



PAX
PAX Global Technology Limited
百富環球科技有限公司*

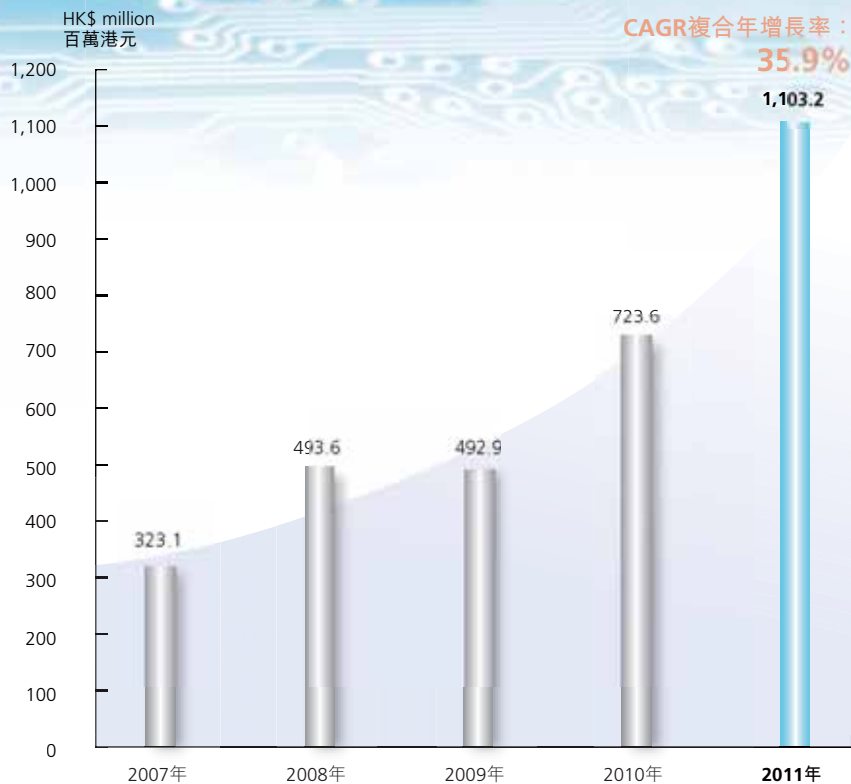
(Incorporated in Bermuda with limited liability) (於百慕達註冊成立的有限公司)
(Stock Code 股份代號 : 00327)

2011
Annual Report 年報

Financial Highlights

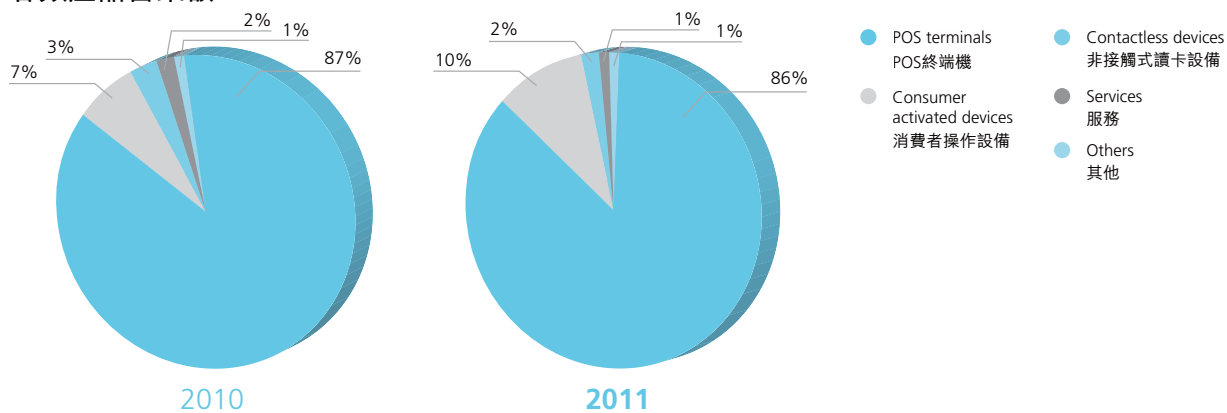
財務概要

Revenue 營業額



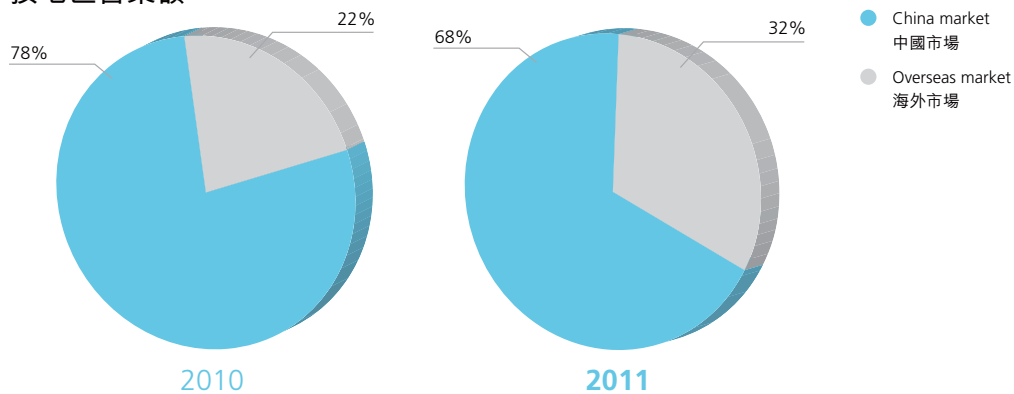
Sales by Product Category

各類產品營業額



Sales by Geographical Region

按地區營業額

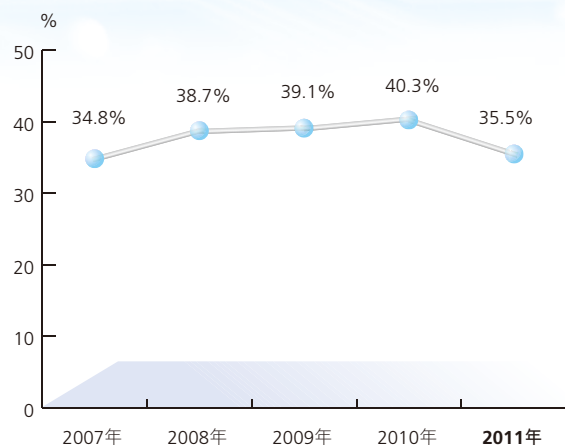


Financial Highlights

財務概要

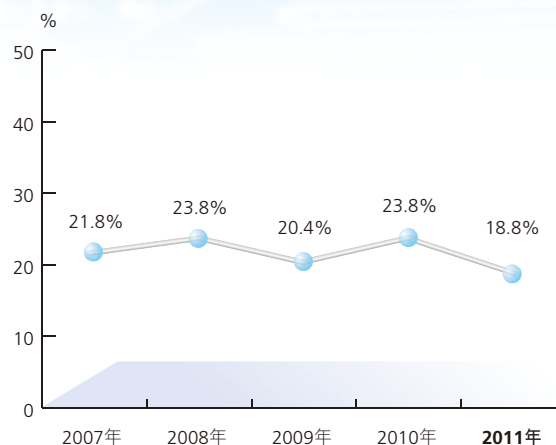
Gross Profit Margin

毛利率



Operating Profit Margin

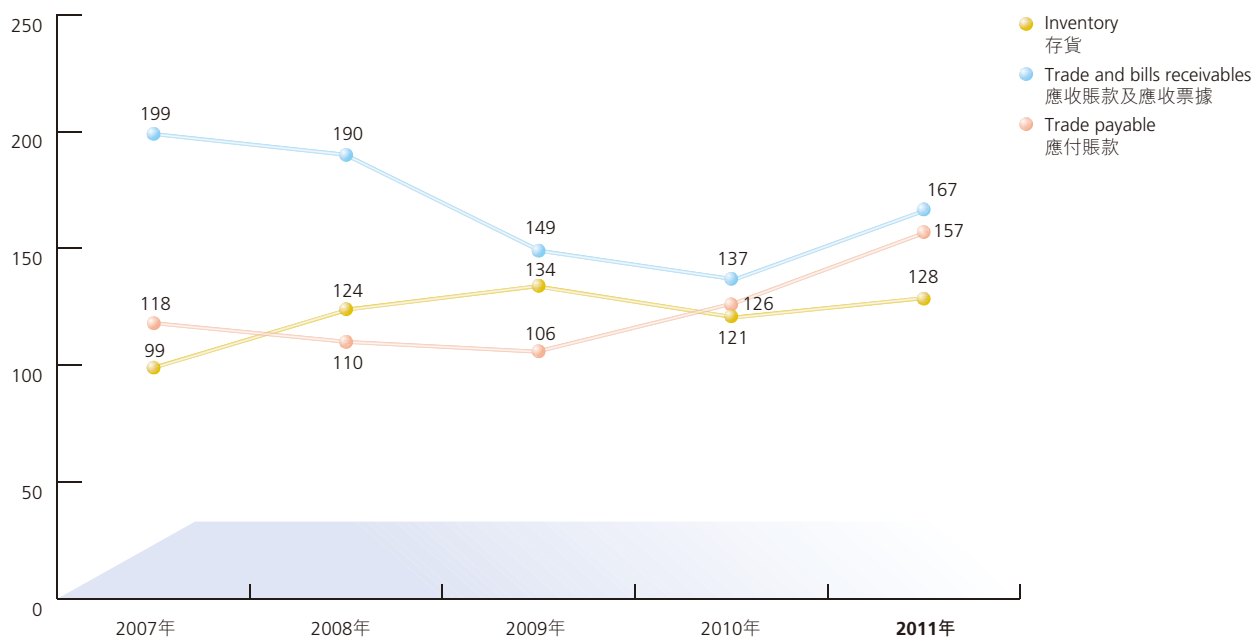
經營溢利率



Turnover days^{Note}

週轉日數^{附註}

Days日數



Notes

Inventory turnover days = Gross inventory balance as at year end / (Cost of sales for the year / 365 days)

Trade and bills receivables turnover days = Gross trade and bills receivables balance as at year end / (Turnover for the year / 365 days)

Trade payable turnover days = Gross trade payable balance as at year end / (Cost of sales for the year / 365 days)

附註

存貨週轉日數 = 年末存貨結餘總額 / (年內銷售成本 / 365日)

應收賬款及應收票據週轉日數 = 年末應收賬款及應收票據結餘總額 / (年內營業額 / 365日)

應付賬款週轉日數 = 年末應付賬款總額 / (年內銷售成本 / 365日)

Financial Highlights

財務概要

		2011 二零一一年	2010 二零一零年	+ / (-)
For the year ended 31 December (in HK\$'000)	截至十二月三十一日 止年度(千港元)			
Revenue	收入	1,103,180	723,610	+52%
Gross profit	毛利	391,702	291,870	+34%
EBITDA	EBITDA	210,596	175,121	+20%
Operating profit	經營溢利	207,463	172,508	+20%
Profit for the year	年內溢利	181,795	145,423	+25%
At 31 December (in HK\$'000)	於十二月三十一日(千港元)			
Total assets	資產總額	2,006,038	1,505,360	+33%
Total liabilities	負債總額	404,884	218,249	+86%
Total equity	權益總額	1,601,154	1,287,111	+24%
Net current assets	流動資產淨值	1,590,110	1,275,686	+25%
Per share (in HK\$)	每股(港元)			
Earnings per share	每股盈利			
– Basic (HK\$)	– 基本(港元)	0.175	0.194	-10%
– Diluted (HK\$)	– 攤薄(港元)	0.175	0.194	-10%
Financial ratios	財務比率			
Gross profit margin	毛利率	35.5%	40.3%	
Operating profit margin	經營溢利率	18.8%	23.8%	
Net profit margin	淨利潤率	16.5%	20.1%	
Current ratio	流動比率	4.9	6.8	
Return on equity ¹	權益回報 ¹	11.4%	11.3%	
Return on assets ²	資產回報 ²	9.1%	9.7%	

Notes

- ¹ Return on equity = Profit for the year/Equity as at year end
² Return on assets = Profit for the year/Total assets as at year end

附註

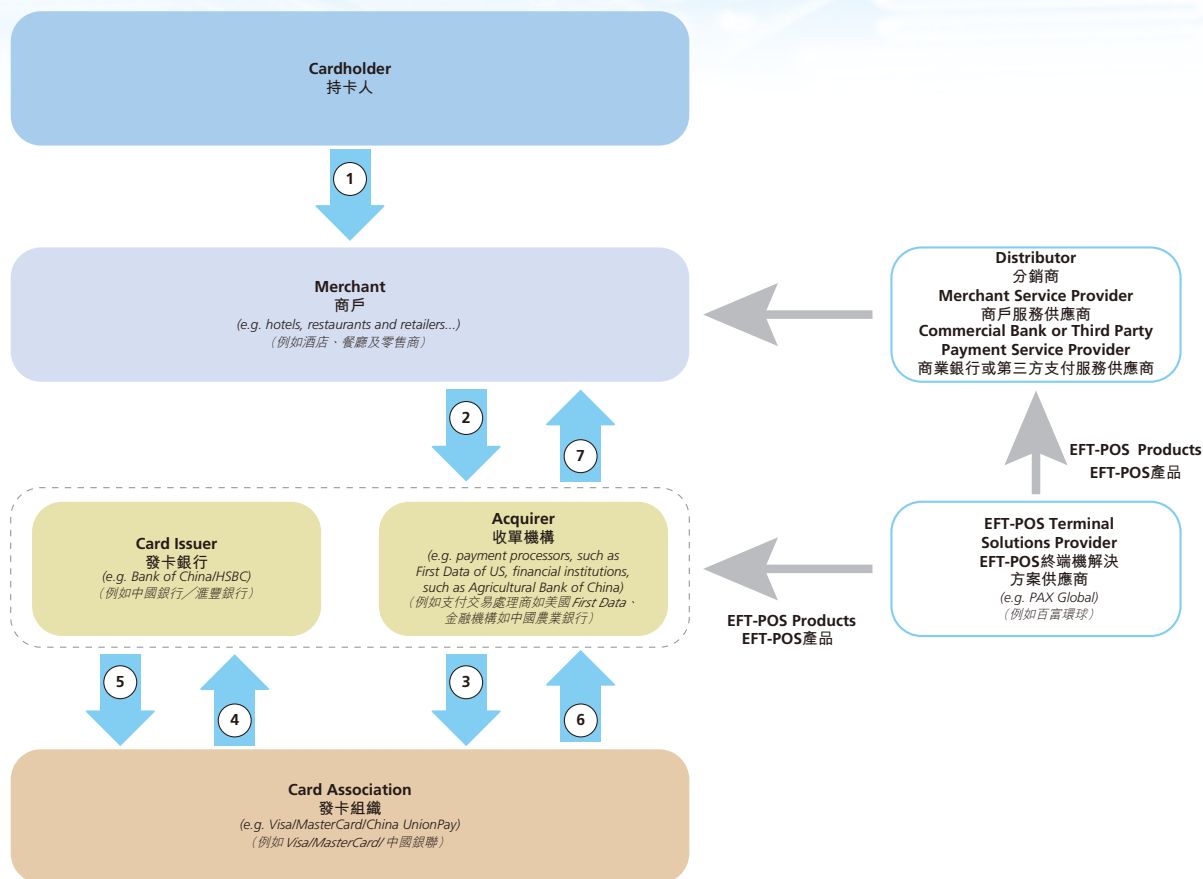
- ¹ 權益回報=年度溢利/年末權益
² 資產回報=年度溢利/年末資產總額

Bank Card Transaction Flow of Electronic Payment

銀行卡電子支付交易流程

The following is a simplified diagram illustrating the transaction flow in a typical electronic payment transaction

以下簡圖所示為一般銀行卡電子支付交易的交易流程



Source: Analysys International, CSI

數據來源：易觀國際，中信證券

“ → ” EFT-POS terminal solutions providers sell EFT-POS products and provide related services to merchant service providers and acquirers.

「 → 」 EFT-POS終端機解決方案供應商銷售EFT-POS產品並提供相關服務予商戶服務供應商及收單機構。

“ → ” Merchant service providers provide transaction processing solutions to merchants by assisting merchants in setting-up their operations to accept cards as a form of payment from their customers.

「 → 」商戶服務供應商透過協助商戶建立接納客戶以卡作為支付方式的業務向商戶提供交易處理解決方案。

“ → ”

「 → 」

1: Cardholder purchases with card at a merchant through an EFT-POS terminal.

1: 持卡人於商戶透過EFT-POS終端機以卡支付。

2: The EFT-POS terminal sends transaction data to the acquirer.

2: EFT-POS終端機傳送交易數據予收單機構。

3&4: The acquirer sends authorization request and verifies with the card issuer that the card number and transaction amount are both valid through the network of card association.

3及4: 收單機構發送授權要求，並透過發卡組織的網絡向發卡機構核實卡號碼及交易金額均屬有效。

5&6: The card issuer verifies that the cardholder's credit is sufficient and grants authorization.

5及6: 發卡機構核實持卡人的信用額充足並給予授權。

7: The acquirer receives the response and relays it to the merchant.

7: 收單機構接收回應及轉達予商戶。

Products

公司產品

POS Terminals POS 終端機

- Accept magnetic strip cards and IC cards and support credit, debit and a full range of pre-paid products, including gift cards and loyalty programs
- Models: P80, P78, S80, P58, S58, SP30-S, SP30-T, S78
- 可讀取磁條卡及IC卡，並支持信用卡、借記卡及全系列預付產品，包括禮品卡及忠誠度計劃
- 型號：P80、P78、S80、P58、S58、SP30-S、SP30-T、S78



P80

P78



S80



P58



S58



SP30-S



SP30-T



S78

- Payment transaction data can be stored in the terminals for later retrieval and forwarded for authorization and settlement. Generally used in the entertainment, restaurants and hospitality segments
- Models: P60-S1, S60-S, S60-T
- 可儲存支付交易數據於終端機內以作稍後檢索及將資料傳送作授權和結算。一般用於娛樂、餐廳及酒店業
- 型號：P60-S1、S60-S、S60-T



P60-S1



S60-S



S60-T

- Support multiple wireless communication methods, such as GSM, GPRS/CDMA and WiFi, Applications include "pay-at-the-table" and transportation (e.g. Taxi)
- Models: S90, P90, T80
- 支援多種無線通訊方式，如GSM、GPRS/CDMA及WiFi等，應用範疇包括「到桌支付」及運輸（如計程車）
- 型號：S90、P90、T80



S90



P90



T80

Products

公司產品

- High security phone POS, which complies with various industry standards including PCI PTS and EMV 2000. Solves fund transfer and eliminates cheque settlements issue. Generally used in the wholesale markets, small and medium size businesses
- Models: SP30 E-POS
- 高安全性能電話機終端擁有多項行業認證包括PCI PTS及EMV 2000。一般用於批發市場和中小商戶，主要解決轉賬和免去支票結賬問題
- 型號：SP30 E-POS



SP30 E-POS

Consumer activated devices 消費者操作設備

- Support a variety of connection options to work with POS terminals
- Models: PP20-C, PP20-D, SP20, SP30, MT30, WP100
- 支援多種POS終端機的连接選項
- 型號：PP20-C、PP20-D、SP20、SP30、MT30、WP100



PP20-D



SP20



SP30



MT30



WP100

Contactless devices 非接觸式讀卡設備

- Specifically designed for contactless payment, which comply with various industry standards including MasterCard's PayPass and Visa's PayWave
- Models: R50, S30, R50-M, T60
- 專為非接觸式支付而設，並符合多個業內標準，包括MasterCard的PayPass及Visa的PayWave
- 型號：R50、S30、R50-M、T60



R50



R30



R50-M



T60

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

NIE Guoming (*Chairman*)

JIANG Hongchun (*Chief Executive Officer*)

LI Wenjin

Independent Non-Executive Directors

YIP Wai Ming

WU Min

MAN Kwok Kuen, Charles

JOINT COMPANY SECRETARY

CHAN Yiu Kwong

LEE Chris Curl

AUTHORISED REPRESENTATIVES

LI Wenjin

CHAN Yiu Kwong

BERMUDA RESIDENT REPRESENTATIVE

Codan Services Limited

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS

As to Hong Kong Law

Reed Smith Richards Butler

Woo, Kwan, Lee & Lo

As to Bermuda Law

Conyers Dill & Pearman

COMPLIANCE ADVISER

First Shanghai Capital Limited

19/F, Wing On House

71 Des Voeux Road Central

Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited

Wing Lung Bank

The Hongkong and Shanghai Banking Corporation Limited

Hang Seng Bank Limited

China Construction Bank Corporation

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

董事會

執行董事

聶國明(主席)

蔣洪春(行政總裁)

李文晉

獨立非執行董事

葉偉明

吳敏

文國權

聯席公司秘書

陳耀光

李書沸

授權代表

李文晉

陳耀光

百慕達註冊處代表

Codan Services Limited

核數師

羅兵咸永道會計師事務所

法律顧問

香港法律

禮德齊伯禮律師行

胡關李羅律師行

百慕達法律

Conyers Dill & Pearman

合規顧問

第一上海融資有限公司

香港

德輔道中71號

永安集團大廈19樓

主要往來銀行

中國工商銀行(亞洲)有限公司

永隆銀行

香港上海滙豐銀行有限公司

恒生銀行有限公司

中國建設銀行股份有限公司

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Corporate Information

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

SHARE REGISTRAR IN BERMUDA

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Ltd
26/F., Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

COMPANY'S WEBSITE

www.paxglobal.com.hk

STOCK CODE

327

香港主要營業地點

香港
灣仔
港灣道30號
新鴻基中心
24樓2416室

百慕達股份過戶登記處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

股份過戶登記處香港分處

卓佳證券登記有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

公司網站

www.paxglobal.com.hk

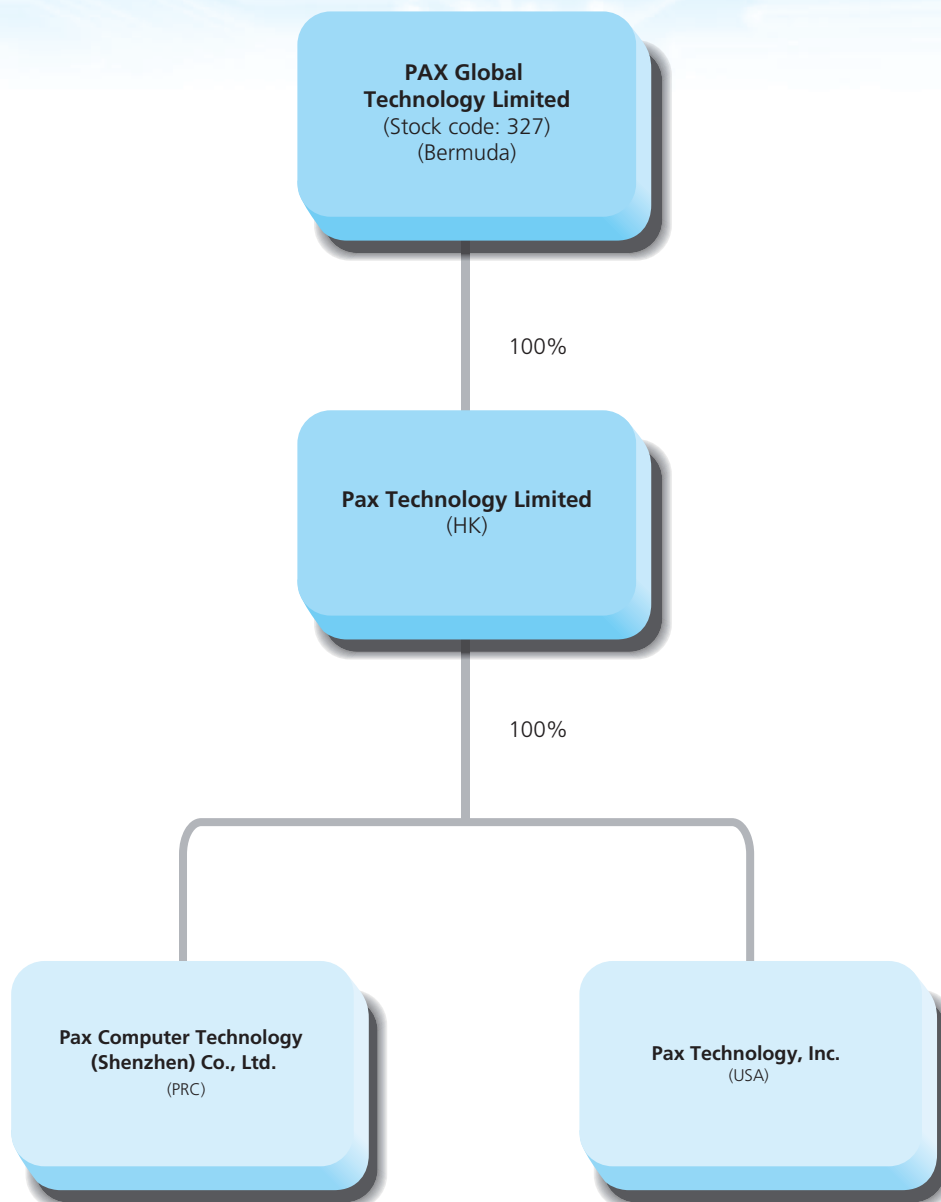
股份代號

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Simplified Corporate Chart

公司架構簡表

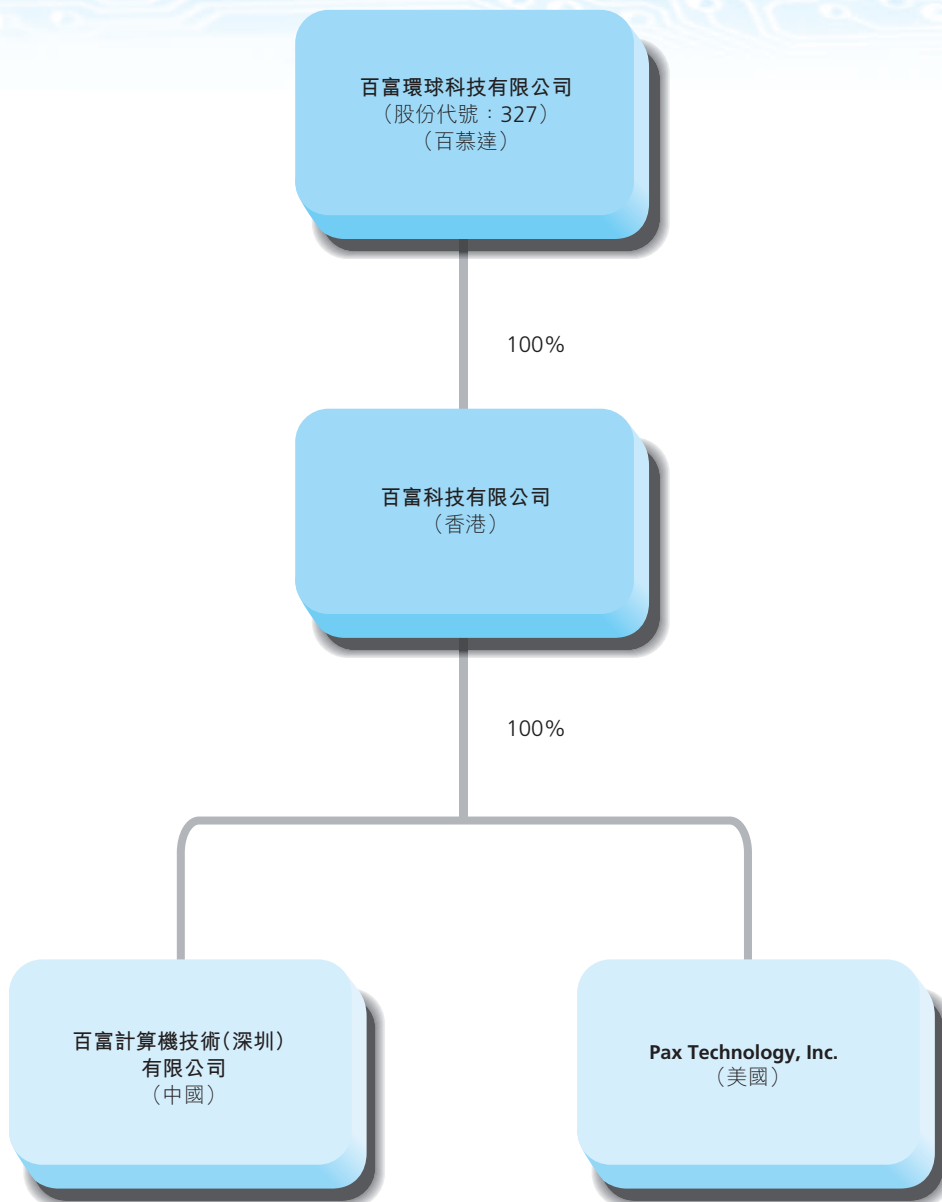
The following is a simplified corporate chart of the Group's principal operating subsidiaries up to the date of this report.



Simplified Corporate Chart

公司架構簡表

下表為截至本報告日期本集團主要營運附屬公司之公司架構簡表。



Directors and Senior Management

董事及高層管理人員

As at 15 March 2012, the date of the Report of the Directors, the biographical details of the Directors and senior management of the Company are as follows:

於二零一二年三月十五日(即董事會報告日期)，本公司董事及高層管理人員之履歷詳情如下：

BOARD OF DIRECTORS

Executive Directors

NIE Guoming *Chairman*

Mr. Nie, aged 49, is the Chairman and an Executive Director of the Company. He is responsible for the overall management and strategic development of the Group. Mr. Nie has over 16 years of experience in the card payment industry. He joined Pax Technology Limited ("Pax Technology") since founding of the company in 20 March 2000. He was the vice president of Pax Technology from 20 March 2000 to 1 January 2001. He has been the president of Pax Technology from 2 January 2001 to 14 June 2010. He was appointed as the chairman of Pax Technology since 14 June 2010. Mr. Nie previously worked as an engineer in the Information Technology Department of the Headquarters of China Merchants Bank in the PRC from 1996 to 1999. Mr. Nie graduated from Tsinghua University in 1984 with a bachelor degree in Radio Electronics and obtained a master degree in Radio Electronics Engineering from Southeast University in 1991. He was appointed as the Chairman and an Executive Director of the Company on 1 December 2010.

JIANG Hongchun *Chief Executive Officer*

Mr. Jiang, aged 41, is the Chief Executive Officer and an Executive Director of the Company. He is responsible for the overall management of the Group's operations. Mr. Jiang was the vice president and the chief executive officer of Hangzhou Pax Electric Technology Limited from 7 March 2007 to 31 January 2008 and from 1 February 2008 to 14 June 2010, respectively. He was appointed as the chief executive officer and president of Pax Technology since 14 June 2010. He has over 16 years of experience in payment industry and meter solutions industry. Mr. Jiang joined Schlumberger Technologies (Asia) Limited as a technical support engineer in the Smart Cards & Terminal Division in August 1993, and was promoted to senior engineer and product manager for banking retail terminal in December 1994 and January 1996, respectively. He was a vice president of Beijing Future Information Technology Co., Ltd., from 1 September 2001 to 28 February 2007, where he was responsible for sales and marketing of point-of-sale, automatic teller machines and bank card processing solutions. Mr. Jiang is currently a committee member of the Chinese National Standardization Technical Committee for Electrical Measuring Instruments (全國電工儀器儀錶標準化技術委員會). Mr. Jiang graduated from Shanghai Jiao Tong University (上海交通大學) in 1992 with a bachelor's degree in automatic control. He was appointed as the Chief Executive Officer and an Executive Director of the Company on 24 February 2010.

董事會

執行董事

聶國明 *主席*

聶先生，49歲，為本公司主席兼執行董事。彼負責本集團的整體管理及策略發展。聶先生於卡支付行業擁有逾16年經驗。彼自百富科技有限公司(「百富科技」)於二零零零年三月二十日成立起加入該公司。彼於二零零零年三月二十日至二零零一年一月一日出任百富科技的副總裁，於二零零一年一月二日至二零一零年六月十四日間出任百富科技的總裁，自二零一零年六月十四日起獲委任為百富科技的主席。聶先生於一九九六年至一九九九年曾於中國招商銀行總部的信息科技部門任職工程師。聶先生於一九八四年畢業於清華大學，持有無線電電子學學士學位，其後於一九九一年獲東南大學頒授無線電工程碩士學位。彼於二零一零年十二月一日獲委任為本公司主席及執行董事。

蔣洪春 *行政總裁*

蔣先生，41歲，為本公司行政總裁兼執行董事。彼負責本集團營運的整體管理。蔣先生於二零零七年三月七日至二零零八年一月三十一日及二零零八年二月一日至二零一零年六月十四日分別擔任杭州百富電力技術有限公司的副總裁及行政總裁。彼自二零一零年六月十四日獲委任為百富科技的行政總裁兼總裁。彼於支付行業及電能表解決方案行業擁有逾16年經驗。蔣先生於一九九三年八月加入Schlumberger Technologies (Asia) Limited擔任智能卡及終端機部門的技術支援工程師，並於一九九四年十二月及一九九六年一月先後晉升為銀行零售終端機的高級工程師及產品經理。彼於二零零一年九月一日至二零零七年二月二十八日出任北京未來新星信息技術有限公司副總裁，負責銷售點、自動櫃員機及銀行卡處理解決方案的銷售及營銷工作。蔣先生目前為全國電工儀器儀錶標準化技術委員會的委員。蔣先生於一九九二年畢業於上海交通大學，獲自動控制學士學位。彼於二零一零年二月二十四日獲委任為本公司行政總裁兼執行董事。

Directors and Senior Management

董事及高層管理人員

LI Wenjin

Mr. Li, aged 48, is an Executive Director of the Company. He is responsible for risk management and treasury management. He is also responsible for overseeing operations of Pax Technology of which he has been a Director since 5 April 2000. Mr. Li has over 20 years of experience in investment and administrative affairs. Mr. Li was the Director of Hi Sun Information Technology Services Limited ("HSITSL") from 1 August 1997 to 3 May 2005. HSITSL was a Hong Kong company, which was a representative and purchasing office engaging in general trading, and engaging in provision of consultancy services. HSITSL provided consultancy services to Pax Technology from 2002 to 2003. Mr. Li is also the managing Director of Hi Sun Limited since 16 August 1999 and an Executive Director of Hi Sun since 7 June 2001. He has also been appointed as an Executive Director of both Hi Sun Limited and Hi Sun Technology (China) Limited ("Hi Sun") and certain of their subsidiaries. Prior to joining Hi Sun Limited in 1999, he worked for several companies in the PRC and Hong Kong, including Beijing Order Computer Company, a system integration company, from 1994 to 1995 where he was responsible for investment and administrative affairs. Mr. Li obtained a master's degree in law from the Peking University in 1989. He was appointed as an Executive Director of the Company on 24 February 2010.

Independent Non-Executive Directors

YIP Wai Ming

Mr. Yip, aged 46, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Mr. Yip is currently an Independent Non-Executive Director of BBMG Corporation (北京金隅股份有限公司), Ju Teng International Holdings Limited (巨騰國際控股有限公司) and Far East Horizon Limited (遠東宏信有限公司), and was the deputy general manager of Yuzhou Properties Company Limited (禹洲地產股份有限公司) in 2010 and the chief financial officer of Haier Electronics Group Co., Ltd. (海爾電器集團有限公司) from 2004 to 2009, all of which all companies listed on the Stock Exchange. Prior to that, he had held senior positions in other listed companies, in an investment bank and in an international accountancy firm during the period from 1987 to 2003. Mr. Yip graduated from The University of Hong Kong with a bachelor degree in social sciences in 1987. He also holds a bachelor degree in laws from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants.

李文晉

李先生，48歲，為本公司執行董事。彼負責風險管理及財務管理。彼自二零零零年四月五日起亦出任百富科技的董事，負責監察百富科技的營運。李先生於投資及行政事務擁有逾20年經驗。李先生於一九九七年八月一日至二零零五年五月三日擔任高陽信息產品服務有限公司(「高陽信息」)的董事。高陽信息為一家香港公司，乃進行一般買賣的代表暨採購辦事處，亦有提供諮詢服務。高陽信息於二零零二年至二零零三年向百富科技提供諮詢服務。李先生亦自一九九九年八月十六日起擔任高陽有限公司的董事總經理，並自二零零一年六月七日起出任高陽科技(中國)有限公司(「高陽」)的執行董事。彼亦獲委任為高陽有限公司及高陽以及兩者的若干附屬公司的執行董事。彼於一九九九年加入高陽有限公司前，曾在中國及香港多家公司工作，包括於一九九四年至一九九五年在系統集成公司北京方正奧德計算機系統有限公司負責投資及行政事務。李先生於一九八九年獲北京大學頒授法律碩士學位。彼於二零一零年二月二十四日獲委任為本公司執行董事。

獨立非執行董事

葉偉明

葉先生，46歲，於二零一零年十二月一日獲委任為本公司獨立非執行董事。葉先生目前為北京金隅股份有限公司、巨騰國際控股有限公司及遠東宏信有限公司的獨立非執行董事，並曾於二零一零年擔任禹洲地產股份有限公司的副總經理及於二零零四年至二零零九年間擔任海爾電器集團有限公司的財務總監，所有上述公司均於聯交所上市。由一九八七年至二零零三年間，葉先生曾在多間上市公司、投資銀行及國際會計師事務所擔任高級管理人員。葉先生在一九八七年畢業於香港大學，持有社會科學學士學位。彼亦持有倫敦大學法律學士學位。葉先生為特許公認會計師公會資深會員及香港會計師公會及中國註冊會計師協會會員。

Directors and Senior Management

董事及高層管理人員

WU Min

Dr. Wu, aged 40, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Previously, Dr. Wu was an assistant professor with The Hong Kong University of Science & Technology Business School and The University of Hong Kong School of Business. Dr. Wu has been teaching International Accounting Standards, US Generally Accepted Accounting Principles and Chinese Accounting Standards. Her academic research achievements in identifying US accounting restatements and frauds were reported by various media, including the Wall Street Journal, New York Times, Business Week, Fortune, CNN, etc. Dr. Wu used to cooperate with major accounting firms and the Public Company Accounting Oversight Board (US) in research in the areas of accounting manipulation and frauds by US listed companies. She also provides professional interpretation and analysis services for investment funds on accounting standards and on listed companies' financial statements. Dr. Wu graduated from Peking University with a bachelor degree in Economics in 1994. Dr. Wu obtained a master degree in Economics from Tufts University in 1996 and a Ph.D. in Accounting from Stern School of Business, New York University in 2003.

MAN Kwok Kuen, Charles

Mr. Man, aged 53, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Mr. Man graduated from The University of Hong Kong with a bachelor degree in laws in 1981. Mr. Man was admitted as a solicitor in Hong Kong in 1984 and has practised as a solicitor at Joseph S. C. Chan & Co. (formerly known as Chan and Lo) in Hong Kong since then. He is currently a partner of Joseph S.C. Chan & Co.

吳敏

吳博士，40歲，於二零一零年十二月一日獲委任為本公司的獨立非執行董事。吳博士之前為香港科技大學商學院和香港大學商學院助理教授。吳博士一直教授國際會計準則、美國公認會計準則及中國會計準則。其於識別美國會計重列及欺詐的學術研究成果廣獲華爾街日報、紐約時報、商業周刊、財富、CNN等多家媒體報道。吳博士過去曾與主要會計公司及美國上市公司會計監察委員會合作研究美國上市公司的會計操縱及欺詐領域。彼亦為投資資金提供有關會計準則及上市公司財務報表的專業詮釋及分析服務。吳博士於一九九四年畢業於北京大學，獲經濟學士學位。吳博士於一九九六年獲塔夫斯大學頒授經濟碩士學位，及於二零零三年獲紐約大學Stern School of Business頒授會計博士學位。

文國權

文先生，53歲，於二零一零年十二月一日獲委任為本公司獨立非執行董事。文先生於一九八一年畢業於香港大學，獲法學學士學位。文先生於一九八四年成為香港律師，自此一直在香港的陳順祖、文國權、潘慧妍律師行(前稱Chan and Lo)執業。彼目前為陳順祖、文國權、潘慧妍律師行的合夥人。

Directors and Senior Management

董事及高層管理人員

SENIOR MANAGEMENT

As at the date of the Report of the Directors, Mr. Lu Jie, Mr. Luo Shaowen and Mr. Lee Chris Curl were the Company's senior management.

LU Jie

Mr. Lu, aged 47, is the President of Pax Computer Technology (Shenzhen) Co., Ltd. ("Pax Technology (Shenzhen)"). He joined the Group in August 2001 and is responsible for managing all the business development, sales and marketing functions of the Group in China. Mr. Lu has over 12 years of experience in sales and marketing in the electronic payment industry and served a number of management positions and executive role at a system integration company Beijing Order Computer Company from 1998 to 2001 including general manager of insurance department, general manager of marketing department and vice president of the company. He had also worked as an engineer of the Ministry of Geology and Mineral Resources of the PRC and the Chinese Academy of Geological Sciences from 1986 to 1994 and from 1994 to 1995, respectively. Mr. Lu holds a bachelor degree from Chengdu Geology Institute. Mr. Lu obtained an Executive Master of Business Administration degree from the Cheung Kong Graduate School of Business in 2010.

LUO Shaowen

Mr. Luo, aged 43, is the Executive Vice President of Pax Technology (Shenzhen). He is responsible for the procurement and supplies activities, and oversees the finance of the operations in Shenzhen. Mr. Luo graduated from Wuhan University with a bachelor degree in economic management. Mr. Luo has over 16 years of experience in the card payment industry and over 11 years of experience in financial administration and supply chain management. He joined Pax Technology (Shenzhen) in December 2004 as Chief Financial Officer. Prior to joining the Group, Mr. Luo served various management positions including general manager of the Zhuhai Branch of the Beijing Order Computer Company.

LEE Chris Curl

Mr. Lee, aged 35, is the Group Financial Controller and Joint Company Secretary of the Company. He is responsible for overseeing the business development and the finance of the Group. He joined the Group as the Group Financial Controller in August 2011. Mr. Lee graduated with a Masters in Commerce degree from The University of New South Wales, Australia and Bachelor of Commerce degree from University of Wollongong, Australia. He is a member of Chartered Accountant in Australia, Certified Public Accountant in Hong Kong, and chartered holder of Financial Risk Manager in the United States. Previously, Mr. Lee was the Group Finance Manager of a financial institution. Prior to that, he was an auditor of an international accounting firm.

高級管理層

於董事會報告日期，蘆杰先生、羅韶文先生及李書沸先生均為本公司高層管理人員。

蘆杰

蘆先生，47歲，為百富計算機技術(深圳)有限公司(「百富科技(深圳)」)的總裁。彼於二零零一年八月加入本集團，負責管理本集團在中國的所有業務發展、銷售及營銷工作。蘆先生於電子支付行業的銷售及營銷方面擁有逾12年經驗，曾於一九九八年至二零零一年在系統集成公司北京方正奧德計算機系統有限公司擔任多個管理職位及行政角色，包括保險部總經理、營銷部總經理及公司副總裁。彼亦於一九八六年至一九九四年及一九九四年至一九九五年分別在中國地質礦產部及中國地質科學院擔任工程師。蘆先生持有成都地質學院的學士學位。蘆先生於二零一零年獲長江商學院頒授高級管理人員工商管理碩士學位。

羅韶文

羅先生，43歲，為百富科技(深圳)的常務副總裁。彼負責採購及供應業務、及監察在深圳營運的財務。羅先生畢業於武漢大學，獲經濟管理學士學位。羅先生於卡支付行業擁有逾16年經驗，及於財務管理及供應鏈管理方面擁有逾11年經驗。彼於二零零四年十二月加入百富科技(深圳)擔任財務總監。羅先生於加入本集團前，曾擔任北京方正奧德計算機系統有限公司珠海分公司的總經理等多個管理職位。

李書沸

李先生，35歲，為本公司的集團財務總監和聯席公司秘書。彼負責監察本集團的業務發展及財務事宜。彼於二零一一年八月加入本集團擔任財務總監。李先生先後畢業於澳洲新南威爾斯大學及澳洲臥龍崗大學，分別取得商科碩士學位及商科學士學位。彼為澳洲特許會計師公會和香港會計師公會會員，並為美國金融風險管理經理。李先生曾任一間金融機構的集團財務經理。此前，彼為一間國際會計公司的核數師。

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of Directors (the "Board") of PAX Global Technology Limited (the "PAX Global"), I am pleased to present the annual report of the Group for the year ended 31 December 2011.

FINANCIAL RESULTS

Year 2011 was also a fruitful year for the Group, when the Group's turnover amounted to HK\$1,103.2 million, representing a significant growth of 52% compared to HK\$723.6 million in 2010. Profit for the year attributable to equity holders of the Company was HK\$181.8 million, representing a growth of 25% as compared to HK\$145.4 million in 2010. Basic earnings per share for the year was 17.5 HK cents (2010: 19.4 HK cents).

In 2011, the China segment recorded turnover of HK\$755.3 million, representing an increase of 33% as compared to HK\$566.3 million in 2010. The increase in turnover of China segment was attributable to China's robust economic growth, Chinese Government's efforts to support domestic consumption and the increasing consumption with bank card and prepaid card, which led to the surge in demand for the POS terminals in China and created a growth of turnover for the Group.

Year 2011 was also a year of achievement for overseas segment of the Group, with the segmental turnover amounting to HK\$347.9 million, representing an increase of 121% as compared to HK\$157.3 million in 2010. The increase in segmental turnover during the year was mainly attributable to increased sales to emerging markets explored in the recent years such as Europe, Middle East and Africa ("EMEA"), Latin America and Commonwealth of Independent States ("LACIS") and Asia Pacific ("APAC") business units. Mature markets also recorded a notable growth, including overseas markets such as Oceania, Japan and North America. Moreover, the share of overseas segment in aggregate turnover increased to 32%, as compared to 22% in the corresponding period last year.

各位股東：

本人謹代表百富環球科技有限公司(「百富環球」)董事會(「董事會」)，欣然提呈本集團截至二零一一年十二月三十一日止年度的年報。

財務業績

二零一一年對本集團而言同樣是碩果纍纍的一年，本集團營業額達1,103.2百萬港元，較二零一零年的723.6百萬港元大幅增加52%。本公司權益持有人應佔年度溢利為181.8百萬港元，較二零一零年的145.4百萬港元增加25%。本年度每股基本盈利為17.5港仙(二零一零年：19.4港仙)。

於二零一一年，中國業務分部錄得營業額755.3百萬港元，較二零一零年的566.3百萬港元增加33%；分部營業額的增加是得益於中國經濟強勁增長和政府對內需的支持及銀行卡、預付卡的消費增加，推動於中國對POS終端機需求上升，為本集團帶來營業額的增長。

二零一一年對於本集團的海外分部而言是豐收年，營業額為347.9百萬港元，較二零一零年的157.3百萬港元增加121%。年內分部營業額增加主要是來自近年開拓的新興市場銷售的增加包括歐洲、中東及非洲(「EMEA」)、拉丁美洲及獨聯體(「LACIS」)和亞太區(「APAC」)分部。而成熟市場的銷售亦錄得的不俗的增長，如大洋洲、日本與北美等海外市場。此外，海外業務分部佔整體營業額比例升至32%，去年同期為22%。

Chairman's Statement

主席報告

OUTLOOK

Looking forward, we strongly believe that, by capitalising on PAX Global's leading position in China, we will seize the enormous potential development opportunities in China market and will lay a solid foundation for our future growth. The Group will continue to launch the relevant payment products for micropayment and vertical applications such as contactless card reader, and the payment products that supplement smartphones and tablet personal computers, which will further consolidate and expand our existing market share. The persistent growth of domestic financial institutions and third party payment service providers not only improves our customer concentration ratio but also acts as a driving force behind the domestic business of the Group. The Group will continuously strengthen our existing sales and after-sales service network as well as the technical support of application development to customers, to further consolidate the Group's leading position in the China market. We will also proactively invest in the R&D of new products on third party payment and seek new business through active and close cooperation with other potential players in the raising third party payment market segment.

The overseas market will become major growth drivers for the Group's business. In recent years, continuous integration activities in payment industry in the mature markets and the strong demands in emerging markets together with the encouragement by the local government, have presented favourable development opportunities to the Group. Over the years, PAX Global, with focus on R&D and quality control, aimed its products to meet international standards and obtain international certifications, so that its products could be successfully launched into the overseas market. After a decade of continuous proactive expansion in the overseas market by PAX Global, it formed a concrete foundation for the development of the Group's overseas business in the future. PAX Global continues to provide stronger technical support to its global partners and distributors and further enhance marketing and distribution channels to obtain greater breakthrough in each of the overseas major markets. The Group established various teams to address the needs of different markets. Additional local teams will be formed depending on the needs of individual markets such as the USA so as to provide the best payment solution. In order to achieve the "GLOBAL PRESENCE" as soon as possible, PAX Global is also actively looking for partnership or merger and acquisition opportunities in respect to the technical level or sales channel, which help the Group speed up entering into the local markets and increase the market share or achieve synergy effects. In face of the global economy downside risk arising from the Europe's debt crisis, the possible slowdown of the economic growth of the PRC and the slower recovery in the US, the Group would strengthen the expansion in the emerging markets such as South America, Africa Region and other BRIC countries next year, so as to achieve a greater international market shares and minimize the possible impact on our business by the global economy downside risk and maintain a fruitful growth.

前景

放眼未來，我們深信，憑藉百富環球於中國的領先位置，將可把握中國市場的巨大發展機遇以及為集團未來發展打下堅實的基礎。本集團將不斷推出針對小額支付和行業增值應用的相應設備如非接觸式讀卡器等和配合智能手機與平板電腦的相關支付產品，繼而進一步鞏固和擴大現有的市場份額。國內商業銀行和第三方支付服務商的持續增長不但改善客戶的聚中度，更是本集團在國內的業務增長動力所在。本集團將繼續加強我們現有的銷售和售後服務網絡以及客戶在應用發展上的技術支援，以進一步穩固本集團在中國市場的領先地位。我們亦將積極地投入第三方支付新產品的研發，與擁有資質的新興第三方支付市場的公司積極、緊密的合作，開拓新的業務。

海外市場將成為本集團業務的重要增長點。近年來，成熟市場持續進行的支付行業整合活動和新興市場的強勁需求與當地政府的推動，為本集團帶來了良好的發展機遇。多年來，百富環球注重研發及品質控制，要求產品達至國際水平並取得國際認證，使本集團的產品可以順利推廣到海外市場。百富環球逾十載對海外市場持續積極的開拓，為本集團今後海外業務的發展打下了堅實的基礎。百富環球會繼續給予全球合作伙伴和分銷商提供更強的技術支援，並進一步優化市場推廣及增加分銷渠道，務求在海外各個重要市場取得更大的突破。本集團為針對不同市場的需要，成立了不同的團隊，更因應個別市場如美國，增加當地團隊，以提供最佳支付解決方案。為盡快完成「全球佈局」，百富環球還會積極物色有利於技術層面或銷售渠道的合作或併購機會，從而加快本集團進入當地市場、提高市場佔有率或達到協同效應。面對全球性下行風險包括歐債危機、中國經濟增長可能減速以及美國較緩慢的復甦，下年度本集團將加強對南美、非洲地區與及其它金砖四國等新興市場的開拓，以取得更大國際市場份額及減低全球性下行風險對業務的可能性影響和維持可觀增長。

Chairman's Statement

主席報告

R&D capability is one of the Group's key competitive advantages, the Group will invest more resources and enlarge the team size for developing new products and perfecting existing products to cater different global users' needs. The management believes the above forward looking strategies will lead us to move a step closer to our goal – "To become one of the leading players in the global market".

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my utmost gratitude to our customers, bankers, suppliers, business associates and most valued shareholders for the continuous trust and support to the Group and our dedicated Directors, management and staff for their valuable contributions in 2011. I look forward to further achieving brilliant performance in the future.

Nie Guoming
Chairman

Hong Kong, 15 March 2012

研發能力是本集團的其中一個競爭優勢，本集團會繼續投入更多研發資金和擴大研發隊伍開發新產品和優化現有產品去滿足廣大全球商戶。管理層相信以上具前瞻性的部署，將帶領我們向「成為全球市場的領跑者之一」的目標再邁進一步。

鳴謝

本人藉此機會代表董事會向各客戶、銀行、供應商、業務伙伴及最尊貴的股東對本集團的持續信賴及支持，向我們的董事、管理層及員工在二零一一年所作出的寶貴貢獻致以由衷感謝，本人期待各位再接再厲，爭取更傑出的表現。

主席
聶國明

香港，二零一二年三月十五日

Management Discussion and Analysis

管理層之討論與分析

The Group is a point-of-sale (“POS”) terminal solutions provider principally engaged in the development and sale of POS products and provision of related services (collectively the “POS terminal solutions business”). The Group is one of the leading suppliers in the POS terminal solutions market in China and one of the most active international players. Our POS terminal solutions are sold in over 60 overseas countries and district regions including the United States, Canada, Singapore, Taiwan, Hong Kong, Japan, New Zealand, France, Finland, Saudi Arabia, South Africa, Brazil and Russia. Currently, we work with over 30 distributors and partners worldwide.

MARKET OVERVIEW

In recent years, active merger and acquisition activities within the industry presented PAX Global with enormous business opportunities in both mature and emerging markets. After years of effort, PAX Global's global market share has recorded notable growth. China is still the Group's major source of income. Meanwhile, the contribution from overseas market (excluding Mainland China) to the Group's income is increasing gradually, with the approximate percentage to the total turnover increased from 14% in 2008 to 32% in 2011. It is expected that the proportion of turnover from overseas market to the total turnover will continue to increase in the coming years. That found our base to move forward towards our goal: to become one of the leading POS terminal solutions providers in the world.

CHINA MARKET

Improvement in bank card acceptance environment and growth in card payment transactions

According to The People's Bank of China, the number of in-network bank card merchants reached over 2.87 million by the end of 2011 (2010: 2.18 million) and in-network EFT-POS terminals has grown to over 4.39 million sets by the end of 2011 (2010: 3.33 million sets) in China. Today, the penetration of EFT-POS terminals in China is still relatively low, creating a vast potential growth opportunity within the industry. Consumers in China are becoming accustomed to using bank cards in settling their payments and purchases. A total of 2.81 billion bank cards had been issued in China as at the end of the third quarter in 2011, representing a growth of 16% as compared with the end of 2010 and each individual on average held approximately 2.04 bank cards as at the end of the third quarter in 2011. The habit of settlement and acceptance of payment and purchases with bank cards have been successfully extended to medical, education, transportation and telecommunication services.

本集團為一家POS終端機解決方案供應商，主要從事開發及銷售POS產品及提供相關服務（統稱「POS終端機解決方案業務」）。本集團為中國POS終端機解決方案市場的領先供應商之一及國際上其中一個最為活躍的參與者。本集團的POS終端機解決方案銷往海外逾60個國家及地區，包括美國、加拿大、新加坡、台灣、香港、日本、新西蘭、法國、芬蘭、沙特阿拉伯、南非、巴西及俄羅斯。目前，本集團於全球各地有超過30個分銷商和合作夥伴。

市場概覽

近年來行業內活躍的合併和收購活動，為百富環球在成熟和新興市場提供巨大的商機。經多年的努力，百富環球的全球市場份額持續錄得可觀增長。中國仍然是本集團的主要收入來源。與此同時，海外市場（非中國大陸市場）對集團營業額的貢獻與日俱增，所佔總營業額百分比從二零零八年的14%增加至二零一一年度的32%。預期海外市場對總營業額的貢獻，在來年還會繼續增加，這奠定了我們邁向全球領先POS終端機解決方案供應商之一的基礎。

中國市場

銀行卡受理環境的改善及卡支付交易的增長

根據中國人民銀行的資料，截至二零一一年年底，中國聯網銀行卡商戶超過2.87百萬戶（二零一零年：2.18百萬戶），聯網EFT-POS終端機至二零一一年底增至超越4.39百萬台（二零一零年：3.33百萬台）。時至今日，中國EFT-POS終端機的滲透率仍然相對偏低，行業還有巨大的增長空間。中國消費者很多已習慣了使用銀行卡結賬消費。於二零一一年第三季度止，國內合共已發行了28.1億張銀行卡，較二零一零年底增長了16%，於二零一一年第三季度止人均大約持有2.04張銀行卡。以銀行卡消費付款的習慣和受理範圍已順利推廣至醫療、教育、運輸和電訊服務。

Management Discussion and Analysis

管理層之討論與分析

Booming vertical applications

The common use of vertical applications in different sectors such as gas stations, telecommunication carriers, member and debit cards issued by merchants, multifunction cards such as social security cards and city cards (with small amount payment functions) will drive the need for POS terminals. Taking the social security card as an example, the Ministry of Human Resources and Social Securities (MOHRSS) reiterated its plan to incorporate basic card functions including pre-paid functions into social security cards within 5 years. The authority aims to issue 800 million social security cards during the Twelfth Five-year Plan Period. The wide vertical applications in daily life further increases the demand of POS terminals in China.

Uprising of third party payment service providers

As at 31 December 2011, there were 101 licensed third party payment service providers, demonstrating the importance of this area in the financial industry has been recognized. Under the platform of the business model, the third party electronic payment is expected to be an innovative financial solution, whose applications gradually extended from electronic business areas to traditional business areas and penetrated from online to traditional payment services. These licensed third party payment service providers can act as drivers to further develop the payment industry and demand for POS terminals.

OVERSEAS MARKET

Huge opportunities from overseas market and active industry merger and acquisition

PAX Global is one of the few Chinese POS terminal solutions providers holding PCI, EMV Level 1 and Level 2 certifications. In addition, PAX Global obtained TQM, PayPass and PayWave card certifications. According to The Nilson Report, the Group has been ranked one of the top 10 global POS terminal solutions providers since 2007. With international industry certifications, a solid reputation and customers' trust, the Group is able to capture huge overseas market share and opportunities from active mergers and acquisitions in the industry.

NFC payments march on

Merchants are widely deploying Near Field Communications ("NFC") contactless devices, which proves that it is a new trend in the industry. One of the examples of the technology adoption is Google Wallet. It allows consumers' credit information to be stored in a virtual wallet, and an NFC-enabled device at terminals can obtain that data and complete transactions. In several European countries, China and India, NFC payment systems have either been applied or are being tested in public transportation systems or ticket boxes. The new technology application increases the demand for NFC payment devices. The Group's mainstream products are mostly NFC compatible.

日益廣泛的行業應用

日常普遍的行業應用如加油站、電訊營運商和商戶推出的會員卡和預付卡與多功能卡如社保卡、市民卡(帶小額支付功能)將帶動POS終端機的需求。以社保卡為例，人力資源和社會保障部重申其計劃在5年內陸續在社保卡內加入其他功能如儲值，並且預期在「十二五規劃」期間發出8億張社保卡。日常的廣泛行業應用將進一步推動POS終端機在中國的需求。

正在崛起的第三方支付服務供應商

於二零一一年十二月三十一日，國內共有101家持牌第三方支付服務供應商，標誌著此領域在金融行業的重要性已獲肯定。於此營運模式平台下，預計第三方電子支付將會是一種創新的金融解決方案，其應用逐漸從電子商務領域延伸到傳統商務範疇，由線上向線下滲透，這些持牌的第三方支付服務供應商，將推動支付行業的進一步發展和帶動POS終端機的需求。

海外市場

海外市場和活躍的行業併購帶來的巨大商機

百富環球是中國少數持有PCI、EMV1級和2級認證的POS終端機解決方案供應商，並獲得了TQM、PayPass和PayWave卡認證。根據The Nilson Report，本集團自二零零七年以來位居全球排名前10位POS終端機解決方案供應商之一。擁有國際認證、良好的信譽和客戶的信任，使本集團有能力捕捉龐大的海外市場份額和來自行業的活躍併購所帶來的巨大商機。

NFC支付部署大步前進

從商戶大量安裝連接POS終端機的非接觸讀卡器可見，支付行業最新趨勢為近距離無線通訊(「NFC」)技術被大量應用。而其中一個技術應用的例子是谷歌錢包。它將消費者的信用卡信息儲存在一個虛擬的錢包內，然後具有NFC功能的終端設備能夠讀取相應數據並完成交易。歐洲多國、中國和印度已經使用或正在測試使用NFC支付系統於公共交通工具或票務系統。此新技術的應用將推動NFC兼容設備的需求，而本集團的主流產品，大多兼容NFC。

Management Discussion and Analysis

管理層之討論與分析

Mass opportunities from EMV migration

Most European countries, Hong Kong, Singapore, Russia and most Latin American countries have completed the EMV migration. New Zealand and Australia are going through the EMV migration process now. Recently, Visa and MasterCard have announced their policies encouraging wider deployment of EMV cards and POS terminals in the United States. Most non-EMV complied existing POS terminals have to be replaced by EMV complied ones before 2017 in the United States. That should generate huge demand for EMV complied POS terminals in addition to normal replacements in the United States in the coming years. Other countries such as Japan and other Commonwealth of Independent States countries will likely migrate to EMV in the foreseeable future.

FINANCIAL REVIEW

The key financial figures for the year ended 31 December 2011 are extracted as follows:

EMV遷移帶來的巨大商遇

大多數歐洲國家、香港、新加坡、俄羅斯和大多數拉丁美洲國家已經完成了EMV遷移。新西蘭和澳大利亞正在進行EMV遷移。最近，Visa和MasterCard已宣佈政策，鼓勵在美國廣泛部署符合EMV標準的卡和POS終端機。美國絕大部份現有非符合EMV標準的POS終端機必須在二零一七年前換上符合EMV標準的POS終端機。除了正常的替換需求外，EMV的遷移在未來幾年在美國將會對符合EMV標準的POS終端機產生巨大的需求。其他國家如日本和其他獨聯體國家在可見的未來也可能推行EMV遷移。

財務回顧

截至二零一一年十二月三十一日止年度的主要財務數據摘錄如下：

		For the year ended 31 December 截至十二月三十一日止年度		
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	+ / (-)
Revenue	收入	1,103,180	723,610	+52%
Gross profit	毛利	391,702	291,870	+34%
Other income	其他收入	41,712	27,390	+52%
Selling expenses	銷售開支	(124,100)	(74,371)	+67%
Administrative expenses	行政費用	(101,851)	(72,381)	+41%
Operating profit	經營溢利	207,463	172,508	+20%
Income tax expense	所得稅開支	(25,668)	(27,085)	-5%
Profit for the year attributable to equity holders of the Company	本公司權益持有人應佔年度溢利	181,795	145,423	+25%
EBITDA	EBITDA	210,596	175,121	+20%
Research and development expenses (included in administrative expenses)	研發開支 (包括在行政費用內)	(52,695)	(34,899)	+51%

		As at 31 December 於十二月三十一日		
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	+ / (-)
Total current assets	流動資產總額	1,994,994	1,493,935	+34%
Total non-current assets	非流動資產總額	11,044	11,425	-3%
Total assets	資產總額	2,006,038	1,505,360	+33%
Total liabilities	負債總額	404,884	218,249	+86%
Net current assets	流動資產淨值	1,590,110	1,275,686	+25%
Total equity	權益總額	1,601,154	1,287,111	+24%

Management Discussion and Analysis

管理層之討論與分析

For the year ended 31 December

截至十二月三十一日止年度

		2011 二零一一年	2010 二零一零年	+ / (-)
PER SHARE DATA	每股數據			
Earnings per share for profit attributable to equity holders of the Company	本公司權益持有人應佔溢利之每股盈利			
- Basic (HK\$)	- 基本(港元)	0.175	0.194	-10%
- Diluted (HK\$)	- 攤薄(港元)	0.175	0.194	-10%

For the year ended 31 December

截至十二月三十一日止年度

		2011 二零一一年	2010 二零一零年
FINANCIAL RATIOS	財務比率		
Gross profit margin	毛利率	35.5%	40.3%
EBITDA margin	EBITDA率	19.0%	24.2%
Net profit margin	淨利潤率	16.5%	20.1%

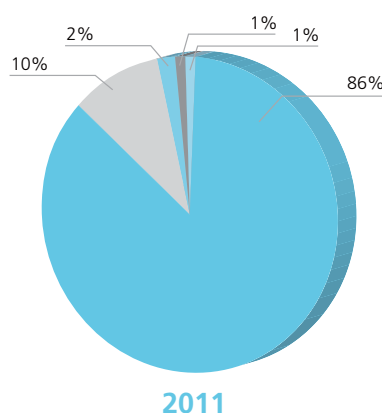
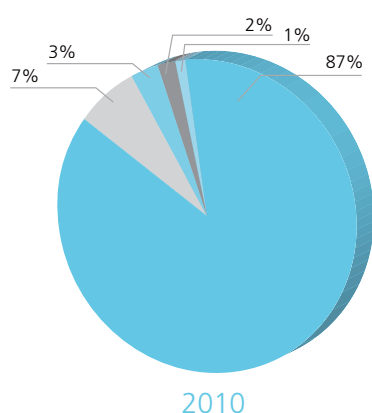
Revenue

Turnover increased by 52% or HK\$379.6 million to HK\$1,103.2 million for the year ended 31 December 2011 from HK\$723.6 million for the year ended 31 December 2010. Turnover from the China market grew by 33% year on year or HK\$189.0 million to HK\$755.3 million. Similarly, turnover from overseas market grew by HK\$190.6 million to HK\$347.9 million, representing a growth of 121%.

收入

營業額由截至二零一零年十二月三十一日止年度的723.6百萬港元增加52%或379.6百萬港元至截至二零一一年十二月三十一日止年度的1,103.2百萬港元。來自中國市場的營業額按年增加33%或189.0百萬港元至755.3百萬港元。同樣，海外市場營業額增加190.6百萬港元至347.9百萬港元，增長達121%。

Sales by Product Category



各類產品營業額

- POS terminals
POS終端機
- Contactless devices
非接觸式讀卡設備
- Consumer activated devices
消費者操作設備
- Services
服務
- Others
其他

Management Discussion and Analysis

管理層之討論與分析

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	+ / (-)
POS terminals	POS終端機	945,107	623,448	+52%
Consumer activated devices	消費者操作設備	116,206	52,650	+121%
Contactless devices	非接觸式讀卡設備	19,904	22,695	-12%
Services	服務	13,749	14,260	-4%
Others*	其他*	8,214	10,557	-22%
		1,103,180	723,610	+52%

* Amount mainly represented accessory items sold to customers. Examples of such accessory items were download cable, telephone line, thermal paper, sticker and barcode scanning gun etc.

* 有關金額主要指向客戶出售的配件。有關配件項目包括下載電線、電話線、感熱紙、貼紙及條碼掃描槍等。

POS Terminals

Turnover from the sale of POS terminals increased by 52% to HK\$945.1 million for the year ended 31 December 2011 from HK\$623.4 million for the year ended 31 December 2010. Turnover growth has been driven by the increase in both China and overseas sale during the year. Emerging markets in EMEA ("Europe, Middle East and Africa"), LACIS ("Latin America and Commonwealth of Independent States") and APAC ("Asia Pacific") regional business units contributed significantly to growth in overseas sale.

Meanwhile, bankcard payment has been gaining increasingly popularity in China. Financial institutions and third party payment service providers have been aggressively building their POS networks in order to capture the benefits from the rising usage of electronic payment and high levels of retail consumption in China. Furthermore, recent state policies have also encouraged the building of electronic transaction networks, which further fuels the fast growth of POS terminals demand.

Consumer Activated Devices

Turnover from the sale of consumer activated devices achieved significant growth, which increased by 121% to HK\$116.2 million for the year ended 31 December 2011 from HK\$52.7 million for the year ended 31 December 2010. The strong growth is mainly attributable to one particular popular model equipped with additional built-in contactless card reader function that also supports magnetic card and IC card reader.

Contactless Readers

Turnover from the sale of contactless readers decreased to HK\$19.9 million for the year ended 31 December 2011, decreased by 12% from HK\$22.7 million for the year ended 31 December 2010. The fall in demand was mainly due to the popularity of one particular consumer activated device model which has built-in contactless card reader as well as other extra functions.

Services

Turnover from provision of services decreased by 4% to HK\$13.7 million for the year ended 31 December 2011 as compared to HK\$14.3 million for the year ended 31 December 2010. Maintenance services made up the bulk of service income and were mainly generated in Hong Kong. The slight fall in turnover was mainly due to the drop in product modification fee during the accounting year.

POS終端機

銷售POS終端機的營業額由截至二零一零年十二月三十一日止年度的623.4百萬港元增加52%至截至二零一一年十二月三十一日止年度的945.1百萬港元。營業額增加由於年內中國及海外銷售額上升。當中尤以新興市場於歐洲、中東及非洲（「EMEA」）、拉丁美洲及獨聯體（「LACIS」）和亞太區（「APAC」）的地區業務分部對海外銷售之貢獻為甚。

與此同時，銀行卡付款在中國日漸流行。商業銀行和第三方支付服務供應商積極建立彼等的POS網絡，從而捕捉在中國愈趨廣泛的電子支付及暢旺的零售消費所帶來的利益。此外，近年的國家政策著重鼓勵電子交易網絡的建立，亦進一步刺激POS終端機需求的急速增長。

消費者操作設備

銷售消費者操作設備的營業額顯著上升，由截至二零一零年十二月三十一日止年度的52.7百萬港元增加121%至截至二零一一年十二月三十一日止年度的116.2百萬港元。強勁增長主要來自某一大受歡迎的型號，其備有額外內置非接觸式卡讀寫器功能，同時支援磁條及IC卡讀寫器。

非接觸式讀卡設備

銷售非接觸式讀卡設備的營業額由截至二零一零年十二月三十一日止年度的22.7百萬港元減少12%至截至二零一一年十二月三十一日止年度的19.9百萬港元。需求下跌主要由於某一附設內置非接觸式卡讀寫器及其他額外功能的消費者操作設備型號大受歡迎所致。

服務

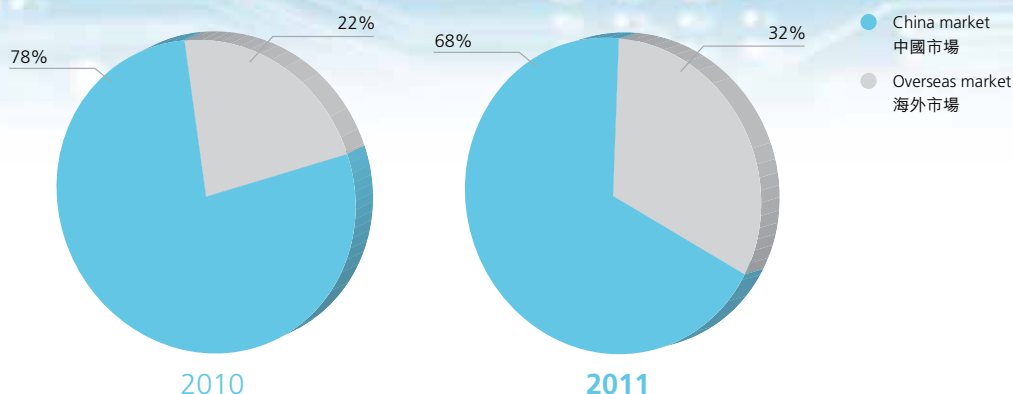
提供服務的營業額由截至二零一零年十二月三十一日止年度的14.3百萬港元減少4%至截至二零一一年十二月三十一日止年度的13.7百萬港元。維護服務佔服務收入的大部份，並主要來自香港。營業額輕微下跌主要是由於本會計年度內產品改裝收入減少所致。

Management Discussion and Analysis

管理層之討論與分析

Sales by Geographical Region

按地區分類的營業額



For the year ended 31 December

截至十二月三十一日止年度

	2011 二零一一年	2010 二零一零年	+ / (-)
China market 中國市場	755,329	566,340	+33%
Overseas market 海外市場	347,851	157,270	+121%
	1,103,180	723,610	+52%

Turnover generated from the China market increased by 33% to HK\$755.3 million for the year ended 31 December 2011, from HK\$566.3 million for the year ended 31 December 2010. Relatively low POS penetration rate, strong economic growth, high levels of retail consumption, and the successful promotion and acceptance of bank cards, loyalty cards, and social security cards generated demand for POS terminals. In addition, major merchant service providers, financial institutions and licensed third party payment service providers in China continually placed POS terminals in merchants and provided related services to capture market share in one of the fastest growing markets in the world.

來自中國市場的營業額由截至二零一零年十二月三十一日止年度的566.3百萬港元增加33%至截至二零一一年十二月三十一日止年度的755.3百萬港元。相對較低的POS滲透率、強勁經濟增長、暢旺的零售消費及對銀行卡、貴賓卡及社保卡的成功宣傳和其接納程度提升等種種因素為POS終端機創造了可觀的增長需求。此外，中國的主要商戶服務供應商、商業銀行與持牌第三方支付服務供應商會繼續在商戶設置POS終端機及提供相關服務，從而在這個全球其中一個增長最快的市場贏得更多的市場份額。

Turnover generated from the overseas market increased by 121% to HK\$347.9 million for the year ended 31 December 2011 from HK\$157.3 million last accounting year. Overseas market turnover contributed to 32% of total turnover compared with 22% last accounting year. The increase was mainly attributable to increased segmental sales in EMEA, LACIS and APAC regions. The Group has continuously expanded its international market presence in countries including Canada, Dominica and Brazil in the Americas, Uzbekistan, Kazakhstan and Tajikistan in Middle Asia, Latvia, Finland and France in Europe, Kuwait and Turkey in the Middle East, Nigeria in Africa as well as Japan and New Zealand in Asia Pacific. As at 31 December 2011, we had over 30 (2010: 25) overseas distributors and partners worldwide.

來自海外市場的營業額由上一個會計年度的157.3百萬港元增加121%至截至二零一一年十二月三十一日止年度的347.9百萬港元。海外市場營業額佔總營業額32%，而上一個會計年度則為22%。增長主要來自EMEA、LACIS及APAC地區分部的銷售額增加。本集團持續開拓國際市場，包括美洲的加拿大、多米尼加及巴西，中亞的烏茲別克斯坦、哈薩克斯坦及塔吉克斯坦，歐洲的拉托維亞、芬蘭及法國，中東的科威特及土耳其，非洲的尼日利亞以及亞太地區的日本及新西蘭。於二零一一年十二月三十一日，我們共擁有超逾30名（二零一零年：25名）遍佈世界各地的海外分銷商與合作夥伴。

Management Discussion and Analysis

管理層之討論與分析

Gross Profit Margin

Gross profit margin for the year ended 31 December 2011 was 35.5%, dropping 4.8 points as compared with 40.3% last accounting year as a result of lower average selling price given keen competition in China. In several overseas markets, PAX Global took a proactive and aggressive marketing approach to penetrate to the new markets. We consider that our gross profit margin maintains at a healthy level.

Other Income

Other income is comprised primarily of value added tax refund, interest income and subsidy income. It increased by 52% to HK\$41.7 million for the year ended 31 December 2011 from HK\$27.4 million last accounting year. The increase is mainly due to the increment of value added tax refund and interest income.

Selling Expenses

Selling expenses increased by 67% to HK\$124.1 million for the year ended 31 December 2011, from HK\$74.4 million for the year ended 31 December 2010. The growth in expenses was in line with turnover growth. The increase was mainly attributable to an increase in (i) employee benefit expenses associated with the increase in wage and the average number of sales and marketing staffs; (ii) maintenance service expenses; (iii) advertising and promotional expenses; and (iv) travelling expenses.

Administrative Expenses

Administrative expenses increased by 41% to HK\$101.9 million for the year ended 31 December 2011 from HK\$72.4 million in the preceding financial year mainly reflecting the increase in research and development costs and corporate office expenses after listing in December 2010.

Net Profit and Net Profit Margin

As a result of the foregoing, the net profit for the year attributable to the equity holders of the Company increased by 25% to HK\$181.8 million for the year ended 31 December 2011 from HK\$145.4 million for the year ended 31 December 2010.

The net profit margin decreased to 16.5% for year ended 31 December 2011 from 20.1% in the preceding financial year mainly as a result of our reduction in gross profit margin but which was partly offset by the decrease in effective tax rate.

毛利率

截至二零一一年十二月三十一日止年度的毛利率為35.5%，較上一個會計年度40.3%下跌4.8個點，主要由於中國市場競爭激烈導致平均售價下調。百富環球於若干海外市場採取積極進取的市場策略從而滲透入新市場，我們認為毛利率維持於穩健水平。

其他收入

其他收入主要包括增值稅退稅、利息收入及補貼收入。其他收入由上一個會計年度的27.4百萬港元增加52%至截至二零一一年十二月三十一日止年度的41.7百萬港元。增加主要來自增值稅退稅及利息收入的增長。

銷售開支

銷售開支由截至二零一零年十二月三十一日止年度的74.4百萬港元增加67%至截至二零一一年十二月三十一日止年度的124.1百萬港元。開支增加為配合營業額增長。主要增加項目為(i)銷售及市場推廣人員的平均數目增加及工資水平提升而增加相關的僱員福利開支；(ii)維護服務費用；(iii)廣告及推廣宣傳費用；及(iv)差旅費用。

行政費用

行政費用由上一個財政年度的72.4百萬港元增加41%至截至二零一一年十二月三十一日止年度的101.9百萬港元，主要反映研發成本及上市後的企業辦公費用開支增加。

純利及純利率

本公司權益持有人應佔年內純利由截至二零一零年十二月三十一日止年度的145.4百萬港元增加25%至截至二零一一年十二月三十一日止年度的181.8百萬港元。

純利率由上一個財政年度的20.1%減少至截至二零一一年十二月三十一日止年度的16.5%。純利率下降主要由於毛利率減少，而部份減幅被實際稅率減少所抵銷。

Management Discussion and Analysis

管理層之討論與分析

OUTLOOK

To this day, PAX Global has sold more than 2 million POS terminals to over 60 countries and district regions and worked with over 30 distributors and partners worldwide since the establishment of the Group. In a report issued by The Nilson Report in September 2011, PAX Global was ranked number 7 globally in terms of volume of POS terminals shipped in 2010.

CHINA MARKET

PAX Global is one of the leading players in POS terminal solutions market in China with major merchant services providers, financial institutions and licensed third party payment service providers as some of our largest customers. China is one of the fastest growing economies in the world with huge commercial growth potential yet to be tapped. Over the past several years the surge in consumer spending in China and the public's increasing demand for safer and more secure payment methods has formed the foundation upon which the POS terminal solutions industry can flourish. Research has indicated that the number of POS terminals installed in China is less than 3 terminals per 1,000 people in 2010 as compared to an average of 23 installed POS terminals per 1,000 people in certain mature markets. With such a low POS terminal penetration rate, the increased acceptance of card payment transactions, the ease of obtaining credit cards by consumers and the PRC government's support in developing the country's electronic payment infrastructure are just a few factors expected to continually drive the demand for POS terminals in China.

POS terminal buyers such as financial institutions are expected to continue to aggressively install terminals in merchants in order to develop their card acquiring businesses and take profit from one of the fastest growing payment markets in the world. In 2012, some licensed third party payment service providers are expected to install terminals in merchants. Thus, this should further improve the POS terminal penetration rate. With respect to the China market, the Group will continue to focus on R&D, technical support and service, strengthening client relationships and sales networks to consolidate our leading position in China.

OVERSEAS MARKET

Overseas market including Hong Kong, Macau and Taiwan accounts for more than 80% of the global market shares. Therefore, it is definitely a huge market for PAX Global. Overseas market provides extra business growth and diversifies our business risk. Since year 2000, PAX Global has been investing extensively in R&D to ensure our mainstream products to comply if not exceed most international industrial standards and are accredited with international industrial recognized certifications. Over the past ten years, we have invested significant resources in building our sales network, worked tirelessly with our international partners and formed specialized teams to focus on each of the individual markets, including EMEA, LACIS, APAC and USCA (the "United States and Canada"). In recent years, the significant sales growth in overseas market has attested to our efforts.

前景

自百富環球成立以來，已售出超過2百萬台POS終端機至超過60個國家及地區，並與超過30個遍佈世界各地的分銷商和夥伴建立緊密合作關係。根據The Nilson Report於二零一一年九月發出的報告，百富環球於二零一零年的POS終端機出貨量名列全球第7名。

中國市場

百富環球為中國POS終端機解決方案市場的領先供應商之一，最大的客戶包括中國主要的商戶服務供應商、商業銀行及持牌的第三方支付服務供應商等。中國為全球增長最迅速經濟體之一，其蘊含的巨大商機仍有待發展。隨中國過往數年個人消費的急速增加，以及公眾尋求更安全可靠支付方式的需求日增，為POS終端機解決方案行業的興起奠下穩固基礎。調查顯示，於二零一零年在中國已安裝POS終端機的數目為每1,000人少於3台，而若干成熟市場，則平均為每1,000人已安裝23台POS終端機。國內POS終端機的滲透率仍相對較低，而使用銀行卡付款的交易日漸普及、消費者輕易獲發信用卡及中國政府支持發展國家電子支付設施等因素，預期能持續推動中國境內對POS終端機的需求。

商業銀行等POS終端機買家預期繼續積極在商戶安裝終端機，以發展信用卡收單業務，在這全球其中一個增長最迅速的支付市場分一杯羹。於二零一二年，預期部份持牌第三方支付服務供應商將會為商戶安裝終端機。這會令POS終端機的滲透率得到進一步改善。就中國市場而言，本集團將繼續專注研發、技術支援及服務，同時加強客戶關係及銷售網絡，以鞏固我們在中國市場的領導地位。

海外市場

海外市場(包括香港、澳門和台灣)佔全球市場份額超過80%，對百富環球而言絕對是一個龐大市場。海外市場提供額外業務增長並同時分散我們的業務風險。自二零零零年以來，百富環球大幅投資研發，以確保我們的主流產品符合或超越大部份國際行業標準及獲得國際行業認證。過去十年，我們投入大量資源建立銷售網絡，並努力不懈地與國際夥伴緊密合作，組成專責小組負責各個市場，包括EMEA、LACIS、APAC以及美國及加拿大(「USCA」)。近年來海外市場銷售大幅增長就是對我們努力的肯定。

Management Discussion and Analysis

管理層之討論與分析

USCA is one of the largest markets in the world. According to The Nilson Report issued in September 2011, more than 2.3 million POS terminals were deployed in USCA, accounting for approximately 16% of the global POS shipments in year 2010. Furthermore, the forward moving adoption schedule of the EMV standard is expected to be a catalyst to the market growth. As it is one of our Group's strategic focus markets, we are expanding the regional team there to capture more market share. In addition, the Group is seeking merger and acquisition or partnership opportunities which can either provide technological know-how or access to sales channels for us to penetrate into certain markets more easily. We will also put more effort to enter other BRIC (Brazil, Russia, India and South Africa) countries. Management believes that overseas market will maintain their rapid growth in the immediate future.

OVERALL MANAGEMENT STRATEGIES

Looking forward, PAX Global will continue to focus on consolidating and enhancing our strong position in China through (i) continuous development of innovative products that meet customers' demands and capture new market segments; (ii) enhancement of our R&D capability; (iii) expansion and optimization of our sales and after-sales service networks and enlargement of the scope of business and our market share in major international markets; (iv) potential merger and acquisition or partnership opportunities that can enhance technological know-how or market share.

By leveraging on our strong position in POS terminal solutions market in China and consolidated international market experience, we believe that we will be able to capture the rapid development of China and emerging markets as well as other important international markets. We believe that we are on the path to becoming one of the leading global POS terminal solutions providers.

USCA為全球最大的市場之一。根據二零一一年九月份發行的The Nilson Report，USCA於二零一零年安裝超過2.3百萬台POS終端機，佔全球POS終端機出貨量約16%。此外，有序的EMV遷移推行預期會成為刺激市場增長的其中一個催化劑。USCA作為本集團的其中一個策略性重點市場，我們正擴充當地團隊規模以獲取更大市場份額。另外，本集團亦正物色有利於技術層面或銷售渠道的併購或合作機會，從而更有效地進入若干市場。我們亦將加大力度開拓其他金砖四國(巴西、俄羅斯、印度及南非)的市場。管理層相信，海外市場在可見將來將維持高速增長。

整體管理策略

放眼未來，百富環球將繼續專注於鞏固並提升我們在中國的強勢地位，主要透過(i)持續發展革新產品以迎合客戶需求及捕捉新市場分部商機；(ii)增強我們的研發能力；(iii)擴充及優化我們的銷售及售後服務網絡，致力擴展在主要國際市場的業務範圍及市場份額；(iv)物色有利於本集團技術層面或市場份額的潛在併購或合作機會。

透過我們在中國市場的POS終端機解決方案的強勢地位及綜合國際市場經驗，我們定能把握中國及新興市場以及其他重要國際市場迅速發展所帶來的商機。我們相信，我們正沿著成為全球其中一位POS終端機解決方案領跑者之一的軌道前進。

Management Discussion and Analysis

管理層之討論與分析

Liquidity and Capital Resources

During the year, the main source of funding to the Group was proceeds from over-allotment of shares pursuant to the Global Offering. Certain financial data are summarised as follows:

流動性及資金來源

於本年度，本集團的主要資金來源為根據全球發售超額配發股份所得款項。若干財務數據概述如下：

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash at bank and on hand	銀行及手上現金	1,152,291	1,066,526
Net current assets	流動資產淨值	1,590,110	1,275,686
Net cash (used in)/generated from operating activities	經營活動(所用)/產生的現金淨額	(19,488)	118,220
Net cash generated from financing activities	融資活動產生的現金淨額	91,674	699,995

		As at 31 December 於十二月三十一日	
		2011 二零一一年	2010 二零一零年
Current ratio (times)	流動比率(倍)	4.9	6.8
Quick ratio (times)	速動比率(倍)	4.2	6.2

As at 31 December 2011, the Group had cash at bank and on hand and short-term bank deposits of HK\$1,152.3 million (2010: HK\$1,066.5 million) and no short-term borrowings (2010: Nil). As at 31 December 2011, the Group reported net current assets of HK\$1,590.1 million, as compared with HK\$1,275.7 million as at 31 December 2010. For the year ended 31 December 2011, net cash used in operating activities was HK\$19.5 million, as compared with net cash generated from operating activities of HK\$118.2 million for the year ended 31 December 2010. Net cash inflow from financing activities for the year 2011 was HK\$91.7 million mainly attributable to the proceeds from over-allotment of shares pursuant to the Global Offering, as compared with HK\$700.0 million for the year ended 31 December 2010 which was mainly generated from the Global Offering.

於二零一一年十二月三十一日，本集團擁有銀行及手上現金及短期銀行存款1,152.3百萬港元(二零一零年：1,066.5百萬港元)以及無短期借貸(二零一零年：無)。於二零一一年十二月三十一日，本集團錄得流動資產淨值1,590.1百萬港元，而二零一零年十二月三十一日則為1,275.7百萬港元。截至二零一一年十二月三十一日止年度，經營活動所用的現金淨額為19.5百萬港元，而截至二零一零年十二月三十一日止年度則產生現金淨額118.2百萬港元。二零一一年年度的融資活動現金流入淨額為91.7百萬港元，主要來自根據全球發售超額配發股份所得款項，而截至二零一零年十二月三十一日止年度則為700.0百萬港元，主要來自全球發售。

Capital Structure and Details of Charges

As at 31 December 2011, the Group did not have any borrowings (2010: Nil). As at 31 December 2011, approximately HK\$315.3 million, HK\$709.5 million, HK\$125.9 million and HK\$1.5 million (2010: HK\$229.0 million, HK\$746.7 million, HK\$89.8 million and HK\$1.0 million) of the Group's cash balances were denominated in Renminbi ("RMB"), Hong Kong dollar ("HK\$"), US dollar ("US\$") and Euro ("EUR") respectively.

資本架構及抵押詳情

於二零一一年十二月三十一日，本集團並無任何借貸(二零一零年：無)。於二零一一年十二月三十一日，本集團約315.3百萬港元、709.5百萬港元、125.9百萬港元及1.5百萬港元(二零一零年：229.0百萬港元、746.7百萬港元、89.8百萬港元及1.0百萬港元)之現金結餘分別以人民幣、港元、美元及歐元計值。

Management Discussion and Analysis

管理層之討論與分析

Significant Investment

Save as disclosed in this annual report, the Group has no significant investment held as at 31 December 2011.

Material Acquisition and Disposal of Subsidiaries

Save as disclosed in this annual report, the Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2011 (2010: Nil).

Use of Proceeds

The net proceeds raised from the Global Offering received by the Company were approximately HK\$805.9 million. The net proceeds from the Global Offering were intended to be utilized over three years from 2011 to 2013.

As at 31 December 2011, the planned and utilized amounts of usage of total net proceeds are as follows:

		Planned amount 計劃金額 HK\$ million 百萬港元	Utilized amount 已動用金額 HK\$ million 百萬港元
Enhancing research and development effort	加大研發投入	322.4	54.7
Expanding distribution network	擴大分銷網絡	120.8	20.2
Potential merger and acquisition	潛在併購	282.1	–
General working capital	一般營運資金	80.6	80.6
		805.9	155.5

Future Plans for Material Investments or Capital Assets

Save as disclosed in this annual report, there was no specific plan for material investments or capital assets as at 31 December 2011.

Exchange Rates Exposure

The Group derives its turnover, makes purchases and incurs expenses denominated mainly in RMB, HK\$ and US\$. The majority of assets and liabilities are denominated in RMB, HK\$ and US\$, and there are no significant assets and liabilities denominated in other currencies. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the operating results of the Group.

Management considers the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the same functional currency. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

重大投資

除本年報披露外，本集團於二零一一年十二月三十一日並無持有任何重大投資。

附屬公司的重大收購及出售

除本年報披露外，本集團於截至二零一一年十二月三十一日止年度並無任何重大的附屬公司收購或出售(二零一零年：無)。

所得款項用途

本公司自全球發售籌得的所得款項淨額約為805.9百萬港元。全球發售所得款項淨額擬於二零一一年至二零一三年三年內動用。

於二零一一年十二月三十一日，總所得款項淨額的計劃用途及已動用金額如下：

	Planned amount 計劃金額 HK\$ million 百萬港元	Utilized amount 已動用金額 HK\$ million 百萬港元
	322.4	54.7
	120.8	20.2
	282.1	–
	80.6	80.6
	805.9	155.5

重大投資或資本資產的未來計劃

除本年報所披露外，於二零一一年十二月三十一日，概無重大投資或資本資產的具體計劃。

外匯風險

本集團的收入、採購及開支主要以人民幣、港元及美元計值。大部分資產及負債以人民幣、港元及美元計值，並無重大資產及負債以其他貨幣計值。目前，本集團並無訂立協議或購買工具以對沖本集團的外匯風險。港元或人民幣匯率的重大波動或會影響本集團的經營業績。

由於港元與美元掛鈎，且以美元計值的交易主要由採用相同功能貨幣的實體進行，故管理層認為與美元有關的外匯風險並不重大。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制的規則及規例。本集團會密切監察匯率變動，以管理外幣風險。

Management Discussion and Analysis

管理層之討論與分析

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2011.

或然負債

本集團於二零一一年十二月三十一日並無任何重大或然負債。

Human Resources and Remuneration Policies

The total number of employees of the Group as at 31 December 2011 was 463. The following table shows a breakdown of employees of the Group by functions as at 31 December 2011:

人力資源及薪酬政策

於二零一一年十二月三十一日，本集團僱員總數為463人。下表載列於二零一一年十二月三十一日根據職能劃分的各類僱員數目：

Management	管理層	12
Sales and after-sales services and marketing	銷售及售後服務以及市場推廣	158
Research and development	研發	233
Quality assurance	質檢	14
Administration and human resources	行政及人力資源	15
Accounting	會計	10
Production, procurement and inventory control	生產、採購及存貨控制	21
		<hr/>
		463

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

本集團確保其薪酬安排全面及具吸引力。僱員的薪酬為每月固定薪金，另加與表現有關之年度花紅。本集團亦會資助僱員參加符合本集團業務需要的外部培訓課程。

Disclaimer:

免責聲明：

Non-GAAP measures

非公認會計原則指標

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

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

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2011.

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

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

CORPORATE GOVERNANCE PRACTICES

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

The Board has approved the adoption of the revised CG Code which will be effective from 1 April 2012.

The Company has applied in formulating its corporate governance practices the Principles and complied with all of the Code Provisions for the year.

The Board periodically reviews and monitor the Company's policies and practices on corporate governance or compliance with legal and regulatory requirements. The Board also reviews the Group's employee handbook, training and continuous professional development of Directors and senior management, to ensure that operations are conducted in accordance with the standards of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

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

Specific enquiry had been made to all the directors of the Company (the "Directors") and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2011.

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

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

董事會欣然於本集團截至二零一一年十二月三十一日止年度之年報提呈其企業管治報告。

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

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

企業管治常規

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

董事會已批准採納將於二零一二年四月一日生效的經修訂企業管治守則。

於本年度本公司在制定其企業管治常規時已應用原則，並一直遵守所有守則條文。

董事會定期檢討及監察本公司的企業管治政策及慣例或法律及法例規定的遵守。董事會亦審閱本集團的員工手冊、董事及高級管理層的培訓及持續專業發展，確保營運符合企業管治守則的標準。

董事的證券交易

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。

經向全體本公司董事（「董事」）作出具體查詢後，董事已確認彼等於截至二零一一年十二月三十一日止年度一直遵守標準守則。

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

本公司主要企業管治原則及常規概述如下：

Corporate Governance Report

企業管治報告

THE BOARD

Responsibilities

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

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

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

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

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

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

Composition

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

The Board currently comprises 6 members, consisting of 3 executive Directors and 3 independent non-executive Directors.

The Board comprises the following Directors:

Executive Directors:

NIE Guoming (*Chairman*)
JIANG Hongchun (*Chief Executive Officer*)
LI Wenjin

Independent non-executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

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

The biographical information of the Directors of the Company and their relationship among the members of the Board, if any, are provided in the "Directors and Senior Management" section of this annual report.

董事會

職責

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

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

全體董事可全面及時獲得所有董事會文件及相關資料以及獲取公司秘書之意見及服務，以確保董事會程序及所有適用規則及規例獲得遵守。

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

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

董事會履行職責時可獲得高級管理層全面支援。

組成

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

董事會現由6名成員組成，包括3名執行董事及3名獨立非執行董事。

董事會由以下董事組成：

執行董事：

聶國明(*主席*)
蔣洪春(*行政總裁*)
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

上列董事(按類別計)亦於本公司根據上市規則不時發出之所有企業通訊披露。

本公司董事之履歷資料及彼等與董事會成員之關係(若有)在本年報「董事及高層管理人員」一節已有披露。

Corporate Governance Report

企業管治報告

Appointment, Re-election and Removal of Directors

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

All Directors are appointed for specific tenures which shall expire with retirement by rotation once every three years and subject to re-election.

Training for Directors

Each newly appointed Director receives induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company. Besides, the Company will arrange and provide finance for suitable training, placing an appropriate emphasis on the roles, functions and duties of its Directors.

Board Meetings and Directors' Attendance

Regular Board meetings were held four times during the year for reviewing and approving the financial and operating performance, for approving the final results for the year ended 31 December 2010, interim results for the six months ended 30 June 2011 and considering and approving the overall strategies and policies of the Company.

The individual attendance record of each Director at the four regular quarterly meetings of the Board (not including other ad hoc meetings of the Board held from time to time), Audit Committee meetings, Nomination Committee meeting, Remuneration Committee meeting and Independent Board Committee meeting during the year ended 31 December 2011 is set out below:

Name of Directors	董事姓名	Attendance/Number of Meetings			Regular Meetings 常規會議
		Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	
Nie Guoming	聶國明	N/A 不適用	N/A 不適用	N/A 不適用	4/4
Jiang Hongchun	蔣洪春	N/A 不適用	N/A 不適用	N/A 不適用	4/4
Li Wenjin	李文晉	N/A 不適用	1/1	1/1	4/4
Yip Wai Ming	葉偉明	2/2	1/1	1/1	4/4
Wu Min	吳敏	2/2	1/1	1/1	4/4
Man Kwok Kuen, Charles	文國權	2/2	N/A 不適用	N/A 不適用	4/4

* The Directors are not required to attend the rest of the meetings which mainly deal with implementation of executive policies and administrative routine.

委任，重選及罷免董事

本公司已訂立正式且具透明度之董事委任及繼任規劃程序。

全體董事均通過委任產生，特定任期應於每三年輪席告退一次時屆滿並可膺選連任。

董事培訓

各新委任董事於最初獲委任時獲得就職介紹，確保彼恰當瞭解本公司業務及運作。此外，本公司將安排及撥資舉辦合適的培訓，就其董事的角色、功能及職責方面給予適當重點。

董事會會議及董事出席情況

年內曾舉行四次常規董事會會議，審閱及批准財務及營運表現，批准截至二零一零年十二月三十一日止年度全年業績、截至二零一一年六月三十日止六個月中期業績，並考慮及批准本公司整體策略及政策。

各董事於截至二零一一年十二月三十一日止年度出席四個常規季度董事會會議(不包括其他不時舉行之不定期董事會會議)、審核委員會會議、提名委員會會議、薪酬委員會會議及獨立董事委員會會議之個別記錄載列如下：

* 董事無需出席(主要處理行政政策之推行及日常行政)其餘之會議。

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Practices and Conduct of Meetings

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

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

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

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

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

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

會議常規及程序

週年會議時間表及每次會議議程草擬本一般預先發給董事。

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

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

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

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

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

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Chairman and Chief Executive Officer

According to Code Provision A.2.1 of the CG Code, the roles of the Chairman, Mr. Nie Guoming, and the Chief Executive Officer (the "CEO"), Mr. Jiang Hongchun, are segregated in order to ensure a clear distinction between the responsibilities of the Chairman and the CEO. There are clear divisions of responsibilities of management of the Board and the day-to-day management of the Company's business between the Chairman and the CEO to ensure a balance of power and authority of the Board for decision-making.

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

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

Independent Non-Executive Directors

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

During the year ended 31 December 2011, the Board at all times met the requirements of Rule 3.10(1) and Rule 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of Rule 3.13 of the Listing Rules, which confirmed to the Company that he/ she has met the independence guidelines set out in the Listing Rules.

主席及行政總裁

根據企業管治守則第A.2.1條守則條文規定，主席聶國明先生及行政總裁（「行政總裁」）蔣洪春先生的職責須作區分，藉以確保主席與行政總裁的責任明確劃分。主席及行政總裁在董事會管理及本公司業務日常管理的責任上有明確劃分，以確保董事會的決策權力及授權得以平衡。

主席提供領導及負責董事會按照良好企業管治常規有效運作。在公司秘書及高級管理層的支持下，主席亦負責確保董事及時收到準確、清晰、完整及可靠的充份資訊，及負責確保就董事會會議上所有當前事項作出簡報，及所有主要及適當的議程由董事會及時地審議。

行政總裁主要負責執行經董事會批准及授權之目標、政策及策略。彼負責本公司之日常管理及運作。行政總裁亦負責制定策略計劃及擬定組織架構、監控制度及內部程序，以供董事會批准。

獨立非執行董事

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

截至二零一一年十二月三十一日止年度，董事會一直遵守上市規則第3.10(1)及3.10(2)條有關委任最少三名獨立非執行董事而其中最少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識之規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出有關其獨立身分之年度確認書向本公司確認，彼等均符合上市規則所載獨立身分指引。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Board has established 3 committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

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

Audit Committee

YIP Wai Ming (*Chairman*)
WU Min
MAN Kwok Kuen, Charles

Nomination Committee

WU Min (*Chairman*)
YIP Wai Ming
LI Wenjin

Remuneration Committee

YIP Wai Ming (*Chairman*)
WU Min
LI Wenjin

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

董事會委員會

董事會下設3個委員會：提名委員會、薪酬委員會及審核委員會，以掌管本公司特定事務。本公司所有董事會委員會均設有明確書面職權範圍，於本公司網站及聯交所網站刊載，亦可供股東索閱。

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

審核委員會

葉偉明(*主席*)
吳敏
文國權

提名委員會

吳敏(*主席*)
葉偉明
李文晉

薪酬委員會

葉偉明(*主席*)
吳敏
李文晉

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

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Audit Committee

The Audit Committee was established by the Board on 1 December 2010 with written terms of reference. The Audit Committee comprises three independent non-executive Directors (including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the external auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee held two meetings during the year ended 31 December 2011 to review the financial results and reports, financial reporting and compliance procedures, internal control system and risk management review and processes and the reappointment of the external auditors.

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

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

The Company's annual results for the year ended 31 December 2011 has been reviewed by the Audit Committee.

審核委員會

審核委員會由董事會於二零一零年十二月一日成立，並列明書面職權範圍。審核委員會由三名獨立非執行董事組成，當中包括一名具備合適專業資歷或會計或相關財務管理專業知識之獨立非執行董事。審核委員會全體成員均非本公司現任外聘核數師之前合夥人。

審核委員會之主要職責包括：

- (a) 審閱財務報表及報告，並於提交董事會前，考慮合資格會計師或外聘核數師提出之任何重大或不尋常項目。
- (b) 參考外聘核數師所進行工作、費用及聘用條款，檢討與外聘核數師之關係，並就委任、續聘及罷免外聘核數師向董事會提出意見。
- (c) 審閱本公司財務報告制度、內部監控制度、風險管理制度及相關程序是否充份及具備效益。

已參照由香港會計師公會發出之「成立審核委員會指引」編製及採納列明審核委員會之職權及責任之書面職權範圍。

審核委員會於截至二零一一年十二月三十一日止年度曾舉行兩次會議，審閱財務業績及報告，財務申報及合規程序、內部監控制度及風險管理審閱與程序以及重新委任外聘核數師。

並無有關或會對本公司按持續基準經營之能力產生重大疑問之事件或情況。

審核委員會就外聘核數師甄選、委任、辭任或罷免所持意見與董事會無異。

本公司截至二零一一年十二月三十一日止年度之全年業績已經由審核委員會審閱。

Corporate Governance Report

企業管治報告

Nomination Committee

The Nomination Committee was established by the Board on 1 December 2010. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, developing and formulating relevant procedures for nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessment of the independence of the independent non-executive Directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the requirements of the business of the Group and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary. The Nomination Committee held one meeting during the year ended 31 December 2011.

In accordance with the Company's bye-laws 84 and 85, Mr. Nie Guoming, executive Director and Dr. Wu Min, independent non-executive Directors of the Company, shall retire by rotation and being eligible, will offer themselves for re-election at the 2012 annual general meeting.

The Board recommended the re-appointment of the Directors standing for re-election at the 2012 annual general meeting of the Company.

The Company's circular dated 23 March 2012 contains detailed information of the Directors standing for re-election.

Remuneration Committee

The Remuneration Committee was established by the Board on 1 December 2010. The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the Directors and the senior management and other related matters. The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman and/ or the Board about these recommendations on remuneration policy and structure and remuneration packages. The Remuneration Committee held one meeting during the year ended 31 December 2011.

提名委員會

提名委員會由董事會於二零一零年十二月一日成立。提名委員會之主要職責包括審閱董事會之架構、規模及組成、制定有關董事提名及委任程序以及就董事委任及繼任規劃向董事會作出意見，並評估獨立非執行董事之獨立身分。

提名委員會負責就均衡專業知識、技能、經驗、專業知識、個人誠信及投入時間以及就本集團業務需要及其他相關法定規則及規例，甄選及推薦候任董事人選。有需要時或會委任外界招聘代理進行招聘及甄選程序。提名委員會於截至二零一一年十二月三十一日止年度曾舉行一次會議。

根據本公司之公司細則第84及85條，本公司執行董事聶國明先生及獨立非執行董事吳敏博士將輪值告退，惟符合資格並願意於二零一二年股東週年大會膺選連任。

董事會推薦重選於本公司二零一二年股東週年大會膺選連任之董事。

本公司日期為二零一二年三月二十三日之通函載有膺選連任董事詳細資料。

薪酬委員會

薪酬委員會於二零一零年十二月一日成立。薪酬委員會主要職責包括就董事及高級管理人員薪酬政策及結構與薪酬待遇作出推薦意見及加以批准。薪酬委員會亦負責制定該等薪酬政策及結構之具透明度程序，確保並無董事或彼任何聯繫人士參與釐定本身薪酬，而薪酬將參考個人及本公司表現以及市場常規及情況後釐定。

薪酬委員會一般就審閱薪酬政策及結構以及釐定董事及高級管理人員年度薪酬待遇與其他相關事務舉行會議。人力資源部門負責收集及管理人力資源數據，並向薪酬委員會作出意見，以供其考慮。薪酬委員會須就該等薪酬政策及結構與薪酬待遇意見諮詢主席及/或董事會。薪酬委員會於截至二零一一年十二月三十一日止年度曾舉行一次會議。

Corporate Governance Report

企業管治報告

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2011.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 44 to 45.

INTERNAL CONTROL

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

AUDITORS' REMUNERATION

The remuneration paid to the external auditor of the Company in respect of audit services for the year ended 31 December 2011 amounted to approximately HK\$1,000,000.

有關財務報表之責任

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

董事明瞭彼等編製本公司截至二零一一年十二月三十一日止年度財務報表之責任。

本公司外聘核數師有關彼等申報財務報表責任之聲明載於第44至45頁「獨立核數師報告」。

內部監控

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

核數師酬金

本公司就截至二零一一年十二月三十一日止年度的核數服務而向外聘核數師支付的酬金約為1,000,000港元。

Corporate Governance Report

企業管治報告

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

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

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

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

Separate resolutions are proposed at shareholders' meetings on each substantial issue.

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

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

On behalf of the Board

NIE Guoming

Chairman

Hong Kong, 15 March 2012

股東權利及投資者關係

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

按股數投票表決結果將於股東大會後之營業日，在聯交所網站刊載。

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

須於股東大會就各重大事項提呈獨立決議案。

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

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

代表董事會

主席

聶國明

香港，二零一二年三月十五日

Report of the Directors

董事會報告

The Directors submit their report together with the audited financial statements for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and together with its subsidiaries (collectively referred to as the "Group") are principally engaged in the development and sales of point-of-sale ("POS") products and provision of related services.

An analysis of the Group's performance for the year by geographical segments is set out in note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2011 are set out in the consolidated income statement on page 46.

The Directors do not recommend the payment of a dividend (2010: Nil).

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and in note 23 to the consolidated financial statements.

DONATIONS

No charitable donations were made by the Group during the year (2010: HK\$1.0 million).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital are set out in note 22 to the consolidated financial statements.

董事謹此提呈彼等之報告及截至二零一一年十二月三十一日止年度之經審核財務報表。

主要業務及地區業務分析

本公司之主要業務為投資控股連同其附屬公司(統稱「本集團」)主要從事開發及銷售POS(「POS」)產品及提供相關服務。

本集團於本年度之表現按地區劃分之分析載於綜合財務報表附註6。

業績及分配

本集團截至二零一一年十二月三十一日止年度之業績載於第46頁之綜合收益表。

董事並不建議宣派任何股息(二零一零年：無)。

儲備

年內本集團及本公司之儲備變動詳情載於綜合財務報表之綜合權益變動表及附註23。

捐獻

本集團於本年度無作出慈善捐獻(二零一零年：1.0百萬港元)。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於綜合財務報表附註14。

股本及購股權

本公司股本之變動詳情載於綜合財務報表附註22。

Report of the Directors

董事會報告

PAX Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the issuance of in aggregate no more than 10% in nominal amount of the aggregate of Shares in issue on the Listing Date, representing 100,000,000 shares (subject to the terms of the Scheme and the relevant provisions under the Listing Rules) under the Scheme adopted by a resolution of the Board on 1 December 2010.

The purpose of the Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

The Scheme was effective from 1 December 2010 and unless otherwise cancelled or amended, will remain valid and effective for the period of 10 years from that date. Up to date of the report, no share option was granted under the Scheme.

For details of the PAX Share Option Scheme, please refer to note 22(d) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2011, the Company had no reserves available for distribution as calculated under the Companies Act 1981 of Bermuda (as amended) (2010: Nil). However, the Company's share premium account, in the amount of HK\$1,230,276,000 (2010: HK\$1,129,204,000) may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

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

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 114.

百富購股權計劃

本公司之購股權計劃(「該計劃」)於二零一零年十二月一日的董事會決議案採納，發行合共不超過上市日期已發行股份總面值的10%(即100,000,000股股份)(但須按照該計劃之條款及遵守上市規則之有關規定)。

該計劃旨在獎勵曾對本集團作出貢獻的員工，並鼓勵參與者為本公司及其股東的整體利益，努力提升本公司及其股份的價值。

該計劃已於二零一零年十二月一日生效，除非另行撤銷或修訂，否則該計劃將自生效當日起十年期間一直有效。截至本報告日期，並無根據該計劃授出購股權。

有關百富購股權計劃的詳情，請參閱綜合財務報表附註22(d)。

可供分派儲備

根據百慕達一九八一年公司法(經修訂)計算，本公司於二零一一年十二月三十一日並無儲備可供分派(二零一零年：無)。然而，本公司可以繳足紅股方式分派股份溢價賬中為數1,230,276,000港元(二零一零年：1,129,204,000港元)之款項。

優先認股權

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

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第114頁。

Report of the Directors

董事會報告

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

DIRECTORS

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

Executive Directors:

NIE Guoming
JIANG Hongchun
LI Wenjin

Independent Non-executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

In accordance with the Company's bye-laws 84 and 85, one-third of the Directors are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company.

Mr. Nie Guoming and Dr. Wu Min will retire and, being eligible will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

As at the date of this report, each of the executive Directors has entered into a service contract with the Company for a term of three years from 20 December 2010 unless and until terminated by either the Company or the Directors giving to the other a notice of not less than three months.

Save as disclosed herein, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

購買、出售或贖回證券

本公司於年內概無贖回其任何股份。年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

董事

年內及直至本報告日期之董事為：

執行董事：

聶國明
蔣洪春
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

根據本公司之公司細則第84及第85條，三分之一董事須至少每三年於本公司股東週年大會上輪值告退及膺選連任。

聶國明先生及吳敏博士將退任，而彼等符合資格並願意於應屆股東週年大會膺選連任。

董事之服務合約

於本報告日期，執行董事已各自與本公司訂立服務合約，任期自二零一零年十二月二十日起計，為期三年，除非及直至本公司或董事向對方發出不少於三個月之通知而終止。

除本報告披露者外，各董事概無與本公司或本集團任何成員公司訂有或擬訂立任何服務合約，惟不包括於一年內屆滿或可遭本公司終止而毋須賠償(法定賠償除外)之服務合約。

Report of the Directors

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 6 to 9.

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

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

As at 31 December 2011, none of the Director and Chief Executive Officer have an interest in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company.

董事及高級管理層履歷詳情

董事及高級管理層之履歷詳情載於第6至9頁。

董事於合約之權益

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

董事於競爭業務之權益

概無任何董事於任何與本集團構成競爭之業務中擁有任何權益。

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零一一年十二月三十一日，概無董事及行政總裁於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債券中擁有已記入本公司根據證券及期貨條例第352條存置之登記冊或已知會本公司之權益。

Report of the Directors

董事會報告

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 December 2011, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive Officer.

主要股東於股份及相關股份之權益及淡倉

按本公司根據證券及期貨條例第336條存置之主要股東登記冊所顯示，於二零一一年十二月三十一日，本公司獲知會下列主要股東擁有本公司已發行股本 5%或以上之權益及淡倉。該等權益不包括上文所披露有關就董事及行政總裁之權益。

Name of shareholders	股東名稱	Class of securities	Total number of Shares (Note 1) 股份總數 (附註1)	Approximate percentage of shareholding (Note 2) 概約控股百分比 (附註2)
Hi Sun Technology (China) Limited	高陽科技(中國)有限公司	Ordinary 普通股	444,000,000 (L)	42.79%
Digital Investment Limited (Note 3)	Digital Investment Limited (附註3)	Ordinary 普通股	118,400,000 (L)	11.41%
HAO Capital China Fund L.P. (Note 3)	HAO Capital China Fund L.P. (附註3)	Ordinary 普通股	118,400,000 (L)	11.41%
891 Venture Limited (Note 4)	891 Venture Limited(附註4)	Ordinary 普通股	118,400,000 (L)	11.41%
Dream River Limited (Note 5)	Dream River Limited(附註5)	Ordinary 普通股	118,400,000 (L)	11.41%
HAO Capital Fund II L.P. (Note 5)	HAO Capital Fund II L.P. (附註5)	Ordinary 普通股	118,400,000 (L)	11.41%
HAO Partners L.P. (Note 6)	HAO Partners L.P.(附註6)	Ordinary 普通股	118,400,000 (L)	11.41%
Hao Partners (Holdings) Limited (Note 7)	Hao Partners (Holdings) Limited(附註7)	Ordinary 普通股	118,400,000 (L)	11.41%
Liu Yangsheng (Note 8)	劉揚聲(附註8)	Ordinary 普通股	236,800,000 (L)	22.82%
Bao Lei (Note 9)	暴蕾(附註9)	Ordinary 普通股	236,800,000 (L)	22.82%
FIL Limited	FIL Limited	Ordinary 普通股	73,662,000 (L)	7.10%

Report of the Directors

董事會報告

Notes:

1. The letter "L" denotes a long position in Shares, the letter "S" denotes a short position in Shares.
2. The percentage is calculated based on the total number of issued shares of the Company as at 31 December 2011.
3. Digital Investment Limited is owned as to 95% by HAO Capital China Fund L.P. and 5% by Mr. Max Burger. As such, HAO Capital China Fund L.P. is deemed to be interested in the 118,400,000 Shares owned by Digital Investment by virtue of the SFO.
4. 891 Venture Limited is incorporated in the Cayman Islands and is the general partner of HAO Capital China Fund L.P. As such, 891 Venture Limited is deemed to be interested in 118,400,000 Shares owned by Digital Investment by virtue of the SFO.
5. Dream River Limited is wholly owned by HAO Capital Fund II L.P. As such, HAO Capital Fund II L.P. is deemed to be interested in 118,400,000 Shares owned by Dream River by virtue of the SFO.
6. HAO Partners L.P. is the general partner of HAO Capital Fund II L.P. As such, HAO Partners L.P. is deemed to be interested in 118,400,000 Shares owned by Dream River by virtue of the SFO.
7. Hao Partners (Holdings) Limited is incorporated in the Cayman Islands and is the general partner of HAO Partners L.P.. As such, HAO Capital L.P. is deemed to be interested in 118,400,000 Shares owned by Dream River by virtue of the SFO.
8. As Mr. Liu Yangsheng controls more than one-third of the voting power at the general meetings of 891 Venture Limited and Hao Partners (Holdings) Limited respectively, he is deemed to be interested in an aggregate of 236,800,000 Shares owned by Digital Investment Limited and Dream River Limited by virtue of the SFO.
9. Bao Lei, the spouse of Liu Yangsheng, is deemed to be interested in Liu Yangsheng's interest.

附註：

1. 字母「L」表示於股份的好倉；字母「S」表示於股份的淡倉。
2. 百分比乃根據本公司於二零一一年十二月三十一日已發行股份總數計算。
3. Digital Investment Limited 分別由 HAO Capital China Fund L.P. 及 Max Burger 先生各擁有 95% 及 5%。因此，HAO Capital China Fund L.P. 根據證券及期貨條例被視為於 Digital Investment 所擁有的 118,400,000 股股份中擁有權益。
4. 891 Venture Limited 於開曼群島註冊成立，為 HAO Capital China Fund L.P. 的普通合夥人。因此，891 Venture Limited 根據證券及期貨條例被視為於 Digital Investment 所持 118,400,000 股股份中擁有權益。
5. Dream River Limited 由 HAO Capital Fund II L.P. 全資擁有。因此，HAO Capital Fund II L.P. 根據證券及期貨條例被視為於 Dream River 所擁有的 118,400,000 股股份中擁有權益。
6. HAO Partners L.P. 為 HAO Capital Fund II L.P. 的普通合夥人。因此，HAO Partners L.P. 根據證券及期貨條例被視為於 Dream River 所擁有的 118,400,000 股股份中擁有權益。
7. Hao Partners (Holdings) Limited 於開曼群島註冊成立，為 HAO Partners L.P. 的普通合夥人。因此，HAO Capital L.P. 根據證券及期貨條例被視為於 Dream River 所擁有的 118,400,000 股股份中擁有權益。
8. 由於劉揚聲先生於 891 Venture Limited 及 Hao Partners (Holdings) Limited 的股東大會上控制投票權超過三分之一，故彼根據證券及期貨條例被視為於 Digital Investment Limited 及 Dream River Limited 所擁有的 236,800,000 股股份中擁有權益。
9. 暴蕾(劉揚聲的配偶)，被視為於劉揚聲的權益中擁有權益。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS

The Group has occupied and rented office premises owned by Hi Sun in Beijing under a tenancy agreement (Details are set out in note 29(a) to the Financial Statements). Based on the agreed annual rental of each of the tenancy agreement, as each of the applicable percentage ratios (other than the profit ratio) of the transactions contemplated under the tenancy agreements are on an annual basis less than 0.1%, the tenancy agreements will constitute de minimis continuing connected transactions which are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

There was no related party transaction which constituted a connected transaction or continuing connected transaction not exempted under Rule 14A.31 or Rule 14A.33 of the Listing Rules during the year ended 31 December 2011. The Group has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of such transaction.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2011.

DEED OF NON-COMPETITION AND CONFLICTS OF INTERESTS

Hi Sun has pursuant to the deed of non-competition dated 1 December 2010 between the Company and Hi Sun, undertaken to the Company that, among other things, at any time during which the Shares are listed on the Stock Exchange or any stock exchange recognized under the SFO and for so long as it remains the controlling shareholder of the Company, Hi Sun will not, and will procure that its subsidiaries (other than the Group) will not directly or indirectly engage or otherwise be interested in the design, manufacture and/or sale of POS products and the provision of related services in the PRC, Hong Kong or any part of the world in which any member of the Group may from time to time operate. The undertaking does not apply to Hi Sun's interests in the Shares (including the exercise of any right as a shareholder) and any interests held by Hi Sun and its associates in up to 5% of any class of listed securities of a company that engages in the business of the Group.

Hi Sun has undertaken to the Company that, if any time that the Group or our independent non-executive Directors have reasonable cause to believe that Hi Sun may be in breach of the non-compete undertaking, against undertaking of the Company to keep the information received confidential except for disclosures of such information as may be necessary to comply with our legal or regulatory obligations, or such information that is already in the public domain other than as a result of our breach of the confidentiality undertaking or for the purposes of enforcement of the non-compete undertaking, Hi Sun will at our or our independent non-executive Directors' request provide all such information that it possesses and may be lawfully disclosed pertaining to such request so as to enable us or our independent non-executive Directors to make an informed assessment as to whether or not there has in fact been a breach of the non-compete undertaking. On 12 January 2012, Hi Sun signed an annual declaration of compliance with the Deed of Non-competition. Hi Sun has complied with the non-compete undertaken given above.

關連交易

本集團根據租賃合同佔用及租賃由高陽擁有之位於北京之辦公室單位(詳情載於財務報表附註29(a))。按照租賃協議的協定年租金，由於該等租賃協議項下擬進行交易的各適用百分比率(溢利率除外)按年度基準計算低於0.1%，故根據上市規則第14A章，該等租賃協議將構成一項最低限額持續關連交易，獲豁免遵守申報、公佈及獨立股東批准的規定。

於截至二零一一年十二月三十一日止年度，概無構成關連交易或持續關連交易但未能根據上市規則第14A.31條或14A.33條獲豁免之關連交易。本集團已遵守根據上市規則第14A章關於該等交易之披露規定。

管理合約

於截至二零一一年十二月三十一日止年度，概無訂立或存在任何與本公司全部或任何重大業務部分相關之管理及行政合約。

不競爭契據及利益衝突

根據本公司與高陽於二零一零年十二月一日訂立的不競爭契據，高陽已向本公司承諾，(其中包括)於股份在聯交所或證券及期貨條例所認可的任何證券交易所上市期間的任何時間，只要其仍為本公司控股股東，則高陽將不會並將促使其附屬公司(本集團除外)不會直接或間接從事在中國、香港或本集團成員公司可能不時經營業務的全球任何地方設計、生產及/或銷售POS產品及提供相關服務或於其中擁有權益。該承諾並不適用於高陽於股份的權益(包括行使作為股東的任何權利)以及高陽及其聯繫人所持有的任何權益而有關權益最多達從事本集團業務的任何公司的任何類別上市證券5%。

高陽已向本公司承諾，倘任何時候本集團或我們的獨立非執行董事有合理理由相信高陽可能違反不競爭承諾、違反本公司將所收到資料保密的承諾(惟因遵守我們的法律或監管責任而可能須披露有關資料除外)或有關資料已公開(因我們違反保密承諾而導致者除外)或為執行不競爭承諾除外)，高陽將應我們或我們的獨立非執行董事要求提供其管有並可合法就此要求披露的所有資料，以使我們或我們的獨立非執行董事就是否有違反不競爭承諾作出知情評估。於二零一二年一月十二日，高陽簽署不競爭契據之年度遵守聲明。高陽已遵守上文所作之不競爭保證。

Report of the Directors

董事會報告

None of the Directors of Hi Sun nor the Company have any interest in any competing business that is discloseable under Rule 8.10(1) and Rule 8.10(2), respectively, of the Listing Rules. In respect of any other conflicts of interest that may arise between the Group and Hi Sun Group, common Directors between the two groups or any Director with an interest in the relevant transaction(s) will be required to abstain from voting on the relevant Board resolutions.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 31 December 2011 attributable to the Group's major suppliers and customers are as follows:

Purchases

– the largest supplier	28.7%
– five largest suppliers combined	50.8%

Sales

– the largest customer	19.0%
– five largest customers combined	55.9%

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

PENSION SCHEME

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

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

SUFFICIENCY OF PUBLIC FLOAT

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

概無高陽或本公司的董事於任何競爭業務中擁有權益而須分別根據上市規則第8.10(1)條及第8.10(2)條予以披露。就本集團與高陽集團之間可能產生的任何其他利益衝突而言，兩家集團的共同董事或於相關交易中擁有權益的任何董事須就相關董事會決議案放棄投票。

主要客戶及供應商

截至二零一一年十二月三十一日止年度，本集團主要供應商和客戶的應佔採購和銷售百分比如下：

採購

– 最大供應商	28.7%
– 五大供應商合計	50.8%

銷售

– 最大客戶	19.0%
– 五大客戶合計	55.9%

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

退休金計劃

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

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

足夠公眾持股量

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

Report of the Directors

董事會報告

COMPLIANCE ADVISER'S INTERESTS

Pursuant to the compliance adviser agreement dated 16 November 2010 entered into between the Company and First Shanghai Capital Limited, First Shanghai Capital Limited has been appointed as the compliance adviser as required under the Listing Rules for the period from the Listing Date to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the year ended 31 December 2011. First Shanghai Capital Limited has received a fee for acting as the Company's compliance adviser during the period.

As at 31 December 2011, an employee of First Shanghai Securities Limited held 6,000 shares of the Company. First Shanghai Securities Limited is a fellow subsidiary of First Shanghai Capital Limited.

As notified by First Shanghai Capital Limited, save as disclosed above, neither First Shanghai Capital Limited nor its respective Directors, employees or associates (as defined in the Listing Rules) had any interest in the shares of the Company, or had any options or rights to subscribe for or to nominate persons to subscribe for the shares of the Company as at 31 December 2011.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Nie Guoming

Chairman

Hong Kong, 15 March 2012

合規顧問之權益

根據本公司與第一上海融資有限公司於二零一零年十一月十六日訂立之合規顧問協議，第一上海融資有限公司已根據上市規則的規定，由上市日期起至本公司根據上市規則第13.46條公佈其截至二零一一年十二月三十一日止年度之財務業績的日期止期間擔任合規顧問。第一上海融資有限公司已於該段期間就擔任本公司合規顧問收取費用。

於二零一一年十二月三十一日，第一上海證券有限公司之一名僱員持有6,000股本公司股份。第一上海證券有限公司為第一上海融資有限公司之同系附屬公司。

按第一上海融資有限公司所知會，除上文披露者外，於二零一一年十二月三十一日，第一上海融資有限公司或其董事、僱員或聯繫人士（按上市規則所界定）於本公司股份中，概無擁有任何權益，或擁有任何可認購本公司股份之購股權或權利，或提名他人認購本公司股份之權利。

核數師

羅兵咸永道會計師事務所已審核財務報表，彼等將於本公司應屆股東週年大會退任，惟符合資格獲重新委任。

代表董事會

主席

聶國明

香港，二零一二年三月十五日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

Independent Auditor's Report To the shareholders of PAX Global Technology Limited (incorporated in Bermuda with limited liability)

獨立核數師報告
致百富環球科技有限公司股東
(於百慕達註冊成立的有限公司)

We have audited the consolidated financial statements of PAX Global Technology Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 46 to 113, which comprise the consolidated and company balance sheets as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

本核數師(以下簡稱「我們」)已審計列載於第46至113頁百富環球科技有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一一年十二月三十一日的綜合和公司資產負債表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，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。

AUDITOR'S RESPONSIBILITY

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

核數師的責任

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

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

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

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Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 March 2012

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。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在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綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一一年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一二年三月十五日

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Consolidated Income Statement

綜合收益表

Year ended 31 December

截至十二月三十一日止年度

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Revenue	收入	5	1,103,180	723,610
Cost of sales	銷售成本	7	(711,478)	(431,740)
Gross profit	毛利		391,702	291,870
Other income	其他收入	5	41,712	27,390
Selling expenses	銷售開支	7	(124,100)	(74,371)
Administrative expenses	行政費用	7	(101,851)	(72,381)
Operating profit/profit before income tax	經營溢利／除所得稅前 溢利		207,463	172,508
Income tax expense	所得稅開支	10	(25,668)	(27,085)
Profit for the year attributable to equity holders of the Company	本公司權益持有人 應佔年度溢利		181,795	145,423
Earnings per share for the profit attributable to equity holders of the Company during the year (expressed in HK\$ per share)	年內本公司權益持有人應佔 溢利之每股盈利 (以每股港元呈列)			
– Basic	– 基本	12	0.175	0.194
– Diluted	– 攤薄	12	0.175	0.194

The notes on pages 53 to 113 are an integral part of these consolidated financial statements.

第53至113頁之附註乃綜合財務報表之其中部分。

Consolidated Statement of Comprehensive Income

綜合全面收益表

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit for the year	年內溢利	181,795	145,423
Other comprehensive income	其他全面收益		
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	27,403	17,526
Total comprehensive income for the year attributable to equity holders of the Company	本公司權益持有人應佔年內全面收益總額	209,198	162,949

The notes on pages 53 to 113 are an integral part of these consolidated financial statements.

第53至113頁之附註乃綜合財務報表之其中部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December

於十二月三十一日

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	10,809	11,194
Leasehold land	租賃土地	15	235	231
Total non-current assets	非流動資產總額		11,044	11,425
Current assets	流動資產			
Inventories	存貨	18	305,666	148,520
Trade and bills receivables	應收賬款及應收票據	19	503,715	269,042
Deposits and other receivables	按金及其他應收款項	19	17,305	7,001
Restricted cash	受限制現金	20	16,017	2,846
Cash at bank and on hand	銀行及手上現金	21	1,152,291	1,066,526
Total current assets	流動資產總額		1,994,994	1,493,935
Total assets	資產總額		2,006,038	1,505,360
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備			
Share capital	股本	22	103,773	100,000
Reserves	儲備	23	1,497,381	1,187,111
Total equity	權益總額		1,601,154	1,287,111

The notes on pages 53 to 113 are an integral part of these consolidated financial statements.

第53至113頁之附註乃綜合財務報表之其中部分。

Consolidated Balance Sheet (Continued)

綜合資產負債表(續)

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	Notes 附註		
LIABILITIES	負債		
Current liabilities	流動負債		
Trade payables	應付賬款	24	143,033
Other payables and accruals	其他應付賬款及應計款項	24	55,735
Taxation payable	應付稅項		19,481
		249,570	
		140,414	
		14,900	
Total current liabilities and liabilities	流動負債及負債總額	404,884	218,249
Total equity and liabilities	權益及負債總額	2,006,038	1,505,360
Net current assets	流動資產淨值	1,590,110	1,275,686
Total assets less current liabilities	資產總值減流動負債	1,601,154	1,287,111

On behalf of the Board
代表董事會

NIE GUOMING

聶國明
Director
董事

LI WENJIN

李文晉
Director
董事

The notes on pages 53 to 113 are an integral part of these consolidated financial statements.

第53至113頁之附註乃綜合財務報表之其中部分。

Balance Sheet

資產負債表

As at 31 December

於十二月三十一日

			2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		Notes 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Investment in a subsidiary	於附屬公司之投資	16	528,103	528,103
Total non-current assets	非流動資產總額		528,103	528,103
Current assets	流動資產			
Deposits and other receivables	按金及其他應收款項	19	2,016	–
Amount due from a subsidiary	應收附屬公司款項	17	90,000	–
Cash at bank and on hand	銀行及手上現金	21	702,503	697,082
Total current assets	流動資產總額		794,519	697,082
Total assets	資產總額		1,322,622	1,225,185
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備			
Share capital	股本	22	103,773	100,000
Reserves	儲備	23	1,216,676	1,120,807
Total equity	權益總額		1,320,449	1,220,807
LIABILITIES	負債			
Current liabilities	流動負債			
Other payables and accruals	其他應付賬款及應計款項	24	2,173	4,378
Total current liabilities and liabilities	流動負債及負債總額		2,173	4,378
Total equity and liabilities	權益及負債總額		1,322,622	1,225,185
Net current assets	流動資產淨值		792,346	692,704
Total assets less current liabilities	資產總值減流動負債		1,320,449	1,220,807

On behalf of the Board
代表董事會

NIE GUOMING
聶國明
Director
董事

LI WENJIN
李文晉
Director
董事

The notes on pages 53 to 113 are an integral part of these consolidated financial statements.

第53至113頁之附註乃綜合財務報表之其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Reserves 儲備					Total 總計 HK\$'000 千港元	Total 權益總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Exchange reserve 外匯儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元		
For the year ended 31 December 2011	截至二零一一年 十二月三十一日止年度							
Balance at 1 January 2011	於二零一一年一月一日之結餘	100,000	1,129,204	(414,978)	36,854	436,031	1,287,111	
Comprehensive income	全面收益							
Profit for the year	年內溢利	-	-	-	-	181,795	181,795	
Other comprehensive income	其他全面收益							
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	-	27,403	-	27,403	
Total comprehensive income	全面收益總額	-	-	-	27,403	181,795	209,198	
Transaction with owners	與擁有人之交易							
Over-allotment of shares pursuant to the Global Offering (note 22(c))	根據全球發售超額配發之股份(附註22(c))	3,773	101,072	-	-	-	104,845	
Balance at 31 December 2011	於二零一一年 十二月三十一日之結餘	103,773	1,230,276	(414,978)	64,257	617,826	1,601,154	
For the year ended 31 December 2010	截至二零一零年 十二月三十一日止年度							
Balance at 1 January 2010	於二零一零年一月一日之結餘	-	-	113,125	19,328	290,608	423,061	
Comprehensive income	全面收益							
Profit for the year	年內溢利	-	-	-	-	145,423	145,423	
Other comprehensive income	其他全面收益							
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	-	17,526	-	17,526	
Total comprehensive income	全面收益總額	-	-	-	17,526	145,423	162,949	
Transactions with owners	與擁有人之交易							
Allotment of shares pursuant to the Reorganisation	根據重組配發股份	25,000	503,103	(528,103)	-	-	(25,000)	
Shares issued under the capitalisation issue	根據資本化發行之已發行股份	49,000	(49,000)	-	-	-	(49,000)	
Shares issued pursuant to the Global Offering	根據全球發售發行之股份	26,000	675,101	-	-	-	701,101	
		100,000	1,129,204	(528,103)	-	-	601,101	
Balance at 31 December 2010	於二零一零年 十二月三十一日之結餘	100,000	1,129,204	(414,978)	36,854	436,031	1,287,111	

The notes on pages 53 to 113 are an integral part of these consolidated financial statements.

第53至113頁之附註乃綜合財務報表之其中部分。

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December

截至十二月三十一日止年度

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量		
Cash generated from operations	26(a)	10,761	140,236
Hong Kong income tax paid		(15,067)	(3,428)
Overseas income tax paid		(15,182)	(18,588)
Net cash (used in)/generated from operating activities		(19,488)	118,220
Cash flows from investing activities	投資活動之現金流量		
Purchase of property, plant and equipment		(2,366)	(4,560)
Interest received		4,798	928
Proceeds from disposal of property, plant and equipment	26(b)	–	233
Net cash generated from/(used in) investing activities		2,432	(3,399)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from issuance of ordinary shares pursuant to the Global Offering		–	748,800
Proceeds from over-allotment of share pursuant to the Global Offering		108,657	–
Payment of share issue expenses		(3,812)	(47,699)
Increase in restricted cash		(13,171)	(1,106)
Net cash generated from financing activities		91,674	699,995
Net increase in cash and cash equivalents	現金及現金等價物之增加淨額	74,618	814,816
Exchange gains on cash and cash equivalents		11,147	9,330
Cash and cash equivalents at beginning of the year		1,066,526	242,380
Cash and cash equivalents at end of the year	年終現金及現金等價物	1,152,291	1,066,526

The notes on pages 53 to 113 are an integral part of these consolidated financial statements.

第53至113頁之附註乃綜合財務報表之其中部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

PAX Global Technology Limited (the “Company”) is an investment holding company and together with its subsidiaries (collectively referred to as the “Group”) are principally engaged in the development and sale of point-of-sale (“POS”) products and provision of related services (collectively, the “POS terminal solutions business”).

The Company is a limited liability company incorporated in Bermuda. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 December 2010. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

These financial statements are presented in thousands units of Hong Kong dollars (“HK\$”), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 15 March 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by The Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention.

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

1 一般資料

百富環球科技有限公司(「本公司」)為一間投資控股公司，連同其附屬公司(統稱「本集團」)主要從事開發及銷售電子支付(「POS」)產品及提供相關服務(統稱「POS終端機解決方案業務」)。

本公司為一間在百慕達註冊成立之有限責任公司。本公司於二零一零年十二月二十日在香港聯合交易所有限公司(「聯交所」)主板上市。本公司註冊辦事處的地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

除另有所指外，此等綜合財務報表以千港元(「港元」)為單位呈列。此等財務報表於二零一二年三月十五日獲董事會批准刊發。

2 主要會計政策概要

2.1 編製基準

本公司之綜合財務報表已根據香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表則已按歷史成本法編製。

編製符合香港財務報告準則的財務報表需使用若干重要會計估計，並要求管理層在應用本集團會計政策時作出判斷。涉及更高程度判斷或複雜性的領域或假設及估計對綜合財務報表而言屬重要的領域於下文附註4披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

- (a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011, but do not have a material impact on the Group.

HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Annual Improvements Project	Third annual improvements projects (2010) published in May 2010

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動

- (a) 以下新準則及準則修訂須於二零一一年一月一日開始之財政年度首次採納，惟對本集團並無重大影響。

香港會計準則第24號 (經修訂)	關連方披露
香港會計準則第32號 (修訂本)	供股之分類
香港財務報告準則第1號 (修訂本)	香港財務報告準則第7號對首次採納者披露比較資料之有限豁免
香港(國際財務報告詮釋委員會)第14號 (修訂本)	最低資金規定的預付款
香港(國際財務報告詮釋委員會)第19號	以權益工具取代金融負債
年度改進計劃	於二零一零年五月公佈之第三次年度改進計劃 (二零一零年)

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) New and amended standards have been issued, but are not effective for the financial year beginning on 1 January 2011 and have not been early adopted.

- HKFRS 9, "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess HKFRS 9's full impact and intends to adopt HKFRS 9 upon its effective date, which is for the accounting period beginning on or after 1 January 2015.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) 並無提早採納已頒佈但於二零一一年一月一日開始之財政年度尚未生效之新訂及經修訂準則。

- 香港財務報告準則第9號「金融工具」闡述金融資產及金融負債之分類、計量及確認。香港財務報告準則第9號於二零零九年十一月及二零一零年十月頒佈。該準則取代香港會計準則第39號中與金融工具之分類及計量相關部分。香港財務報告準則第9號規定金融資產分類為兩個計量類別：按公平值計量類別及按攤銷成本計量類別，於初步確認時作釐定。分類視乎實體管理其金融工具之業務模式及該工具之合約現金流量特徵而定。就金融負債而言，該準則保留香港會計準則第39號之大部分規定。主要變動為倘金融負債選擇以公平值列賬，則因實體本身信貸風險而產生之公平值變動部分於其他全面收益而非收益表入賬，除非會導致會計錯配。本集團尚未評估香港財務報告準則第9號之全面影響及擬於其生效日期(即二零一五年一月一日或之後開始之會計期間)後採納香港財務報告準則第9號。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) (continued)

- HKFRS 10 “Consolidated financial statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess HKFRS 10’s full impact and intends to adopt HKFRS 10 no later than the accounting period beginning on or after 1 January 2013.
- HKFRS 12 “Disclosures of interests in other entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess HKFRS 12’s full impact and intends to adopt HKFRS 12 no later than the accounting period beginning on or after 1 January 2013.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) (續)

- 香港財務報告準則第10號「綜合財務報表」以現有原則為基礎，確定將控制權之概念作為釐定實體是否應計入母公司之綜合財務報表之因素。該準則在此難以評估之情況下提供協助釐定控制權之額外指引。本集團尚未評估香港財務報告準則第10號之全面影響及擬不遲於二零一三年一月一日或之後開始之會計期間採納香港財務報告準則第10號。
- 香港財務報告準則第12號「於其他實體權益之披露」包括就於共同安排、聯營公司、特殊目的工具及其他資產負債表外工具等其他實體之所有形式權益披露規定。本集團尚未評估香港財務報告準則第12號之全面影響及擬不遲於二零一三年一月一日或之後開始之會計期間採納香港財務報告準則第12號。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) (continued)

- HKFRS 13 "Fair value measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The group is yet to assess IFRS/HKFRS 13's full impact and intends to adopt HKFRS 13 no later than the accounting period beginning on or after 1 January 2013.

There are no other HKFRS or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Consolidation and combination

(a) Subsidiaries

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

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) (續)

- 香港財務報告準則第13號「公平值計量」旨在透過提供公平值之精確定義及公平值計量之單一來源及於香港財務報告準則使用之披露規定而提升一致性及減低複雜性。該等規定並不擴大公平值會計之使用，惟就其使用在已由香港財務報告準則內其他準則規定或准許之情況下應如何應用提供指引。本集團尚未評估國際財務報告準則／香港財務報告準則第13號之全面影響及擬不遲於二零一三年一月一日或之後開始之會計期間採納香港財務報告準則第13號。

並無其他尚未生效的香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋預期將對本集團產生重大影響。

2.2 綜合及合併

(a) 附屬公司

附屬公司指本集團有權管理其財務及營運政策，且一般而言擁有其過半數投票權的所有實體。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換的潛在投票權的存在及影響。附屬公司之賬目自控制權轉讓予本集團之日起綜合計入，而有關賬目將於該控制權終止之日不再綜合計入賬目。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation and combination (continued)

(a) Subsidiaries (continued)

The Group uses the acquisition method of accounting to account for business combination. The consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, equity instruments issued and liabilities incurred by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

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

2 主要會計政策概要(續)

2.2 綜合及合併(續)

(a) 附屬公司(續)

本集團採用收購會計法作為業務合併的入賬方法。收購一間附屬公司的轉讓代價為本集團所轉讓資產、所發行股本工具及所產生或承擔負債的公平值。所轉讓的代價包括或有代價安排產生的任何資產或負債的公平值。收購相關成本在產生時支銷。在業務合併中所收購可識別的資產以及所承擔的負債及或有負債，初步以彼等於收購日期的公平值計量。對於個別收購基準，本集團按公平值或按非控股權益應佔被收購方資產淨值的比例，確認被收購方的任何非控股權益。

於附屬公司之投資按成本減減值入賬。成本亦包括歸屬直接投資之成本。

附屬公司之業績由本公司按所收取及應收股息入賬。

所轉讓代價的差額、被收購方的任何非控股權益數額，以及被收購方任何之前權益在收購日期的公平值超過本集團應佔所收購可識別資產淨值的公平值乃記錄為商譽。若該數額低於所購入附屬公司資產淨值的公平值，該差額直接在綜合收益表中確認。

集團內公司間交易、結餘及因交易而產生的未變現收益予以對銷。除非交易提供證據顯示所轉讓的資產出現減值，否則未變現虧損亦予以抵銷。附屬公司的會計政策於有需要時已作出修改，以確保與本集團所採納之政策保持一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates or the currency in which funds from financing activities are generated (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

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

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 主要會計政策概要(續)

2.3 分部報告

經營分部乃以與向主要經營決策者提交內部報告一致的方式呈報。主要經營決策者負責於有關期間分配資源、評估經營分部的表現及作出策略決策，已被確認為就合併實體作出策略決策的執行董事。

2.4 外幣換算

(a) 功能及呈報貨幣

本集團各實體於綜合財務報表內入賬的項目採用有關實體經營所在主要經濟環境的貨幣或融資活動產生資金的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈報，而港元為本公司的功能貨幣及本集團的呈報貨幣。

(b) 交易及結餘

外幣交易按交易當日有關項目價值重新計量適用的匯率換算為功能貨幣。因結算交易及按年末／期末匯率換算以外幣列值的貨幣資產及負債產生的外匯損益均於綜合收益表確認。

非貨幣金融資產與負債(如按公平值計入溢利或虧損之股權)之匯兌差額於損益中確認為公平值收益或虧損之一部分。非貨幣金融資產(如分類為可供出售金融資產之股權)之匯兌差額計入其他全面收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

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

2 主要會計政策概要(續)

2.4 外幣換算(續)

(c) 集團公司

功能貨幣與呈報貨幣不相同的所有集團實體(全部均非高通胀經濟的貨幣)的業績及財務狀況，按以下方式換算為呈報貨幣：

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

合併賬目時，換算於海外實體的投資淨額所產生匯兌差額計入其他全面收入。出售海外業務時，記入權益之匯兌差額於綜合收益表確認為出售收益或虧損的一部分。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債，並按收市匯率換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment

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

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

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

Buildings	5% – 10%
Leasehold improvements	20% or over lease terms, whichever is shorter
Office furniture and equipment	18% – 25%
Plant and equipment	9% – 25%
Motor vehicles	18% – 25%

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

2 主要會計政策概要(續)

2.5 物業、廠房及設備

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

當與項目有關的未來經濟利益可能流入本集團，以及項目成本能可靠計算時，其後成本才會計入資產的賬面值或確認為獨立資產(如適用)。所有其他維修及保養費於產生之財政期間在綜合收益表支銷。

物業、廠房及設備的折舊以直線法於其估計可用年內分配其成本至剩餘價值。所採年年率如下：

樓宇	5% – 10%
租賃物業裝修	20%或按租賃年期(以較短者為準)
辦公室傢俱及設備	18% – 25%
廠房及設備	9% – 25%
汽車	18% – 25%

資產的剩餘價值及可用年期會於各結算日審閱及調整(如適用)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the consolidated income statement.

2.6 Leasehold land

Leasehold land is up-front payments to acquire long-term interest in leasehold land, which are stated at cost less accumulated amortisation and accumulated impairment losses. Cost represents consideration paid for the rights to use the land from the date when the respective rights were granted. Amortisation of leasehold land is calculated on a straight-line basis over the period of the lease and is recognised in the consolidated income statement within administrative expenses.

2.7 Impairment of investments in a subsidiary and non-financial assets

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

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

2 主要會計政策概要(續)

2.5 物業、廠房及設備(續)

倘資產的賬面值超過其估計可收回金額，則其賬面值將即時撇減至其可收回金額。

出售資產的收益或虧損指出售所得款項與有關資產賬面值之間差額，並於綜合收益表的行政開支內確認。

2.6 租賃土地

租賃土地透過預先付款以收購租賃土地的長期權益，乃按成本減累計攤銷及累計減值虧損列賬。成本為就自授出權利日期起使用土地的權利而已付的代價。租賃土地的攤銷乃按租約期限以直線法計算，並於綜合收益表的行政開支內確認。

2.7 投資附屬公司及非金融資產之減值

倘發生任何可能導致未能收回資產賬面值之事項或情況變化，本集團將檢討該資產的減值情況。減值虧損為資產賬面值超越其可收回價值之數額。可收回金額為資產公平值減出售成本後之價值，與其使用價值之間的較高者。就評估資產減值而言，本集團按可個別可識別其現金流量(現金產生單位)的最低水平劃分資產類別。除商譽外，已蒙受減值的非金融資產在每個結算日均就減值是否可以撥回進行檢討。

於附屬公司之投資的減值評估須於自該等投資收取股息時作出，倘若派發股息期內股息超出附屬公司或聯營公司之全面收入總額或倘若於個別財務報表內投資之賬面值超出綜合財務報表內受投資公司資產淨值(包括商譽)之賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those that are not expected to be realised within the normal operating cycle of the POS terminal solutions business. These are classified as non-current assets. Loans and receivables include trade and bills receivables, deposits and other receivables, restricted cash and cash at bank and on hand in the consolidated balance sheet (Notes 2.12 and 2.13).

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2 主要會計政策概要(續)

2.8 金融資產

本集團將其金融資產分類為貸款及應收款項。分類取決於收購金融資產的目的。管理層於初步確認時釐定其金融資產的分類。

貸款及應收款項

貸款及應收款項為並無於活躍市場掛牌而有固定或待付款的非衍生金融資產。貸款及應收款項計入流動資產，惟預期不會於POS終端機解決方案業務的正常經營週期中變現者除外。此等貸款及應收款項分類為非流動資產。貸款及應收款項包括綜合資產負債表內的應收賬款及應收票據、按金及其他應收款項、受限制現金以及銀行及手上現金(附註2.12及2.13)。

貸款及應收款項初步按公平值加交易成本確認，其後利用實際利率法按攤銷成本列賬。

金融資產於收取資產的投資現金流量的權利已到期或已轉讓，且本集團已將擁有權的絕大部分風險及回報轉讓時，即取消確認。

本集團會於各個結算日評估是否存在客觀證據證明某項金融資產或某組金融資產已減值。

2.9 金融工具抵銷

倘若存在合法可強制執行之權利以抵銷所確認金額及擬按淨額基準結算或變現資產及同時結算負債，則金融資產與負債相互抵銷，而淨額於資產負債表內呈報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Impairment testing of trade and other receivables is described in note 2.12.

2 主要會計政策概要(續)

2.10 金融資產減值

按攤銷成本計算之資產

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某組金融資產出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關金融資產或金融資產組才算出現減值及產生減值虧損。

減值證據可包括債務人或一組債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量之減少，例如欠款數目變動或出現與違約相關之經濟狀況。

就貸款及應收賬款類別而言，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公平值計量減值。

如在隨後期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在綜合收益表轉回。

應收賬款及其他應收款項之減值評估於附註2.12闡述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Inventories

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

2.12 Trade, bills and other receivables

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

2.13 Cash at bank and on hand

Cash at bank and on hand include cash in hand and deposits held at call with banks with original maturities of three months or less.

2 主要會計政策概要(續)

2.11 存貨

存貨乃以成本值及可變現淨值兩者中較低者列賬。成本以加權平均法釐定。製成品及在製品的成本包括原材料及有關生產經常開支(按正常營運能力計算)。可變現淨值為正常業務過程中的估計售價扣除適用的可變銷售開支。

2.12 應收賬款、應收票據及其他應收款項

應收賬款、應收票據及其他應收款項(包括應收預扣金額)初步按公平值確認，其後利用實際利率法按攤銷成本減減值撥備計量。當有客觀證據顯示本集團未能根據應收款項的原訂條款收回所有到期款項，即就應收賬款、應收票據及其他應收款項作出減值撥備。債務人的重大財務困難、債務人可能破產或進行債務重組，以及拖欠或逾期付款，均被視為應收款項已減值的跡象。撥備金額為資產的賬面值與按原實際利率折現的估計未來現金流量的現值的差額。資產的賬面值通過撥備賬調減，虧損金額在綜合收益表內行政開支項下確認。當應收賬款不可收回時，該金額在應收賬款撥備賬中撇銷。其後收回早前撇銷的金額則撥回扣除綜合收益表中的行政開支。

2.13 銀行及手上現金

銀行及手上現金包括手頭現金及原定到期日為三個月或以下的銀行活期存款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Share capital

Ordinary shares are classified as equity.

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

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.16 Borrowings

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

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

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 主要會計政策概要(續)

2.14 股本

普通股分類為權益。

直接歸屬於發行新股份或購股權之新增成本於權益中呈列為所得款項之減少(扣除稅項)。

2.15 應付賬款

應付賬款是企業日常業務從供應商提供商品或勞務中須支付的義務。如果付款期限少於一年(或若更長在企業正常營業週期)，則被歸類為流動負債。否則，將歸為非流動負債。

應付賬款初步按公平值確認，其後使用實際利率法按攤銷成本計算。

2.16 借款

借款初步以公平值確認(扣除所產生的交易成本)。交易成本為收購及發行借款的直接遞增成本，包括支付予代理人、顧問、經紀及經銷商的費用及佣金，以及監管機構及證券交易所徵收的徵費，以及轉讓稅項及徵稅。借款其後按攤銷成本列賬。所得款項(扣除交易成本)與贖回價值間的任何差額，乃以實際利率法於借款期間在綜合收益表確認。

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

2.17 借款成本

可直接歸屬且需經較長時間的購建活動方能達至預定可使用或出售狀態之合資格資產購建或生產的一般及特定借款成本，計入該等資產之成本，直至達至其預定可使用或出售狀態為止。

特定借款於撥作合資格資產之支出前用作短暫投資所賺取之投資收入，會自撥作資本之借款成本中扣除。

所有其他借款成本於產生時在損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax

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

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

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

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 主要會計政策概要(續)

2.18 當期及遞延所得稅

本年度稅項開支包括當期及遞延稅項。稅項於綜合收益表確認，稅項是有關於其他全面收益項下直接確認或直接計入權益的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

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

遞延所得稅乃就資產與負債的稅基及有關資產與負債於合併財務報表中的賬面值兩者的暫時差額，以負債法確認。然而，倘遞延所得稅乃產生自於交易(業務合併除外)，而當時的交易並無影響會計或應課稅溢利或虧損，則不會列賬。遞延所得稅乃以於結算日制定或實質制定的稅率(及法例)釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

遞延所得稅資產的確認以預期日後可能出現應課稅溢利用作抵銷暫時差額為限。

本集團就附屬公司投資產生的暫時差額作出遞延所得稅撥備，除非就遞延所得稅負債而言本集團可控制撥回該暫時差額的時間，且該暫時差額可能不會於可預見未來撥回則屬例外。

當有合法可強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅涉及稅務機關向同一應課稅實體或不同應課稅實體徵收但擬按淨額基準結算結餘，則可將遞延所得稅資產與負債互相抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits

(a) Employee leave entitlements

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

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

(b) Pension obligations

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

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

2 主要會計政策概要(續)

2.19 僱員福利

(a) 僱員應有假期

僱員獲享的年假在僱員可享有時確認。本集團會對僱員服務至結算日所累積的年假估算負債作出撥備(倘適用)。

僱員獲享的病假及產假直至僱員休假之時方會確認。

(b) 退休金責任

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

本集團於支付供款後即無其他付款責任。供款於到期應付及被僱員於供款全數歸屬前離職所沒收供款抵銷時確認。預付供款於退回現金或可對銷未來供款時確認為資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(b) Pension obligations (continued)

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

(c) Profit sharing and bonus plans

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

(d) Share-based compensation

The Group operates a equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets).

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

2 主要會計政策概要(續)

2.19 僱員福利(續)

(b) 退休金責任(續)

此外，根據中華人民共和國(「中國」)政府的規例，本集團須按中國員工該年度／期間的工資約7%至20%就若干退休福利計劃作出供款，由地方市政府承擔該等本集團僱員的退休福利責任。就該等退休福利計劃作出的供款於產生時在綜合收益表中扣除。

(c) 溢利分享及花紅計劃

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

(d) 股本酬金

本集團推行一項按股本結算、以股份為基礎支付酬金的計劃，據此，實體從其僱員獲得服務作為換取本集團權益工具(購股權)的代價。為換取授出購股權而獲得僱員服務的公平值乃確認為開支。列作開支的總金額，乃參照已授出的購股權的公平值釐定，不包括任何服務及非市場性歸屬條件(例如盈利能力及銷售額增長指標)所產生的影響。

- 包括任何市場表現情況(例如實體股價)；
- 不包括任何服務及非市場表現歸屬條件(例如盈利能力及銷售增長目標)；及
- 包括任何非歸屬條件之影響(例如僱員儲蓄要求)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(d) Share-based compensation (continued)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

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

2 主要會計政策概要(續)

2.19 僱員福利(續)

(d) 股本酬金(續)

非市場歸屬條件包括在有關預期可予歸屬購股權數目的假設內。總開支乃在歸屬期確認，歸屬期即符合所有特定歸屬條件的期間。於結算日，實體會根據非市場歸屬條件修改其估計預期可予歸屬的購股權的數目。修改原來估計數字如有影響，則於收益表內確認，並對權益作相應調整。

於認股權獲行使時，本公司發行新股份。於認股權獲行使時之已收所得款項於減去所有直接應佔交易成本後撥入股本(面值)及股份溢價。

本公司向為本集團工作之附屬公司僱員所授出其股本工具之認股權被視為資本出資。所獲得僱員服務之公平值乃參考授出日期之公平值計量，於歸屬期內確認為增加對附屬公司之投資，並相應計入權益。

2.20 撥備

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

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

撥備採用稅前利率按照預期需結算有關責任之支出現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加之撥備確認為利息開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

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

(b) Sales of service

Revenue from fixed-price contracts is generally recognised in the period in which the services are provided, using the straight-line basis over the terms of contracts.

(c) Interest income

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

2.22 Leases (as the lessee for operating leases)

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

2.23 Value added tax refund

Value added tax refund are recognised in other income in the consolidated income statement when there is a reasonable assurance that the refund will be received which generally occurs upon the receipt of the approval of tax refund from the local tax bureau.

2 主要會計政策概要(續)

2.21 營業額確認

營業額包括本集團於日常業務中銷售貨品收取或應收代價的公平值。所示營業額已扣除增值稅、退貨、回扣及折扣，並抵銷本集團內公司間的銷售。

當營業額金額能夠可靠計量，且未來經濟利益有可能流入有關實體，並已符合本集團各業務所訂的個別條件（如下文所述）時，本集團將確認收入。本集團將根據其以往業績並考慮客戶類別、交易種類及各項安排的特點作出估計。

(a) 銷售貨品

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

(b) 銷售服務

來自固定價格合約的營業額一般於提供服務期間於合約期內按直線法基準確認。

(c) 利息收入

利息收入以實際利率法按時間比例確認。

2.22 租約（經營租約的承租人）

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

2.23 增值稅退稅

倘有合理保證可收到退稅，本集團乃於綜合收益表的其他收入內確認增值稅退稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Government grants

Grants from the government for High and New Technology Enterprise are recognised in “other income” in the consolidated income statement at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

2.25 Research and development

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

2.26 Dividend distribution

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: foreign exchange risk, price risk, credit risk, liquidity risk and interest rate risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

(a) Foreign exchange risk

The Group’s foreign currency transactions are mainly denominated in Renminbi (“RMB”), HK\$, United States dollar (“US\$”) and Euro (“EUR”). The majority of assets and liabilities are denominated in RMB, HK\$ and US\$, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than HK\$, RMB or US\$, which are the functional currencies of the major operating companies within the Group. The Group currently does not hedge its foreign currency exposure.

2 主要會計政策概要(續)

2.24 政府資助

倘有合理保證可收到政府資助而本集團亦將會遵行所有附帶條件時，該對高新科技企業政府資助將會按公平值於綜合收益表「其他收入」確認。

2.25 研發

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

2.26 股息分派

向本公司股東分派的股息於股東批准股息期內，在本集團的財務報表或董事(視乎適用情況)內確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團的活動面對多種財務風險：外匯風險、價格風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃針對金融市場的不可預測性，力求將對本集團財務表現所造成的潛在不利影響降至最低。

(a) 外匯風險

本集團的外幣交易主要以人民幣(「人民幣」)、港元、美元(「美元」)及歐元(「歐元」)計值。大部分資產及負債亦以人民幣、港元及美元計值，並無重大資產及負債以其他貨幣計值。本集團面對並非以港元、人民幣或美元(本集團旗下主要營運公司的功能貨幣)計值的未來商業交易及已確認資產及負債所產生之外匯風險。現時，本集團現時並無對沖其外幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Foreign exchange risk (continued)

The management considers the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the same functional currency. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

For companies with HK\$ as their functional currency

As at 31 December 2011, if RMB had weakened/strengthened by 5% against HK\$ with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$1,067,000 (2010: Nil) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of RMB denominated cash at bank and on hand and the current account with related parties.

As at 31 December 2011, if EUR had weakened/strengthened by 5% against HK\$ with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$78,000 (2010: HK\$51,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of EUR denominated cash at bank and on hand.

For the company with RMB as its functional currency

As at 31 December 2011, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$1,428,000 (2010: HK\$1,798,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of HK\$ denominated cash at bank and on hand and the current account with related parties.

As at 31 December 2011, if US\$ had weakened/strengthened by 5% against RMB with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$46,000 (2010: HK\$254,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of US\$ denominated cash at bank and on hand.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 外匯風險(續)

管理層認為，與美元有關的外匯風險並不重大，乃因港元與美元掛鈎，加上美元計值的交易主要由採用同種功能貨幣的實體進行。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及規例。本集團透過密切監控外幣匯率的變動來管控其外幣風險。

以港元為其功能貨幣之公司

於二零一一年十二月三十一日，倘人民幣兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將減少／增加約1,067,000港元(二零一零年：無)，主要由於換算以人民幣為單位的銀行及手頭現金及關連方往來賬目產生外匯差異所致。

於二零一一年十二月三十一日，倘歐元兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將分別減少／增加約78,000港元(二零一零年：51,000港元)，主要由於換算以歐元為單位的銀行及手頭現金產生的外匯差異所致。

以人民幣為其功能貨幣之公司

於二零一一年十二月三十一日，倘港元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將減少／增加約1,428,000港元(二零一零年：1,798,000港元)，主要由於換算以港元為單位的銀行及手頭現金及關連方往來賬目產生外匯差異所致。

於二零一一年十二月三十一日，倘美元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將分別減少／增加約46,000港元(二零一零年：254,000港元)，主要由於換算以美元為單位的銀行及手頭現金產生的外匯差異所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Price risk

The Group is not exposed to equity securities price risk and commodity price risk.

(c) Credit risk

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

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

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

The Group has concentration of credit risk. Sales of goods and services to the top five customers constituted 55.9% (2010: 61.2%) of the Group's revenue for the year ended 31 December 2011. They accounted for approximately 73.0% (2010: 80.9%) of the gross trade receivable balances as at 31 December 2011. Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

(d) Liquidity risk

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

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 價格風險

本集團並無面對股權證券價格風險及商品價格風險。

(c) 信貸風險

本集團承受與其應收賬款、應收票據及其他應收款項、受限制現金及銀行存款有關的信貸風險。

應收賬款、應收票據及其他應收款項、受限制現金及銀行存款的賬面值乃本集團所面對有關金融資產的最大信貸風險。

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

本集團有信貸集中風險。截至二零一一年十二月三十一日止年度，向五大客戶銷售的貨物及服務佔本集團營業額55.9%（二零一零年：61.2%）。彼等於二零一一年十二月三十一日佔總應收賬款結餘約73.0%（二零一零年：80.9%）。本集團持續密切監控尚未償還應收結餘之收回情況，務求將信貸風險降至最低。

(d) 流動資金風險

透過審慎的流動資金風險管理，本集團致力維持充足的銀行及手上現金，或透過充足融資金額（包括短期銀行借款）取得資金。由於相關業務的多變性質，本集團的融資部門透過維持充足的銀行及手上現金；及透過可動用融資來源維持資金的靈活性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(d) Liquidity risk (continued)

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to interest bearing bank deposits with appropriate maturities to manage its overall liquidity position. As at 31 December 2011, the Group maintained cash at bank and on hand of approximately HK\$1,152,291,000 (2010: HK\$1,066,526,000), that are expected to be readily available and sufficient to meet the cash outflows of its financial liabilities, hence, management considers that Group's exposure to liquidity risk is not significant.

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

		Less than 1 year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Group	本集團		
At 31 December 2011	於二零一一年 十二月三十一日		
Trade payables	應付賬款	249,570	249,570
Other payables and accruals	其他應付賬款及應計款項	42,430	42,430
Total	總計	292,000	292,000
At 31 December 2010	於二零一零年 十二月三十一日		
Trade payables	應付賬款	143,033	143,033
Other payables and accruals	其他應付賬款及應計款項	31,307	31,307
Total	總計	174,340	174,340

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 流動資金風險(續)

經營實體所持有的現金超過營運資金管理所需的餘額時，會被撥入具有適當期限的計息銀行存款以控制整體流動資金狀況。於二零一一年十二月三十一日，本集團持有銀行及手上現金約1,152,291,000港元(二零一零年：1,066,526,000港元)，預期隨時可動用並足夠滿足金融負債的現金流出。因此，管理層認為，本集團所承受的流動資金風險並不重大。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(d) Liquidity risk (continued)

		Less than 1 year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Company	本公司		
At 31 December 2011	於二零一一年 十二月三十一日		
Other payables and accruals	其他應付賬款及應計款項	2,173	2,173
Total	總計	2,173	2,173
At 31 December 2010	於二零一零年 十二月三十一日		
Other payables and accruals	其他應付賬款及應計款項	4,378	4,378
Total	總計	4,378	4,378

(e) Interest rate risk

The income and operating cash flows of the Group and the Company are both substantially independent of changes in market interest rates. Both the Group and the Company has no significant interest-bearing assets, except for deposits placed with banks.

As at 31 December 2011, if interest rates on all interest-bearing bank and cash deposits had been 50 basis points higher/lower with all other variables held constant, profit for the year and equity of the Group would have been HK\$5,587,000 (2010: HK\$5,333,000) higher/lower respectively, due to higher/lower interest income earned on the deposits.

As at 31 December 2011, if interest rates on all interest-bearing bank and cash deposits had been 50 basis points higher/lower with all other variables held constant, profit for the year and equity of the Company would have been HK\$3,354,000 (the period from 15 February 2010 (date of incorporation) to 31 December 2010: HK\$3,485,000) higher/lower respectively, due to higher/lower interest income earned on the deposits.

3 財務風險管理(續)

3.1 財務風險因素(續)

(d) 流動資金風險(續)

(e) 利率風險

本集團及本公司的收入及經營現金流量大部分不受市場利率變動影響，本集團及本公司亦無重大計息資產(存於銀行的存款除外)。

於二零一一年十二月三十一日，倘所有計息的銀行及現金存款的利率高出/低於50個基點而所有其他變數維持不變，該年度的溢利及本集團的權益應會因存款所賺取的利息收入增加/減少而分別增加/減少5,587,000港元(二零一零年:5,333,000港元)。

於二零一一年十二月三十一日，倘所有計息的銀行及現金存款的利率高出/低於50個基點而所有其他變數維持不變，年內溢利及本公司權益應會因存款所賺取的利息收入增加/減少而分別增加/減少3,354,000港元(自二零一零年二月十五日(註冊成立日期)起至二零一零年十二月三十一日止期間:3,485,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity. As at 31 December 2010 and 2011, the Group had no borrowings, the gearing ratio is not applicable.

3.3 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash at bank and on hand, restricted cash, trade and bills receivables, deposits and other receivables, trade payables, other payables and accruals approximate their fair values due to their short maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

(a) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

3 財務風險管理(續)

3.2 資本風險管理

本集團將其股東權益視為資本。本集團管理資本的目的為保障本集團繼續以持續經營方式為股東提供回報以及為其他利益相關者帶來利益，並且維持最佳資本結構以減少資金成本。

為維持或調整資本結構，本集團可調整向股東支付股息的金額、將資本退還予股東、發行新股份或出售資產以減少債項。

本集團根據資本負債比率監控資本。資本負債比率乃按借款總額除以權益總額計算。本集團於二零一零年及二零一一年十二月三十一日並無借貸，資本負債比率為不適用。

3.3 公平值估計

由於到期日較短，本集團金融資產及負債(包括銀行及手上現金、受限制現金、應收賬款及應收票據、按金及其他應收款項、應付賬款、其他應付賬款及應計款項)的賬面值與其公平值相若。

4 重要會計估計及判斷

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

(a) 所得稅及遞延稅款

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(a) Income taxes and deferred taxation (continued)

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

(b) Provision for inventories

The Group assesses the carrying amounts of inventories in accordance with their net realisable value which is based on the realisability of these inventories. Net realisable value for inventories is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses. Based on management's best estimates, there is no material impairment of inventories at 31 December 2011.

(c) Impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to the receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and provision for impaired receivables in the period in which such estimate has been changed.

4 重要會計估計及判斷(續)

(a) 所得稅及遞延稅款(續)

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

(b) 存貨撥備

本集團按存貨的可變現性根據其可變現淨值評估其賬面值。存貨的可變現淨值參考管理層按現行市況就售價的估計減適用可變銷售支出釐定。根據管理層的最佳估計，於二零一一年十二月三十一日，存貨概無重大減值。

(c) 應收款項減值

本集團根據評估應收款項的可收回性作出應收款項減值撥備。撥備於若干事件或變動顯示未能收回結餘時應用於應收款項。識別減值需要判斷及估計。倘預期有別於原先估計，有關差異將於該估計改變期間影響應收款項的賬面值及就已減值應收款項作出的撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND OTHER INCOME

The Group is principally engaged in the sale of POS products and provision of related services. Revenue and other income recognised during the year were as follows:

5 收入及其他收入

本集團主要從事銷售POS產品及提供相關服務。於有關年度已確認的收入及其他收入如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Turnover	營業額		
Sales of electronic payment products	銷售電子支付產品	1,089,431	709,350
Sales of electronic payment services	銷售電子支付服務	13,749	14,260
		1,103,180	723,610
Other income	其他收入		
Interest income	利息收入	6,317	928
Value added tax refund (Note (i))	退還增值稅(附註(i))	31,283	25,039
Subsidy income	補貼收入	1,207	392
Others	其他	2,905	1,031
		41,712	27,390
		1,144,892	751,000

Note (i) The amount represents the Group's entitlement to value added tax refund in relation to sales of self-developed software products in the PRC, which is non-taxable upon fulfilment of certain custody and appropriation requirements.

附註(i) 該金額指本集團於中國銷售自身開發軟件產品而享有退還之增值稅，並於達到若干管理及使用及分配規定後為毋須課稅收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION

Management reviews the Group's internal reporting in order to assess performance and allocate resource. Management has determined the operating segments based on the internal reports reviewed by the Executive Directors to make strategic decisions. The Group is principally engaged in the POS terminal solutions business, management considers that the Group operates in one single business segment.

The Group primarily operates in Hong Kong, the PRC (China excluding Hong Kong, Macau and Taiwan) and the United States of America (the "US"). Management assesses the performance of the Group from a geographic perspective based on the location in which revenues are generated.

Management assesses the performance of the operating segments based on a measurement of segmental operating profit/(loss).

An analysis of the Group's turnover and results during the year by segment is as follows:

6 分類資料

管理層審閱本集團內部報告以評估表現並分配資源。管理層根據由執行董事所審閱以作出策略決定的內部報告而釐定業務分類。本集團主要從事POS終端機解決方案業務，管理層認為本集團經營單一業務分類。

本集團主要於香港、中國(中國但不包括香港、澳門及台灣)及美國(「美國」)經營。管理層從地域角度按產生收入的位置評估本集團的表現。

管理層根據除稅前分類經營溢利/(虧損)的計量評估經營分類的表現。

於有關年度及本集團按分類劃分的營業額及業績的分析如下：

		Year ended 31 December 2011 截至二零一一年十二月三十一日止年度				
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong 香港	US 美國	Elimination 抵銷	Total 總額
		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
Turnover from external customers	來自外部客戶的營業額	755,329	344,250	3,601	-	1,103,180
Inter-segment turnover	分類間營業額	249,644	3,839	-	(253,483)	-
Total turnover	總營業額	1,004,973	348,089	3,601	(253,483)	1,103,180
Segmental earnings before interest expense, taxes, depreciation and amortisation ("EBITDA")	分類除利息支出、稅項、折舊及攤銷前盈利 ("EBITDA")	165,758	57,919	(14,095)	1,014	210,596
Depreciation	折舊	(2,564)	(40)	(523)	-	(3,127)
Amortisation	攤銷	(6)	-	-	-	(6)
Segmental operating profit/(loss)/profit/(loss) before income tax	分類經營溢利/(虧損)/除所得稅前溢利/(虧損)	163,188	57,879	(14,618)	1,014	207,463
Income tax expense	所得稅開支					(25,668)
Profit for the year	年內溢利					181,795

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

6 分類資料(續)

Year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong	US	Elimination	Total
		香港	香港	美國	抵銷	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover from external customers	來自外部客戶的營業額	566,340	153,893	3,377	-	723,610
Inter-segment turnover	分類間營業額	86,219	6,281	-	(92,500)	-
Total turnover	總營業額	652,559	160,174	3,377	(92,500)	723,610
Segmental EBITDA	分類EBITDA	149,640	42,572	(16,248)	(843)	175,121
Depreciation	折舊	(2,133)	(35)	(440)	-	(2,608)
Amortisation	攤銷	(5)	-	-	-	(5)
Segmental operating profit/(loss)/ profit/(loss) before income tax	分類經營溢利/(虧損)/ 除所得稅前溢利/(虧損)	147,502	42,537	(16,688)	(843)	172,508
Income tax expense	所得稅開支					(27,085)
Profit for the year	年內溢利					145,423

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The segment assets and liabilities at 31 December 2011 and additions to non-current assets for the year ended 31 December 2011 are as follows:

6 分類資料(續)

於二零一一年十二月三十一日的分類資產及負債以及截至二零一一年十二月三十一日止年度非流動資產的添置如下：

		As at 31 December 2011 於二零一一年十二月三十一日			
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong 香港	US 美國	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets	分類資產	1,124,047	873,729	8,262	2,006,038
Segment liabilities	分類負債	375,197	29,276	411	404,884

		Year ended 31 December 2011 截至二零一一年十二月三十一日止年度			
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong 香港	US 美國	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions to non-current assets	非流動資產的添置	2,302	62	2	2,366

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The segment assets and liabilities at 31 December 2010 and additions to non-current assets for the year ended 31 December 2010 are as follows:

		As at 31 December 2010 於二零一零年十二月三十一日			
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong	US	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets	分類資產	642,201	856,614	6,545	1,505,360
Segment liabilities	分類負債	187,201	30,440	608	218,249

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度			
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong	US	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions to non-current assets	非流動資產的添置	3,228	96	1,236	4,560

Segmental EBITDA represents segmental operating profit/loss before finance costs, income tax expense, depreciation of property, plant and equipment and amortisation of leasehold land. Segment assets consist primarily of property, plant and equipment, leasehold land, inventories, deposits and other receivables, trade and bills receivables, restricted cash and cash at bank and on hand. Segment liabilities consist primarily of trade payables, other payables and accruals and taxation payable.

6 分類資料(續)

於二零一零年十二月三十一日的分類資產及負債以及截至二零一零年十二月三十一日止年度非流動資產的添置如下：

		As at 31 December 2010 於二零一零年十二月三十一日			
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong	US	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets	分類資產	642,201	856,614	6,545	1,505,360
Segment liabilities	分類負債	187,201	30,440	608	218,249

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度			
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong	US	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions to non-current assets	非流動資產的添置	3,228	96	1,236	4,560

分類EBITDA指扣除融資成本、所得稅開支、物業、廠房及設備折舊以及租賃土地攤銷前的分類經營溢利/虧損。分類資產主要包括物業、廠房及設備、租賃土地、存貨、按金及其他應收款項、應收賬款及應收票據、受限制現金以及銀行及手上現金。分類負債主要包括應付賬款、其他應付賬款及應計款項以及應繳稅項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

Additions to non-current assets comprise additions to property, plant and equipment.

Information provided to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

The Group is mainly domiciled in Hong Kong, the PRC and the US.

The Group's non-current assets and current assets by geographical location, which is determined by the geographical location in which the asset is located, is as follows:

6 分類資料(續)

非流動資產添置包括對物業、廠房及設備的添置。

向執行董事報告的計量方法與綜合財務報表內方法一致。

本集團主要以香港、中國及美國為註冊地。

本集團按該資產所在地之非流動資產及流動資產按地區載列如下：

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Non-current assets	非流動資產		
PRC, other than Hong Kong, Macau and Taiwan	中國(香港、澳門及 台灣除外)	9,347	9,230
Hong Kong	香港	142	119
US	美國	1,555	2,076
		11,044	11,425
Current assets	流動資產		
PRC, other than Hong Kong, Macau and Taiwan	中國(香港、澳門及 台灣除外)	1,114,700	632,971
Hong Kong	香港	873,587	856,495
US	美國	6,707	4,469
		1,994,994	1,493,935

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE

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

7 按性質劃分的開支

計入銷售成本、銷售開支及行政開支的開支分析如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Auditors' remuneration – audit services	核數師酬金 – 審核服務	1,077	721
Depreciation of property, plant and equipment (Note 14)	物業、廠房及設備折舊 (附註14)	3,127	2,608
Amortisation of leasehold land (Note 15)	租賃土地攤銷(附註15)	6	5
Employee benefit expenses (including Directors' emoluments) (Note 9)	僱員福利開支(包括董事酬金) (附註9)	91,055	68,592
Costs of inventories sold (Note 18)	售出存貨成本(附註18)	694,303	418,005
Operating lease rentals in respect of buildings	樓宇的經營租賃租金	8,131	5,446
Research and development costs	研發成本	52,695	34,899
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	–	84
Provision for impairment of trade receivables (Note 19(c))	應收賬款減值撥備 (附註19(c))	28	374
Donation	捐款	–	1,000

8 NET FOREIGN EXCHANGE LOSS

The net foreign exchange loss recognised in administrative expenses for the year ended 31 December 2011 amounted to HK\$4,726,000 (2010: HK\$3,085,000).

8 外匯淨虧損

截至二零一一年十二月三十一日止年度於行政開支中確認的外匯淨虧損，為4,726,000港元(二零一零年：3,085,000港元)。

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

9 僱員福利開支(包括董事酬金)

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Wages and salaries	工資及薪金	82,327	62,277
Social security and pension costs	社會保障及退休金成本	8,728	6,315
		91,055	68,592

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(a) Directors' emoluments

The Directors' emoluments during 2010 and 2011 are both equivalent to key management compensation.

The remuneration of each Director of the Company during the year are set out below:

9 僱員福利開支(包括董事酬金)(續)

(a) 董事酬金

於二零一零年及二零一一年董事酬金相當於主要管理層的補償。

於有關年度，本公司各董事的酬金如下：

		Year ended 31 December 2011 截至二零一一年十二月三十一日止年度				
		Fees	Salary	Discretionary bonus	Employer's contribution to pension scheme	Total
		袍金	薪金	酌情花紅	僱主的退休金計劃供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Name of Directors	董事姓名	千港元	千港元	千港元	千港元	千港元
Executive Directors		執行董事				
Nie Guoming	聶國明	1,000	724	200	45	1,969
Jiang Hongchun	蔣洪春	900	706	200	6	1,812
Li Wenjin	李文晉	800	–	200	13	1,013
		2,700	1,430	600	64	4,794
Independent Non-Executive Directors		獨立非執行董事				
Yip Wai Ming	葉偉明	100	–	–	–	100
Wu Min	吳敏	100	–	–	–	100
Man Kwok Kuen, Charles	文國權	100	–	–	–	100
		300	–	–	–	300
		3,000	1,430	600	64	5,094

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(a) Directors' emoluments (continued)

		Year ended 31 December 2010 截至二零一零年十二月三十一日止年度				
Name of Directors	董事姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Employer's contribution to pension scheme 僱主的 退休金 計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Executive Directors 執行董事						
Nie Guoming	聶國明	32	643	231	5	911
Jiang Hongchun	蔣洪春	29	317	231	8	585
Li Wenjin	李文晉	26	-	-	-	26
		87	960	462	13	1,522
Independent Non-Executive Directors 獨立非執行董事						
Yip Wai Ming	葉偉明	3	-	-	-	3
Wu Min	吳敏	3	-	-	-	3
Man Kwok Kuen, Charles	文國權	3	-	-	-	3
		9	-	-	-	9
		96	960	462	13	1,531

During the year ended 31 December 2010, the following Directors received emoluments from Hi Sun Technology (China) Limited ("Hi Sun") whose shares are listed on the Main Board of the Stock Exchange.

- i) Li Wenjin received HK\$2,342,000 from Hi Sun, part of which was in respect of his services to the Group. No apportionment has been made as the Directors consider that it is impracticable to apportion these amounts between his services to the Group and to Hi Sun.
- ii) Jiang Hongchun received HK\$546,000 from Hi Sun in relation to his capacity as director and employee of certain subsidiaries of Hi Sun. He had resigned from all such directorships and employment with these companies on or before the listing of the Company on 20 December 2010.

截至二零一零年十二月三十一日止年度，以下董事自高陽科技(中國)有限公司(「高陽」，其股份於聯交所主板上市)收取酬金。

- i) 李文晉自高陽收取2,342,000港元，部分涉及彼向本集團提供的服務。董事認為，由於將該等金額在彼等向本集團與高陽提供的服務之間作出分配並不可行，因此並無作出有關分配。
- ii) 蔣洪春以其作為高陽若干附屬公司董事及僱員的身份自高陽收取546,000港元，彼於二零一零年十二月二十日本公司上市或之前已辭任該等公司的所有董事及僱員職務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (continued)

(a) Directors' emoluments (continued)

During the year ended 31 December 2011, no Directors of the Group waived any emoluments and no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office (2010: Nil).

There was no arrangement under which the Directors agreed to waive any emolument during 2010 and 2011.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2011 included three Directors (2010: one). The emoluments payable to the remaining two (2010: four) individuals during the year are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,652	5,366
Pension cost	退休金成本	42	60
		2,694	5,426

The emoluments fell within the following band:

		Number of individuals 人數	
		2011 二零一一年	2010 二零一零年
Emolument band	酬金組別		
Nil to HK\$1,000,000	0港元 – 1,000,000港元	1	1
HK\$1,000,001 – HK\$2,000,000	1,000,001港元 – 2,000,000 港元	1	2
HK\$2,000,001 – HK\$3,000,000	2,000,001港元 – 3,000,000 港元	–	1
		2	4

9 僱員福利開支(包括董事酬金)(續)

(a) 董事酬金(續)

於截至二零一一年十二月三十一日止年度，概無本集團董事放棄任何酬金，本集團亦無向任何董事支付酬金作為吸引彼等加入本集團或於彼等加入本集團時的獎勵或離職補償(二零一零年：無)。

於二零一零年及二零一一年，概無董事同意放棄任何酬金的安排。

(b) 五名最高薪人士

本集團截至二零一一年十二月三十一日止年度五名最高薪人士包括三名董事(二零一零年：一名)。本年度應付餘下二名(二零一零年：四名)人士之酬金載列如下：

酬金介乎下列組別：

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 INCOME TAX EXPENSE

10 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Current income tax	即期所得稅		
– PRC enterprise income tax	– 中國企業所得稅	15,241	18,174
– Hong Kong profits tax	– 香港利得稅	10,425	8,050
Under provision in prior year	過往年度撥備不足	2	861
Income tax expense	所得稅開支	25,668	27,085

Hong Kong profits tax has been provided for at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year ended 31 December 2011.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Pax Computer Technology (Shenzhen) Co., Ltd. (“Pax Computer Shenzhen”), a subsidiary of the Company, is located in the Shenzhen Special Economic Zone. Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008 (the “CIT Law”), Pax Computer Shenzhen is subject to income tax at rates gradually increase from 18% in 2008 to 25% in 2012 over a 5-year transition period unless the preferential rate is applicable. Pax Computer Shenzhen was qualified as a High and New Technology Enterprise in 2009 under the CIT Law and is eligible to enjoy a preferential tax rate of 15% for 3 years from 2009. As such, the applicable enterprise income tax rate of Pax Computer Shenzhen was 15% for the year ended 31 December 2010 and 2011.

截至二零一一年十二月三十一日止年度，香港利得稅根據估計應課稅溢利按稅率16.5%(二零一零年：16.5%)作出撥備。

海外溢利的稅款根據年內估計應課稅溢利按本集團經營所在國家現行稅率計算。

本公司附屬公司百富計算機技術(深圳)有限公司(「百富計算機深圳」)位於深圳經濟特區。根據於二零零八年一月一日生效之中國企業所得稅法(「企業所得稅法」)，百富計算機深圳繳納所得稅的稅率由二零零八年的18%以五年過渡期逐漸增加至二零一二年的25%，優惠稅率適用者除外。根據企業所得稅法，百富計算機深圳於二零零九年屬於高新技術企業，自二零零九年起三年期間合資格享有15%的優惠稅率。因此，截至二零一零年及二零一一年十二月三十一日止年度，百富計算機深圳的適用企業所得稅率為15%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 INCOME TAX EXPENSE (continued)

Pax Technology, Inc., a subsidiary of the Company in the US, was operating at a net loss position and did not have any assessable profit for the year ended 31 December 2011 (2010: Nil).

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities in the respective jurisdictions as follows:

10 所得稅開支(續)

Pax Technology, Inc. (本公司位於美國的一間附屬公司)於截至二零一一年十二月三十一日止年度錄得虧損淨額，並無任何應課稅溢利(二零一零年：無)。

本集團除所得稅前溢利的稅項與採用適用於各個司法權區的合併實體溢利的加權平均稅率計算的理論金額的差額如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	207,463	172,508
Tax calculated at domestic tax rates applicable to profits in the respective countries	按於各個國家產生溢利之適用當地稅率計算之稅項	32,003	26,501
Income not subject to taxation	毋須納稅的收入	(6,220)	(4,727)
Tax incentives for research and development expenses available for a subsidiary incorporated in the PRC (note)	於中國註冊成立之附屬公司就研發費用的稅項優惠(附註)	(4,146)	—
Expenses not deductible for taxation purposes	就稅務而言不可扣減的開支	1,836	1,947
Unrecognised tax losses	未確認的稅項虧損	2,193	2,503
Under provision in prior year	上一年度撥備不足	2	861
		25,668	27,085

Note: The Group obtained a incentive from the PRC tax authority relating to the research and development expenses of its subsidiary in the PRC. Under such tax incentive rule, the Group may claim an additional tax deduction up to 50% of the relevant research and development expenses incurred in a year subject to the endorsement from the PRC tax authority.

The weighted average applicable tax rate was 15.4% (2010: 15.7%) for the year ended 31 December 2011.

附註：本集團一間位於中國的附屬公司就其研發費用獲得中國稅務機關頒佈的一項稅項優惠。根據有關稅務優惠規則，本集團可申請額外降低稅項金額達年內相關研發費用的50%，惟須待中國稅務機關確認。

截至二零一一年十二月三十一日止年度，加權平均適用稅率為15.4% (二零一零年：15.7%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$5,203,000 for the year ended 31 December 2011 (the period from 15 February 2010 (date of incorporation) to 31 December 2010: HK\$8,397,000).

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

The weighted average number of ordinary shares in issue during the year ended 31 December 2010 used in the basic earnings per share calculation is determined on the assumption that an aggregate 740,000,000 shares with par value of HK\$0.1 each issued upon the reorganisation (the "Reorganisation") and the capitalisation issue (see note 22(b)) had been in issue prior to the incorporation of the Company.

11 本公司權益持有人應佔虧損

截至二零一一年十二月三十一日止年度，本公司權益持有人應佔虧損5,203,000港元（二零一零年二月十五日（註冊成立日期）起至二零一零年十二月三十一日止期間：8,397,000港元）乃於本公司的財務報表中列賬。

12 每股盈利

(a) 基本

每股基本盈利乃按本公司權益持有人應佔本年度溢利除年內已發行普通股加權平均數計算。

計算每股基本盈利所使用的截至二零一零年十二月三十一日止年度已發行普通股的加權平均數目乃假設重組（「重組」）及資本化發行（見附註22(b)）時發行的每股面值0.1港元合共740,000,000股股份已於本公司註冊成立之前發行。

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年	2010 二零一零年
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利（千港元）	181,795	145,423
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數（千股）	1,036,488	748,548
Basic earnings per share (HK\$ per share)	每股基本盈利（每股港元）	0.175	0.194

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary share, the over-allotment option (“Over-allotment Option”) (Note 22 (c)). For the Over-allotment Option, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company’s shares for the period from 1 January 2011 to the date exercised Over-allotment Option) based on the monetary value of the subscription right attached to outstanding Over-allotment Option. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the Over-allotment Option.

Diluted earnings per share for the year ended 31 December 2011 is the same (2010: same) as the basic earnings per share as the conversion of potential ordinary shares in relation to the outstanding Over-allotment Option would have anti-dilutive effect to the basic earnings per share.

13 DIVIDENDS

No dividends had been paid or declared by the Company during the year ended 31 December 2011 (2010: Nil).

12 每股盈利(續)

(b) 攤薄

每股攤薄盈利的計算方式為假設轉換所有具潛在攤薄效應的普通股以調整已發行普通股的加權平均數。本公司發行一類具潛在攤薄效應的普通股：超額配股權(「超額配股權」)(附註22(c))。就超額配股權而言，為釐定可按公平值(按本公司股份於二零一一年一月一日至行使超額配股權日期間的平均市價釐定)購入的股份數目，已根據而尚未行使超額配股權所附帶的認購權貨幣價值作出計算，而計算所得股份數目會與假設因行使超額配股權而發行的股份數目作出比較。

截至二零一一年十二月三十一日止年度之每股攤薄盈利與每股基本盈利相同(二零一零年：相同)，此乃因轉換與尚未行使超額配股權有關之潛在普通股將會對每股基本盈利產生反攤薄之影響。

13 股息

截至二零一一年十二月三十一日止年度，本公司並無派付或宣派任何股息(二零一零年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT – GROUP 14 物業、廠房及設備 – 本集團

		Buildings	Leasehold improve- ments	Office furniture and equipment	Plant and equipment	Motor vehicles	Total
		樓宇	租賃 物業裝修	辦公室 傢俱及設備	廠房 及設備	汽車	總計
		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
At 31 December 2009	於二零零九年十二月三十一日						
Cost	成本	6,819	943	6,116	1,394	2,699	17,971
Accumulated depreciation	累計折舊	(2,608)	(642)	(3,467)	(1,161)	(925)	(8,803)
Net book amount	賬面淨值	4,211	301	2,649	233	1,774	9,168
Year ended 31 December 2010	截至二零一零年 十二月三十一日止年度						
Opening net book amount	期初賬面淨值	4,211	301	2,649	233	1,774	9,168
Additions	添置	–	–	2,742	342	1,476	4,560
Depreciation (Note 7)	折舊(附註7)	(620)	(192)	(1,085)	(108)	(603)	(2,608)
Disposals	出售	–	–	(33)	–	(284)	(317)
Exchange differences	匯兌差額	153	40	88	18	92	391
Closing net book amount	期末賬面淨值	3,744	149	4,361	485	2,455	11,194
At 31 December 2010	於二零一零年十二月三十一日						
Cost	成本	7,143	988	8,905	1,812	3,704	22,552
Accumulated depreciation	累計折舊	(3,399)	(839)	(4,544)	(1,327)	(1,249)	(11,358)
Net book amount	賬面淨值	3,744	149	4,361	485	2,455	11,194
Year ended 31 December 2011	截至二零一一年 十二月三十一日止年度						
Opening net book amount	期初賬面淨值	3,744	149	4,361	485	2,455	11,194
Additions	添置	–	–	984	759	623	2,366
Depreciation (Note 7)	折舊(附註7)	(698)	(152)	(1,366)	(220)	(691)	(3,127)
Disposals	出售	–	–	–	–	–	–
Exchange differences	匯兌差額	144	3	105	32	92	376
Closing net book amount	期末賬面淨值	3,190	–	4,084	1,056	2,479	10,809
At 31 December 2011	於二零一一年十二月三十一日						
Cost	成本	7,446	1,030	9,986	2,665	4,484	25,611
Accumulated depreciation	累計折舊	(4,256)	(1,030)	(5,902)	(1,609)	(2,005)	(14,802)
Net book amount	賬面淨值	3,190	–	4,084	1,056	2,479	10,809

All depreciation of the Group's property, plant and equipment has been charged to administrative expenses.

本集團物業、廠房及設備的所有折舊已計入行政開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 LEASEHOLD LAND – GROUP

The Group's interests in leasehold land represent upfront payments for land and their net carrying values are analysed as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Opening net carrying value	期初賬面淨值	231	225
Amortisation (Note 7)	攤銷(附註7)	(6)	(5)
Exchange difference	匯兌差額	10	11
Closing net carrying value	期末賬面淨值	235	231

The Group's leasehold land is located in the PRC and is held on leases of between 10 to 50 years. Amortisation of the Group's leasehold land has been charged to the administrative expenses.

15 租賃土地—本集團

本集團於租賃土地的權益指土地一次性付款，其賬面淨值分析如下：

本集團的租賃土地位於中國，租期為10至50年。本集團租賃土地的所有攤銷已計入行政開支。

16 INVESTMENT IN A SUBSIDIARY – COMPANY

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Investment, at cost:	投資，按成本計值：		
Unlisted shares	非上市股份	528,103	528,103

16 於附屬公司之投資—本公司

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 INVESTMENT IN A SUBSIDIARY – COMPANY

(continued)

The following is a list of subsidiaries as at 31 December 2011:

16 於附屬公司之投資 – 本公司(續)

於二零一一年十二月三十一日，附屬公司之名單如下：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點 及法定實體類別	Principal activities and place of operation 主要業務及 營業地點	Particulars of issued and paid up/registered capital 已發行股本/ 註冊資本詳情	Interest held 所持權益
Grand Global International Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in Hong Kong 在香港從事投資控股	2 ordinary shares of US\$1 each 2股每股面值1美元之普通股	100%(#)
Pax Technology Limited 百富科技有限公司	Hong Kong, limited liability company 香港，有限公司	Sales of POS products and provision of related services in Hong Kong 在香港銷售POS產品及提供相關服務	26,250,000 ordinary shares of HK\$1 each, 8,750,000 series A preference shares of HK\$1 each; 8,750,000 series B preference shares of HK\$1 each 26,250,000股每股面值1港元之普通股，8,750,000股每股面值1港元之系列A優先股；8,750,000股每股面值1港元之系列B優先股	100%
百富計算機技術(深圳)有限公司 (Pax Computer Technology (Shenzhen) Co., Ltd.) (*)	PRC, limited liability company 中國，有限公司	Development and sales of POS products and provision of related services in the PRC 在中國銷售及研發POS產品及提供相關服務	HK\$200,000,000 ^(Δ) 200,000,000港元 ^(Δ)	100%
Pax Technology, Inc.	US, limited liability company 美國，有限公司	Sales of POS products in the US 在美國銷售POS產品及提供相關服務	US\$1,000 1,000美元	100%

Interest held directly by the Company.

本公司直接持有之權益。

* The English name of Pax Computer Shenzhen represents the best effort by the management of the Group in translating its Chinese name as it does not have an official English name.

* 由於百富計算機深圳並無正式的英文名稱，故其英文名稱代表本集團管理層於翻譯中文名稱時所付出的最大努力。

Δ During the year, the paid-up capital of Pax Computer Shenzhen increased from HK\$50,000,000 to HK\$200,000,000 as a result of capital injection from its immediate holding company, Pax Technology Limited of HK\$110,000,000 and by capitalisation of retained earnings of HK\$40,000,000.

Δ 年內，由於百富計算機深圳的直接控股公司百富科技有限公司注資110,000,000港元及資本化保留盈利40,000,000港元，百富計算機深圳的繳足股本由50,000,000港元增加至200,000,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 AMOUNT DUE FROM A SUBSIDIARY – COMPANY

The amount due from Pax Technology Limited, one of the indirect owned subsidiary of the Company is unsecured, interest-free and repayable on demand.

17 應收附屬公司款項—本公司

應收本公司其中一間間接擁有的附屬公司百富科技有限公司款項為無抵押、免息及須應要求償還。

18 INVENTORIES – GROUP

18 存貨—本集團

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Raw materials	原材料	73,815	51,519
Work in progress	在製品	31,578	22,904
Finished goods	製成品	200,273	74,097
		305,666	148,520

The cost of inventories included in cost of sales during the year amounted to approximately HK\$694,303,000 (2010: HK\$418,005,000).

於本年度，銷售成本中包含的存貨成本約為694,303,000港元（二零一零年：418,005,000港元）。

No provision for obsolete inventories was made during the year (2010: Nil).

於本年度，概無就陳舊存貨計提撥備（二零一零年：無）。

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

19 應收賬款及應收票據、按金及其他應收款項

		Group 本集團		Company 本公司	
		As at 31 December 於十二月三十一日		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade receivables (Note (a))	應收賬款(附註(a))	430,313	215,535	–	–
Less: provision for impairment of receivables (Note (c))	減：應收賬款減值撥備(附註(c))	(1,953)	(1,846)	–	–
Trade receivables, net	應收賬款淨額	428,360	213,689	–	–
Bills receivables (Note (b))	應收票據(附註(b))	75,355	55,353	–	–
Trade and bills receivables	應收賬款及應收票據	503,715	269,042	–	–
Deposits and other receivables	按金及其他應收款項	17,305	7,001	2,016	–
Trade and bills receivables, deposits and other receivables	應收賬款及應收票據、按金及其他應收款項	521,020	276,043	2,016	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

The carrying amounts of the Group and the Company's trade and bills receivables, deposits and other receivables are denominated in the following currencies:

		Group 本集團		Company 本公司	
		As at 31 December 於十二月三十一日		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
HK\$	港元	7,645	2,858	2,016	-
RMB	人民幣	480,871	249,884	-	-
US\$	美元	32,504	23,301	-	-
		521,020	276,043	2,016	-

The fair values of trade and bills receivables, deposits and other receivables approximated their carrying values as at 31 December 2010 and 2011.

(a) Trade receivables

The Group's credit terms to trade debtors range generally from 0 to 180 days. However, credit terms of more than 180 days may be granted to customers on a case-by-case basis upon negotiation. As at 31 December 2010 and 2011, the ageing analysis of the trade receivables is as follows:

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Up to 90 days	90日以內	290,318	119,898
91 to 180 days	91至180日	84,058	44,268
181 to 365 days	181至365日	21,593	31,362
Over 365 days	365日以上	34,344	20,007
		430,313	215,535

19 應收賬款及應收票據、按金及其他應收款項(續)

本集團及本公司的應收賬款及應收票據、按金及其他應收款項的賬面值乃以下列貨幣計值：

於二零一零年及二零一一年十二月三十一日，應收賬款及應收票據、按金及其他應收賬款的公平值與其賬面值相若。

(a) 應收賬款

本集團給予貿易債務人的信貸期由0至180日不等。然而，經磋商後可按個別情況向客戶授出超過180日的信貸期。於二零一零年及二零一一年十二月三十一日，應收賬款的賬齡分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

As at 31 December 2011, trade receivables included retention money receivables of HK\$46,726,000 (2010: HK\$39,480,000). The retention money represents approximately 2% to 5% (2010: approximately 2% to 5%) of the relevant contract sum granted to certain number of the customers in the PRC that has a retention period of three to five years. As at 31 December 2011, retention money receivables aged over 365 days amounted to HK\$31,789,000 (2010: HK\$15,604,000).

The Group's sales are made to several major customers and there is concentration of credit risks. Sales of goods and services to the top five customers constituted approximately 55.9% (2010: 61.2%) of the Group's turnover for the year ended 31 December 2011. They accounted for approximately 73.0% (2010: 80.9%) of the gross trade receivable balances as at 31 December 2011.

Receivables were neither past due nor impaired amounted to approximately HK\$428,360,000 (2010: HK\$213,689,000) as at 31 December 2011.

As at 31 December 2011, no trade receivables were past due but not impaired (2010: Nil).

(b) Bills receivables

The balance represents bank acceptance notes with maturity periods of within six months.

The maturity profile of the bills receivables of the Group is as follows:

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Up to 90 days	90日以內	21,937	24,443
91 days to 180 days	91日至180日	53,418	30,910
		75,355	55,353

19 應收賬款及應收票據、按金及其他應收款項(續)

(a) 應收賬款(續)

於二零一一年十二月三十一日，應收賬款包括應收預扣金額46,726,000港元(二零一零年：39,480,000港元)。預扣金額佔授予中國若干客戶的相關合同總額約2%至5%(二零一零年：約2%至5%)，而預扣期則為三至五年。於二零一一年十二月三十一日，預扣款賬齡超過365日的總額為31,789,000港元(二零一零年：15,604,000港元)。

本集團的銷售乃向數名主要客戶作出且有信貸集中風險。截至二零一一年十二月三十一日止年度，對五大客戶銷售的貨品及提供的服務佔我們營業額約55.9%(二零一零年：61.2%)，而佔於二零一一年十二月三十一日的應收賬款總額約73.0%(二零一零年：80.9%)。

於二零一一年十二月三十一日，既無逾期亦無減值的應收款項約428,360,000港元(二零一零年：213,689,000港元)。

於二零一一年十二月三十一日，並無已逾期但未減值的應收款項(二零一零年：無)。

(b) 應收票據

該結餘指到期期間為六個月以內的銀行承兌票據。

本集團應收票據的到期情況如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

(c) Provision for impairment of trade receivables

The movement on the provision for impairment of trade receivables are as follows:

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At beginning of the year	於年初	1,846	2,608
Provision recognised in the consolidated income statement (Note 7)	於綜合收益表確認的撥備 (附註7)	28	374
Receivables written off during the year as uncollectible	年內因不可收回而撇銷的應收款項	–	(1,229)
Exchange differences	匯兌差額	79	93
At end of the year	於年末	1,953	1,846

The maximum exposure to credit risk at the reporting date is the carrying values of each class of receivables mentioned above. The Group did not hold any collateral as security for these receivables as at 31 December 2011 (2010: Nil).

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

19 應收賬款及應收票據、按金及其他應收款項(續)

(c) 應收賬款減值撥備

應收賬款減值撥備變動如下：

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At beginning of the year	於年初	1,846	2,608
Provision recognised in the consolidated income statement (Note 7)	於綜合收益表確認的撥備 (附註7)	28	374
Receivables written off during the year as uncollectible	年內因不可收回而撇銷的應收款項	–	(1,229)
Exchange differences	匯兌差額	79	93
At end of the year	於年末	1,953	1,846

於報告日期面臨的最大信貸風險為上述各類應收款項的賬面值。於二零一一年十二月三十一日，本集團並無就該等應收款項持有任何抵押品(二零一零年：無)。

應收賬款及應收票據、按金及其他應收款項的其他類別內並無已減值資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 RESTRICTED CASH – GROUP

20 受限制現金 – 本集團

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Restricted bank deposits	受限制銀行存款	16,017	2,846

Restricted cash represented bank deposits of the Group which were placed as guarantee deposits for tenders and as securities for sales of goods to customers and were denominated in RMB.

As at 31 December 2011, the effective interest rate on restricted bank deposits were 0.5% (2010: 0.36%) per annum. All restricted cash were kept in the bank accounts opened with banks in the PRC as at 31 December 2010 and 2011, where the remittance of funds is subject to foreign exchange control.

受限制現金指本集團作為投標的擔保按金以及銷貨予客戶的擔保而存放的銀行存款，乃以人民幣計值。

於二零一一年十二月三十一日，受限制銀行存款的實際利率為每年0.5%（二零一零年：0.36%）。於二零一零年及二零一一年十二月三十一日，所有受限制現金存放在中國境內銀行開立的銀行賬戶，而有關資金的付匯受到外匯管制。

21 CASH AT BANK AND ON HAND

21 銀行及手上現金

		Group 本集團		Company 本公司	
		As at 31 December 於十二月三十一日		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash at bank and on hand	銀行及手上現金	560,611	843,149	150,430	547,082
Short-term bank deposits	短期銀行存款	591,680	223,377	552,073	150,000
		1,152,291	1,066,526	702,503	697,082

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 CASH AT BANK AND ON HAND (continued)

As at 31 December 2011, funds of the Group amounting to HK\$316,016,000 (2010: HK\$233,899,000) were deposited in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

The effective interest rate per annum on short-term bank deposits of the Group was 0.49% (2010: 0.53%) per annum. These deposits have an average maturity of 82 days (2010: 55 days). The carrying amounts of cash at bank and on hand were denominated in the following currencies:

21 銀行及手上現金(續)

於二零一一年十二月三十一日，本集團為數316,016,000港元(二零一零年：233,899,000港元)存放在中國境內銀行開立的銀行賬戶，而有關資金的付匯受到外匯管制。

本集團短期銀行存款的實際年利率為0.49%(二零一零年：0.53%)。該等存款的平均到期日為82日(二零一零年：55日)。銀行及手上現金的賬面值乃分別以下列貨幣計值：

		Group 本集團		Company 本公司	
		As at 31 December 於十二月三十一日		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
HK\$	港元	709,468	746,713	702,295	697,082
RMB	人民幣	315,342	229,022	-	-
US\$	美元	125,915	89,751	208	-
EUR	歐元	1,566	1,040	-	-
		1,152,291	1,066,526	702,503	697,082

The maximum exposure to credit risk of the Group and the Company as at 31 December 2011 were HK\$1,152,065,000 (2010: HK\$1,066,291,000) and HK\$702,503,000 (2010: HK\$697,082,000) respectively.

於二零一一年十二月三十一日，本集團及本公司最大信貸風險分別為1,152,065,000港元(二零一零年：1,066,291,000港元)及702,503,000港元(二零一零年：697,082,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 SHARE CAPITAL

22 股本

(a) Authorised share capital of the Company

(a) 本公司的法定股本

		Number of ordinary shares 普通股數目 (Thousand shares) (千股)	Ordinary shares of HK\$0.1 each 每股面值0.1 港元之普通股 HK\$'000 千港元
Authorised	法定		
On 15 February 2010, date of incorporation	於二零一零年二月十五日 (註冊成立日期)	—	—
Initial authorised share capital	初始決定股本	1,000	100
Increase in authorised share capital	法定股本增加	1,999,000	199,900
		<hr/>	<hr/>
At 31 December 2010	於二零一零年 十二月三十一日	2,000,000	200,000
		<hr/>	<hr/>
At 1 January 2011 and 31 December 2011	於二零一一年一月一日及 二零一一年十二月三十一日	2,000,000	200,000

As of the date of incorporation, the initial authorised share capital of the Company was HK\$100,000 divided into 1,000,000 ordinary shares of HK\$0.1 each.

於註冊成立日期，本公司的初始法定股本為100,000港元，分為1,000,000股每股面值0.1港元的普通股。

On 4 November 2010, the authorised share capital was increased from HK\$100,000 to HK\$80,000,000 divided into 800,000,000 ordinary shares of HK\$0.1 each in preparation for the Reorganisation.

於二零一零年十一月四日，為籌備重組，法定股本從100,000港元增加至80,000,000港元，分為800,000,000股每股面值0.1港元的普通股。

On 1 December 2010, the authorised share capital was increased from HK\$80,000,000 to HK\$200,000,000 divided into 2,000,000,000 ordinary shares of HK\$0.1 each in preparation for the global offering ("Global Offering").

於二零一零年十二月一日，為籌備全球發售（「全球發售」），法定股本從80,000,000港元增加至200,000,000港元，分為2,000,000,000股每股面值0.1港元的普通股。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 SHARE CAPITAL (continued)

22 股本(續)

(b) Issued share capital of the Company

(b) 本公司的已發行股本

		Number of ordinary shares 普通股數目 (Thousand shares) (千股)	Ordinary shares of HK\$0.1 each 每股面值0.1 港元之普通股 HK\$'000 千港元
Issued and fully paid	已發行及繳足		
On 15 February 2010, date of incorporation	於二零一零年二月十五日 (註冊成立日期)	–	–
Allotment of shares pursuant to the Reorganisation (note (i))	根據重組配發股份(附註(i))	250,000	25,000
Shares issued under the capitalisation issue (note (ii))	根據資本化發行之 已發行股份(附註(ii))	490,000	49,000
Shares issued pursuant to the Global Offering (note (iii))	根據全球發售 發行股份(附註(iii))	260,000	26,000
At 31 December 2010	於二零一零年十二月三十一日	1,000,000	100,000
At 1 January 2011	於二零一一年一月一日	1,000,000	100,000
Shares issued for Over-allotment Option in connection with the Global Offering (note (c))	就全球發售的超額配股權 發行股份(附註(c))	37,728	3,773
At 31 December 2011	於二零一一年十二月三十一日	1,037,728	103,773

(i) In preparation for the listing of the Company in 2010, Hi Sun underwent a group reorganisation, pursuant to which the companies engaged in the POS terminal solutions business were transferred to the Company and then the Company became the holding company of the consolidated entities. The Reorganisation mainly involved the following:

i) On 4 November 2010, the Company entered into an agreement with Hi Sun to acquire 100% equity interest in Grand Global International Limited ("Grand Global"). Grand Global held 60% equity interest in Pax Technology Limited, which in turn held 100% equity interest in Pax Computer Shenzhen and Pax Technology, Inc. The Company credited as fully paid the one nil paid shares held by Hi Sun and allotted 149,999,999 shares as fully paid to Hi Sun in exchange for the equity interests in Grand Global;

(i) 為籌備本公司於二零一零年上市，高陽進行集團重組，據此，從事POS終端機解決方案業務的各公司轉讓予本公司，本公司於重組後成為合併實體的控股公司。重組主要涉及以下方面：

i) 於二零一零年十一月四日，本公司與高陽訂立協議，收購Grand Global International Limited (「Grand Global」)的100%股權。Grand Global持有百富科技有限公司的60%股權，而百富科技有限公司則持有百富計算機深圳及Pax Technology, Inc.的100%股權。本公司將高陽持有的一股未繳股款股份入賬列為繳足並向高陽配發149,999,999股股份作為繳足股款股份，以換取Grand Global的股權；

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 SHARE CAPITAL (continued)

(b) Issued share capital of the Company (continued)

- ii) On 5 November 2010, the Company entered into a share swap agreement (the "Share Swap") with Digital Investment Limited ("Digital Investment") and Dream River Limited ("Dream River") (the "Selling Shareholders") for the acquisition of their entire shareholding in Pax Technology, one of the subsidiaries of the Group, in consideration of allotting credited as fully paid 50,000,000 ordinary shares to each of Digital Investment and Dream River. The Share Swap was completed on 14 December 2010.
- (ii) Pursuant to the written resolution of the sole shareholder passed on 1 December 2010, the Directors were authorised to capitalise HK\$49,000,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 490,000,000 shares of the Company for allotment and issue to holders of shares of the Company on 1 December 2010 to their respective shareholdings in the Company. The shares to be allotted and issued shall rank pari passu with all shares in issue.
- (iii) On 20 December 2010, the Company issued 260,000,000 ordinary shares at HK\$2.88 each pursuant to the Global Offering. The excess of issue price over the par value of the ordinary shares were credited to share premium, after deducted the share issuance cost of HK\$47,699,000.

(c) Over-allotment Option

In connection with the Global Offering completed on 8 December 2010, the Company granted the Over-allotment Option to the international underwriters of the Global Offering ("International Underwriters"), exercisable by the global coordinator of the Global Offering or their agent on behalf of the International Underwriters at any time from the listing date of the Company up to (and including) the date which is the 30th day after the last date for the lodging of application forms under the public offer and preferential offer. Pursuant to the Over-allotment Option, the global coordinator or their agent had the right to require the Company to allot and issue up to an aggregate of 47,880,000 additional new shares of the Company, representing in aggregate 15% of the offer shares initially available under the Global Offering and that these shares were issued at the offer price.

22 股本(續)

(b) 本公司的已發行股本(續)

- ii) 於二零一零年十一月五日，本公司與 Digital Investment Limited (「Digital Investment」) 及 Dream River Limited (「Dream River」) (「出售股東」) 訂立換股協議 (「換股」)，以收購彼等於本集團其中一間附屬公司百富科技的全部股權，代價為向 Digital Investment 及 Dream River 各自配發 50,000,000 股入賬列作繳足的普通股股份。有關換股已於二零一零年十二月十四日完成。
- (ii) 根據唯一股東於二零一零年十二月一日通過的書面決議案，於二零一零年十二月一日授權董事將本公司股份溢價賬內進賬為數 49,000,000 港元資本化，用作按面值繳足 490,000,000 股向本公司股份持有人按彼等各自於本公司的股權比例配發及發行股份。將予配發及發行的股份與所有已發行股份享有同等權益。
- (iii) 於二零一零年十二月二十日，本公司根據全球發售以每股 2.88 港元發行 260,000,000 股普通股。於扣除股份發行成本 47,699,000 港元後，發行價超過普通股面值之部分乃計入股份溢價。

(c) 超額配股權

就全球發售 (已於二零一零年十二月八日完成) 而言，本公司向全球發售的國際包銷商 (「國際包銷商」) 授出超額配股權，可由全球發售的全球協調人或其代理人 (代表國際包銷商) 於本公司上市日期起至遞交公開發售及優先發售申請表格截止日期起計第 30 日 (包括該日) 止期間行使。根據超額配股權，全球協調人或其代理人有權要求本公司額外配發及發行最多合共 47,880,000 股本公司新股份，合共相當於全球發售項下初步可供認購發售股份的 15%，並按發售價發行該等股份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 SHARE CAPITAL (continued)

(c) Over-allotment Option (continued)

On 12 January 2011, the Over-allotment Option was partially exercised and the Company issued an aggregate of 37,728,000 additional shares at the offer price of HK\$2.88 per share. Gross proceeds in relation to the over-allotment amounted to HK\$108,657,000 was received by the Company on 17 January 2011. The excess of issue price over the par value of the ordinary shares of HK\$101,072,000 were credit to share premium, after deducted the share issuance cost of HK\$3,812,000. The remaining Over-allotment Option not exercised was expired on 13 January 2011.

(d) Share option scheme

Pax share option scheme

On 1 December 2010, the board of Directors of the Company approved a share option scheme (the "PAX Scheme") for the issuance of in aggregate no more than 10% in nominal amount of the aggregate of shares in issue on the listing date of the Company, representing 100,000,000 shares (subject to the terms of the scheme and the relevant provisions under the Listing Rules).

The PAX Scheme was effective from 1 December 2010 for 10 years and unless otherwise cancelled or amended. Upon to the date of the approval of these consolidated financial statements, no share option was granted under the PAX Scheme.

22 股本(續)

(c) 超額配股權(續)

於二零一一年一月十二日，超額配股權獲部份行使，而本公司以發售價每股2.88港元發行合共37,728,000股額外股份。本公司於二零一一年一月十七日收取有關超額配股權之所得款項總額為108,657,000港元。發行價與普通股面值之差額合共101,072,000港元(經扣除股份發行成本3,812,000港元後)計入股份溢價。餘下未行使之超額配股權於二零一一年一月十三日到期。

(d) 購股權計劃

百富購股權計劃

於二零一零年十二月一日，本公司董事會批准一項購股權計劃(「百富購股權計劃」)以發行合共不超過本公司上市日期已發行股份總面值的10%(即100,000,000股股份)(但須按照該計劃之條款及遵守上市規則之有關規定)。

百富購股權計劃已於二零一零年十二月一日生效，除非另行撤銷或修訂，否則該計劃將自生效當日起十年期間一直有效。截至該等綜合財務報表獲批准當日，並無根據百富購股權計劃授出購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 RESERVES

(a) The Group

23 儲備

(a) 本集團

		Share premium	Capital reserve (note (i))	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備	外匯儲備	保留盈利	總計
		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
For the year ended	截至二零一一年					
31 December 2011	十二月三十一日止年度					
Balance at 1 January 2011	於二零一一年一月一日之結餘	1,129,204	(414,978)	36,854	436,031	1,187,111
Comprehensive income	全面收益					
Profit for the year	年內溢利	-	-	-	181,795	181,795
Other comprehensive income	其他全面收益					
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	27,403	-	27,403
Total comprehensive income	全面收益總額	-	-	27,403	181,795	209,198
Transaction with owners	與擁有人之交易					
Over-allotment of shares pursuant to the Global Offering (Note 22(c))	根據全球發售超額配發之股份(附註22(c))	101,072	-	-	-	101,072
Balance at 31 December 2011	於二零一一年十二月三十一日之結餘	1,230,276	(414,978)	64,257	617,826	1,497,381

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 RESERVES (continued)

(a) The Group (continued)

		Share premium	Capital reserve (note (i))	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備 (附註(i))	外匯儲備	保留盈利	總計
		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
For the year ended	截至二零一零年					
31 December 2010	十二月三十一日止年度					
Balance at 1 January 2010	於二零一零年一月一日之結餘	-	113,125	19,328	290,608	423,061
Comprehensive income	全面收益					
Profit for the year	年內溢利	-	-	-	145,423	145,423
Other comprehensive income	其他全面收益					
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生之匯兌差額	-	-	17,526	-	17,526
Total comprehensive income	全面收益總額	-	-	17,526	145,423	162,949
Transactions with owners	與擁有人之交易					
Allotment of shares pursuant to the Reorganisation	根據重組配發之股份	503,103	(528,103)	-	-	(25,000)
Shares issued under the capitalisation issue	根據資本化發行之已發行股份	(49,000)	-	-	-	(49,000)
Shares issued pursuant to the Global Offering	根據全球發售發行之股份	675,101	-	-	-	675,101
Total transactions with owners	與擁有人之交易總額	1,129,204	(528,103)	-	-	601,101
Balance at 31 December 2010	於二零一零年十二月三十一日之結餘	1,129,204	(414,978)	36,854	436,031	1,187,111

Note:

(i) Capital reserve

Capital reserve represented the difference between (i) the aggregate of the consideration for the acquisitions upon the Reorganisation; and (ii) the aggregate of the share capital and share premium of the direct owned subsidiary of the Company.

(ii) Statutory reserves

The subsidiary of the Company in the PRC is required to allocate 10% of the company's net profit to the statutory reserves fund until such fund reaches 50% of its registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase its registered capital, provided that such fund is maintained at a minimum of 25% of its registered capital. As at 31 December 2011, retained earnings comprised statutory reserves fund amounting to HK\$50,904,000 (2010: HK\$26,529,000).

附註：

(i) 資本儲備

資本儲備指下列兩者的差額：(i) 於重組時的收購代價總額；及(ii) 本公司直接擁有之附屬公司的股本及股份溢價總額。

(ii) 法定儲備

本公司於中國的附屬公司須將公司純利的10%分配至法定儲備金，直至該儲備金達至其註冊資本的50%。經有關當局批准後，法定儲備金可用於抵銷累計虧損或增加其註冊資本，惟該儲備金最低須維持於其註冊資本25%的水平。於二零一一年十二月三十一日，保留盈利包括法定儲備金50,904,000港元(二零一零年：26,529,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 RESERVES (continued)

(b) The Company

23 儲備(續)

(b) 本公司

		Share premium 股份溢價 HK\$'000 千港元	Accumulated loss 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Balance at 1 January 2011	於二零一一年 一月一日的結餘	1,129,204	(8,397)	1,120,807
Loss for the year	年度虧損	–	(5,203)	(5,203)
Shares issued for Over-allotment Option in connection with the Global Offering (note 22(c))	就全球發售的超額 配股權發行股份 (附註22(c))	101,072	–	101,072
Balance at 31 December 2011	於二零一一年十二月 三十一日的結餘	1,230,276	(13,600)	1,216,676
Balance as at 15 February 2010 (date of incorporation)	於二零一零年 二月十五日(註冊 成立日期)的結餘	–	–	–
Loss for the period	期間虧損	–	(8,397)	(8,397)
Allotment of share pursuant to the Reorganisation	根據重組配發股份	503,103	–	503,103
Shares issued under the capitalisation issue	根據資本化發行之 已發行股份	(49,000)	–	(49,000)
Shares issued pursuant to the Global Offering	根據全球發售 發行股份	675,101	–	675,101
		1,129,204	(8,397)	1,120,807
Balance at 31 December 2010	於二零一零年十二月 三十一日的結餘	1,129,204	(8,397)	1,120,807

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

24 應付賬款、其他應付賬款及應計款項

		Group 本集團		Company 本公司	
		As at 31 December 於十二月三十一日		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade payables (Note (a))	應付賬款(附註(a))	249,570	143,033	-	-
Other payables and accruals	其他應付賬款及應計款項				
Receipt in advance from customers	預先收取 客戶款項	78,791	17,804	-	-
Other tax payables	其他應付稅款	19,193	6,624	-	-
Accrued expenses	應計開支	26,962	16,272	2,173	4,378
Others	其他	15,468	15,035	-	-
		140,414	55,735	2,173	4,378
		389,984	198,768	2,173	4,378

(a) The ageing analysis of trade payables is as follows:

(a) 應付賬款的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Up to 90 days	90日以內	228,969	134,663
91 to 180 days	91日至180日	18,904	6,434
181 to 365 days	181日至365日	1,369	329
Over 365 days	365日以上	328	1,607
		249,570	143,033

The average credit period granted by the Group's suppliers ranges from 0 to 180 days.

本集團獲供應商授予的平均信貸期介乎0至180日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 DEFERRED INCOME TAX – GROUP

- (i) Deferred tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. At 31 December 2011, the Group has unrecognised tax losses to be carried forward against future taxable income amounted to HK\$40,480,000 (2010: HK\$25,862,000). These tax losses will expire from 2028 to 2031. The potential deferred tax assets in respect of these tax losses which have not been recognised will be calculated based on the effective income tax rates according to prevailing tax laws and regulations in which the Group operates.
- (ii) Cai Shui [2008] Circular 1, which was jointly issued by the Ministry of Finance and the State Administration of Taxation, took effect on 22 February 2008. Under the circular, dividends declared by foreign investment enterprises (“FIEs”) to foreign investors out of their cumulative retained earnings as at 31 December 2007 shall be exempt from withholding income tax. For dividends declared out of profit earned after 1 January 2008, withholding income tax will be levied on the foreign investor at a tax rate of 10% unless the foreign investor’s jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding tax arrangement.

As at 31 December 2011, deferred income tax liabilities have not been provided for in the consolidated financial statements in respect of the withholding tax that would be payable on unremitted earnings of the PRC subsidiary of the Group amounting to approximately HK\$21,174,000 (2010: HK\$14,994,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

25 遞延所得稅 – 本集團

- (i) 遞延稅項資產乃因應相關稅項利益有可能透過日後應課稅溢利變現而就所結轉之稅項虧損作確認。於二零一一年十二月三十一日，本集團之未確認稅項虧損為40,480,000港元(二零一零年：25,862,000港元)，可結轉以抵銷日後應課稅收入。此等稅項虧損將於二零二八年至二零三一年屆滿。尚未確認之該等稅項虧損之潛在遞延稅項資產將根據本集團經營國家之稅率及適用的稅法及規例計算。
- (ii) 財政部及國家稅務總局聯合發出的財稅[2008]第1號通知於二零零八年二月二十二日生效。根據該通知，外商投資企業(「外資企業」)自其二零零七年十二月三十一日的累計保留盈利向海外投資者宣派的股息將豁免繳納預扣所得稅。自二零零八年一月一日後的溢利中宣派的股息，將按10%的稅率對海外投資者徵收預扣所得稅，除非海外投資者註冊成立的司法權區與中國訂有稅務條約，規定不同的預扣稅安排。

於二零一一年十二月三十一日，由於本集團可控制撥回暫時差額的時間且暫時差額可能不會於可見未來撥回，故尚未就本集團位於中國的附屬公司未匯盈利的應付預扣稅於綜合財務報表作出遞延所得稅負債撥備約21,174,000港元(二零一零年：14,994,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 CASH GENERATED FROM OPERATIONS

26 經營所得的現金

(a) Reconciliation of profit before income tax to cash generated from operations

(a) 除所得稅前溢利與經營所得現金的對賬

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	207,463	172,508
Adjustment for:	調整：		
Interest income (Note 5)	利息收入(附註5)	(6,317)	(928)
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備折舊(附註7)	3,127	2,608
Amortisation of leasehold land (Note 7)	租賃土地攤銷(附註7)	6	5
Loss on disposal of property, plant and equipment (Note 7)	出售物業、廠房及設備的虧損(附註7)	-	84
Provision for impairment of trade receivables (Note 19)	應收賬款減值撥備(附註19)	28	374
		204,307	174,651
Changes in working capital:	營運資本變動：		
Trade and bills receivables, deposits and other receivables	應收賬款及應收票據、按金及其他應收款項	(225,581)	(54,542)
Inventories	存貨	(146,753)	(37,962)
Trade payables, other payables and accruals	應付賬款、其他應付賬款及應計款項	178,788	58,089
Cash generated from operations	經營所得現金	10,761	140,236

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 CASH GENERATED FROM OPERATIONS

(continued)

(b) In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

		Year ended 31 December 截至十二月三十一日止年度	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Net book amount	賬面淨值	-	317
Loss on sale of property, plant and equipment	出售物業、廠房及 設備的虧損	-	(84)
Proceeds from sale of property, plant and equipment	出售物業、廠房及 設備的所得款項	-	233

26 經營所得的現金(續)

(b) 合併現金流量表中，出售物業、廠房及設備的所得款項包括：

27 CONTINGENT LIABILITIES

As at 31 December 2010 and 2011, the Group had no contingent liabilities.

27 或然負債

於二零一零年及二零一一年十二月三十一日，本集團並無或然負債。

28 OPERATING LEASE COMMITMENTS

As at 31 December 2011, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of certain office premises as follows:

28 經營租賃承擔

於二零一一年十二月三十一日，本集團根據若干辦公室物業的不可撤銷經營租賃擁有的未來最低租金付款總額如下：

		As at 31 December 於十二月三十一日	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Not later than one year	不超過一年	4,459	4,452
Later than one year and not later than five years	超過一年 但不超過五年	4,384	2,253
		8,843	6,705

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has, directly or indirectly, the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(a) Transactions with related parties during the year

The following transaction with a related party was undertaken by the Group during the year.

Rental expense to Beijing Hi Sunray Information Technology Limited ("Sunray"), a subsidiary of Hi Sun (note)	向高陽的附屬公司 北京高陽聖思園信息 技術有限公司(「聖思園」) 支付的租金(附註)
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Note: Prior to the Global Offering and the listing of the Company on 20 December 2010, the then ultimate holding company of the Company is Hi Sun. Subsequent to the completion of the Global Offering and the listing, the Company became an associate of Hi Sun.

The Directors of the Company have confirmed that the related party transaction set out in the above table will continue. Rental paid to Sunray were charged at a fixed monthly fee subject to the terms mutually agreed by both parties.

In the opinion of the Directors of the Company, the above related party transaction was carried out in the normal course of business and at terms mutually negotiated between the Group and Sunray.

(b) Key management compensation

Details of key management compensation during the year have been disclosed in Note 9.

29 關聯方交易

倘一名人士有能力直接或間接控制其他人士或在其他人士作出財務及經營決策時對其施加重大影響，則該人士被認為是該名其他人士的關聯方。

(a) 於本年度與關聯方的交易

下列與關聯方的交易均由本集團於本年度與該關聯方進行。

Year ended 31 December

截至十二月三十一日止年度

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
526	489

附註： 本公司於全球發售及二零一零年十二月二十日上市前的當時最終控股公司為高陽。於完成全球發售及上市後，本公司成為高陽的聯營公司。

本公司董事已確認上表所載關聯方交易將持續進行。向聖思園支付的租金每月按固定費用收取，並受到雙方協定的條款的規限。

本公司董事認為，上述關聯方交易乃於日常業務過程中按照本集團與聖思園相互協定的條款進行。

(b) 主要管理層酬金

主要管理層於本年度酬金的詳情披露於附註9。

Five Years Financial Summary

五年財務概要

A summary of the published consolidated results and of the consolidated assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set as below: 摘錄自經審核財務報表及按適用情況重新分類的本集團過去五個財政年度已公佈綜合業績及綜合資產與負債概要如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Results	業績					
Revenue	收入	1,103,180	723,610	492,942	493,589	323,143
Gross profit	毛利	391,702	291,870	192,860	190,890	112,520
Operating profit	經營溢利	207,463	172,508	100,512	117,601	70,590
Profit for the year attributable to the equity shareholders of the Company	本公司權益持有人應佔年內溢利	181,795	145,423	84,551	106,062	64,215
Financial position	財務狀況					
Assets and liabilities	資產及負債					
Total assets	總資產	2,006,038	1,505,360	565,707	490,149	357,639
Total liabilities	總負債	404,884	218,249	142,646	151,639	134,441
Capital and reserves	股本及儲備					
Total equity	權益總額	1,601,154	1,287,111	423,061	338,510	223,198



PAX

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