄行方先生

根據本公司公司細則之條文，楊文瑛女士、王晨先生、汪誠蔚先生及庄行方先生將於股東週年大會上退任，惟彼等合資格膺選連任。

概無董事與本公司或其任何附屬公司訂立任何不可於一年內由本集團終止而毋須賠償(法定賠償除外)之服務合約。



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES

As at 31 December 2006, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or of any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) in the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”), were as follows:

(a) Long position in the shares of the Company and the shares of associated corporations (as defined in the SFO) of the Company

董事及主要行政人員於股份之權益及淡倉

於二零零六年十二月三十一日，本公司董事及主要行政人員於本公司股份及債券或任何相關法團（包括在證券及期貨條例第XV部之涵義）之股份或債券中擁有根據證券及期貨條例（「證券及期貨條例」）第352條記錄於本公司須存置之登記冊中，或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）中上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

(a) 持有本公司股份及相關法團股份之好倉（定議見證券及期貨條例）

Name of director 董事姓名	Name of corporation 公司名稱	Nature of interest 權益性質	Total number of ordinary shares 普通股總數	Approximate percentage of interest in the corporation 佔公司權益 概約百分比 (note 3) (附註3)
Mr Wong Cho Tung 王祖同先生	Company 本公司	Corporate interest (note 1) 公司權益(附註1)	1,010,000,000	66.96%
	Company 本公司	Family interest 家族權益	220,000	0.01%
	Info Dynasty Group Limited (“Info Dynasty”)	Personal interest 個人權益	1,000	49.95%
Ms Yeung Man Ying 楊文瑛女士	Company 本公司	Corporate interest (note 2) 公司權益(附註2)	893,675,000	59.25%
	Company 本公司	Personal interest 個人權益	220,000	0.01%
	Info Dynasty	Personal interest 個人權益	1,000	49.95%



Name of director 董事姓名	Name of corporation 公司名稱	Nature of interest 權益性質	Total number of ordinary shares 普通股總數	Approximate percentage of interest in the corporation 佔公司權益 概約百分比 (note 3) (附註3)
Mr Wong Hei, Simon 王曦先生	Info Dynasty	Personal interest 個人權益	1	0.05%
Mr Wong Sun 王晨先生	Info Dynasty	Personal interest 個人權益	1	0.05%
Mr Tsang Hen Loon, Raymond 曾憲龍先生	Company 本公司	Personal interest 個人權益	750,000	0.05%
Mr Zhang Jianping 張劍平先生	Company 本公司	Personal interest 個人權益	750,000	0.05%
Ms Tang Rongrong 唐融融女士	Company 本公司	Personal interest 個人權益	86,000	0.01%

Notes:

- Mr Wong Cho Tung ("Mr Wong") controls more than one-third of the voting power of Info Dynasty. Mr Wong is therefore deemed to be interested in all the 893,675,000 shares held by Info Dynasty in the Company. Both Intellipower Investments Limited ("Intellipower") and Simcom Limited ("Simcom (BVI)") are wholly-owned by Mr Wong and he is therefore deemed to be interested in all the 48,825,000 shares and 67,500,000 shares held by Intellipower and Simcom (BVI) in the Company, respectively.
- Ms Yeung Man Ying, spouse of Mr Wong ("Mrs Wong"), controls more than one-third of the voting power of Info Dynasty. Mrs Wong is therefore deemed to be interested in all the 893,675,000 shares held by Info Dynasty.
- Calculation is based on the issued share capital of 1,508,326,000 shares of the Company as at 31 December 2006.

附註：

- 王祖同先生(「王先生」)控制Info Dynasty三分之一以上之投票權；因此，王先生被視為擁有Info Dynasty所持全部本公司893,675,000股股份之權益。由於Intellipower Investments Limited(「Intellipower」)及Simcom Limited(「Simcom (BVI)」)均由王先生全資擁有，故彼被視為擁有Intellipower及Simcom (BVI)所持全部本公司分別48,825,000股及67,500,000股股份之權益。
- 王先生之配偶楊文瑛女士(「王太太」)控制Info Dynasty三分之一以上之投票權；因此，王太太被視為擁有Info Dynasty所持全部本公司893,675,000股股份之權益。
- 根據本公司於二零零六年十二月三十一日之已發行股本1,508,326,000股股份計算。



(b) Share options

Name of director 董事姓名	Name of corporation 公司名稱	Nature of interest 權益性質	Number of share options 購股權數目	Total number of underlying ordinary shares 相關股份總數	Approximate percentage of interest in the corporation 佔公司權益概約百分比
Mr Tsang Hen Loon, Raymond 曾憲龍先生	Company 本公司	Personal interest 個人權益	2,250,000	2,250,000	0.15%
Mr Zhang Jianping 張劍平先生	Company 本公司	Personal interest 個人權益	2,250,000	2,250,000	0.15%
Ms Tang Rongrong 唐融融女士	Company 本公司	Personal interest 個人權益	564,000	564,000	0.04%

As at 31 December 2006, save as disclosed above, none of the Directors, chief executive or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

Particulars of the Company's share option schemes and details of movements in the share options are set out in note 30 to the consolidated financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed in note 30 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries, its holding company, or any subsidiaries of its holding Company, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

(b) 購股權

於二零零六年十二月三十一日，除上文所披露者外，根據證券及期貨條例第352條存置之登記冊記錄，並無董事、主要行政人員或彼等之聯繫人士於本公司或其任何相聯法團之股份、相關股份或債券中，擁有任何權益或淡倉，或擁有根據標準守則須知會本公司及聯交所之權益或淡倉。

購股權

本公司購股權計劃之詳情及購股權之變動詳情載於綜合財務報表附註30。

購買股份或債券之安排

除綜合財務報表附註30所披露之購股權權益外，本公司、或其任何附屬公司、其控股公司或其控股公司之同系附屬公司概無於本年度任何時間訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。



DIRECTORS INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

MANAGEMENT CONTRACTS

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

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2006, the interests of persons (other than a director as chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO is as follows:

Name of shareholder	Nature of interest 權益性質	Total	Approximate
		number of ordinary shares 普通股總數	percentage of issued share capital of the Company 佔本公司已發行 股本概約百分比 (Note) (附註)
Info Dynasty	Beneficial interest 實益權益	893,675,000	59.25%

Note:

Calculation is based on the issued share capital of 1,508,326,000 shares of the Company as at 31 December 2006.

董事於重要合約之權益

本公司、或其任何附屬公司、其控股公司或其控股公司之同系附屬公司概無訂立於本年度年結日或本年度任何時間有效而本公司之董事於其中直接或間接擁有重大權益之重要合約。

管理層合約

於本年度，概無任何有關本公司及本集團之業務全部或主要部分與管理層或行政人員訂立合約或該等合約存在。

主要股東

於二零零六年十二月三十一日，權益擁有者（董事及首席行政官除外）在根據證券及期貨條例第336條本公司須存置之主要股東名冊內顯示如下：

附註：

根據本公司於二零零六年十二月三十一日之已發行股本1,508,326,000股股份計算。



APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the human resources department and seeks to provide remuneration packages on the basis of the merit, qualifications and competence of the employees.

The emoluments of the Directors and senior management of the Company will be reviewed by the Remuneration Committee, having regard to factors including the Group's operating results, responsibilities of the Directors and senior management and comparable market statistics.

The Company has adopted share option schemes as an incentive to directors and eligible employees, details of the schemes are set out in note 30 to the consolidated financial statements.

委任獨立非執行董事

本公司已收到每位獨立非執行董事根據上市規則第3.13條規定就其獨立性發出之年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

薪酬政策

本集團之僱員薪酬政策由人力資源部釐定並根據僱員之功績、資格及能力而提供薪酬待遇。

本公司董事及高級管理層之酬金將由薪酬委員會審閱本集團經營業績、董事及高級管理層所承擔之責任及可資比較之市場統計數據而定。

本公司已採納購股權計劃以激勵董事及合資格僱員，該計劃之詳情載於綜合財務報表附註30。



RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes of the Group are set out in note 29 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this report, based on information that is publicly available and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained sufficient public float as required under the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2006, sales attributable to the Group's five largest customers were less than 30% of total revenue.

For the year ended 31 December 2006, the five largest suppliers of the Group accounted for approximately 44% of the Group's total purchases and purchases attributable to the Group's largest supplier accounted for approximately 12% of the Group's total purchases.

At no time during the year did any Director, any associate of a Director or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in any of the Group's five largest customers or suppliers.

退休福利計劃

本集團退休福利計劃之詳情載於綜合財務報表附註29。

優先購買權

本公司之公司細則或百慕達法例均無載列有關優先購買權之條文，規定本公司須向現有股東按比例配發新股份。

足夠公眾持股量

於發佈本報告前之最後實際可行日期，根據公開途徑所得的資料及就董事會所知，董事會確認本公司一直維持上市規則所規定的足夠公眾持股量。

主要客戶及供應商

截至二零零六年十二月三十一日止年度，銷售給本集團五大客戶應佔本集團總收入少於30%。

截至二零零六年十二月三十一日止年度，本集團五大供應商佔本集團總採購額約44%，而本集團最大供應商的採購額則佔本集團總採購額約12%。

本公司任何董事、任何聯繫人士或就董事所知擁有本公司股本5%以上之任何股東，概無於本年度內任何時間，在本集團五大客戶或供應商中擁有任何權益。



COMPLIANCE WITH CODE OF BEST PRACTICES

The Company and its Directors confirm, to their best knowledge, that the Company has complied with the applicable code provisions of the Code of Corporate Governance Practices ("Corporate Governance Code") contained in Appendix 14 to the Listing Rules.

The Company has adopted the Model Code as its code for dealing in securities of the Company by the Directors. After specific enquiry by the Company, all the Directors of the Company have confirmed that they had complied with the required standard set out in the Model Code for the financial year ended 31 December 2006.

AUDITORS

The consolidated financial statements for the year ended 31 December 2006 have been audited by Deloitte Touche Tohmatsu who are due to retire and, being eligible, shall offer themselves for re-appointment at the annual general meeting to be held on 27 April 2007.

On behalf of the Board

Yeung Man Ying

CHAIRMAN

Hong Kong

14 March 2007

遵守最佳守則之規定

本公司及其董事確認，就彼等所知，本公司已遵守上市規則附錄14所載之企業管治常規守則（「企業管治常規守則」）之適用守則條文。

本公司已採納標準守則作為本公司董事進行買賣證券之守則。在由本公司作出具體查詢後，本公司之所有董事確認，彼等已於截至二零零六年十二月三十一日止財政年度遵守標準守則之規定標準。

核數師

截至二零零六年十二月三十一日止年度之綜合財務報表已經德勤•關黃陳方會計師行審核，彼因任期屆滿應於二零零七年四月二十七日舉行的股東週年大會上退任，但合資格膺選連任。

代表董事會

楊文瑛

主席

香港

二零零七年三月十四日



The Company's goal is to continue to increase its transparency to shareholders and the public and to strive to maintain a high standard of corporate governance. The principles of corporate governance adopted by the Group emphasise a Board with high quality, sound internal control, transparency, accountability and independence.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practice contained in Appendix 14 to the Listing Rules (the "Corporate Governance Code") for the year ended 31 December 2006.

THE BOARD

Board Functions

The Board is responsible for the promotion of the success of the Company by directing and guiding its affairs in an accountable and effective manner. Board members have a duty to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The types of decisions which are to be taken by the Board include:

1. Setting the Company's mission and values;
2. Formulating strategic directions of the Company;
3. Reviewing and guiding corporate strategy; setting performance objectives and monitoring implementation and corporate performance;
4. Monitoring and managing potential conflicts of interest of management and board members; and
5. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law.

本公司目標為持續提高其對股東及公眾之透明度及努力保持高標準之企業管治。本集團所採納之企業管治原則著重於高質素之董事會、健全之內部控制、具透明度、問責及具獨立性。

企業管治常規守則

上市規則附錄14所載之企業管治常規守則(「企業管治常規守則」)適用於本公司。截至二零零六年十二月三十一日止年度本公司已遵守上市規則附錄14所包含之企業管治常規守則(「企業管治守則」)中適用之守則條文。

董事會

董事會之職能

董事會有責任透過對本公司各事務作出可靠及有效之指導及指引，推動本公司之成功。董事會成員有責任以真誠、盡責、審慎及符合本公司及其股東之最佳利益之方式行事。

須由董事會作出之決定包括：

1. 制定本公司之使命及價值；
2. 規劃本公司之策略方向；
3. 審閱及指引企業策略；設定業績目標及監督實行情況與企業表現；
4. 監督及管理管理層與董事會成員之間潛在利益衝突；及
5. 確保企業會計及財務報告制度(包括獨立審核)之完善以及落實適當之控制體系，特別是監控風險、財務控制及合規方面。



BOARD COMPOSITION AND PRACTICES

As at 31 December 2006, the Board is comprised of seven executive Directors and three independent non-executive Directors. Biographical details of the Directors and the relationships among them are set out in the “Directors and Senior Management Profile” section on pages 24 to 31 of this annual report.

The roles of the chairman (Ms Yeung Man Ying) are separated from those of the chief executive officer (Mr Tsang Hen Loon, Raymond) in order to reinforce their respective independence, accountability and responsibility.

The chairman is responsible for developing strategic direction and development of the Group and the chief executive officer, working with and supported by the executive Directors, is responsible for managing the Group’s business affairs, including the implementation of strategies adopted by the Board and attending to the formulation and successful implementation of Group’s policies and assuming full accountability to the Board for all Group’s operations.

The independent non-executive Directors contribute to the Company with diversified industry expertise, advise the management on strategy development and ensure that the Board maintains high standards of financial and other mandatory reporting as well as provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole.

Each of independent non-executive Directors has given a written confirmation to the Company confirming that he has met the criteria set out in Rule 3.13 of the Listing Rules regarding the guidelines for the assessment of independence of directors.

The Board delegates specific tasks to the Group’s management including the implementation of strategies and decisions approved by the Board and the preparation of accounts for approval by the Board before public reporting.

董事會之組成及運作

於二零零六年十二月三十一日，董事會由七名執行董事及三名獨立非執行董事組成。董事之個人資料詳情及彼此之相互關係載於本年度報告第24頁至第31頁之「董事及高級管理人員」一節。

主席(楊文瑛女士)及行政總裁(曾憲龍先生)之角色分立，以強化各自之獨立性、問責性及職責。

主席負責為本集團發展策略性方向和本集團之發展。行政總裁在執行董事支持下與執行董事共同負責管理本集團之業務事宜，包括實行董事會採納之策略、參與規劃及成功實施集團政策以及就集團之所有營運向董事會負全責。

獨立非執行董事就策略發展向本公司提供各行業之專業建議及向管理層提供建議，確保董事會保持高標準之財務及其他強制性報告，以及為保障股東及本公司之整體利益提供足夠之控制及制衡。

本公司已收到每位獨立非執行董事就其與本公司之獨立性發出之書面確認，確認彼已符合上市規則第3.13條規定所載之標準，內容關於董事之獨立性之評估指引。

董事會授權本集團管理層之特別任務包括執行董事會批准之策略及決策，以及編製賬目，以於公佈前待董事會批准。



The Company has arranged for appropriate liability insurance to indemnify its directors for their liabilities arising out of corporate affairs. The insurance coverage is reviewed annually.

Regular Board meetings are scheduled in advance to give all Directors an opportunity to attend. Directors may attend meetings in person or through other means of electronic communication in accordance with the Company's Bye-Laws. All Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations. Directors shall have full access to information on the Group and are able to obtain independent professional advice whenever deemed necessary by the Directors. No request was made by any Director for such independent professional advice in 2006. The Company Secretary shall prepare minutes and keep records of matters discussed and decisions resolved at all Board meetings, which will be available for inspection by Directors upon request.

The Board held four meetings in 2006 with attendance rate of 100% by all the Directors of the Company.

本公司已安排適當之責任保險，以就董事因各種企業事宜產生之責任提供彌償保證。該等保險每年進行檢討。

董事會之定期會議事先安排召開時間，以使所有董事均有機會出席。根據本公司章程細則，董事可親身或透過其他電子通訊方法出席會議。所有董事均及時獲知會可影響本集團業務之重大變動，包括相關規則及規例之變動。董事應可獲得有關本集團之資料，並可在其視為必要時獲得獨立專業建議。於二零零六年，概無任何董事提出尋求該等獨立專業建議之要求。公司秘書須負責為所有董事會會議編撰會議記錄，並保存會上討論之事項及作出之決定之記錄，該些紀錄將可供董事隨時檢查。

董事會於二零零六年舉行了四次會議，所有董事之出席率為100%。



NOMINATION OF DIRECTORS

The Company does not have a nomination committee. The Board is responsible for nominating appropriate person, either to fill casual vacancy or as an addition to the existing Directors for election by shareholders at the general meeting. The Company's existing Directors were appointed prior to the listing of the Company in 2005 and four of the directors had retired in accordance with the Bye-laws of the Company and were re-appointed by the shareholders of the Company at the annual general meeting held on 21 April 2006 and since the Listing, the Board did not have any meeting to nominate any new Director for appointment.

As and when circumstances required, the Board will meet to discuss nomination of new directors. In considering the suitability of a candidate for directorship, the Board will consider criteria such as the candidate's qualifications, experience, expertise and knowledge as well as the requirements under the Listing Rules.

To reflect the Corporate Governance Code, a special resolution has been passed at the last Annual General Meeting to amend Bye-law 86(2) of the Bye-Laws of the Company such that any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting.

The re-election procedure set out in the Bye-laws of the Company provides that one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years at each annual general meeting. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will be those who have been longest in office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those retire will (unless they otherwise agree among themselves) be determined by lot.

董事之提名

本公司不設提名委員會。董事會負責提名合適人選填補空缺或作為現有董事以外之新增委任，以供股東於股東大會上選舉。所有本公司之現有董事於二零零五年上市前已獲委任，而四位董事根據本公司細則已退任並被本公司之股東於二零零六年四月二十一日之股東週年大會上膺選連任，自上市以來，董事會並無舉行任何會議提名委任任何新董事。

於情況有需要時，董事會將舉行會議，以討論提名新任董事之事宜。於考慮董事候選人之合適程度時，董事會將考慮候選人之履歷、經驗、專業知識及知識等準則，以及根據上市規則之規定作出委任。

為反映企業管治常規守則，上次股東周年大會上提呈一項特別決議案，以通過本公司之公司細則第86(2)條，以使董事會所委任之任何董事之任期只直至本公司下屆股東大會（如為填補臨時空缺）或直至本公司下屆股東周年大會（如為董事會新增董事），並符合資格在有關大會上膺選連任。

載於本公司公司細則內之重選之程序訂明，於每屆股東周年大會上，當時三分之一之董事（或如其數目並非三之倍數，則以最接近但不少於三分之一之數目為準）須輪席告退，惟每名董事須最少每三年告退一次。退任董事符合資格膺選連任，並於其告退之大會期間繼續擔任董事。輪席告退之董事將為自上次重選或獲委任以來在任最久之董事，惟於同一日獲委任或重選為董事之人士而言，將以抽籤方式（除非彼等互相協定）決定應予告退之人士。



DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements, the Directors have selected appropriate accounting policies, applied them consistently, made judgments and estimation that are prudent, fair and reasonable, ensured all applicable accounting standards are followed and prepared the financial statements on a going concern basis. The Directors are also responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable the preparation of financial statements in accordance with the Hong Kong Companies Ordinance and the applicable accounting standards.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Having made specific enquiry of all Directors of the Company, that all Directors of the Company have confirmed that they have complied with the required standard set out in the Model Code for the period covered by the annual report.

REMUNERATION COMMITTEE

The written terms of reference of the Remuneration Committee is in compliance with the Corporate Governance Code. The Remuneration Committee is responsible for assisting the Board in achieving its goals of providing packages needed to attract, retain and motivate executive Directors of the quality required to run the Company successfully.

The primary duties of the Remuneration Committee include (without limitation): (i) making recommendations to the Directors on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of each executive Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives

董事於財務報表之責任

董事負責編製每一財務期間之財務報表。財務報表應真實公平地反映本集團狀況及期間之業績和現金流。編製財務報表時，董事選用適當之會計原則並貫徹執行，作出審慎、公平及合理之判斷及估計，採用所有適用之會計準則並採取持續經營基準編製財務報表。董事亦須負責確保本集團保存會計記錄，該等記錄須於任何時間合理準確地披露本集團之財務狀況，並可據此按香港公司條例及適用之會計準則編製財務報表。

董事進行證券交易之標準守則

本公司已採納標準守則。經向本公司所有董事具體詢問，本公司所有董事確認於年報所涵蓋之期間內均已遵守標準守則所規定之標準。

薪酬委員會

薪酬委員會根據企業管治常規守則書面列明其職權範圍。薪酬委員會之責任是協助董事會制定可達到吸引、挽留及激勵具備成功運作本公司所需質素之執行董事所需之薪酬福利組合之目標。

薪酬委員會之主要職責包括(但不限於)：(i)就本公司董事及高級管理層之所有薪酬政策及結構向董事提供建議，以及制定正式及具透明度之程序以制定有關該等薪酬之政策；(ii)確定每位執行董事及高級管理層人員具體薪酬福利之條款；(iii)參考董事不時決定之企業目標及宗旨，審閱及批准表現為本之薪酬；及(iv)考慮及批准根據本公司採納之購股權計劃向合資格



resolved by the Directors from time to time; and (iv) considering and approving the grant of share options to eligible participants pursuant to the share option schemes adopted or to be adopted by the Company. Terms of reference of the Remuneration Committee which have been adopted by the Board and are available on the Company's website.

The Remuneration Committee had one meeting in 2006 which was attended by all members of the Remuneration Committee (being Mr Wang Changwei, Mr Zhuang Xingfang and Mr Wong Cho Tung) and the Remuneration Committee consulted by the Chairman and chief executive officer of the Company to review the remuneration packages of Directors and senior management of the Group.

No Directors took part in any discussion about his or her own remuneration.

The Remuneration Committee consists of three members, two of whom are independent non-executive Directors, being Mr Wang Chengwei and Mr Zhuang Xingfang and one executive Director, being Wong Cho Tung. They have substantial experience in human resources management. The Remuneration Committee is chaired by Mr Zhuang Xingfang, an independent non-executive Director.

Executive Directors, assisted by the Group's Human Resources department, are responsible for reviewing all relevant remuneration information and obtaining market conditions in addition to considering the performance of individuals and the profitability of the Group, and propose to the Remuneration Committee for consideration and approval, remuneration packages for Directors and senior management. Executive Directors, however, do not participate in the determination of their own remuneration.

The primary objective of the remuneration policy on executive remuneration package is to enable the Company to retain and motivate executives in promoting the success of the Group. The remuneration package comprises basic salary, and may include discretionary bonus and/or share options.

參與者授出購股權。董事會已採納薪酬委員會之職權範圍可在本公司網站查閱。

薪酬委員會於二零零六年舉行了一次會，所有薪酬委員會會員出席是次會議(汪誠蔚先生、庄行方先生和王祖同先生)，並諮詢本公司之主席和行政總裁，審閱董事及高層管理人員的薪酬。

所有董事均沒有參與有關其本身薪酬的討論。

薪酬委員會由三名成員組成，包括兩名獨立非執行董事汪誠蔚先生及庄行方先生以及一名執行董事王祖同先生。彼等於人力資源管理有豐富經驗。薪酬委員會由獨立非執行董事庄行方先生擔任主席。

執行董事在本集團人事部門協助下負責於考慮個人表現及本集團盈利能力以外，審閱所有相關薪酬資料及獲取市場訊息，並將董事及高級管理層之薪酬提呈薪酬委員會考慮及批准。然而，執行董事並不參與其本身薪酬之釐定。

行政人員薪酬政策之主要目標是挽留及激勵行政人員，以推動集團之成功。薪酬包括基本薪金、酌情花紅及／或購股權。



On 31 May 2005, the Company entered into a service agreement with each executive Director (Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Tsang Hen Loon, Raymond, Mr Wong Hei, Simon, Mr Wong Sun, Mr Zhang Jianping and Ms Tang Rongrong). The appointments are each for a maximum period of three years which may be terminated by either party by serving on the other party prior written notice of at least three months, provided that such notice shall not expire earlier than the end of the first year after the first day on which dealings in the Company's shares commence on the Stock Exchange (30 June 2005).

Each of the executive Directors is entitled to a basic salary which is subject to review by the Remuneration Committee after such executive Directors has completed 12 months of services.

Subject to the recommendation of the Remuneration Committee, the Company may, at its sole discretion, grant options to subscribe for the Company's shares to the executive Directors in accordance with the share option schemes adopted by the Company.

Each of the executive Directors (except Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Wong Sun) is entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of the Group and the Director. Mr Tsang Hen Loon, Raymond is further entitled to an annual fixed sum bonus equal to one month of the average monthly salary to be paid on a pro-rata basis for each completed year of services.

Each of Mr Heng Kwo Seng, Mr Wang Chengwei and Mr Zhuang Xingfang entered into a letter of appointment on 31 May 2005 with the Company to serve as an independent non-executive Director for an initial term of one year commencing on 25 January 2005 renewable for further successive periods of one year, subject to a maximum period of three years and subject to the right of the independent non-executive Director or the Company to terminate the appointment of the independent non-executive Director at any time by giving at least one month's notice in writing.

於二零零五年五月三十一日，本公司與每名執行董事（楊文瑛女士、王祖同先生、曾憲龍先生、王曦先生、王晨先生、張劍平先生及唐融融女士）各自訂立服務協議。所有該等委任各自之任期均不超過三年，可由訂約之任何一方向另一方提出最低限度三個月通知期終止協議，惟該通知期不得早於本公司之股份於聯交所開始買賣首日（二零零五年六月三十日）後之首週年前屆滿。

每名執行董事均可獲得基本薪金，惟須於該等執行董事服務十二個月後經薪酬委員進行檢討。

根據薪酬委員會之建議，本公司可酌情根據本公司採納之購股權計劃授予每名執行董事購股權，以認購本公司股份。

經參考本集團及董事之表現，薪酬委員會決定，每名執行董事（楊文瑛女士、王祖同先生及王晨先生除外）均可獲得酌情花紅。曾憲龍先生可進一步獲得固定金額之年度花紅，按相當於每一完整任職年度一個月平均月薪之比例基準支付。

邢詒春先生、汪誠蔚先生及庄行方先生均於二零零五年五月三十一日就擔任獨立非執行董事與本公司訂立委任書，初步任期為自二零零五年一月二十五日起一年，並可予以續約一年，惟任期最長不可超過三年，且獨立非執行董事或本公司均可於任何時間透過發出不少於一個月之通知，終止獨立非執行董事之委任。



AUDIT COMMITTEE

The written terms of reference of Audit Committee are in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Corporate Governance Code. The primary duties of the Audit Committee are to assist the Board to provide an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group and oversee the audit process and other duties and responsibilities as assigned by the Board.

The Audit Committee met twice in 2006 with 100% attendance rate by all members of the Audit Committee (being Mr Heng Kwoo Seng, Mr Wang Cheng Wei and Mr Zhuang Xingfeng) to review with senior management and the Company's external auditors the internal and external audit findings, the accounting principles and practices adopted by the Group, and Listing Rules and statutory compliance, and discussed auditing, internal controls, risk management and financial reporting matters (including the interim and annual financial statements for 2006 before recommending them to the Board for approval).

The Audit Committee consists of three independent non-executive Directors, namely, Mr Heng Kwoo Seng, Mr Wang Chengwei and Mr Zhuang Xingfang. The Audit Committee is chaired by Mr Heng Kwoo Seng who has professional qualifications in accountancy.

The Group's annual report for the year ended 31 December 2006 has been reviewed by the Audit Committee.

EXTERNAL AUDITORS

The Audit Committee has reviewed a service plan from Deloitte Touche Tohmatsu regarding their independence and objectivity and had a meeting with Deloitte Touche Tohmatsu, the external auditors of the Company, to discuss the scope of their audit and approve the scope.

The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditors.

審核委員會

審核委員會根據上市規則第3.21條及企業管治常規守則第C3段書面列明其職權範圍。審核委員會之主要職責是協助董事會就本集團財務報告程序、內部控制及風險管理體系之有效性提供獨立評價，監督審核程序以及董事會委派之其他職責及責任。

審核委員會所有成員(邢詒春先生、汪誠蔚先生及庄行方先生)於二零零六年舉行了兩次會議，出席率為100%，與高級管理層及本公司之外部核數師共同審閱內部及外部審核結果、本集團採納之會計原則及慣例，以及上市規則及法規之遵守情況，並就有關審核、內部控制、風險管理及財務報告事宜(包括在將二零零六年之中期及年度財務報表提交董事會批准之前對其進行審閱)進行討論。

審核委員會由三名獨立非執行董事邢詒春先生、汪誠蔚先生及庄行方先生組成。審核委員會由邢詒春先生擔任主席，其具有會計專業資格。

本集團於截至二零零六年十二月三十一日止年度之年報已經審核委員會審閱。

外部核數師

審核委員會已審閱德勤•關黃陳方會計師行確認其獨立性及客觀性之服務計劃，並與本公司之外部核數師德勤•關黃陳方會計師行舉行會議，討論及批准其審核範圍。

審核委員會亦就委聘及挽留外部核數師向董事會提供建議。



For the year ended 31 December 2006, the Company paid Deloitte Touche Tohmatsu, the external auditors of the Company, HK\$1.7 million and HK\$0.2 million as audit fees and non-audit related fees respectively.

The auditors' reporting responsibility is set out on pages 54 to 55 of this annual report.

INTERNAL CONTROL

Internal control systems have been designed to allow the Directors to monitor the Group's overall financial position, safeguard its assets, provide reasonable assurance against fraud and errors, and to manage the risks in failing to achieve the Group's objectives.

The Group has a defined scope of authority governing activities of the Directors and senior management. Directors monitor the business activities closely and review monthly financial results operations. The Group from time to time updates and improves the internal controls, and has recently issued an updated Authority Limits Guide to all appropriate personnel.

The Directors acknowledges that it is their responsibility to maintain effective risk management and internal control system and to review them at regular intervals. The Directors manages risks by strategic planning, appointment of appropriately qualified and experienced personnel at senior management positions, monitoring the Group's performance regularly, maintaining effective control over capital expenditure and investments, and setting a high standard of code of conduct for employees to follow.

截至二零零六年十二月三十一日止年度，本公司向外部核數師德勤•關黃陳方會計師行支付審計費及非審計相關之費用分別1,700,000港元及200,000港元。

核數師之申報職責載於本年報第54至55頁。

內部控制

內部控制制度是專為讓董事可監控本集團之整體財務狀況、維護其資產、就欺詐及失誤提供合理之擔保，以及管理不能達到本集團目標之風險而設。

本集團就董事及高級管理層之活動有明確界定之授權範圍。董事密切監控業務活動，並每月檢討財務業績營運。本集團不時更新及改善內部監控，並於最近向有關人員發佈了經更新之授權權限指引。

董事明白維持有效之風險管理及內部控制制度並定期進行檢討是董事會之責任。董事透過策略規劃、委任具有合適資格、有經驗之人員擔任高級管理職位、定期監控本集團之表現、對資本開支與投資保持有效控制及設立供僱員遵循之高標準行為守則，進行風險管理。



INTERNAL AUDIT

During 2006, the Group established a Internal Audit Department which conducts audits of the Group. Internal audits are designed to provide the Board with reasonable assurance that the internal control systems of the Group are effective and the risks associated with the achievement of business objectives are being managed properly. The department also conducts other projects and investigation work as required.

The Directors were satisfied that an effective control system had been in operation having reviewed the material controls and all other major components of the internal control system of the Group for the year ended 31 December 2006.

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATIONS

The Group promotes investor relations and communications by setting up meetings with the investment community. The Group also responds to requests for information and queries from the investment community by the investor relations personnel.

The Board is committed to provide clear and full information of the Group to shareholders through sending the shareholders the Company's interim and annual reports, dispatching circulars, notices, financial reports to shareholders as and when appropriate and provide additional information to shareholders in the "Investor Relations" section of the Company's website.

The Company's annual general meeting provides a good opportunity for communications between the Board and its shareholders. Shareholders are encouraged to attend the annual general meeting. Notice of the Annual General Meeting and related papers are sent to shareholders at least 21 days before the meeting and the said notice is also published in at least one English newspaper and one Chinese newspaper in Hong Kong, and will also be available on the Stock Exchange and the Company's websites. The Chairman and Directors will answer questions on the Group's business at the meeting. External auditors will also attend the annual general meeting.

內部審核

於二零零六年，本集團成立內部審核部份對本集團進行審核工作。內部審核的目的是向董事會作出合理的保證，保證本集團的內部監控制度有效以令達成業務目標的有關風險得到適當的管理。如有需要，本部門也進行其他計劃和調查工作。

董事經檢討本集團之重要控制措施及內部監控制度所有其他主要元素後，已信納截至二零零六年十二月三十一日止年度已運作有效之控制制度。

與投資者之關係及與股東之溝通

本集團透過與投資界召開會議，促進與投資者之關係及溝通。本集團亦透過投資者關係人員對投資界別人士索取資料及詢問作出回應。

董事會向股東提供本集團清晰而全面之資料乃透過適時向本公司股東寄發中期報告及年報，通函、通告及財務報告，本公司亦於本公司網站「投資者關係」一欄向股東提供本公司之其他資料。

本公司之股東週年大會為促進董事會與股東之溝通提供良機。本公司鼓勵股東出席股東週年大會。股東週年大會通告及有關文件於大會舉行至少二十一個曆日前向股東寄發，且通告將最低限度在香港一份英文報章及一份中文報章上刊登，亦可通過本公司之網站查閱。主席及董事將於大會上就本集團之業務回答提問。外部核數師亦將出席股東週年大會。



Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

Pursuant to Bye-law 66 of the Bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (v) if required by the rules of the Stock Exchange by any Director or Director who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

於交付要求日期持有不少於獲賦予於本公司股東大會上投票權之本公司繳足股本十分之一之股東，任何時候均有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理該要求所列明之任何事務，而該大會須於交付該要求後兩個月內舉行。

根據公司細則第66條，除非在宣佈以舉手方式表決之結果時或之前或於撤銷任何其他以投票方式表決之要求時，下列人士要求進行投票表決，否則於任何股東大會上，任何提呈大會表決之決議案均須以舉手方式表決。

- (i) 大會主席；或
- (ii) 最少三名親自出席並於當時有權於會上投票之股東（或若股東為公司，則其正式法定代表）或受委代表；或
- (iii) 任何親自出席之一位或多位股東（或若股東為公司，則其正式法定代表）或受委代表，彼等須代表全體有權於會上投票之股東不少於十分之一之總投票權；或
- (iv) 親自出席或委任代表出席並持有獲賦予於會上投票權利之本公司股份，而該等股份之實繳股款總額不少於全部賦予該項權利之股份實繳股款總額十分之一之股東（或若股東為公司，則其正式法定代表）；或
- (v) 倘證券交易所之規則規定，任何單獨或共同持有佔有關會議上總投票權百分之五(5%)或以上之委任代表人的一名或多名董事要求以投票方式表決。



The poll will be conducted by the Group's registrars and the results of the poll will be published on the Group's website. Financial and other information is made available on the Group's website and update regularly.

Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the Company Secretary at the Company's registered address or by e-mail to the Company's website.

投票由本集團之股份過戶處主持，其結果於本集團網站公佈。財務及其他資料可於本集團網站查閱，並定期更新。

股東之具體問題及意見可以書面方式寄往本公司之註冊地址寄予董事會或公司秘書，或經電子郵件寄至本公司之網站。



Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF SIM TECHNOLOGY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of SIM Technology Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out pages 56 to 118 which comprise the consolidated balance sheet as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act (as amended), 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

致晨訊科技集團有限公司全體股東

(於百慕達註冊成立之有限公司)

本核數師行已審核載於第56至118頁之晨訊科技集團有限公司(「貴公司」)及其附屬公司(「貴集團」)於二零零六年十二月三十一日之年度之綜合財務報表，其包括於二零零六年十二月三十一日之綜合資產負債表與截至該日止年度之綜合收益表，綜合權益變動表和綜合現金流量表及重大會計政策概要和其他附註解釋。

管理層對綜合財務報表之責任

管理層須負責根據國際財務報告準則及香港公司條例之披露規定編製及公平地呈列此等綜合財務報表。該等責任包括：設計、執行及公平地呈列綜合財務報表所需的內部監控，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；選擇及應用合適的會計政策；以及作出對有關情況而言屬合理的會計估計。

核數師的責任

本核數師行的責任是根據吾等的審核，對該等綜合財務報表作出意見，並按照百慕達公司法(經修訂)第90條僅向整體股東報告，除此之外本報告別無其他用途。本核數師行不會就本報告的內容向任何其他人士負責或承擔責任。本核數師行已根據國際核數準則進行審核。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。



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 and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2006, and of the Group's financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

14 March 2007

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

本核數師行相信，本行所獲得的審核憑證是充足和適當地為本行的審核意見提供基礎。

意見

本核數師行認為，上述之綜合財務報表足以真實與公平地反映 貴集團於二零零六年十二月三十一日之財務狀況，及 貴集團截至該日止年度之財務表現及現金流量，並已按照國際財務報告準則及香港公司條例之披露規定而妥為編製。

德勤•關黃陳方會計師行
執業會計師
香港

二零零七年三月十四日



Consolidated Income Statement

綜合收益表

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue	收入	6	3,418,864	2,719,585
Cost of sales	銷售成本		(2,914,878)	(2,276,848)
Gross profit	毛利		503,986	442,737
Other income	其他收入	8	91,044	67,219
Research and development expenses	研究及開發費用		(76,032)	(79,584)
Selling and distribution costs	銷售及分銷成本		(50,019)	(42,569)
Administrative expenses	行政開支		(77,098)	(74,802)
Finance costs	融資成本	9	(313)	(4,516)
Profit before taxation	除稅前溢利		391,568	308,485
Taxation	稅項	11	(18,695)	(13,424)
Profit for the year	本年度溢利	12	372,873	295,061
Attributable to:	以下人士應佔：			
Equity holders of the parent	母公司股東		372,873	290,662
Minority interests	少數股東權益		-	4,399
			372,873	295,061
Dividends	股息	13	312,989	181,435
Earnings per share (HK cents)	每股盈利(港仙)			
Basic	基本	14	24.8	22.1
Diluted	攤薄		24.2	N/A

Consolidated Balance Sheet

綜合資產負債表



At 31 December 2006
於二零零六年十二月三十一日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	157,231	105,429
Land use right	土地使用權	16	10,484	10,334
Intangible assets	無形資產	17	113,356	46,958
Deferred tax assets	遞延稅項資產	18	3,031	2,586
Deposit paid for purchase of land use right	就購買土地使用權 支付之按金		7,465	–
			291,567	165,307
Current assets	流動資產			
Inventories	存貨	19	462,736	402,409
Trade receivables	應收貿易賬款	20	110,307	127,151
Notes and bills receivable	應收票據及賬單	20	18,787	102,033
Other receivables, deposits and prepayments	其他應收賬款、按金 及預付款項	20	127,820	85,137
Bank balances and cash	銀行結餘及現金	21	822,696	579,880
			1,542,346	1,296,610
Current liabilities	流動負債			
Trade payables	應付貿易賬款	22	576,449	332,389
Other payables, deposits received and accruals	其他應付賬款、已收 按金及應計款項	22	119,349	91,921
Tax payable	應付稅項		10,284	4,812
Bank borrowings	銀行借貸	23	–	9,615
			706,082	438,737
Net current assets	流動資產淨值		836,264	857,873
			1,127,831	1,023,180
Capital and reserves	資本及儲備			
Share capital	股本	24	150,833	150,000
Reserves	儲備		969,314	869,872
Total equity	權益總額		1,120,147	1,019,872
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	18	7,684	3,308
			1,127,831	1,023,180

The consolidated financial statements on pages 56 to 118 were approved by the Board of Directors on 14 March 2007 and are signed on its behalf by:

載於第56至118頁之綜合財務報表已於二零零七年三月十四日獲董事會批准，並由以下董事代表簽署：

Wong Cho Tung
王祖同
DIRECTOR
董事

Tsang Hen Loon, Raymond
曾憲龍
DIRECTOR
董事



Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

		Share capital		Statutory surplus		Share option reserve		Translation reserve	Accumulated profits	Total equity attributable to equity holders of the parent	Minority interests	Total equity
		股本	股份溢價	法定盈餘儲備	其他儲備	購股權儲備	匯兌儲備	累計溢利	股東應佔權益總額	股東權益	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note b)	(note c)							
				(附註b)	(附註c)							
At 1 January 2005 (note a)	於二零零五年 一月一日(附註a)	15	-	20,964	-	-	-	175,067	196,046	47,895	243,941	
Exchange difference arising on translation of foreign operations recognised directly in equity	直接於權益中確認之 兌換海外業務產生 之匯兌差額	-	-	-	-	-	6,693	-	6,693	-	6,693	
Profit for the year	本年度溢利	-	-	-	-	-	-	290,662	290,662	4,399	295,061	
Total recognised income and expenses for the year	本年度已確認收入及 開支總額	-	-	-	-	-	6,693	290,662	297,355	4,399	301,754	
Arising from acquisition of subsidiaries (note 25)	收購附屬公司時產生 (附註25)	2	-	-	46,624	-	-	-	46,626	(52,294)	(5,668)	
Capitalisation of loans from shareholders on the Reorganisation	於重組時股東貸款 作資本化	78	-	-	50,622	-	-	-	50,700	-	50,700	
Other reserve arising on the Reorganisation	重組時產生之 其他儲備	(95)	-	-	95	-	-	-	-	-	-	
Issue of shares on the Reorganisation	重組時發行股份	150	-	-	(150)	-	-	-	-	-	-	
Credited as fully paid from other reserve	來自其他儲備 入賬列作繳足	100	-	-	(100)	-	-	-	-	-	-	
Placing and public offer of shares at premium	按溢價配售及公開 發售股份	37,500	600,000	-	-	-	-	-	637,500	-	637,500	
Issue of shares by capitalisation of share premium account	透過資本化股份溢價賬 發行股份	112,250	(112,250)	-	-	-	-	-	-	-	-	
Transaction costs attributable to issue of new shares	發行新股份應佔之 交易成本	-	(33,590)	-	-	-	-	-	(33,590)	-	(33,590)	
Transfer	轉撥	-	-	2,017	-	-	-	(2,017)	-	-	-	
Recognition of equity settled share based payments	確認為股份支付之支出	-	-	-	-	6,670	-	-	6,670	-	6,670	
Dividends paid prior to the Reorganisation	於重組前支付股息	-	-	-	-	-	-	(181,435)	(181,435)	-	(181,435)	
At 31 December 2005	於二零零五年 十二月三十一日	150,000	454,160	22,981	97,091	6,670	6,693	282,277	1,019,872	-	1,019,872	


 For the year ended 31 December 2006
 截至二零零六年十二月三十一日止年度

		Total equity attributable to equity holders of									
		Share capital	Share premium	Statutory reserve	Other reserve	Share option reserve	Translation reserve	Accumulated profits	the parent	Minority interests	Total equity
		股本	股份溢價	法定盈餘儲備	其他儲備	購股權儲備	匯兌儲備	累計溢利	股東應佔權益總額	股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Exchange difference arising on translation of foreign operations recognised directly in equity	直接於權益中確認之兌換海外業務產生之匯兌差額	-	-	-	-	-	22,728	-	22,728	-	22,728
Profit for the year	本年度溢利	-	-	-	-	-	-	372,873	372,873	-	372,873
Total recognised income and expenses for the year	本年度已確認收入及開支總額	-	-	-	-	-	22,728	372,873	395,601	-	395,601
Issue of new shares due to exercise of share options	透過行使購股權發行股份	833	7,660	-	-	-	-	-	8,493	-	8,493
Transfer upon exercise of share options	行使購股權時轉撥	-	1,677	-	-	(1,677)	-	-	-	-	-
Transfer	轉撥	-	-	3,732	-	-	-	(3,732)	-	-	-
Recognition of equity settled share based payments	確認以股份支付之支出	-	-	-	-	9,170	-	-	9,170	-	9,170
Dividends paid	支付股息	-	-	-	-	-	-	(312,989)	(312,989)	-	(312,989)
At 31 December 2006	於二零零六年十二月三十一日	150,833	463,497	26,713	97,091	14,163	29,421	338,429	1,120,147	-	1,120,147

Notes:

附註:

- (a) The share capital as at 1 January 2005 represented the nominal value of the issued share capital of SIM Technology Group (BVI) Limited ("STG") prior to the reorganisation to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited ("Reorganisation"). The Company became the holding company of the Group on 3 June 2005 by issuing shares in exchange for the entire issued share capital of STG. Details of the Reorganisation are set out in the prospectus of the Company dated 21 June 2005. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 30 June 2005.
- (a) 於二零零五年一月一日的股本指為籌備本公司股份於香港聯合交易所有限公司主板上市就整頓本集團架構而進行之重組(「重組」)前SIM Technology Group (BVI) Limited (「STG」)已發行股本之面值。本公司於二零零五年六月三日透過發行股份以交換STG全部已發行股本成為本集團之控股公司。有關重組之詳情載於本公司日期為二零零五年六月二十一日之招股章程中。本公司股份自二零零五年六月三十日起於聯交所主板上市。
- (b) As stipulated by the relevant the People's Republic of China ("PRC") laws and regulations, before distribution of the net profit each year, the subsidiaries established in the PRC shall set aside 10% of their net profit after taxation for the statutory surplus reserve fund. The reserve fund can only be used, upon approval by the board of directors of the relevant subsidiaries and by the relevant authority, to offset accumulated losses or increase capital.
- (b) 誠如中華人民共和國(「中國」)法律及法規之規定，於中國成立之附屬公司每年須於派發淨溢利之前撥出其稅後淨溢利10%作為法定盈餘儲備金。該等儲備金僅可用於抵銷累計虧損或增加資本，惟須獲得相關附屬公司董事會及相關主管機構之批准。
- (c) Other reserve is arisen from the Reorganisation.
- (c) 重組產生之其他儲備。



Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

	Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
OPERATING ACTIVITIES			
經營活動			
Profit before taxation		391,568	308,485
Adjustments for:	就下列項目作出調整：		
Interest expenses	利息開支	313	4,516
Depreciation and amortisation	折舊及攤銷	91,249	53,811
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	2,687	454
Share-based payment expense	以股份支付之支出	9,170	6,670
Allowances for bad and doubtful debts	呆壞賬撥備	917	4,988
Write-down of inventories	撇銷存貨	11,016	1,857
Interest income	利息收入	(10,658)	(5,663)
Operating cash flows before movements in working capital	營運資金變動前之 經營現金流量	496,262	375,118
Increase in inventories	存貨增加	(71,343)	(89,754)
Decrease (increase) in trade receivables	應收貿易賬款減少(增加)	15,927	(71,435)
Decrease in notes and bills receivable	應收票據及賬單減少	83,246	12,492
(Increase) decrease in other receivables, deposits and prepayments	其他應收賬款、按金及 預付款項(增加)減少	(42,442)	31,773
Increase in trade payables	應付貿易賬款增加	244,060	7,821
Increase (decrease) in other payables, deposits received and accruals	其他應付賬款、已收按金 及應計款項增加(減少)	25,077	(52,150)
Cash generated from operations	來自經營之現金	750,787	213,865
Interest received	已收利息	10,658	5,663
Income tax paid	已付所得稅	(9,680)	(2,340)
NET CASH FROM OPERATING ACTIVITIES	來自經營活動之現金淨額	751,765	217,188
INVESTING ACTIVITIES			
投資活動			
Purchases of property, plant and equipment	購買物業、廠房及設備	(71,190)	(40,228)
Deposit paid for purchase of land use right	就購買土地使用權支付之按金	(7,465)	-
Acquisition of subsidiaries	收購附屬公司	2,110	21,718
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之 所得款項	53	6
Expenditure on intangible assets	無形資產之開支	(137,130)	(62,238)
Decrease in pledged deposits with banks	銀行之已抵押存款 減少	-	7,800
NET CASH USED IN INVESTING ACTIVITIES	用於投資活動之現金淨額	(213,622)	(72,942)



		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	<i>Note</i> 附註		
FINANCING ACTIVITIES	融資活動		
Issue of shares	發行股份	8,493	637,500
Proceeds from bank borrowings	銀行借貸所得款項	-	103,254
Share issue expenses	發行股份開支	-	(33,590)
Repayment of bank borrowings	償還銀行借貸	(9,615)	(227,150)
Dividends paid	已付股息	(312,989)	(181,435)
Interest paid	已付利息	(313)	(4,516)
Repayment to directors	還款予董事之墊款	-	(33,683)
Repayment to related parties	向關連人士還款	-	(28,442)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(用於)來自融資活動 現金淨額	(314,424)	231,938
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 增加淨額	223,719	376,184
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初現金及現金 等值項目	579,880	198,652
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	19,097	5,044
CASH AND CASH EQUIVALENTS AT END OF YEAR, represented by bank balances and cash	年終現金及現金等值項目 即銀行結餘及現金	822,696	579,880



Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

1. GENERAL INFORMATION

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

The functional currency of the Company is Renminbi. The consolidated financial statements are presented in Hong Kong dollar, as the directors consider that it is more appropriate presentation for a company listed in Hong Kong and for the convenience of the shareholders.

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

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

In the current year, the Group has applied, for the first time, a number of new International Accounting Standards (“IASs”), IFRSs, amendments and interpretations (hereinafter collectively referred to as “new IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new IFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

1. 一般資料

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

人民幣為本公司的功能貨幣。作為一間香港的上市公司和方便股東，董事認為綜合財務報表以港元呈列更為恰當。

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

2. 採納國際財務報告準則

於本年度，本集團已首次應用由國際會計準則委員會及國際會計準則委員會國際財務報告詮釋委員會所頒佈的一系列由二零零五年十二月一日或二零零六年一月一日或以後開始的會計期間生效的新訂國際會計準則、國際財務報告準則、修訂及詮釋(以下統稱「新國際財務報告準則」)。採納新國際財務報告準則對本期間及過往會計期間業績及財務狀況編製及呈列方式並無重大影響。因此，無需對過往期間作出調整。



2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

The Group has not early applied the following new standards, amendment and interpretations that were issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendments and interpretations will have no material effect on the results of the operations and financial position of the Group.

IAS 1 (Amendment)
國際會計準則第1號(修訂)

Capital disclosures¹
資本披露¹

IFRS 7
國際財務報告準則第7號

Financial instruments: Disclosures¹
金融工具：披露¹

IFRS 8
國際財務報告準則第8號

Operating segments²
經營分部²

IFRIC 7

Applying the restatement approach under IAS 29

國際財務報告詮釋委員會第7號

Financial Reporting in Hyperinflationary Economies³
應用國際會計準則第29號「惡性通貨膨脹經濟財務報告」的重列方法³

IFRIC 8

Scope of IFRS 2⁴

國際財務報告詮釋委員會第8號

國際財務報告準則第2號範圍⁴

IFRIC 9

Reassessment of embedded derivatives⁵

國際財務報告詮釋委員會第9號

再評估嵌入衍生工具⁵

IFRIC 10

Interim financial reporting and impairment⁶

國際財務報告詮釋委員會第10號

中期財務報告及減值⁶

IFRIC 11

IFRS 2: Group and treasury share transactions⁷

國際財務報告詮釋委員會第11號

國際財務報告準則第2號：集團及庫存股份交易⁷

IFRIC 12

Service concession arrangements⁸

國際財務報告詮釋委員會第12號

服務經營權安排⁸

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 January 2009.

³ Effective for annual periods beginning on or after 1 March 2006.

⁴ Effective for annual periods beginning on or after 1 May 2006.

⁵ Effective for annual periods beginning on or after 1 June 2006.

⁶ Effective for annual periods beginning on or after 1 November 2006.

⁷ Effective for annual periods beginning on or after 1 March 2007.

⁸ Effective for annual periods beginning on or after 1 January 2008.

本集團並未提早採納以下已頒布惟未生效的新準則及修訂及詮釋。本公司董事預期採納該等新準則、修訂和詮釋不會對本集團的經營業績及財務狀況構成重大影響。

¹ 適用於二零零七年一月一日或以後開始之年度期間。

² 適用於二零零九年一月一日或以後開始之年度期間。

³ 適用於二零零六年三月一日或以後開始之年度期間。

⁴ 適用於二零零六年五月一日或以後開始之年度期間。

⁵ 適用於二零零六年六月一日或以後開始之年度期間。

⁶ 適用於二零零六年十一月一日或以後開始之年度期間。

⁷ 適用於二零零七年三月一日或以後開始之年度期間。

⁸ 適用於二零零八年一月一日或以後開始之年度期間。



3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

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

3. 重大會計政策

綜合財務報表已根據國際財務報告準則編製。此外，綜合財務報表載入香港聯合交易所有限公司之證券上市規則及香港公司條例規定的適用披露。

綜合財務報表已按歷史成本基準編製。

合併基準

綜合財務報表載入本公司及其附屬公司的財務報表。獲得控制權就本公司可於某實體行使監管其財務及營運決策權以達致獲取其業務之利益。

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

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

所有集團成員公司之間的交易、結餘、收入及開支於合併時撇銷。

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

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

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

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

Values Added Tax ("VAT") refund is recognised as income when the Group's right to receive the VAT refund has been established.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 重大會計政策(續)

收入確認

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

貨品銷售於貨品已交付及其所有權已移交時確認。

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

退回增值稅於本集團可收取退回增值稅之權利已確立時確認為收入。

外幣

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

於結算及換算貨幣項目所產生的匯兌差異，於其產生期間在損益賬內確認。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (CONTINUED)

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

Taxation

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

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

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

3. 重大會計政策(續)

外幣(續)

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

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

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

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (CONTINUED)

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

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

Leasing

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

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

Government subsidies

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

Retirement benefit costs

Payments to state-managed retirement benefits schemes and the Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

Property, plant and equipment

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

3. 重大會計政策(續)

稅項(續)

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

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

租賃

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

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

政府撥款

政府撥款於收到並在符合撥款之條件後確認為收入。

退休福利成本

向國家管理之福利計劃及強制公積金計劃(「強積金計劃」)支付之供款指僱員已提供服務而獲得貢獻之權利時列作開支支銷。

物業、廠房及設備

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (CONTINUED)

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

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

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

Land use rights

Land use rights represent the prepaid lease payments of leasehold interests in land under operating lease arrangements and are amortised on a straight-line basis over the lease terms.

Impairment of assets

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

3. 重大會計政策(續)

物業、廠房及設備(續)

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

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

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

土地使用權

土地使用權指根據經營租賃安排持有之預付租賃款的租賃權之土地以直線法於租賃期內攤銷。

資產減值

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of assets (CONTINUED)

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

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

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

Research and development expenditure

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

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

3. 重大會計政策(續)

資產減值(續)

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

倘若一項資產(或賺取現金單位)之可收回款項估計為少於其賬面值，該項資產(賺取現金單位)之賬面值削減至其可收回款項。減值虧損即時於損益內確認。

當減值虧損其後撥回時，該項資產之賬面值增至其可收回款項之經修訂估計金額，但所增加之賬面值不得超過該項資產於以往年度原未確認減值虧損所釐定之賬面值。撥回減值虧損即時於損益內確認。

研究及開發支出

研究活動之支出於產生之期間確認為開支。

只有當清晰界定的項目所產生的開發成本預計將通過未來商業活動收回的，開發支出產生的內部產生的無形資產方予以確認。該資產按直線法於可用年限內攤銷，並按成本減其後的累計攤銷和任何累計減值虧損入賬。

內部產生的無形資產初步確認的金額為自該無形資產達到確認標準當日起發生的支出金額總和。如並無可予確認的內部產生的無形資產，開發支出於發生當期記入損益。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development expenditure (CONTINUED)

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

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

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

Inventories

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

Financial instruments

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

3. 重大會計政策(續)

研究及開發支出(續)

初步確認後，內部產生的無形資產按成本減累計攤銷及累計減值呈列，如同獨立收購的無形資產的處理方法。

獨立收購的無形資產

獨立收購及有限定可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損記賬。有限定可使用年期的無形資產按其估計可使用年期以直線法計提攤銷。

於終止確認無形資產時產生的任何收益或虧損乃按該項資產的出售所得款項淨額與其賬面值之間的差額釐定，並於終止確認該項資產時在綜合收益表內確認。

存貨

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

金融工具

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

Financial assets

The Group's financial assets are classified as loans and receivables. The accounting policy adopted in respect of loan and receivables is set out below.

Loans and receivables

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

Financial liabilities and equity

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

3. 重大會計政策(續)

金融工具(續)

金融資產

本集團之金融資產分類為貸款和應收款項。貸款和應收款項所採用的會計政策呈列如下。

貸款及應收款項

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

金融負債及股本

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (CONTINUED)

Financial liabilities

Financial liabilities including bank borrowings, trade payables, other payables and deposits received are initially measured at fair values and subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Equity share-based payment transactions

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

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustment to share option reserve.

3. 重大會計政策(續)

金融負債及股本(續)

金融負債

金融負債包括銀行及其他借貸、貿易應付款項、其他應付款項及已收按金，初步按公平價值計量，而其後則使用實際利率法按攤銷成本計量。

股本工具

本公司發行之股本工具以已收所得款項扣除直接發行成本後記錄。

終止確認

若從資產收取現金流的權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權的絕大部份風險及回報轉移，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收及應收代價及已直接於權益確認的累計損益的總和兩者之差，將於損益賬確認。

金融負債於有關合約的特定責任獲解除、取消或到期時終止確認。終止確認的金融負債賬面值與已付或應付代價的差額乃於損益賬確認。

以股份付款之交易

已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定，以直線法於歸屬期支銷，並於權益中相應增加(購股權儲備)。

於每個結算日，本集團修正其最終預算歸屬購股權數量之估計。損益帳確認修正估計之影響並於購股權儲備中作相對應的調整。



3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity share-based payment transactions (CONTINUED)

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment of intangible assets

Determining whether intangible assets is impaired requires an estimation of the future cash flows expected to arise from the products developed and a suitable discount rate in order to calculate present value. The carrying amount of intangible assets at 31 December 2006 was HK\$113,356,000 (2005: HK\$46,958,000) with no impairment loss recognised.

5. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

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

3. 重大會計政策(續)

以股份付款之交易(續)

於行使購股權時，以往於購股權儲備確認之款項，將撥入股份溢價。當購股權於屆滿日期仍未行使或購股權於歸屬期後失效時，以往於購股權儲備確認之款項，將撥入累計溢利。

4. 估計未明朗因素的主要來源

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

無形資產減值

釐定無形資產是否減值，需要估計未來預計從開發產品中產生的現金流以及用於計算現值的一個適當的折扣率以便計算目前的價值。於二零零六年十二月三十一日無形資產賬面值為113,356,000港元(二零零五年：46,958,000港元)，並無確認減值虧損。

5. 金融工具

財務風險管理目標及政策

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



5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Currency risk

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

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

Credit risk

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

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. The Group's bank balances and cash are deposited with banks in Hong Kong and the PRC and the Group has limited the exposure to any single financial institution. The credit risk on liquid funds is limited because the counterparties are banks with good credit-rating. The Group has concentration of credit risks with exposure limited to certain counterparties and customers. As at 31 December 2006, three (2005: four) customers comprised over 50% of the Group's trade receivables. The management closely monitors the subsequent settlement of the customers and does not grant long credit period to the counterparties. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

5. 金融工具(續)

財務風險管理目標及政策(續)

貨幣風險

本集團之交易主要以人民幣(大部份集團公司之功能貨幣)。本集團某些交易以美元結算，人民幣及美元之匯率波動並不重大。

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

信貸風險

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

本集團就每類已確認金融資產所須承受之最大信貸風險為列於綜合資產負債表之資產之賬面金額倘對方於二零零六年十二月三十一日未能履行彼等之承擔。為盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於每結算日，本集團定期評估每項個別貿易應收款之可收回金額，以確保就不可收回金額所作出足夠之減值虧損。本集團之銀行存款餘額及現金存於香港及中國之銀行，本集團就任何單一財務機構之風險設限。流動資金之信貸風險有限，因為對方均為具良好評級之銀行。本集團之信貸風險集中限於若干合作方及客戶。於二零零六年十二月三十一日，三名(二零零五年：四名)客戶佔本集團的應收貿易賬款超過百分之五十。管理層將密切監控客戶往後之結算及不會向對手方授出長久信貸期。就此而言，本公司董事認為本集團之信貸風險已大大降低。



5. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values of the balance sheet date.

6. REVENUE

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

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

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

5. 金融工具(續)

公平值

董事認為於綜合財務報表中以成本攤銷列賬之金融資產和金融負債之面值與其於結算日之公平值相若。

6. 收入

收入指所售貨品扣除退貨後之已收及應收款項。

7. 業務及地區分類

業務分類

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



7. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

7. 業務及地區分類(續)

Business segments (CONTINUED)

Segment information about these businesses is presented below:

Income statement

For the year ended 31 December 2006

業務分類(續)

此等業務的分類資料呈報如下：

收益表

截至二零零六年十二月三十一日止年度

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他 HK\$'000 千港元	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Sale of complete mobile handsets 銷售完整 移動手機 HK\$'000 千港元	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 組裝套件/ 組裝零件) HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	收入						
External sales	對外銷售	690,422	550,227	16,533	2,161,682	-	3,418,864
Inter-segment sales	分類之間銷售	4,551	-	-	-	(4,551)	-
		694,973	550,227	16,533	2,161,682	(4,551)	3,418,864
Result	業績						
Segment result	分類業績	23,031	110,765	1,453	273,204	-	408,453
Interest income	利息收入						10,658
Unallocated corporate expenses	未分配公司開支						(27,230)
Finance costs	融資成本						(313)
Profit before taxation	除稅前溢利						391,568
Taxation	稅項						(18,695)
Profit for the year	本年度溢利						372,873

Inter-segment sales are charged at prevailing market prices.

分類之間銷售額按當時市價計算。



7. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

7. 業務及地區分類(續)

Business segments (CONTINUED)

Balance sheet

At 31 December 2006

業務分類(續)

資產負債表

於二零零六年十二月三十一日

		Sale of LCD modules and others 銷售 液晶顯示 模塊及其他 HK\$'000 千港元	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Sale of complete mobile handsets 銷售完整 移動手機 HK\$'000 千港元	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 組裝套件/ 組裝零件) HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產					
Segment assets	分類資產	379,361	55,654	268	426,609	861,892
Unallocated corporate assets	未分配公司 資產					972,021
Consolidated total assets	合併總資產					1,833,913
Liabilities	負債					
Segment liabilities	分類負債	179,578	-	-	-	179,578
Segment liabilities attributable to business segments other than sale of LCD modules and others	除銷售液晶顯示 模塊及其 他以外之 業務分類 應佔之 分類負債					508,710
Unallocated corporate liabilities	未分配公司 負債					25,478
Consolidated total liabilities	合併總負債					713,766



7. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

7. 業務及地區分類(續)

Business segments (CONTINUED)

Other information

For the year ended 31 December 2006

業務分類(續)

其他資料

截至二零零六年十二月三十一日止年度

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他 HK\$'000 千港元	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案 HK\$'000 千港元	Sale of complete mobile handsets 銷售完整 移動手機 HK\$'000 千港元	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 套件/ 組裝零件) HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions of property, plant and equipment	添置物業、 廠房及設備	30,363	21,142	4	19,681	-	71,190
Additions of intangible assets	添置無形資產	-	21,127	-	120,842	-	141,969
Depreciation of property, plant and equipment	物業、廠房及 設備之折舊	10,488	2,816	2	1,826	-	15,132
Amortisation of intangible assets	無形資產攤銷	1,306	5,437	-	69,092	-	75,835
(Reversal of) allowances for bad and doubtful debts	呆壞賬(撥回)撥備	(108)	-	-	1,025	-	917
Write-down of inventories	撇銷 存貨	2,326	1,752	53	6,885	-	11,016
Loss on disposal of property, plant and equipment	出售物業、 廠房及設 備虧損	44	677	5	1,961	-	2,687



7. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

7. 業務及地區分類(續)

Business segments (CONTINUED)

Income statement

For the year ended 31 December 2005

業務分類(續)

收益表

截至二零零五年十二月三十一日止年度

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案	Sale of complete mobile handsets 銷售完整 移動手機	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 套件/ 組裝零件)	Elimination 對銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入						
External sales	對外銷售	752,338	221,417	261,425	1,484,405	-	2,719,585
Inter-segment sales	分類之間銷售	185,095	-	-	-	(185,095)	-
		937,433	221,417	261,425	1,484,405	(185,095)	2,719,585
Result	業績						
Segment result	分類業績	43,904	22,427	47,886	219,730	-	333,947
Interest income	利息收入						5,663
Unallocated corporate expenses	未分配公司 開支						(26,609)
Finance costs	融資成本						(4,516)
Profit before taxation	除稅前溢利						308,485
Taxation	稅項						(13,424)
Profit for the year	本年度溢利						295,061

Inter-segment sales are charged at prevailing market prices.

分類之間銷售按當時市價計算。



7. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

7. 業務及地區分類(續)

Business segments (CONTINUED)

Balance sheet

At 31 December 2005

業務分類(續)

資產負債表

於二零零五年十二月三十一日

		Sale of LCD modules and others 銷售液晶 顯示模塊 及其他	Sale of wireless communication module solutions 銷售無線 通訊模塊 解決方案	Sale of complete mobile handsets 銷售完整 移動手機	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 套件/ 組裝零件)	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產					
Segment assets	分類資產	458,483	26,880	5,527	291,282	782,172
Unallocated corporate assets	未分配公司 資產					679,745
Consolidated total assets	合併總資產					1,461,917
Liabilities	負債					
Segment liabilities	分類負債	85,928	-	-	-	85,928
Segment liabilities attributable to business segments other than sale of LCD modules and others	除液晶顯示模 塊及其他之 銷售外業務 分類應佔之 分類負債					337,632
Unallocated corporate liabilities	未分配公司負債					18,485
Consolidated total liabilities	合併總負債					442,045



7. BUSINESS AND GEOGRAPHICAL SEGMENTS (CONTINUED)

7. 業務及地區分類(續)

Business segments (CONTINUED)

Other information

For the year ended 31 December 2005

業務分類(續)

其他資料

截至二零零五年十二月三十一日止年度

		Sale of wireless communication modules and others 銷售液晶 顯示模塊 及其他	Sale of wireless module solutions 銷售無線 通訊模塊 解決方案	Sale of complete mobile handsets 銷售完整 移動手機	Sale of handset design solutions (in SKD/CKD form) 銷售手機 設計解決 方案(形式 為半製成 套件/ 組裝零件)	Elimination 對銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions of property, plant and equipment	添置物業、 廠房及設備	18,790	2,211	257	18,970	-	40,228
Additions of intangible assets	添置無形資產	5,453	3,085	-	55,167	-	63,705
Depreciation of property, plant and equipment	物業、廠房及 設備之折舊	8,112	436	25	2,766	-	11,339
Amortisation of intangible assets	無形資產攤銷	8,665	9,459	637	23,429	-	42,190
Allowances for bad and doubtful debts	呆壞賬撥備	1,723	139	-	3,126	-	4,988
Write-down (reversal) of inventories	撇銷(撥回)存貨	1,285	2,472	-	(1,900)	-	1,857
Loss on disposal of property, plant and equipment	出售物業、廠房 及設備虧損	314	21	-	119	-	454

Geographical segment

The Group's operations and assets are substantially located in the PRC. Accordingly, no analysis of the carrying amount of segment assets, additions to property, plant and equipment and intangible assets is presented.

地區分類

本集團主要經營業務及資產在中國。因此，並無就所呈列之分類資產、添置物業、廠房及設備以及無形資產之賬面值作出分析。



8. OTHER INCOME

8. 其他收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Refund of VAT (<i>Note</i>)	退回增值稅 (<i>附註</i>)	56,452	46,752
Government subsidies	政府撥款	5,129	3,800
Interest income	利息收入	10,658	5,663
Net foreign exchange gain	淨匯兌收益	18,805	11,004
		91,044	67,219

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

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

9. FINANCE COSTS

9. 融資成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interests on borrowings wholly repayable within five years	須於五年內全數償還之 借貸利息	313	4,516



10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

10. 董事及僱員酬金

Directors' emoluments

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

董事酬金

向每名董事已付或應付之酬金如下：

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

		Directors' fees 董事袍金	Salaries and allowances 薪酬及津貼	Bonus 花紅 (Note) (附註)	Share-based payments 股份付款	Retirement benefits schemes 退休福利計劃供款	Total emoluments 總酬金
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors	執行董事						
Ms Yeung Man Ying	楊文瑛女士	-	-	-	-	-	-
Mr Wong Cho Tung	王祖同先生	-	-	-	-	-	-
Mr Tsang Hen Loon, Raymond	曾憲龍先生	-	2,080	1,150	579	96	3,905
Mr Zhang Jianping	張劍平先生	-	470	235	579	34	1,318
Mr Wong Hei, Simon	王曦先生	-	470	235	-	-	705
Mr Wong Sun	王晨先生	-	-	-	-	-	-
Ms Tang Rongrong	唐融融女士	-	211	164	145	34	554
Non-executive directors	非執行董事						
Mr Heng Kwo Seng	邢詒春先生	156	-	-	-	-	156
Mr Wang Chengwei	汪誠蔚先生	156	-	-	-	-	156
Mr Zhuang Xingfang	庄行方先生	156	-	-	-	-	156
		468	3,231	1,784	1,303	164	6,950

Note: Incentive performance bonus for the year ended 31 December 2006 was determined by the remuneration committee having regard to the performance of directors and the Group's operating results.

附註：二零零六年十二月三十一日止年度之表現獎勵花紅是由薪酬委員會經考慮董事之表現及本集團之經營業績。



10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

10. 董事及僱員酬金(續)

Directors' emoluments (CONTINUED)

董事酬金(續)

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

		Directors' fees 董事袍金	Salaries and allowances 薪酬及津貼	Bonus 花紅 (Note) (附註)	Share-based payments 股份付款	Retirement benefits schemes contributions 退休福利計劃供款	Total emoluments 總酬金
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors	執行董事						
Ms Yeung Man Ying	楊文瑛女士	-	-	-	-	-	-
Mr Wong Cho Tung	王祖同先生	-	-	-	-	-	-
Mr Tsang Hen Loon, Raymond	曾憲龍先生	-	2,080	-	498	96	2,674
Mr Zhang Jianping	張劍平先生	-	461	29	498	30	1,018
Mr Wong Hei, Simon	王曦先生	-	461	29	-	-	490
Mr Wong Sun	王晨先生	-	-	-	-	-	-
Ms Tang Rongrong	唐融融女士	-	231	67	125	30	453
Non-executive directors	非執行董事						
Mr Heng Kwo Seng	邢詒春先生	146	-	-	-	-	146
Mr Wang Chengwei	汪誠蔚先生	146	-	-	-	-	146
Mr Zhuang Xingfang	庄行方先生	146	-	-	-	-	146
		438	3,233	125	1,121	156	5,073

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

附註：於二零零五年五月三十一日前支付之表現獎勵花紅。

**10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)****10. 董事及僱員酬金(續)****Employees' emoluments**

The five highest paid individuals included two (2005: two) directors for the year ended 31 December 2006, whose emoluments are included in the above. The emoluments of the remaining individuals are as follows:

Salaries and allowances	薪金及津貼
Bonus	花紅
Share-based payments	股份付款
Retirement benefits scheme contributions	退休福利計劃供款

僱員酬金

五名最高薪酬僱員於截至二零零六年十二月三十一日止年度包括兩名(二零零五年:兩名)董事,其酬金已載於上文。餘下最高薪酬人士之酬金如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
2,209	2,201
1,071	789
647	764
115	110
4,042	3,864

Their emoluments were within the following bands:

Nil to HK\$1,000,000	零至1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元

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

彼等之酬金在以下所列範圍:

2006 二零零六年 Number of employees 僱員人數	2005 二零零五年 Number of employees 僱員人數
–	1
2	1
1	1

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



11. TAXATION

11. 稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
PRC income tax	中國企業所得稅	14,764	9,594
Deferred tax charge (<i>note 18</i>)	遞延稅項開支 (<i>附註 18</i>)	3,931	3,830
Income tax expense for the year	年內所得稅開支	18,695	13,424

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

由於本公司及附屬公司並無於香港產生任何應課稅溢利，並無就兩個年度作出香港利得稅撥備。



11. TAXATION (CONTINUED)

Pursuant to relevant laws and regulations in the PRC, the Company's PRC subsidiaries, Shanghai Simcom and Shanghai Speedcomm are entitled to an exemption from PRC income tax for the two years starting from their first profit-making year, followed by a 50% tax relief for the next three years. No provision for PRC income tax has been made for Shanghai Speedcomm for both years as the fiscal year ended 31 December 2006 was its first profit-making year. During the year ended 31 December 2006, Shanghai Simcom was classified as Key Production Enterprise and was entitled to use an applicable tax rate of 10%. No provision for PRC income tax had been made for Shanghai Simcom for year ended 31 December 2005 as fiscal year ended 31 December 2004 was its first profit-making year. The other subsidiaries of the Company, Shanghai Suncom Logistics Limited ("Suncom Logistics") and Max Vision (Shanghai) Limited ("Shanghai Max Vision") are entitled to use of a tax rate of 15% because they were registered in the area of Shanghai Wai Gao Qiao Free Trade Zone (上海外高橋保稅區). Pursuant to a permit issued by the Shanghai Tax Authority dated 21 April 2006, Shanghai Sunrise Electronic Technology Co. Ltd. ("Shanghai Sunrise") was entitled to a tax rate of 18% for the fiscal years 2005 and 2006 because it was classified as foreign investment enterprise engaging in technology and knowledge intensive business. The tax charge provided has been made after taking these tax incentives into account.

PRC income tax was calculated at 27% of the estimated assessable profit of the Company's other PRC subsidiaries for both 2005 and 2006.

11. 稅項(續)

根據中國之相關法律及法規，本公司之中國附屬公司上海希姆通及上海思必得自首個獲利年度起計兩年，可獲豁免繳納中國企業所得稅，其後三年則可按企業所得稅率減半繳稅。由於截至二零零六年十二月三十一日止財政年度乃首個獲利年度，因此上海思必得於兩個年度並無就中國企業所得稅作出撥備。於截至二零零六年十二月三十一日止年度期間，上海希姆通被評為「重點生產企業」，並有權使用10%的適用稅率。由於截至二零零四年十二月三十一日止財政年度乃首個獲利年度，因此上海希姆通於截至二零零五年十二月三十一日止年度並無就中國企業所得稅作出撥備。本公司其他附屬公司上海羅捷斯迪電子有限公司(「上海羅捷斯迪」)及麥維訊貿易(上海)有限公司(「上海麥維訊」)由於在上海外高橋保稅區註冊，因此可按15%稅率繳納企業所得稅。根據上海稅務局於二零零六年四月二十一日頒授之許可，上海晨興電子科技有限公司(「上海晨興」)可於二零零五年及二零零六年之財政年度使用18%之稅率，因為該公司被歸類為參與科技及知識密集業務之外資企業。於計及該等稅務優惠後，已作稅項開支撥備。

本公司其他中國附屬公司於二零零五及二零零六年期間按估計應課稅溢利之27%計算中國企業所得稅。



11. TAXATION (CONTINUED)

11. 稅項(續)

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

本年度稅項開支與綜合收益賬中所示之除稅前溢利對賬如下：

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	391,568	308,485
Taxation at the PRC income tax rate of 27% (2005: 27%)	按中國企業所得稅稅率27%計算之稅項(二零零五年: 27%)	105,723	83,291
Tax effect of expenses that are not deductible in determining taxable profit	釐訂應課稅溢利時不可扣減之開支之稅務影響	8,308	5,722
Tax effect of income not taxable for tax purpose	毋須就稅務目的課稅之收入之稅務影響	(17,789)	(13,410)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	3,617	3,394
Income tax on concessionary rate	按優惠稅率計算之所得稅	(3,845)	(1,098)
Effect of tax exemption granted	獲授稅項豁免之影響	(77,319)	(64,475)
Taxation for the year	本年度稅項	18,695	13,424



12. PROFIT FOR THE YEAR

12. 本年度溢利

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit for the year is arrived at after charging:	本年度溢利乃經扣除下列各項：		
Auditors' remuneration	核數師薪酬	1,700	1,200
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷(計入銷售成本)	75,835	42,190
Amortisation of land use right	土地使用權攤銷	282	282
Depreciation of property, plant and equipment	物業、廠房及設備折舊	19,971	12,806
Less: Amount capitalised in development costs	減：已資本化開發成本	(4,839)	(1,467)
		15,132	11,339
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	2,687	454
Allowances for bad and doubtful debts	呆壞賬撥備	917	4,988
Write-down of inventories (included in cost of sales)	撇銷存貨(計入銷售成本)	11,016	1,857
Costs of inventories recognised as expenses	已確認為開支之存貨成本	2,827,101	2,226,304
Staff costs:	員工成本：		
Directors' emoluments (note 10)	董事酬金(附註10)	6,950	5,073
Other staff costs	其他員工成本		
– Salaries and other benefits	– 薪資及其他福利	153,664	104,961
– Retirement benefits scheme contributions	– 退休福利計劃供款	20,134	14,314
		180,748	124,348
Less: Amount capitalised in development costs	減：已資本化開發成本	(70,345)	(20,692)
		110,403	103,656



13. DIVIDENDS

13. 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Dividends recognised as distribution during the year:	本年度確認為分配之股息：		
Final dividend, paid – HK14 cents per share (2005: Nil)	已付末期股息—每股14港仙 (二零零五年：零)	210,501	–
Dividends paid by a subsidiary to its then shareholders prior to Reorganisation (Note a)	於重組前一間附屬公司向其當時之股東支付股息(附註a)	–	181,435
		210,501	181,435
Interim dividend, paid – HK6.8 cents per share (2005: Nil)	已付中期股息—每股6.8港仙 (二零零五年：零)	102,488	–
		312,989	181,435
The Company	本公司		
Final dividend, proposed – HK10.5 cents per share (2005: HK14 cents) (Note b)	建議末期股息—每股10.5港仙 (二零零五年：每股14港仙)(附註b)	158,374	210,000

Notes:

- (a) The board of directors of a subsidiary, STG approved the payments of dividends amounting to US\$6,401,000 (equivalent to approximately HK\$49,927,000) to its then sole shareholder, Info Dynasty, in January 2005 and US\$16,860,000 (equivalent to approximately HK\$131,508,000) to Info Dynasty and Simcom Limited in May 2005. Info Dynasty and Simcom Limited were the shareholders of STG before the Reorganisation which was completed on 3 June 2005.
- (b) The final dividend of HK10.5 cents (2005: HK14 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

附註：

- (a) 本公司一間附屬公司STG董事會於二零零五年一月批准向其當時之唯一股東 Info Dynasty 支付6,401,000美元(相等於約49,927,000港元)之股息，並於二零零五年五月向Info Dynasty及Simcom Limited支付16,860,000美元(相等於約131,508,000港元)之股息。於重組(於二零零五年六月三日完成)前，Info Dynasty及Simcom Limited乃STG之股東。
- (b) 董事已建議支付末期股息每股10.5港仙(二零零五年：每股14港仙)，惟須經股東於應屆股東週年大會批准，方可作實。



14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

Earnings

Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity holders of the parent)

盈利

計算每股基本及攤薄盈利之盈利(母公司股東應佔之本年度溢利)

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share

Share options

股份數目

計算每股基本盈利之普通股加權平均數

購股權

Weighted average number of ordinary shares for the purpose of dilute earnings per share

計算每股攤薄盈利之普通股加權平均數

Weighted average number of ordinary shares for the purpose of the computation of diluted earnings per share for the year ended 31 December 2006 has been accounted for the effect of the share based payments for the options with dilutive effect.

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

14. 每股盈利

母公司普通股股東應佔每股基本及攤薄盈利乃按以下數據計算：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
372,873	290,662
'000 千股	'000 千股
1,504,923	1,315,068
33,358	-
1,538,281	1,315,068

計算截至二零零六年十二月三十一日止年度每股攤薄盈利之普通股加權平均數已計入具攤薄效應期權以股份為基準作出支付之影響。

截至二零零五年十二月三十一日止年度普通股加權平均數之計算，乃假設重組已於二零零五年一月一日完成。



15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Construction in progress 在建工程 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Equipment, furniture and fixtures 設備、傢俬 及裝置 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST		成本						
At 1 January 2005	於二零零五年一月一日	5,067	31,735	617	42,061	12,077	3,349	94,906
Additions	添置	12,938	-	1,977	17,838	6,543	932	40,228
Acquired on acquisition of a subsidiary	於收購附屬公司時 的收購	-	-	409	455	-	-	864
Exchange differences	匯兌差額	97	610	21	800	232	65	1,825
Transfer	轉撥	(7,802)	7,802	-	-	-	-	-
Disposals	出售	-	(738)	(183)	(92)	(39)	-	(1,052)
At 31 December 2005	於二零零五年 十二月三十一日	10,300	39,409	2,841	61,062	18,813	4,346	136,771
Additions	添置	17,318	-	436	46,592	5,894	950	71,190
Exchange differences	匯兌差額	362	1,385	85	2,129	661	133	4,755
Transfer	轉撥	(27,154)	27,154	-	-	-	-	-
Disposals	出售	-	-	-	(434)	(2,908)	(528)	(3,870)
At 31 December 2006	於二零零六年 十二月三十一日	826	67,948	3,362	109,349	22,460	4,901	208,846
DEPRECIATION		折舊						
At 1 January 2005	於二零零五年一月一日	-	599	397	15,176	1,101	1,359	18,632
Charge for the year	本年度折舊	-	1,425	1,074	8,306	1,403	598	12,806
Exchange differences	匯兌差額	-	27	17	383	37	32	496
Eliminated on disposals	於出售時對銷	-	(436)	(118)	(32)	(6)	-	(592)
At 31 December 2005	於二零零五年 十二月三十一日	-	1,615	1,370	23,833	2,535	1,989	31,342
Charge for the year	本年度折舊	-	3,121	1,323	13,382	1,360	785	19,971
Exchange differences	匯兌差額	-	112	60	1,068	113	79	1,432
Eliminated on disposals	於出售時對銷	-	-	-	(332)	(323)	(475)	(1,130)
At 31 December 2006	於二零零六年 十二月三十一日	-	4,848	2,753	37,951	3,685	2,378	51,615
CARRYING VALUES		賬面值						
At 31 December 2006	於二零零六年 十二月三十一日	826	63,100	609	71,398	18,775	2,523	157,231
At 31 December 2005	於二零零五年 十二月三十一日	10,300	37,794	1,471	37,229	16,278	2,357	105,429



15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

15. 物業、廠房及設備(續)

物業、廠房及設備乃按直線法及按下列年率折舊：

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

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

16. LAND USE RIGHT

16. 土地使用權

		HK\$'000 千港元
COST	成本	
At 1 January 2005	於二零零五年一月一日	10,420
Charge for the year	本年度折舊	(282)
Exchange differences	匯兌差額	196
		<hr/>
At 31 December 2005	於二零零五年十二月三十一日	10,334
Charge for the year	本年度折舊	(282)
Exchange differences	匯兌差額	432
		<hr/>
At 31 December 2006	於二零零六年十二月三十一日	<u>10,484</u>

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

本集團之土地使用權乃根據中國之中期租約持有，並按50年租約年期攤銷。



17. INTANGIBLE ASSETS

17. 無形資產

		Licence fee 許可證費 HK\$'000 千港元	Development costs 開發成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST				
	成本			
At 1 January 2005	於二零零五年一月一日	15,016	54,676	69,692
Additions	添置	–	63,705	63,705
Exchange differences	匯兌差額	–	1,251	1,251
At 31 December 2005	於二零零五年十二月三十一日	15,016	119,632	134,648
Additions	添置	26,533	115,436	141,969
Exchange differences	匯兌差額	–	4,203	4,203
At 31 December 2006	於二零零六年十二月三十一日	41,549	239,271	280,820
AMORTISATION				
	攤銷			
At 1 January 2005	於二零零五年一月一日	7,372	37,001	44,373
Charge for the year	本年度折舊	4,791	37,399	42,190
Exchange differences	匯兌差額	–	1,127	1,127
At 31 December 2005	於二零零五年十二月三十一日	12,163	75,527	87,690
Charge for the year	本年度折舊	7,000	68,835	75,835
Exchange differences	匯兌差額	76	3,863	3,939
At 31 December 2006	於二零零六年十二月三十一日	19,239	148,225	167,464
CARRYING VALUES				
	賬面值			
At 31 December 2006	於二零零六年十二月三十一日	22,310	91,046	113,356
At 31 December 2005	於二零零五年十二月三十一日	2,853	44,105	46,958

The intangible assets have finite useful lives. Intangible assets are depreciated on a straight-line basis over the following period:

無形資產使用年期為有限。無形資產以直線法按以下期間攤銷：

Licence fee	1-5 years	許可證費	1至5年
Development costs	9 months	開發成本	9個月



18. DEFERRED TAX

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

		Development cost capitalised 已資本化 開發成本 HK\$'000 千港元	Write-down of inventories and trade receivables 存貨及應收 貿易賬款撇銷 HK\$'000 千港元
At 1 January 2005	於二零零五年一月一日	-	3,108
Charge to consolidated income statement	於綜合收益表內支銷	(3,308)	(522)
At 31 December 2005	於二零零五年十二月三十一日	(3,308)	2,586
(Charge) credit to consolidated income statement	於綜合收益表內(支銷)計入	(4,376)	445
At 31 December 2006	於二零零六年十二月三十一日	(7,684)	3,031

At 31 December 2006, other than the deferred tax assets and liabilities mentioned above, subsidiaries of the Group had unused tax losses of approximately HK\$33,240,000 (2005: HK\$19,844,000) available for offset against future profit. No deferred tax asset has been recognised due to the unpredictability of future profit streams of that subsidiary. The estimated tax losses as at 31 December 2006 may be carried forward indefinitely.

以下為於本年度及過往年度，由本集團確認之主要遞延稅項(負債)資產及有關變動：

		Development cost capitalised 已資本化 開發成本 HK\$'000 千港元	Write-down of inventories and trade receivables 存貨及應收 貿易賬款撇銷 HK\$'000 千港元
At 1 January 2005	於二零零五年一月一日	-	3,108
Charge to consolidated income statement	於綜合收益表內支銷	(3,308)	(522)
At 31 December 2005	於二零零五年十二月三十一日	(3,308)	2,586
(Charge) credit to consolidated income statement	於綜合收益表內(支銷)計入	(4,376)	445
At 31 December 2006	於二零零六年十二月三十一日	(7,684)	3,031

於二零零六年十二月三十一日，除上述遞延稅項資產及負債外，本集團之附屬公司擁有可供抵消未來溢利之未用稅項虧損約33,240,000港元(二零零五年：19,844,000港元)。因該附屬公司之未來溢利流之不可預見性，故並未確認任何遞延稅項資產。於二零零六年十二月三十一日，預期稅項虧損可無限期結轉。

19. INVENTORIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原料	308,575	250,075
Work in progress	在製品	78,095	110,856
Finished goods	製成品	76,066	41,478
		462,736	402,409

19. 存貨



20. CURRENT FINANCIAL ASSETS

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

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

0 – 30 days	零至30天
31 – 60 days	31至60天
61 – 90 days	61至90天
91 – 180 days	91至180天
Over 180 days	超過180天
Less: Accumulated allowances	減：累計撥備
Trade receivables	應收貿易款項
0 – 30 days	零至30天
31 – 60 days	31至60天
61 – 90 days	61至90天
91 – 180 days	91至180天
Over 180 days	超過180天
Notes and bills receivable (<i>Note</i>)	應收票據及賬單(附註)

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

Other receivables and deposits are repayable on demand.

At 31 December 2006, included in the trade receivables, HK\$23,789,000 (2005: HK\$55,419,000) are denominated in United States dollars, which are not denominated in the functional currency of the respective group entities.

20. 流動金融資產

銷售貨品的一般信貸期為零至30日。

以下為於結算日應收貿易款項、應收票據及賬單之賬齡分析：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
89,423	103,373
17,110	19,465
2,743	4,765
4,027	3,589
4,795	3,324
118,098	134,516
(7,791)	(7,365)
110,307	127,151
17,518	77,735
1,269	5,640
–	433
–	8,610
–	9,615
18,787	102,033

附註：應收票據及賬單為收取客戶由銀行發出之承兌票據。

其他應收款項及按金須於要求償還時支付。

於二零零六年十二月三十一日，應收貿易款項內包括以美元計值之款項為23,789,000港元（二零零五年：55,419,000港元），有關款項不以集團個別公司的功能貨幣計值。



21. BANK BALANCES AND CASH

The bank balances and cash of the Group are mainly denominated in Renminbi, Hong Kong dollars and United States dollars. The bank balances receive interest at an average rate of 1.7% (2005: 1.5%) per annum. Included in the bank balances and cash was amounts in Renminbi of HK\$643,006,000 (2005: HK\$472,758,000), which is not freely convertible into other currencies.

At 31 December 2006, HK\$174,716,000 (2005: HK\$84,696,000) are denominated in United States dollars, which are not denominated in the functional currency of the respective group entities.

22. CURRENT FINANCIAL LIABILITIES

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

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

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

At 31 December 2006, included in the trade payables, HK\$326,792,000 (2005: HK\$191,572,000) are denominated in United States dollars, which are not denominated in the functional currency of the respective group entities.

21. 銀行結餘及現金

本集團之銀行結餘及現金主要以人民幣、港幣及美元列值。銀行結餘收取平均年利率1.7% (二零零五年：1.5%)。銀行結餘及現金內包括一項人民幣款項643,006,000港元(二零零五年：472,758,000港元)，該等款項不可自由轉換為其他貨幣。

於二零零六年十二月三十一日，以美元計值之款項為174,716,000港元(二零零五年：84,696,000港元)，有關款項不以集團個別公司的功能貨幣計值。

22. 流動金融負債

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

應付貿易款項主要包括未償還之貿易採購。貿易採購之一般信貸期為30至60日。本集團之貿易應付款項於各結算日之賬齡分析如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
499,105	180,139
45,542	104,226
2,938	22,412
28,864	25,612
576,449	332,389

於二零零六年十二月三十一日，應付貿易款項內包括以美元計值之款項為326,792,000港元(二零零五年：191,572,000港元)，有關款項不以集團個別公司的功能貨幣計值。



23. BANK BORROWINGS

23. 銀行借款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Secured bank borrowings due within one year	於一年內到期之銀行借款	-	9,615

At 31 December 2005, bank borrowings were secured by notes receivable of the Group and bear fixed interest rate at 5.3% per annum.

於二零零五年十二月三十一日，銀行借款乃由本集團應收票據作抵押及以固定年利率5.3%計息。



24. SHARE CAPITAL

24. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
Authorised:	法定：		
At 1 January 2005	於二零零五年一月一日	1,000	100
Increase during the year (note a(i))	本年度增加(附註a(i))	2,999,000	299,900
At 31 December 2005 and 31 December 2006	於二零零五年十二月三十一日及 二零零六年十二月三十一日	3,000,000	300,000
Issued:	已發行：		
At 1 January 2005	於二零零五年一月一日	1,000	–
Issue of shares on the Reorganisation Credited as fully paid from contributed surplus account	於重組時發行股份 來自實繳盈餘賬而 入賬為繳足股份	1,500 –	150 100
Issue of shares by capitalisation of share premium account (note a(ii))	透過股份溢價賬資本化而 發行之股份(附註a(ii))	1,122,500	112,250
Placing and public offer of shares (note b)	配售及公開發售股份 (附註b)	375,000	37,500
At 31 December 2005	於二零零五年十二月三十一日	1,500,000	150,000
Exercise of share options (note c)	行使購股權(附註c)	8,326	833
At 31 December 2006	於二零零六年十二月三十一日	1,508,326	150,833



24. SHARE CAPITAL (CONTINUED)

24. 股本(續)

Notes:

- (a) Pursuant to the written resolutions passed by the shareholders of the Company on 30 May 2005:
- (i) the authorised share capital of the Company was increased from HK\$100,000 to HK\$300,000,000 by the creation of an additional 2,999,000,000 shares, rank pari passu in all respects with the shares then in issue of HK\$0.10 each.
- (ii) conditional on the share premium account of the Company being credited as a result of the placing and public offer of the Company's shares, the directors were authorised to capitalise a sum of HK\$112,250,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full 1,122,500,000 shares for the allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 8 June 2005 pro-rata as nearly as may be to their then existing shareholders in the Company.
- (b) On 29 June 2005, by means of placing and public offer, the Company issued a total of 375,000,000 new shares of HK\$0.10 each at a price of HK\$1.7 per share.
- (c) During the year, the Company issued a total 8,326,000 new shares of HK\$0.10 each at price of HK\$1.02 per share to eligible employees upon exercise of share options.

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

附註：

- (a) 根據本公司股東於二零零五年五月三十日通過之書面決議案：
- (i) 透過增設2,999,000,000股股份(該等股份在各方面均與當時已發行之每股面值0.10港元之股份享有同等權益)，本公司之法定股本由100,000港元增至300,000,000港元。
- (ii) 待本公司之股份溢價賬因配售及公開發售本公司股份而進賬後，董事獲授權將本公司股份溢價賬之進賬額112,250,000港元撥作資本，據此將該款項按面值全數繳足1,122,500,000股股份，以向於二零零五年六月八日辦公時間結束時名列本公司股東名冊之人士按當時於本公司之股權比例配發及發行該等股份。
- (b) 於二零零五年六月二十九日，透過配售及公開發售方式，本公司按每股1.7港元之價格，發行合共375,000,000股每股面值0.10港元之新股份。
- (c) 本年度本公司以每股1.02港元之價格向行使購股權之合資格僱員發行共8,326,000股每股面值0.10港元之新股份。

本年度發行之該等股份在各方面均具有相同權益。



25. ACQUISITION OF SUBSIDIARIES

25. 收購附屬公司

Acquisition in 2006

On 24 January 2006, the Group acquired 100% equity interests in Max Vision Limited and its wholly-owned subsidiary for a consideration of HK\$2. The transactions have been accounted for using the purchase method of accounting.

The net assets acquired in the transactions are as follows:

於二零零六年進行之收購

於二零零六年一月二十四日，本集團收購天景有限公司及其全資附屬公司，代價為2港元。是項交易乃使用收購會計法入賬。

交易中收購之淨資產如下：

		Acquirees' carrying amount before combination and fair value
		被收購方於合併前之 賬面值及公平價值
		HK\$'000
		千港元
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	241
Bank balances and cash	銀行結餘及現金	2,110
Other payables, deposits received and accruals	其他應付賬款、已收按金及 應計款項	(2,351)
Total consideration satisfied by cash	以現金支付之總代價	—
Net cash inflow arising on acquisition of subsidiaries	收購附屬公司所產生之現金流入淨額	2,110

The subsidiaries acquired contributed approximately HK\$577,647,000 to the Group's revenue and profit of approximately HK\$5,569,000 from operating activities for the period between the date of acquisition and the balance sheet date.

已收購之附屬公司於收購日期至結算日之期間之經營活動為本集團帶來約577,647,000港元之收入及約5,569,000港元之溢利。

As the revenue and results of the acquired subsidiaries before acquisition were not significant to the Group, the total group revenue and result, as if the acquisition had been completed on 1 January 2006, are not disclosed as the information does not give additional value.

由於已收購公司於收購前之收入及業績對本集團並無重大影響，由於提供有關之資料並無作用，故並無按假設收購已於二零零六年一月一日完成披露集團收入及業績合計之資料。

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

管理層認為，有關之賬面值與其於收購日之公平值相若。



25. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Acquisition in 2005

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

The net assets acquired in the transactions are as follows:

25. 收購附屬公司(續)

於二零零五年進行之收購

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

交易中收購之淨資產如下：

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

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

管理層認為，於收購日之賬面值與公平價值相若。



25. ACQUISITION OF SUBSIDIARIES (CONTINUED)

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

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

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

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

26. MAJOR NON-CASH TRANSACTION

For the year ended 31 December 2005, the Group had the following major non-cash transactions:

- (a) Amounts due to a related company and directors amounting to US\$672,100 and US\$5,827,900 respectively (equivalent to HK\$5,242,000 and HK\$45,458,000 respectively) had been capitalised as issued and fully paid capital of the Company.
- (b) The Group acquired 100% the issued share capital of SIM Technology HK Limited, Simcom International Holdings Limited and Suncom International Holdings Limited in consideration of the allotment and issue of 231 shares of US\$1 each of STG. Details of acquisition is set out in note 25.

25. 收購附屬公司(續)

王祖同先生及楊文瑛女士為關連公司之股東。

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

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

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

26. 主要非現金交易

於二零零五年十二月三十一日止年度，本集團之主要非現金交易如下：

- (a) 應付一間關連公司及董事款項分別為672,100美元及5,827,900美元(分別相當於5,242,000港元及45,458,000港元)已資本化為本公司之已發行及繳足股本。
- (b) 本集團收購晨訊科技香港有限公司、Simcom International Holdings Limited及Suncom International Holdings Limited之100%已發行股本權益，代價為配發及發行231股每股面值1美元之STG股份。收購之詳情載於附註25。



27. OPERATING LEASE ARRANGEMENT

The Group as lessee

The Group made minimum lease payments under operating leases in respect of office premises of approximately HK\$8,467,000 (2005: HK\$8,487,000), in which approximately HK\$3,507,000 (2005: HK\$2,941,000) were capitalised in development cost.

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

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)

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

27. 經營租約安排

本集團作為承租人

本集團就辦公室物業而根據經營租賃支付之最低租金款項約為8,467,000港元(二零零五年: 8,487,000港元), 其中約3,507,000港元(二零零五年: 2,941,000港元)已於開發成本中資本化。

於結算日, 本集團根據不可撤銷經營租賃付之最低租金款項承擔之到期日期如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
8,194	6,803
4,417	9,260
12,611	16,063

租賃之平均年期商定為二年, 而租金則固定為平均二年期。



28. COMMITMENTS

28. 承擔

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital commitment	資本承擔		
Expenditure contracted for but not provided in the consolidated financial statements in respect of:	已簽約但未於綜合財務報表撥備之支出：		
– building construction	– 興建樓宇	–	18,507
Expenditure authorised but not contracted for:	已授權但未簽約之資本支出：		
– building construction	– 興建樓宇	–	4,174
Other commitment	其他承擔		
Expenditure contracted for but not provided in the consolidated financial statements in respect of:	已簽約但未於綜合財務報表撥備之支出：		
– land use right	– 土地使用權	42,301	–



29. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of the employees' salaries and are charged to consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2006 and 2005.

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

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

29. 退休福利計劃

本集團根據強制性公積金計劃條例為其所有香港僱員設立一項強積金計劃。所有於香港的僱員均須加入強積金計劃。供款按僱員基本薪金的某一百分比作出，並根據強積金計劃之規則於應予支付時在損益賬扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。於二零零六年及二零零五年十二月三十一日，並無失效之供款以供來年扣減應付供款。

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

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



30. SHARE OPTION SCHEMES

The Company had two share option schemes, including pre-initial public offering share option scheme (the “Pre-IPO Options”) and post-initial public offering scheme option scheme (the “Post-IPO Options”) for directors and eligible employees of the Group. The terms and conditions of the Pre-IPO Options and Post-IPO Options are set out below.

(A) Pre-IPO Options

The major terms of the Pre-IPO Options are summarised as follows:

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included directors of the Company or its subsidiaries, senior management and other employees of the Group.
- (iii) The maximum number of shares in respect of which options might be granted under the Pre-IPO Options shall not exceed 44,000,000 shares.
- (iv) Any cancellation of options granted but not exercised must be approved by the board of directors. Any options cancelled cannot be regranted.
- (v) Subject to the vesting period above and the terms of the Pre-IPO Options, an option may be exercised by the grantee at any time during the period of 10 years commencing on the date of grant.

30. 購股權計劃

本公司為其董事和合資格僱員提供兩項購股權計劃，包括首次公開發售前購股權計劃及首次公開發售後購股權計劃。首次公開發售前購股權計劃及首次公開發售後購股權計劃之條款及條件於下面載列。

(A) 首次公開發售前購股權計劃

首次公開發售前購股權計劃之主要條款概要如下：

- (i) 目的是為參與者提供激勵。
- (ii) 參與者包括本公司或其附屬公司董事、高級管理層及本集團之其他僱員，以及董事可能認為合適之該等其他人士。
- (iii) 首次公開發售前購股權計劃可授出之購股權所涉及的股份最高限額不可超過44,000,000股。
- (iv) 任何註銷已授出但未行使之購股權須經董事會同意。任何已註銷購股權不可獲重新授出。
- (v) 根據上述歸屬期及首次公開發售前購股權計劃之條款，承授人可於授出日期起計十年期間隨時行使購股權。



30. SHARE OPTION SCHEMES (CONTINUED)

(A) Pre-IPO Options (CONTINUED)

- (vi) No consideration is required to be paid by the grantee for the grant of options.
- (vii) The exercise price of an option is 60% of the offer price (as defined in the Prospectus).
- (viii) The life of the Pre-IPO Options shall be valid and effective from 30 May 2005 to 14 June 2005, after which time no further options will be granted but the provisions of the Pre-IPO Options shall remain in full force and effect in all other respects.

(B) Post-IPO Options

The major terms of the Post-IPO Options are summarised as follows:

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included any employee or executive director and such other persons as the board of directors may consider appropriate.
- (iii) The maximum number of shares in respect of which options might be granted under the Post-IPO Options and other share option schemes of the Company must not exceed 10% of the shares in issue as at the listing date (30 June 2005) and in any event the total maximum number of shares which might be issued or issuable upon exercise of all outstanding options under the Post-IPO Options and Other Schemes of the Company should not exceed 30% of the issued share capital of the Company from time to time.

30. 購股權計劃(續)

(A) 首次公開發售前購股權計劃(續)

- (vi) 承授人毋須就授予購股權支付任何代價。
- (vii) 購股權之行使價為發售價格(招股章程之訂價)之60%。
- (viii) 首次公開發售前購股權計劃之年期由二零零五年五月三十日至二零零五年六月十四日期間有效及生效，此後將不會再進一步授出購股權，惟首次公開發售前購股權計劃之條款在各方面仍具十足效力及生效。

(B) 首次公開發售後購股權計劃

首次公開發售後購股權計劃之主要條款概述如下：

- (i) 計劃之目的是為向參與者提供獎勵。
- (ii) 參與者包括本集團全職僱員或執行董事及董事會可能認為合適之該等其他人士。
- (iii) 根據首次公開發售後購股權計劃及本公司其他購股權計劃可予授出之最高股份數目，不得超過於上市日期(二零零五年六月三十日)已發行股份之10%，及無論如何因行使所有尚未行使之購股權而已發行或可發行之最高股份數目，不得超過不時根據首次公開發售後購股權計劃及本公司其他購股權計劃可予發行最高股份數目之30%。



30. SHARE OPTION SCHEMES (CONTINUED)

(B) Post-IPO Options (CONTINUED)

- (iv) No minimum period for which an option must be held before it became exercisable was required.
- (v) The acceptance of an option, if accepted, must be made within 5 business days from the date of grant. No consideration is required to be paid by the grantee for the grant of options.
- (vi) The exercise price of an option must be the highest of:
- the closing price of the share on the grant date;
 - the average of the closing price of the shares for the 5 trading days immediately preceding the grant date; and
 - the nominal value of the shares.
- (vii) The life of the Post-IPO Options was effective for 10 years until 29 May 2015, after which time no further option will be granted but provisions of the Post-IPO Options shall remain in full force and effect in all other respects.

30. 購股權計劃(續)

(B) 首次公開發售後購股權計劃(續)

- (iv) 並無就購股權設定行使前必須持有之最短期間。
- (v) 購股權之接納必須於授出日期起計五個營業日內作出。承授人毋須就獲授之購股權支付代價。
- (vi) 購股權之行使價必須為以下之最高者：
- 於授出日期聯交所每日報價表所列本公司股份之收市價；
 - 緊接授出日期前五個交易日聯交所每日報價表所列股份之平均收市價；及
 - 股份之面值。
- (vii) 首次公開發售後購股權計劃之年期將為期十年，至二零一五年五月二十九日為止，其後將不會再授出購股權，但首次公開發售後購股權計劃之條文在所有其他方面仍具十足效力及生效。



30. SHARE OPTION SCHEMES (CONTINUED)

30. 購股權計劃(續)

The following table disclose details of the options under Pre-IPO Options and Post-IPO Options held by the grantee and movements in such holdings:

下表披露承授人根據首次公開發售前購股權計劃及根據首次公開發售後購股權計劃持有之購股權之詳情及該等權益之變動：

Category of participants 參與者類別	Name of scheme 計劃名稱	Date of grant 授出日期	Exercisable period 行使期 (Note i) (附註i)	Exercise price per share 每股行使價 HK\$ 港元	Outstanding at 1 January 2005	Granted during the year	Forfeited during the year	Outstanding at 1 January 2006	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31 December 2006
					於二零零五年 一月一日 尚未行使	本年度授出	本年度失效	於二零零六年 一月一日 尚未行使	本年度授出	本年度行使	本年度失效	於二零零六年 十二月三十一日 尚未行使
Directors 董事												
Tsang Hen Loon, Raymond 曾憲龍	Pre-IPO Options 首次公開發售前 購股權計劃	30.5.2005 二零零五年 五月三十日	30.5.2005 – 29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	-	3,000,000	-	3,000,000	-	(750,000)	-	2,250,000
Zhang Jianping 張劍平	Pre-IPO Options 首次公開發售前 購股權計劃	30.5.2005 二零零五年 五月三十日	30.5.2005 – 29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	-	3,000,000	-	3,000,000	-	(750,000)	-	2,250,000
Tang Rongrong 唐融融	Pre-IPO Options 首次公開發售前 購股權計劃	30.5.2005 二零零五年 五月三十日	30.5.2005 – 29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	-	750,000	-	750,000	-	(186,000)	-	564,000
					-	6,750,000	-	6,750,000	-	(1,686,000)	-	5,064,000
Employees of the Group 本集團僱員												
	Pre-IPO Options 首次公開發售前 購股權計劃	30.5.2005 二零零五年 五月三十日	30.5.2005 – 29.5.2015 二零零五年五月三十日至 二零一五年五月二十九日	1.020	-	37,250,000	(3,650,000)	33,600,000	-	(6,640,000)	(5,225,000)	21,735,000
	Post-IPO Options 首次公開發售後 購股權計劃	12.5.2006 二零零六年 五月十二日	12.5.2006 – 29.5.2015 二零零六年五月十二日至 二零一五年五月二十九日	3.675	-	-	-	-	12,000,000	-	(2,730,000)	9,270,000
Total 總計					-	44,000,000	(3,650,000)	40,350,000	12,000,000	(8,326,000)	(7,955,000)	36,069,000
Exercisable at the end of the year 於年終可予行使												1,636,500
Weighted average exercise price (HK\$) 加權平均行使價(港元)												1.599
					-	1.020	1.020	1.020	3.675	1.020	1.599	1.599



30. SHARE OPTION SCHEMES (CONTINUED)

Notes:

- (i) In relation to each grantee of the options granted under the Pre-IPO Options, 25% of the options will vest during the period from 1 April 2006 to 31 December 2006 and in each of the three calendar years from 1 January 2007 to 31 December 2009.

In relation to each grantee of the options granted under Post-IPO Options, 25% of the options will vest in each of the four calendar years from 1 January 2007.

- (ii) On 30 May 2005 and 12 May 2006, the Company granted 44,000,000 share options under Pre-IPO Options and 12,000,000 share options under Post-IPO Options, respectively to certain directors of the Company and employees of the Group. No consideration was received for the grant of the options.

- (iii) During the year ended 31 December 2006, 5,225,000 (2005: 3,650,000) options granted under the Pre-IPO Options and 2,730,000 (2005: Nil) options granted under Post-IPO Options were forfeited upon the resignation of employees. The market price immediate before the date of grant of the Post-IPO Options was HK\$3.800 per share. No market price is available immediate before the date of grant of the Pre-IPO Options as the options were granted before listing.

- (iv) During the year ended 31 December 2006, 8,326,000 Pre-IPO Options have been exercised at the exercise price of HK\$1.02 per share. The weighted average share price on exercise dates and the weighted average share price immediately before exercise dates are HK\$3.752 per share and HK\$3.755 per share respectively.

Fair value of share options granted to employees determined at the date of grant is expensed over the vesting period, with a corresponding adjustment to the Group's share option reserve. In the current year, an amount of share option expense of approximately HK\$9,170,000 (2005: HK\$6,670,000) has been recognised with a corresponding adjustment recognised in the Group's share option reserve.

30. 購股權計劃(續)

附註：

- (i) 有關根據首次公開發售前購股權計劃授予每位承授人之購股權而言，於二零零六年四月一日至二零零六年十二月三十一日之期間，以及由二零零七年一月一日至二零零九年十二月三十一日之三個曆年各年將分別歸屬其25%之購股權。

就根據首次公開發售後購股權計劃獲授購股權之每名承授人而言，由二零零七年一月一日起的四個歷年每年將獲歸屬25%之購股權。

- (ii) 於二零零五年五月三十日及二零零六年五月十二日，本公司根據首次公開發售前購股權計劃授出44,000,000份購股權及根據首次公開發售後購股權計劃授出12,000,000份購股權予本公司若干董事及本集團若干僱員。授出之購股權並沒有收取任何代價。

- (iii) 於二零零六年十二月三十一日止年度內，有根據首次公開發售前購股權計劃授出5,225,000份(二零零五年：3,650,000份)購股權，另有根據首次公開發售後購股權計劃授出之2,730,000份購股權(二零零五年：無)於僱員辭任後失效。緊接授出首次公開發售後購股權日期前每股之市價為3.800港元。由於首次公開發售前購股權計劃乃於上市前授出，故並無緊接授出首次公開發售前購股權計劃日期前之市價。

- (iv) 於二零零六年十二月三十一日止年度內，有8,326,000份首次公開發售前購股權計劃按每股1.02港元之行使價被行使。於行使日期之加權平均股價及緊接行使日期前之加權平均股價分別為每股3.752港元及每股3.755港元。

於授出日期釐定向僱員授出之購股權之公平價值，於歸屬期內支銷，並於本集團之購股權儲備作相應調整。於本年度，購股權支出金額約9,170,000港元(二零零五年：6,670,000港元)已予確認，並在本集團之購股權儲備確認相應調整。



30. SHARE OPTION SCHEMES (CONTINUED)

In current year, share options were granted under Post-IPO Options on 12 May 2006. The fair values of Post-IPO Options (2005: Pre-IPO Options) determined at the date of grant using the Black-Scholes option pricing model was approximately HK\$18,465,000 (2005: HK\$28,000,000).

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

	Post-IPO Options	Pre-IPO Options
Share price (Note i)	HK\$3.65	HK\$1.70
Exercise price	HK\$3.675	HK\$1.02
Expected life of options (Note ii)	6 years	10 years
Expected volatility (Note iii)	68.0%	33.3%
Expected dividend yield	6.4%	3.9%
Risk free rate	3.8%	3.8%

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

Notes:

- (i) In 2006, the share price represented the Company's share price at the date of grant of the Post-IPO Options. In 2005, the share price of the Company's shares at the date of grant of Pre-IPO Options was estimated to be HK\$1.7 per share, which is equal to the offer price of the listing shares.
- (ii) The expected options life is 10 years and 6 years from the date of grant for Pre-IPO Options and Post-IPO Options respectively.
- (iii) In 2006, the expected volatility was determined by calculating the historical volatility of the Company's share price over 90 trade days immediately before the date of grant for Post-IPO Options. In 2005, the expected volatility was determined by calculating the historical volatility of the price of listed companies with similar business as the Group, due to lack of historical data.

30. 購股權計劃(續)

於本年度，購股權根據首次公開發售後購股權計劃於二零零六年五月十二日授出。採用柏力克－舒爾斯購股權定價模式釐定於授出日期之首次公開發售後購股權計劃(二零零五年：首次公開發售前購股權計劃)公平價值約為18,465,000港元(二零零五年：28,000,000港元)。

採用下列假設計算購股權公平價值：

	首次公開發售後 購股權計劃	首次公開發售前 購股權計劃
股價(附註i)	3.65港元	1.70港元
行使價	3.675港元	1.02港元
購股權預計有效 年期(附註ii)	6年	10年
預計波動(附註iii)	68.0%	33.3%
預計股息率	6.4%	3.9%
無風險利率	3.8%	3.8%

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

附註：

- (i) 於二零零六年，股價指於首次公開發售後購股權計劃授出日期本公司之股份價格。於二零零五年，於首次公開發售前購股權計劃授出日期，本公司之股份之股價估計為每股1.7港元，與上市股份之發售價相等。
- (ii) 預期購股權年期分別為自首次公開發售前購股權計劃授出日期起10年及首次公開發售後購股權計劃授出日期起6年。
- (iii) 於二零零六年，預期波動乃經計算與本公司股價於緊接首次公開發售後購股權計劃授出日期之前90個交易日之價格歷史波動釐定。於二零零五年，由於缺少歷史資料，預期波動乃經計算與本集團經營相類業務之上市公司之價格歷史波動釐定。

**31. RELATED PARTY TRANSACTIONS****31. 關連人士交易**

The Group had entered into the following transactions with related parties that are not members of the Group:

本集團與並非本集團成員公司之關連人士訂立以下交易：

		Notes <i>附註</i>	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Income statement	收益表			
Rental expenses paid to a related company	向關連公司支付之租金			
– Shanghai Sunrise House Property Company Limited	– 上海晨興房產開發有限公司	(a)	–	14
Commission fee paid to a related company	向關連公司支付之佣金費用			
– Shanghai Xinzhan Limited	– 上海鑫展信息設備工程有限公司	(a)	–	192
Interest expense paid to a related company	向關連公司支付之利息支出			
– Shanghai Sunrise Display Limited	– 上海晨顯電子有限公司	(b)	–	556

Notes:

- (a) Mr Wong Cho Tung and Ms Yeung Man Ying have controlling power over Shanghai Xinzhan Limited and Shanghai Sunrise House Property Company Limited.
- (b) Mr Wong Cho Tung and Ms Yeung Man Ying are beneficial owners of the company.

附註：

- (a) 王祖同先生及楊文瑛女士擁有上海鑫展信息設備工程有限公司及上海晨興房產開發有限公司全數投票控制權。
- (b) 王祖同先生及楊文瑛女士為該公司之實益擁有人。



31. RELATED PARTY TRANSACTIONS (CONTINUED)

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

The remuneration of key management other than the directors' remuneration as disclosed in note 10 during the year was as follows:

Short term benefits	短期福利
Post employment benefits	受僱後福利
Share-based payments	股份為基礎付款

The remuneration of directors and key executives is determined by the remuneration committee having regard to factors including the Group's operating results, responsibilities and performance of individuals and market trends.

31. 關連人士交易(續)

王祖同先生和楊文瑛女士均為本公司之董事。

除於附註10內披露之董事酬金外，本年度主要管理層之酬金如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
5,034	4,105
191	197
1,159	1,287
6,384	5,589

董事及主要行政人員之酬金由薪酬委員會經考慮因素包括本集團經營業績、個人所承擔之責任及其表現及市場趨勢釐定。



32. PARTICULARS OF PRINCIPAL SUBSIDIARIES

32. 主要附屬公司之詳情

Particulars of the subsidiaries of the Company at 31 December 2006 are as follows:

於二零零六年十二月三十一日本公司之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/ 註冊日期 及地點	Issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本 面值/註冊 資本之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
STG	13 October 2004 BVI 二零零四年 十月十三日 英屬處女群島	Ordinary shares US\$12,233 普通股 12,233 美元	100%	–	Investment holding 投資控股
Sunrise Electronic Industry Limited 晨興電子工業有限公司	17 December 1999 Samoa 一九九九年 十二月十七日 薩摩亞群島	Ordinary shares US\$2,002 普通股 2,002 美元	–	100%	Investment holding 投資控股
Shanghai Sunrise* 上海晨興	9 November 1993 The PRC 一九九三年 十一月九日 中國	Registered and contributed capital RMB200,000,000 註冊及實繳資本 人民幣 200,000,000 元	–	100%	Manufacturing and sales of LCD in the PRC 在中國生產及銷售液晶顯示模塊
Shanghai Simcom* 上海希姆通	5 December 2002 The PRC 二零零二年 十二月五日 中國	Registered and contributed capital US\$1,500,000 註冊及實繳資本 1,500,000 美元	–	100%	Design and development of mobile handsets, handset design solutions (in SKD/CKD form) and wireless communication module solutions in the PRC 在中國從事設計及開發移動手機、手機設計解決方案(形式為半製成組裝套件/組裝零件)及無線通訊模塊解決方案



32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

32. 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/ 註冊日期 及地點	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本 面值/註冊 資本之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Suncom Logistics* 上海羅捷斯迪	23 September 2003 The PRC 二零零三年 九月二十三日 中國	Registered and contributed capital US\$400,000 註冊及實繳資本 400,000美元	–	100%	Procurement, manufacture outsourcing, sales and marketing of the Group's products and logistics services in the PRC 於中國採購、製造、 外包、銷售及推廣 本集團產品及 從事物流服務
Simcom International Holdings Limited	2 October 2003 BVI 二零零三年 十月二日 英屬處女群島	Ordinary share US\$1 普通股 1美元	–	100%	Investment holding 投資控股
Suncom International Holdings Limited	12 January 2004 BVI 二零零四年 一月十二日 英屬處女群島	Ordinary share US\$1 普通股 1美元	–	100%	Investment holding 投資控股
SIM Technology HK Limited 晨訊科技香港有限公司	21 April 2004 Hong Kong 二零零四年 四月二十一日 香港	Ordinary share HK\$1 普通股 1港元	–	100%	Provision of administrative services 提供行政服務

32. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (CONTINUED)

32. 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/ 註冊日期 及地點	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本 面值/註冊 資本之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Shanghai Speedcomm* 上海思必得	16 December 2005 The PRC 二零零五年 十二月十六日 中國	Registered and contributed capital RMB7,500,000 註冊及實繳資本 人民幣7,500,000元	-	100%	Design and development of mobile handsets, handset design solutions (in SKD/CKD form) and wireless communication module solutions in the PRC 在中國從事設計及開發 移動手機、手機設計解決 方案(形式為半製成組裝 套件/組裝零件)及 無線通訊模塊解決方案
Max Vision Limited 天景有限公司	17 September 2003 Hong Kong 二零零三年 九月十七日 香港	Ordinary shares HK\$2 普通股2港元	-	100%	Investment holding 投資控股
Shanghai Max Vision* 上海麥維訊	8 December 2003 The PRC 二零零三年 十二月八日 中國	Registered and contributed capital US\$200,000 註冊及實繳資本 200,000美元	-	100%	Procurement, outsourcing, sales and marketing of the Group's products and logistics services in the PRC 在中國採購、外包、 銷售及推廣本集團 產品及從事物流服務



32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

32. 主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/ 註冊日期 及地點	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本 面值/註冊 資本之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Shanghai Simcom Wireless Solutions Limited* 芯訊通無線科技(上海)有限公司	31 October 2006 The PRC 二零零六年 十月三十一日 中國	Registered and contributed capital US\$200,000 註冊及實繳資本 200,000美元	-	100%	Not yet commence business 尚未營業
Shanghai SIM Technology Limited* 晨訊科技(上海)有限公司	2 August 2006 The PRC 二零零六年 八月二日 中國	Registered and contributed capital RMB40,000,000 註冊及實繳資本 人民幣40,000,000元	-	100%	Investment holding of land use right 土地使用權之投資控股
Shanghai Simcom Electronic Limited* 上海芯通電子有限公司	21 November 2006 The PRC 二零零六年 十一月二十一日 中國	Registered and contributed capital US\$200,000 註冊及實繳資本 200,000美元	-	100%	Not yet commence business 尚未營業

* Wholly foreign owned enterprises registered in the PRC.

* 在中國註冊之全外資企業

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

並無任何附屬公司於本年度末或本年度內任何時間有任何生效的債務證券。



For the year ended 31 December
截至十二月三十一日止年度

		2002	2003	2004	2005	2006
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Note 2)	(Note 2)	(Note 2)	(Note 3)	(Note 3)
		(附註2)	(附註2)	(附註2)	(附註3)	(附註3)
RESULTS	業績					
Revenue	收入	194,680	466,802	1,567,074	2,719,585	3,418,864
Profit before taxation	除稅前溢利	10,624	40,731	212,697	308,485	391,568
Taxation	稅項	(3,092)	(9,306)	(13,475)	(13,424)	(18,695)
Profit for the year	本年度溢利	7,532	31,425	199,222	295,061	372,873
Attributable to:	以下人士應佔：					
Equity holders of the parent	母公司股東	7,532	29,376	155,534	290,662	372,873
Minority interests	少數股東權益	-	2,049	43,688	4,399	-
		7,532	31,425	199,222	295,061	372,873

As at 31 December
於十二月三十一日

		2005	2006
		二零零五年	二零零六年
		HK\$' 000	HK\$'000
		千港元	千港元
		(Note 1)	(Note 1)
		(附註1)	(附註1)
ASSETS AND LIABILITIES	資產與負債		
Total assets	總資產	1,461,917	1,833,913
Total liabilities	總負債	(442,045)	(713,766)
		1,019,872	1,120,147
Equity attributable to equity holders of the parent	母公司股東應佔權益	1,019,872	1,120,147



Notes:

- (1) The Company was incorporated in Bermuda on 27 October 2004 and became the holding company of the Group with effect from 3 June 2005 as a result of a reorganisation as set out in the prospectus dated 21 June 2005 issued by the Company (the "Prospectus"). Accordingly, only consolidated balance sheets as at 31 December 2005 and 2006 have been prepared and set out as per above.
- (2) The results of the Group for each of the three years ended 31 December 2004 have been prepared on a combined basis as if the then group structure had been in existence throughout the years concerned and have been extracted from the Prospectus.
- (3) The results of the Group for the year ended 31 December 2005 and 2006 have been extracted from the consolidated income statements which are set out on page 56 of the consolidated financial statements.

附註：

- (1) 本公司於二零零四年十月二十七日在百慕達註冊成立，並於二零零五年六月三日因重組成為本集團之控股公司，詳情載於本公司於二零零五年六月二十一日刊發之招股章程（「招股章程」）內。因此，本集團只已編製二零零五年及二零零六年十二月三十一日之綜合資產負債表並已載於上文。
- (2) 本集團截至二零零四年十二月三十一日止三個年度之業績已按合併基準編製，猶如當時之集團架構於有關之年度內一直存在，該等業績乃摘錄自招股章程。
- (3) 本集團截至二零零五年及二零零六年十二月三十一日止年度之業績乃摘錄自綜合收益報表，該報表載於綜合財務報表第56頁。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors:

Ms YEUNG Man Ying (*Chairman*)
Mr WONG Cho Tung
Mr TSANG Hen Loon, Raymond
Mr ZHANG Jianping
Mr WONG Hei, Simon
Mr WONG Sun
Ms TANG Rongrong

Independent

non-executive Directors:

Mr HENG Kwo Seng
Mr WANG Chengwei
Mr ZHUANG Xingfang

COMPANY SECRETARY

Mr CHAN Yee Tak

QUALIFIED ACCOUNTANT

Mr CHAN Tat Wing, Richard *CGA*

AUDIT COMMITTEE

Mr HENG Kwo Seng (*Chairman*)
Mr WANG Chengwei
Mr ZHUANG Xingfang

REMUNERATION COMMITTEE

Mr ZHUANG Xingfang (*Chairman*)
Mr WANG Chengwei
Mr WONG Cho Tung

AUDITORS

Deloitte Touche Tohmatsu

LEGAL ADVISER

Norton Rose

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Communications
Shanghai Pudong Development Bank

COMPLIANCE ADVISER

CLSA Equity Capital
Markets Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

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Services Limited
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董事會

執行董事

楊文瑛女士 (*主席*)
王祖同先生
曾憲龍先生
張劍平先生
王曦先生
王晨先生
唐融融女士

獨立非執行董事

邢詒春先生
汪誠蔚先生
庄行方先生

公司秘書

陳怡德先生

合資格會計師

陳達榮先生 *CGA*

審核委員會

邢詒春先生 (*主席*)
汪誠蔚先生
庄行方先生

薪酬委員會

庄行方先生 (*主席*)
汪誠蔚先生
王祖同先生

核數師

德勤·關黃陳方會計師行

本公司法律顧問

諾頓羅氏

主要往來銀行

恒生銀行有限公司
交通銀行
上海浦東發展銀行

合規顧問

里昂證券資本市場有限公司

註冊辦事處

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