



烟台北方安德利果汁股份有限公司

Yantai North Andre Juice Co., Ltd.

(於中華人民共和國註冊成立之有限公司)

(a joint stock limited company incorporated in the People's Republic of China)

(股份代號：8259)

(Stock Code: 8259)

二零零五年年報 Annual Report 2005

Characteristics of the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board on the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Yantai North Andre Juice Co., Ltd* (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的特色

創業板乃為帶有高投資風險的公司提供一個上市的市場，尤其在創業板上市的公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市的公司可因其新興性質及該等公司經營業務的行業或國家而帶有風險。有意投資的人士應瞭解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他經驗豐富的投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

創業板所發佈資料的主要途徑為在聯交所為創業板而設的互聯網網頁刊登。上市公司一般毋須在憲報指定報章刊登付款公佈。因此，有意投資的人士應注意，彼等須閱覽創業板網頁，以便取得創業板上市發行人的最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告遵照聯交所創業板（證券）上市規則（「創業板上市規則」）的規定提供有關烟台北方安德利果汁股份有限公司（「本公司」）的資料。本公司董事（「董事」）就本報告共同及個別承擔全部責任。並在作出一切合理諮詢後確認，就彼等所知及確信：(1)本報告所載本公司的資料在各重大方面均屬真確及完整，且無誤導成份；(2)並無遺漏任何其他事項致使本報告所載內容有所誤導；及(3)本報告表達的意見已經審慎周詳考慮並以公平及合理的基準及假設為依據。

* For identification purpose only

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Directors

Executive Directors

Zheng Yue Wen
Wang An
Zhang Hui
Yu Hui Lin (于會林, formerly 于惠霖)

Non-executive Directors

Zhang Wan Xin
Ren Xiao Jian
Lo Chih-Hsien (appointed on 17 May 2005)
Lei Liang Sheng (resigned on 16 May 2005)

Independent non-executive Directors

Wu Jian Hui
Hu Xiao Song
Yu Shou Neng

Supervisors

Mu Gui Sheng (appointed on 14 September 2005)
Chen Ke Lin
Qu Wei Jia
Zou Ji Yu (retired on 13 September 2005)

Qualified Accountant

Ng Man Yee Karen CPA FCCA ACA
(appointed on 12 September 2005)
Lim Yeau Teng, CIMA
(resigned on 11 September 2005)

Company Secretary

Ng Man Yee Karen CPA FCCA ACA
(appointed on 12 September 2005)
Lim Yeau Teng, CIMA
(resigned on 11 September 2005)

Members of Audit Committee

Wu Jian Hui
Hu Xiao Song
Yu Shou Neng

董事

執行董事

鄭躍文
王安
張輝
于會林(曾用名于惠霖)

非執行董事

張萬欣
任曉劍
羅智先(於2005年5月17日被委任)
雷良生(於2005年5月16日辭任)

獨立非執行董事

鄒建輝
胡小松
俞守能

監事

慕桂盛(於2005年9月14日被委任)
陳克林
曲維佳
鄒積余(於2005年9月13日退任)

合資格會計師

伍敏怡 CPA FCCA ACA
(於2005年9月12日被委任)
林耀庭 CIMA
(於2005年9月11日辭任)

公司秘書

伍敏怡 CPA FCCA ACA
(於2005年9月12日被委任)
林耀庭 CIMA
(於2005年9月11日辭任)

審核委員會成員

鄒建輝
胡小松
俞守能

Corporate Information

公司資料

Compliance Officer

Yu Hui Lin (于會林, formerly 于惠霖)
Senior Engineer

Authorised Representatives

Wang An
Ng Man Yee Karen CPA FCCA ACA
(appointed on 12 September 2005)
Lim Yeau Teng, CIMA
(resigned on 11 September 2005)

Auditors

KPMG

Legal Advisers

As to Hong Kong Law

Baker & McKenzie

As to PRC Law

Beijing Jingtian & Gongcheng Attorneys At Law

Principal Bankers

China Construction Bank (Muping Branch, Yantai City)
China Agriculture Bank (Muping Branch, Yantai City)
Industrial and Commercial Bank of China
(Muping Branch, Yantai City)
Bank of China (Muping Branch, Yantai City)
The Hongkong & Shanghai Banking Corporation
Limited (Qingdao Branch)
Rabobank Nederland Shanghai Branch
Bank of China (Hong Kong) Limited (Qingdao Branch)

H Share Register and Transfer Office

Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

監察主任

于會林(曾用名于惠霖)
高級工程師

獲授權代表

王安
伍敏怡 CPA FCCA ACA
(於2005年9月12日被委任)
林耀庭 CIMA
(於2005年9月11日辭任)

核數師

畢馬威會計師事務所

法律顧問

香港法律

貝克•麥堅時律師事務所

中國法律

北京市競天公誠律師事務所

主要往來銀行

中國建設銀行(烟台市牟平支行)
中國農業銀行(烟台市牟平支行)
中國工商銀行
(烟台市牟平支行)
中國銀行(烟台市牟平支行)
香港上海滙豐銀行有限公司
(青島分行)
荷蘭合作銀行有限公司上海分行
中國銀行香港有限公司(青島分行)

H股過戶登記處

登捷時有限公司
香港灣仔皇后大道東28號
金鐘匯中心26樓

Registered Office and Principal Place of Business in the PRC

No. 18 Andre Avenue
Muping Economic Development Zone,
Yantai City, Shandong Province, the PRC

Investors Relationship & Principal Place of Business in Hong Kong

1905-8, Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong
Telephone : (852) 2511-6988
Facsimile : (852) 2587-9166
Email address : andrehk@biznetvigator.com

Company Homepage/Website

www.andre.com.cn

Stock Code

8259

中國註冊辦事處及主要營業地點

中國山東省煙台市
牟平經濟開發區
安德利大街18號

投資者關係及香港營業地址

香港灣仔港灣道30號
新鴻基中心1905-8室
電話 : (852) 2511-6988
傳真 : (852) 2587-9166
電子郵件 : andrehk@biznetvigator.com

公司網頁／網站

www.andre.com.cn

股票編號

8259

Financial Highlights

財務摘要

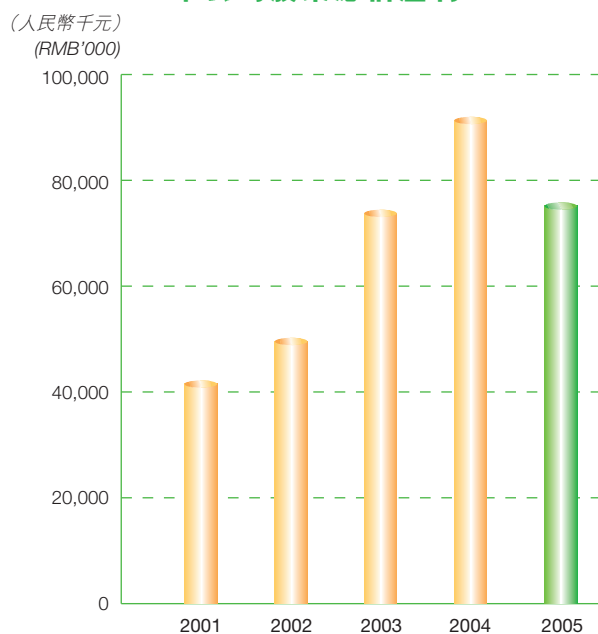
Results 業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2005	2004	2003	2002	2001
		二零零五年	二零零四年	二零零三年	二零零二年	二零零一年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	收入	660,421	563,734	363,855	233,230	139,799
Profit from operations	經營溢利	113,986	118,479	89,003	62,337	52,767
Profit before taxation	除稅前溢利	82,806	97,027	76,761	55,887	48,203
Profit for the year	本年度溢利	76,676	91,667	74,171	49,386	42,169
Attributable to:	歸屬於：					
Equity shareholders of the Company	本公司股東	75,928	91,587	74,456	50,032	42,169
Minority interests	少數股東	748	80	(285)	(646)	-
Basic earnings per share *	每股基本盈利*	<u>RMB人民幣0.04元</u>	<u>RMB人民幣0.06元</u>	<u>RMB人民幣0.05元</u>	<u>RMB人民幣0.04元</u>	<u>RMB人民幣0.04元</u>

* As if the subdivision of every Domestic Share and H Share with a nominal or face value of RMB1.00 in the share capital of the Company into ten Domestic Shares and ten H Shares with a nominal value or face value of RMB0.10 each had been effective throughout the periods presented.

* 假設本公司股本中每股面值人民幣1.00元之各內資股及H股於各呈報期內已拆細為十股每股面值人民幣0.10元之內資股及H股。

Profit Attributable to Equity Shareholders of the Company 本公司股東應佔溢利

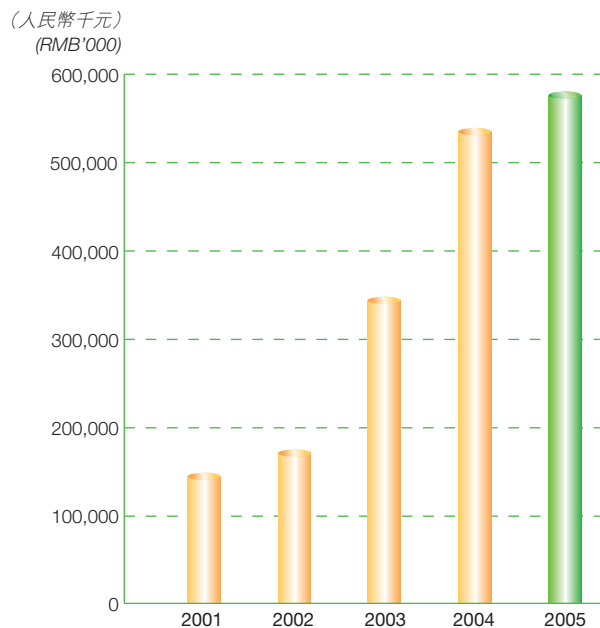


Financial Highlights 財務摘要

Assets and Liabilities 資產及負債

		As at 31 December 於十二月三十一日				
		2005	2004	2003	2002	2001
		二零零五年	二零零四年	二零零三年	二零零二年	二零零一年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total Assets	資產總值	1,432,462	1,190,975	835,503	498,669	315,328
Total Liabilities	負債總值	841,394	642,557	493,483	303,609	167,159
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益	582,042	540,060	342,020	175,425	148,169
Minority interests	少數股東權益	9,026	8,358	-	19,635	-

Total Equity Attributable to Equity Shareholders of the Company 本公司股東應佔權益



Chairman's Statement

主席報告書

I am pleased to submit to the shareholders the annual report of the Company and its subsidiaries (collectively known as the "Group") for the financial year ended 31 December 2005.

Annual Results and Review

The Group recorded a turnover of approximately RMB660,421,000 for the year ended 31 December 2005, representing an increase of approximately 17% over the previous year; profit attributable to equity shareholders of the Company was approximately RMB75,928,000, and basic earnings per share was approximately RMB0.04.

Due to the unfavourable weather condition and the effect of apple production cycle, the apple output in major apple production areas in the PRC was reduced significantly in 2005. The Company faced the most serious shortage of raw materials since its establishment. As the Directors and senior management of the Company had envisaged the effects on the Company and the industry may be affected by a shortage of raw materials, and had adopted corresponding measures timely, including commencing the pressing season early, retaining adequate liquidity and reserving a portion of inventory from the last pressing season for the use in this season, the Company managed to achieve a satisfactory result amid a serious shortage of raw materials and keen market competition. The Company was able to fulfill the need of its customers, maintain a steady growth in turnover and also retain its customers. Despite of the shortage of raw materials and a surge in production cost, the Company was still able to achieve a relatively high profit margin. As scheduled, the Group built a new production line with a capacity of approximately 30,000 tonnes of juice concentrate per pressing

本人欣然提呈本公司及子公司(合稱「本集團」)截至二零零五年十二月三十一日止年度報告，敬請各位股東瀏覽。

全年業績及回顧

本集團截至二零零五年十二月三十一日止年度實現本公司收入約為人民幣660,421,000元，比去年同期上升約17%；實現股東應佔溢利約人民幣75,928,000元，每股基本盈利約為人民幣0.04元。

因受氣候和蘋果生產周期的影響，二零零五年度中國主要蘋果產區的蘋果產量均有較大幅度的減少，本公司遭遇到了自公司成立以來最嚴重的原材料短缺問題。由於董事會和高級管理層較早的遇見到了原材料短缺可能對本公司和本行業造成的影響，及早採取了應對措施，如提前開始榨季、準備充足流動資金和預留部分上榨季庫存至本榨季等，使公司在原材料嚴重短缺的情況下，市場競爭日趨激烈，各項工作依然取得了可喜的成績：客戶需要得到滿足，營業額穩步增長，穩定了公司客源；在原材料短缺，生產成本大副上升的情況下，公司利潤率仍維持在較高水平；本集團按計劃在陝西省咸陽市新建了一條每榨季生產能力約為3萬噸的濃縮果汁生產線，使本集團自建生產線年生產濃縮果汁的能力達到約18萬噸，本集團亦已按計劃調整了現有生產線

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* 僅供識別

Chairman's Statement 主席報告書

season in Xianyang City, Shaanxi Province, bringing the annual production capacity the Group's self-constructed production lines to reach approximately 180,000 tonnes of juice concentrate. As planned, the Group has adjusted the strategic location of its existing production lines by moving one of the juice concentrate production lines of 烟台龍口安德利果汁飲料有限公司 (Yantai Longkou Andre Juice Co., Ltd*) ("Longkou Andre") to Dalian to increase output of high-acidity apple juice concentrate ("AJC") capacity. The purpose of which is to make the locations of production lines more balanced. Through increasing the capital and transferring shares of Yantai Andre Pectin Co., Ltd. ("Andre Pectin") (烟台安德利果膠有限公司), we introduced two strategic partners, namely Bytetrion Limited, and Richride Investments Limited. The pectin project was duly commenced. As for research and development, in addition to the successful mastering of critical technology for the commercial production of pectin, the Company also developed cloudy AJC and fructose (including apple fructose and pear fructose), which have high profit margins, and samples of new items such as carrot, date and sweet potato juice concentrate. During the year, the Company has successfully completed its target and goals (as adjusted), and laid a solid foundation for sustainable development.

Most encouragingly, our concrete development has won wide recognition, and we are ranked by the Forbes (Chinese version), an international renowned financial magazine, as the 62th among the top 100 potential enterprises in the PRC for the year 2006.

的戰略布局，將烟台龍口安德利果汁飲料有限公司（「龍口安德利」）的其中一條濃縮果汁生產線搬遷至大連，增加了高酸濃縮蘋果汁的產量，使現有生產線的戰略布局更趨合理化；通過對烟台安德利果膠有限公司（「安德利果膠」）進行增資和轉股，成功引進了百特創業有限公司和富邦投資有限公司兩名策略性投資者，果膠項目正式啟動；在研發方面，除果膠產業化生產的關鍵技術現已被攻克外，公司還開發出高毛利率的濃縮蘋果濁汁和果糖（包括蘋果果糖和梨果糖）及濃縮胡蘿蔔汁、棗汁、地瓜汁等新品種樣品。回顧全年，公司圓滿地完成了經調整的各項任務指標，為實現可持續發展奠定了堅實的基礎。

更為可喜的是，公司的穩步發展得到了廣泛的社會認可，並被知名國際財經雜誌《福布斯》中文版評入二零零六福布斯中國潛力100榜，位列第62位。

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* 僅供識別

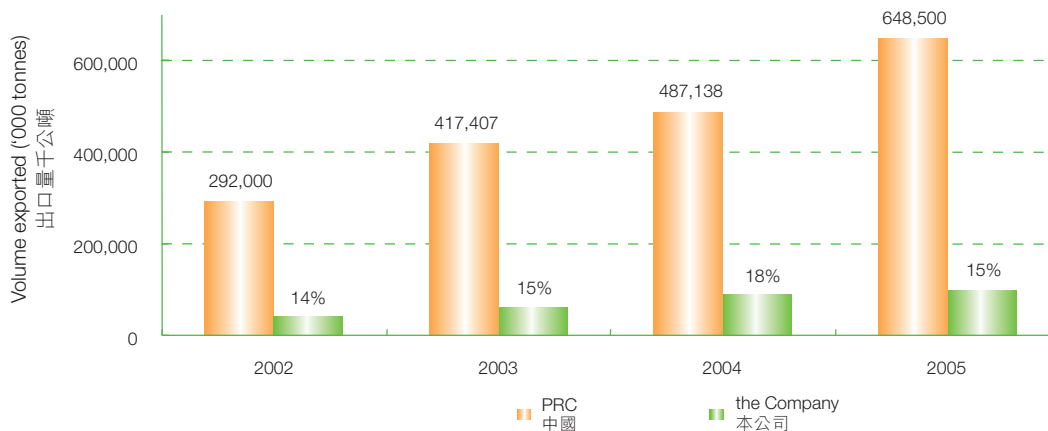
Analysis of Industry and Our Market Share

The PRC exported approximately 648,500 tonnes of AJC in 2005, representing an approximate increase of 33.12% as compared to 2004. Despite the tight supply of raw materials in this pressing season (2005/2006 pressing season), the growth of PRC export was maintained at a relatively high rate, the main reasons for this are: for most of the time in 2005 (around January to August) before the pressing season, the AJC sold were produced in the last pressing season (2004/2005 pressing season) during which there was an abundant supply of raw materials, thus the export volume was large; as raw materials were in short supply in this pressing season, various producers basically stopped their production in late November or early December and the output of AJC was thus significantly reduced, however, in order to fulfill the increasing demand, most producers had to ship most of their AJC produced this season early, which led to the fast growth rate of AJC export in 2005. However, the supply of AJC before the new pressing season in 2006 (2006/2007 pressing season) will inevitably experience a serious shortage.

行業和本公司市場份額分析

二零零五年，中國濃縮蘋果汁出口量約為64.85萬噸，比二零零四年增長約33.12%。在本榨季（二零零五／二零零六榨季）原材料嚴重短缺的情況下，中國出口量之所以仍維持較高增長速度，主要基於以下原因：本榨季開始前的二零零五年度大部分時間（約為1-8月份）銷售的是上個榨季（二零零四／二零零五榨季）生產的濃縮蘋果汁，而上個榨季原材料充足，生產量較大；本榨季原材料嚴重短缺，各生產廠家基本於十一月底或十二月初停止了生產，濃縮蘋果汁產量大減，但為滿足日益增長的市場需求，大部分生產廠家不得不在二零零五年度將本榨季生產的大部分產品提前發貨，至使二零零五年度濃縮蘋果汁出口量增長較快，而二零零六年度新榨季（二零零六／二零零七榨季）到來前濃縮蘋果汁卻會嚴重短缺。

Volume of AJC exported from PRC ('000 tonnes) and our market share
中國濃縮蘋果汁出口量（千公噸）及本公司所佔市場份額



Source: Custom General Administration of the PRC and United States Department of Agriculture
來源：中國海關信息中心及美國農業部

Chairman's Statement

主席報告書

The AJC industry of the PRC has only begun mass production in the late 90's of last century. However, as there is an abundant supply of apples in the PRC, the industry grown at a tremendous rate, and has claimed a world market share of nearly 50% within just a decade. The market share of the Company, being a leader in the AJC industry of the PRC, has also increased steadily each year. In 2005, due to the unfavourable weather condition, the volume of apple harvested decreased significantly, which in turn drove the price of AJC spiraling. The management of the Company envisaged this market change, and retained 80,000 tonnes of AJC in its cold storage as inventory, which resulted in an apparent decrease of market share in 2005.

Prospect and Outlook

In 2006, with the gradual implementation of specific measures inclining to the agricultural industry under the PRC government's macroeconomic policies and the gradual improvement of various related PRC laws and regulations, the Company will enjoy more development and financing opportunities. The Company has successfully introduced strategic investors such as 成都統一企業食品有限公司 (Chengdu President Enterprises Food Co., Ltd.*), Mitsui & Co., Ltd. ("Mitsui"), and will actively seek new strategic partners which are beneficial to the long term development of the Company, an example of which is the introduction of the International Finance Corporation ("IFC"), a member of the World Bank, as our shareholder. With the introduction of strategic investors, the Directors believe that the Company will benefit from improved corporate governance, enhanced research and development capability, upgraded product quality, diversified product mix, and expanded market places and increased market share.

* For identification purpose only

中國濃縮蘋果汁行業的大規模生產起始於上世紀九十年代後期，但由於中國有著豐富的蘋果資源，發展速度十分驚人，僅十年左右就佔據了世界濃縮果汁市場近50%的份額。作為中國濃縮果汁行業龍頭企業，本公司市場份額也逐年增加。二零零五年度，由於天氣影響，中國的蘋果大幅度減產，濃縮蘋果汁的價格也隨之逐步攀升。本公司管理層預見到了這市場變化，利用自己的冷風庫儲存了約8萬噸濃縮果汁的庫存未售，致使表面看起來其二零零五年度的市場份額有所下降。

前景與展望

二零零六年，隨著國家宏觀經濟政策向農業傾斜的各項具體措施的逐步實施，及國家各項有關法律法規的逐步完善，本公司將面臨更好的發展及融資機遇。本公司現已成功引進成都統一企業食品有限公司、三井物產株式會社（「三井」）等戰略性投資者，並將積極引進新的有利於公司長遠發展的戰略投資者，如引進世界銀行成員行—國際金融公司（「IFC」）作為公司股東等。董事相信，多個戰略投資者的加入，將更加有助於改善公司治理結構、提高研發能力、提升產品品質、促進產品多樣化、拓展市場並提高市場佔有率。

* 僅供識別

Chairman's Statement

主席報告書

To enhance the profile of the Group which will, in turn, attract more attention and gain further recognition from leading industry analysts and the investing public, including institutional investors, as well as increase the liquidity of the H shares, relevant resolutions were passed by shareholders at the special general meeting of the Company held on 16 November 2005 approving the applications for a shifting of H shares of the Company ("H Shares") from the GEM to the Main Board of the Stock Exchange.

In the area of juice concentrate, in addition to increasing the Group's own production capacity to 210,000 tonnes through an addition of production line in Dalian, we are aiming at taking over small and medium enterprises in the industry, both domestic or abroad, through capital activities such as merger and acquisition to increase the Group's annual production capacity for juice concentrate to around 250,000 tonnes in the future thereby strengthening our leading position in the industry. For product diversification, other than clear AJC, clear pear juice concentrate ("PJC"), apple essence, pear essence and feedstuff, the Group will implement the commercial production of pectin, which enjoys high profit margins and the commercial production of cloudy apple juice concentrate and fructose (including apple fructose & pear fructose). As the output of juice concentrate increases, retail-size package of AJC will also be launched. In addition, the Group will work hard for a significant break through in new items such as carrot, date, sweet potato and guava juice concentrate, as well as end user drinks to achieve an economy of scale for the Group.

為進一步提升本集團之形象，從而獲得行業領先分析員及投資大眾（包括機構投資者）更廣泛之注意及認同，並增加H股之流通性，本公司已於二零零五年十一月十六日舉行之臨時股東大會上通過有關之決議案，批准申請本公司H股（「H股」）由創業板轉往聯交所主板上市。

在濃縮果汁領域，本集團除通過在大連新增生產線，使本集團年自身生產能力達到21萬噸外，還將著眼於國內外同行業的中小企業，在未來，採取兼併、收購等資本運作手段，使本集團年生產濃縮果汁的生產能力達到約25萬噸，鞏固本集團於行業內的領先地位；在產品多樣化方面，除濃縮蘋果清汁、濃縮梨清汁、蘋果香精、梨香精和生物飼料外，本集團將實現高毛利率的果膠的產業化生產，濃縮蘋果濁汁和果糖（包括蘋果果糖和梨果糖）的產業化生產；隨著濃縮果汁產量的增加，小包裝濃縮蘋果汁也將批量投入市場。另外，本集團還將力求在其它水果品種，如濃縮胡蘿蔔汁、棗汁、地瓜汁和石榴汁等，以及最終飲料等方面有較大突破，謀求本集團的規模發展。

Chairman's Statement

主席報告書

At present, the Company has a sound financial base. The Company is also well positioned under the State's policy to construct new rural area, develop agriculture, flourish the rural area, enrich farmers and expand domestic demand. The board of directors of the Company (the "Board of Directors") and I have full confidence in its future development. Our employees will continue to support the Group and to contribute to the Group's continuous and steady development.

I would like to take this opportunity to thank the Board of Directors and all the staffs and express my deep appreciation for their hard work and valuable contribution. I would also like to thank the shareholders for their continuous support. The Group will continue to do its best to achieve good results in return for the shareholders.

Dividend

The Board of Directors proposes a final dividend of approximately RMB0.015 per share for the financial year 2005 in the forthcoming annual general meeting.

Appreciation

During the reporting period, although the industry was affected by a short supply of raw materials and the pace of development of the Group was eased, the Group was able to achieve a steady growth in the turnover and also maintained the profit margin on a relatively high level, and thus further strengthened the leading position of the Group in the industry. On behalf of the Board of Directors, I would like to express my gratitude to all the investors, loyal customers and suppliers for their appreciation and solid support to the Group.

Yantai North Andre Juice Co., Ltd.*
Zheng Yue Wen
Chairman

27 March 2006

* For identification purpose only

目前本公司財務狀況良好，且本公司符合國家建設新農村，發展農業、繁榮農村、富裕農民，擴大內需的政策導向，本人及本公司董事會（「董事會」）對公司未來發展充滿信心，本公司全體員工將繼續努力，為本集團的持續穩定發展作出貢獻。

本人在此謹向董事會同仁及本公司全體員工致以衷心的謝意，感謝各位卓有成效的工作及不懈努力；同時感謝各位股東對本公司的一貫支持。本集團將一如既往，努力以良好的業績回報所有股東。

股利

董事會擬於即將召開的股東周年大會上建議派發二零零五年度股利每股約人民幣0.015元。

致謝

報告期內，本集團所在行業雖受到原材料短缺的影響，本集團發展速度有所放緩，但本集團營業收入仍穩健增長，利潤率亦維持在較高水平，鞏固了本集團同行業的領先地位。在此，本人謹代表董事會就各界投資者、忠誠客戶及各大供應商對本集團的厚愛及堅定支持表示衷心感謝。

烟台北方安德利果汁股份有限公司
鄭躍文
董事長

二零零六年三月二十七日

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

Financial Review

Results

For the year ended 31 December 2005, the Group's turnover increased to approximately RMB660,421,000 as compared to approximately RMB563,734,000 in 2004, representing an increase of approximately RMB96,687,000 or 17%. The Group's turnover was principally derived from the manufacture and sale of AJC, PJC, apple essence, feedstuff and related products. The sale of AJC accounted for approximately 95% of the total turnover of the Group in both years ended 31 December 2005 and 2004. The increase in turnover was mainly attributable to the increase in selling price and sales volume of AJC. The increase in selling price and sales volume was mainly due to active market expansion and increase in market share. In addition, as there was a shortage in apple supply during the year, juice products have been in shortage as well resulting in an overall increase in the market selling price in the juice market.

For the year ended 31 December 2005, the Group's gross profit was approximately RMB211,655,000 and the gross profit margin was approximately 32%. For the corresponding period in 2004, the gross profit was approximately RMB213,337,000 and gross profit margin was approximately 38%. The decrease in gross profit and gross profit margin were mainly attributable to the increase in production costs arising from the decrease in apple supply and thus significant increase in material cost in 2005.

For the year ended 31 December 2005, the Group's net profit (i.e. the profit for the year attributable to equity shareholders of the Company) decreased to approximately RMB75,928,000 as compared to approximately RMB91,587,000 for the corresponding period in 2004, representing a decrease of approximately RMB15,659,000 or 17%. The decrease in net profit was mainly attributable to the rise in production costs and thus the decrease in gross profit margin.

財務回顧

業績

截至二零零五年十二月三十一日止年度，本集團的收入增加至約人民幣660,421,000元，與二零零四年約人民幣563,734,000元相比，增加約人民幣96,687,000元或17%。本集團的收入主要來自生產及銷售濃縮蘋果汁、濃縮梨汁、蘋果香精、生物飼料及相關產品。截至二零零五年十二月三十一日及二零零四年十二月三十一日止年度，濃縮蘋果汁的銷售均約佔本集團總銷售額之95%。本年度營業額增加主要是由於濃縮蘋果汁之銷售價格及銷售數量上升引起的。銷售價格及銷售數量上升主要是因為公司積極開拓市場、增加市場佔有率，以及本年度蘋果供應短缺，果汁市場供不應求，引起果汁市場價格總體上漲。

截至二零零五年十二月三十一日止年度，本集團毛利約為人民幣211,655,000元，毛利率約為32%。二零零四年同期的毛利約為人民幣213,337,000元，毛利率約為38%。毛利及毛利率之降低主要是由於本年度蘋果產量降低，原料果收購成本大幅上升，直接導致果汁成本升高造成。

截至二零零五年十二月三十一日止年度，本集團淨利潤（即本公司股東應佔本年度溢利）約為人民幣75,928,000元，與二零零四年同期約為人民幣91,587,000元相比，降低約人民幣15,659,000元或17%。淨利潤降低主要是由於果汁成本升高、毛利率降低而引致。

Management Discussion and Analysis

管理層討論及分析

Other Operating Income and Other Operating Expenses

For the year ended 31 December 2005, other operating income of the Group was approximately RMB6,522,000, as compared to approximately RMB23,718,000 for the corresponding period in last year, representing a decrease of approximately RMB17,196,000. The decrease in other operating income was mainly due to the decrease in sales of packaging materials and grants from government. For the year ended 31 December, 2005, other operating expenses of the Group were approximately RMB1,525,000, as compared to approximately RMB8,591,000 for the corresponding period in last year, representing a decrease of approximately RMB7,066,000. The decrease was mainly due to the decrease in cost of sales of packaging materials.

Distribution and Administration Expenses

For the year ended 31 December 2005, the Group incurred distribution expenses of approximately RMB71,239,000, as compared to approximately RMB88,921,000 for the corresponding period in last year, representing a decrease of approximately RMB17,682,000. The Group's distribution expenses mainly included transport, export inspection and marketing expenses. Such decrease was mainly attributable to the decrease in sea freight charges. As compared to 2004, sea freight charges decreased approximately RMB22,439,000.

For the year ended 31 December 2005, the Group incurred administration expenses of approximately RMB31,427,000 as compared to approximately RMB21,064,000 for the corresponding period in last year, representing an increase of approximately RMB10,363,000. Such increase was mainly attributable to the expansion of production scale which led to the increase in general administrative expenses, such as related storage charges, land transportation expenses and related management expenses.

其他經營收入及其他經營支出

截至二零零五年十二月三十一日止年度，本集團其他經營收入約為人民幣6,522,000元，與去年同期約人民幣23,718,000元相比，減少約人民幣17,196,000元。其他經營收入的減少主要是由於銷售包裝材料和政府補貼的減少；其他經營支出約為人民幣1,525,000元，與去年同期約人民幣8,591,000元相比，減少約人民幣7,066,000元，其他經營支出的減少主要是由於銷售包裝材料結轉的成本減少所致。

銷售及管理費用

截至二零零五年十二月三十一日止年度，本集團銷售費用約為人民幣71,239,000元。與去年同期約人民幣88,921,000元相比，減少約人民幣17,682,000元。本集團之銷售費用主要包括運輸費用，出口檢驗費及推廣費用。銷售費用減少主要是由於海運費減少而造成的。二零零五年度比二零零四年度海運費減少約人民幣22,439,000元。

截至二零零五年十二月三十一日止年度，本集團的管理費用約為人民幣31,427,000元。與去年同期約人民幣21,064,000元相比，增加約人民幣10,363,000元。費用上升主要是由於隨著生產規模的擴大，相應的倉儲費用、陸運費、相應的管理費用等一般行政開支也隨之增加而造成的。

Management Discussion and Analysis

管理層討論及分析

Net Finance Costs

For the year ended 31 December 2005, the net finance costs of the Group increased to approximately RMB27,764,000, as compared to approximately RMB22,935,000 for the corresponding period in 2004, representing an increase of approximately RMB4,829,000 or 21%. Such increase was mainly due to the rise in interest rate in the PRC and increase in bank loan resulting from expansion of production scale during the year.

Share of Losses from an Associate

Share of losses from an associate represented the share of preliminary expenses of Andre Pectin by the Group. On 3 March 2005, through additional capital injection and equity transfer in Andre Pectin, Andre Pectin has become an associate instead of a subsidiary of the Company. Currently, the construction of the factory premises of Andre Pectin located in Yantai has been started on 26 August, 2005. The required production equipments were purchased and are being installed.

Business Review and Outlook

Business Review

Enhance Market Coverage

With years of continuous effort, the Group has already expanded its sales network to major countries and regions in the world, including the US, Japan, European countries and PRC market.

To further strengthen the European market and to boost sales, the Group entered into an agency agreement on 11 July 2005 with an European company (the "Agent") that is principally engaged in liaising with manufacturers and buyers of juices, purees, juice concentrates, essences, etc, for the appointment of the Agent to exclusively distribute the Company's juice and related products to certain designated customers of the Agent in Europe.

財務成本淨額

截至二零零五年十二月三十一日止年度，本集團的財務成本淨額約為人民幣27,764,000元，比二零零四年同期約人民幣22,935,000元高約人民幣4,829,000元或21%，主要是由於國內利息調高和生產規模擴大增加銀行貸款而造成的。

應佔聯營公司虧損

應佔聯營公司虧損指本集團應佔安德利果膠之開辦及前期費用。於二零零五年三月三日，通過於安德利果膠進行增資和轉股，安德利果膠由本公司的子公司變為聯營公司。目前安德利果膠之廠房已於2005年8月26日開始動工，已訂購所需之生產設備並陸續到位。

業務回顧及展望

業務回顧

增加市場覆蓋

經過多年努力，本集團之銷售網絡已擴展至世界主要國家和地區，包括美國、日本、歐洲諸國及中國內銷市場等。

為進一步鞏固歐洲市場及增加銷量，本集團於二零零五年七月十一日，與一間主要從事與果汁、果漿、濃縮果汁、香精等製造商及買家洽談業務之歐洲公司（「該代理」）簽訂一份分銷代理協議，以委託該代理獨家分銷本集團之果汁及相關產品予該代理於歐洲之若干指定客戶。

Management Discussion and Analysis

管理層討論及分析

Severe Shortage of Raw Materials

Due to the unfavourable weather condition and the effect of apple production cycle, the apple output in major apple production areas in the PRC was reduced significantly in 2005. The Company faced the most serious shortage of raw materials since its establishment. As the Directors and senior management of the Company had envisaged the effects on the Company and the industry may be affected by a shortage of raw materials, and had adopted corresponding measures timely, including commencing the pressing season early, retaining adequate liquidity and reserving a portion of inventory from the last pressing season for the use in this season, the Company can still manage to increase the production volume to the maximum level, satisfy customer's need, stabilize and expand the sources of customer, which establish the basis for continuous development of the Company.

Strategic alliance to broaden the customer base

To expand customer niche, the Group has made a trial launch of the retail-size package of juice concentrate in the first half of 2005. The Group signed a letter of intent in August 2005 with Uni-President Enterprises Corp. ("UNI"), an internationally renowned distributor, to appoint UNI as the sole agent of the Group for worldwide distribution and market promotion of retail-size package of AJC of the Group. The Directors believe that the market potential of retail-size package of juice concentrate is tremendous. With the increase in the production volume of juice concentrate; the Group will step up the production and sale of retail-size package of juice concentrate. Through the sale of retail-size package of juice concentrate, the reputation and sales of the Group's products can be enhanced.

原材料嚴重短缺

因受氣候和蘋果生產周期的影響，二零零五年度中國主要蘋果產區的蘋果產量均有較大幅度的減少，本公司遭遇到了自公司成立以來最嚴重的原材料短缺問題。由於公司董事會和高管層較早的遇見到了原材料短缺可能對公司和本行業造成的影響，及早採取了應對措施，如提前開始榨季、準備充足流動資金和預留部分上榨季庫存至本榨季等，使公司在原材料嚴重短缺的情況下，仍能最大限度的提高產量，滿足客戶需要，從而穩定和擴大了公司客源，為公司的可持續發展奠定了基礎。

結盟拓寬客戶群體

為擴闊銷售客戶層，本集團已於二零零五年上半年將生產之小包裝濃縮果汁嘗試性的投入市場。本集團經與國際知名分銷商統一企業股份有限公司（「統一」）於二零零五年八月簽訂合作意向書，由統一作為本集團小包裝濃縮蘋果汁的獨家代理，負責該產品的全球分銷和市場推廣。董事相信，小包裝濃縮果汁之銷售潛力巨大，隨著集團濃縮果汁產量的增加，集團會加大小包裝濃縮果汁的生產和銷售，而透過小包裝濃縮果汁之銷售亦可增加本集團產品之知名度及營業額。

Management Discussion and Analysis

管理層討論及分析

Expansion of production capacity

The Group has constructed a new production line in 陝西省咸陽市 (Xianyang City, Shaanxi Province, the PRC) with a production capacity of approximately 30,000 tonnes of juice concentrate per pressing season, bringing the annual production capacity of the Group's self-constructed production lines to reach approximately 180,000 tonnes of juice concentrate. In addition, the Group has altered the strategic location of existing juice concentrate production lines by moving one of the production lines in Longkou Andre to Dalian to increase the production capacity of high-acidity apple juice concentrate. The purpose is to rationalize the strategic distribution of the existing production lines, thereby increasing the overall production efficiency, adjusting the relative output proportion of AJC with high, medium and low acidity, and diversifying the risk of shortage of apple supply. These two factories had already commenced operation at the beginning of this pressing season.

The production lines of the Group cover most of the apple producing areas in the PRC, including 6 production bases in 4 provinces, namely Shandong, Shaanxi, Jiangsu and Liaoning, totalling 8 production lines. The total production capacity reaches 180,000 tonnes of juice concentrate for the year ended 31 December 2005.

提升生產能力

本集團已按計劃在陝西省咸陽市新建一條每榨季生產能力約為3萬噸的濃縮果汁生產線，使本集團自建生產線年生產濃縮果汁的能力達到約18萬噸。此外，本集團亦已按計劃調整現有生產線的戰略佈局，將龍口安德利的其中一條濃縮果汁生產線搬遷至大連，增加高酸濃縮蘋果汁的產量，使現有生產線的戰略佈局更趨合理化，從而提高生產線的實際整體產能，並調整濃縮蘋果汁中高酸、中酸和低酸的產出比例，及分散蘋果原料供應不足的風險。該兩間廠房均已於本榨季開始時相繼投入營運。

集團生產基地遍佈國內主要蘋果生產區，於山東、陝西、江蘇及遼寧4個省份共設有6個生產基地，總共8條生產線，於二零零五年榨季期內濃縮果汁產能達18萬噸。

Management Discussion and Analysis

管理層討論及分析

The production bases, number of production line and production capacity of the Group is as follows:

本集團現有生產基地、生產線數量和產能見下表：

No. of Factory 生產工廠	Location 地點	Production Line 生產線數量	Capacity ('000 tonnes)* 產能(千噸)*
The Company 總公司	Muping, Shandong 山東牟平	2	40
Baishui Andre 白水安德利	Baishui, Shaanxi 陝西白水	2	40
Longkou Andre 龍口安德利	Longkou, Shandong 山東龍口	1	25
Xuzhou Andre 徐州安德利	Xuzhou, Jiangsu 江蘇徐州	1	30
Xianyang Andre 咸陽安德利	Xianyang, Shaanxi 陝西咸陽	1	30
Dalian Andre 大連安德利	Dalian, Liaoning 遼寧大連	1	15
Total 合計		8	180

* Capacity was calculated under the basis of 100% usage.

* 產能以100%使用率為計算基準。

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Research & development

The Group completed the (3+2 years) issue of the “Critical processing technology of apple and the research and development of facilities” under the “Tenth 5-year Plan” of the PRC government on major technological development satisfactorily and was able to obtain acceptance from the expert team of the Ministry of Science and Technology of the PRC on the issue. The Group also undertook and performed the research topic “Critical Processing Technology of Privileged Agricultural Products (Fruit and Vegetables)”, which is a subsidiary topic of the major technology development topic of Shandong Province “Critical Processing Technology of Privileged Agricultural Products in Shandong Province and the Research and Development of Facilities”. For the year ended 31 December 2005, the Group achieved the following 3 progresses in research and development, with the accreditation of the province’s level. All 3 technological developments were already industrialized.

1. Technology to lower the level of methamidophos, a kind of pesticide residue, in apple juice manufacturing process
2. Technology in ultra-filtration strainer recycling
3. Localization of ultra-filtration strainer system for AJC

Moreover, the Group has successfully developed and industrialized the technique for production of cloudy AJC. The critical technology for industrialization of pectin extraction from apple pomace was also achieved.

研究與開發

本集團圓滿完成了國家「十五」科技攻關重大專項中「蘋果深加工關鍵技術與設備研究開發」(3+2年)課題，並順利通過了國家科技部專家組的驗收。承擔並實施山東省重大科技專項「山東省優勢農產品深加工關鍵技術及裝備研究開發」子課題「優勢農產品(果蔬)深加工關鍵技術研究」。截至二零零五年十二月三十一日止年度，以下三項科技成果通過了省級鑒定，並全部實行了產業化：

- 一、蘋果汁加工過程中降低農殘(甲胺磷)含量技術
- 二、超濾膜通濾恢復技術
- 三、蘋果濃縮汁超濾膜系統國產化研究

本集團研究開發的蘋果濃縮濁汁取得成功並實行了產業化，蘋果皮渣提取果膠的產業化關鍵技術亦已完成。

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Product diversification

The Group had further implemented the production of pectin during the year, the construction of the factory premises located in Yantai was started on 26 August, 2005. The required production equipment was purchased and is being installed. Besides, on 3 March 2005, through additional capital injection and equity transfer in Andre Pectin, the Group successfully introduced two strategic investors, namely, Bytetrone Limited and Richride Investments Limited. The Directors believe that, by the introduction of these strategic investors, the production and sales of pectin can be further enhanced.

Cooperation with international financial institutions

The Group has arranged various long-term and short-term funding arrangements in foreign currency with international renowned financial institutions such as IFC, Rabobank, The Hongkong and Shanghai Banking Corporation Limited and Bank of China (Hong Kong) Limited. The Directors believe that such long-term and short-term funding arrangements in foreign currency can reduce the Group's exchange rate risk and finance cost, and can facilitate better business development.

Increase in issued share capital of Longkou Andre

On 15 April 2005, Longkou Andre obtained the new certificate of approval for establishment of sino-foreign investment enterprise after an increase in its issued share capital. Since then, the percentage of shareholding in Longkou Andre by Mitsui decreased to less than 10%. The transactions between the Company and Mitsui were no longer treated as connected party transactions.

產品多元化

集團在期內進一步落實果膠生產，位於烟台之廠房已於二零零五年八月二十六日開始動工，已訂購所需之生產設備並陸續到位。此外，本集團於二零零五年三月三日，通過於安德利果膠進行增資和轉股，成功引進百特創業有限公司和富邦投資有限公司兩名策略性投資者。董事相信，此舉將更加有利於促進果膠的生產和銷售工作。

與國際金融機構合作

本集團已與國際著名金融機構（如IFC，荷蘭合作銀行、香港上海滙豐銀行有限公司和中銀香港）簽訂多個外幣長期及短期資金安排，董事相信此等外幣長期及短期資金安排可降低本集團匯率風險和融資成本，以及更好地促進業務的發展。

龍口安德利增資擴股

於二零零五年四月十五日，龍口安德利取得了增資擴股後的新的中國外商投資企業批往證書。自此以後，三井在龍口安德利所佔股權比例將低於10%，本公司與三井之間的交易不再被視為關連交易。

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Business Outlook

In 2006, with the gradual implementation of specific measures inclining to the agricultural industry under the PRC government's macroeconomic policies, and the gradual improvement of various related PRC laws and regulations, the Group will enjoy more development and financing opportunities. Aiming at enlarging its business scale, the Group will strive to further enlarge market, enhance productivity, diversify products, expand sales, disperse markets and to develop financing channels, etc. Moreover, the Group has obtained the approval from shareholders' meeting to make applications for switching the listing of the H Shares from GEM to the Main Board of the Stock Exchange. Future development plans of the Company are summarized as follows:

Application for switching the listing of the H Shares from GEM to the Main Board of the Stock Exchange

Since the listing of H Shares on GEM in April 2003, the Group has grown rapidly. To enhance the profile of the Group which, in turn, attracts more attention and gain further recognition from leading industry analysts and the investing public, including institutional investors, as well as increase the liquidity of the H Shares, resolutions were duly passed by the shareholders at the special general meeting held on 16 November 2005 for, among other things, (1) the making of an application to the China Securities Regulatory Commission ("CSRC") in respect of the proposed listing of the H Shares on the Main Board of the Stock Exchange; and (2) simultaneously with the application to the CSRC or after obtaining the CSRC's approval as referred to in (1) above, the making of the application to the Stock Exchange to list the H Shares on the Main Board of

未來展望

二零零六年，隨著國家宏觀經濟政策向農業傾斜的各項具體措施的逐步實施，及國家各項有關法律法規的逐步完善，本集團將面臨更好的發展及融資機遇。為謀求本集團的規模發展，本集團將致力於進一步拓寬市場、提升生產能力、產品多樣化、擴展銷售並分散市場、拓寬融資渠道等，並已經獲股東大會批准申請H股由創業板轉往聯交所主板上市，具體計劃如下：

申請H股由創業板轉往聯交所主板上市

本集團自二零零三年四月於創業板上市H股以來，業務迅速發展，為進一步提升本集團之形象，從而獲得行業領先分析員及投資大眾（包括機構投資者）更廣泛之注意及認同，並增加H股之流通性，本集團已於二零零五年十一月十六日舉行之臨時股東大會上，正式通過(1)向中國證券監督管理委員會（「中國證監會」）申請H股於聯交所主板上市；及(2)就上述第(1)項之事宜向中國證監會作出申請時或取得中國證監會之有關批准後，向聯交所申請H股以介紹方式於聯

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the Stock Exchange by the way of an introduction and, conditional upon the approval of the Listing Committee of the Main Board of the Stock Exchange granting listing of and permission to deal in the H Shares on the Main Board of the Stock Exchange, the proposed voluntary withdrawal of the listing of the H Shares on GEM. The Company will make applications to the CSRC and the Stock Exchange according to the related rules and regulations and with reference to the market condition and the Group's own situation.

Expand markets

While strengthening its position in the existing markets, the Group will at the same time focus on market diversification. In respect of the overseas market, apart from strengthening its US market and the developed European market and Japanese market, the Group is actively liaising with its various customers and has set up sales office in Canada with a view to achieving further breakthroughs in the European, North American, Asian and even Australian markets. At the same time, the Group will actively promote its products in the domestic PRC market.

Uplift production capacity

To meet the growing demand for juice concentrate both in local and overseas markets and considering the abundant supply of apple resources in Dalian, the Group plans to build a new production line in factory situated in Dalian with an expected production capacity of approximately 30,000 tonnes of juice concentrate per pressing season, bringing the annual production capacity of the Group's self-constructed production lines to reach approximately 210,000 tonnes of juice concentrate. In addition, the Group will focus on small and medium sized enterprises both in the PRC and overseas and will also seek opportunities such as mergers and acquisitions, to boost its annual production capacity of juice concentrate to attain approximately 250,000 tonnes, thereby strengthening the Group's leading position in the industry.

交所主板上市，及於聯交所上市委員會批准H股於聯交所主板上市及許可買賣後自願撤銷H股於創業板之上市地位之決議案。本集團將按市場及集團情況及有關法規的要求向中國證監會及聯交所提出申請。

拓寬市場

本集團在鞏固現有市場的同時，將更加注重市場的多元化。國外市場方面，除了鞏固美國市場和現已開拓的歐洲及日本市場外，本集團現正積極與不同的客戶聯繫，並已在加拿大設立銷售網點，力求在歐洲、北美洲、亞洲，以及澳洲市場有更大的突破。另外，本集團也將進一步積極拓展國內內銷市場。

提升生產能力

為滿足國內外對濃縮果汁日益增長的需求及考慮到大連蘊藏豐富的蘋果資源，本集團亦計劃於大連之廠房增加第二條每榨季生產能力約為3萬噸的濃縮蘋果汁生產線，使本集團年生產能力達到約21萬噸。在未來，本集團將著眼於國內外同行業的中小企業，採取兼併、收購等資本運作手段，使本集團年生產濃縮果汁的生產能力達到約25萬噸，鞏固本集團於行業內的領導地位。

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Product diversification

Other than AJC, PJC, apple essence, pear essence and feedstuff, the Group will endeavour to bring significant breakthroughs in the development and production of pomace, the production of cloudy AJC, fructose (including apple fructose and pear fructose), other fruit juice types and retail drinks. The critical technology of industrialization of pectin production has been completed. Volume production can be started in the second half of 2006. For cloudy AJC and fructose which are of high profit margin, through many years of research and development, the Group has achieved breakthrough in such industrialized production technology. In the last pressing season, the Group was managed to produce a small amount of such qualified products. Volume production will be commenced in the next pressing season. For other fruit juice types, the Group has successfully developed samples of carrot, date, sweet potato juice concentrate, etc. Breakthrough in the critical production technology of guava juice will soon be achieved. The Group will catch the most appropriate time to launch new products according to the market demand. In addition, with the increase in the production volume of juice concentrate, retail-size package of juice concentrate will be promoted in the near future. The cooperation with renowned beverage manufacturer to produce OEM package of retail drinks will be implemented as soon as possible.

產品多樣化

除濃縮蘋果清汁、濃縮梨清汁、蘋果香精、梨香精和生物飼料外，本集團將力求在果膠的開發生產、濃縮蘋果濁汁和果糖（包括蘋果果糖和梨果糖）的生產、其他水果品種、最終飲料等方面有較大突破。果膠產業化生產的關鍵技術現已完成，二零零六年下半年即可批量生產；經多年的研究和開發，高毛利率的濃縮蘋果濁汁和果糖的產業化生產技術已獲突破，上個榨季已小批量生產出合格產品，下個榨季將會批量生產；其他水果品種方面，公司現已開發出濃縮胡蘿蔔汁、棗汁、地瓜汁等新品種樣品，開發石榴汁的關鍵技術也即將獲得突破，公司將根據市場需要，適時的推出新的產品；隨著濃縮果汁產量的增加，小包裝濃縮蘋果汁也將批量投入市場；與著名飲料生產商合作生產最終飲料的OEM罐裝計劃也將按計劃儘快實施。

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Close cooperation with international renowned enterprise

The Group has successfully introduced strategic investors like 成都統一企業食品有限公司 (Chengdu President Enterprises Food Co., Ltd.*) and Mitsui, etc and will actively and effectively introduce new world first tier strategic investors beneficial to the long term development of the Group. From the introduction of strategic investors, the Directors believe that the Group will benefit from improved corporate governance structure, enhanced research and development capability, upgraded product quality, diversified product mix, expanded market places and increased market share.

Development of financing channels

The Group will actively pursue opportunities to cooperate with other international financial institutions so that the Group can further develop financing channels and diversify funding varieties, especially long-term funding in foreign currency, such as syndicated loan. The Group can thereby reduce its foreign exchange risk, finance cost, improve its capital structure, enhance its risk-hedging ability, and at the same time facilitate better business development.

* For identification purpose only

與國際策略性投資者緊密合作

本集團現已成功引進成都統一企業食品有限公司、三井等策略性投資者，並將積極有效地引進更多新的國際一流投資者，有利於公司長遠發展的戰略投資者。董事相信，多個戰略投資者的加入，將更加有助於改善公司治理結構、提高研發能力、提升產品品質、促進產品多樣化、拓展市場並提高市場佔有率。

拓寬融資渠道

本集團將積極致力與國際金融機構合作，以利於本公司拓寬融資渠道，增加融資品種，特別是外幣的長期資金(如銀團貸款)，以利於公司降低匯率風險及融資成本，改善資本結構，增強抗風險的能力，同時更好地促進公司業務的發展。

* 僅供識別

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Making use of the opportunity arising from the revaluation of RMB

The operating revenue of the Group is substantially denominated in US dollars. In light of the recent revaluation of RMB, the Group has made corresponding adjustments in order to offset the potential negative impacts as a result thereof. Such corresponding adjustments include the increase in selling price, the introduction of exchange rate fluctuation clause in sale contracts, the increase in the proportion of loan denominated in US dollars, the proportion of sea freight expenses denominated in US dollars, the development of the domestic market and the increase in the output of high-acidity products which are of high profit margin, etc. The Directors believe that, the revaluation of RMB will eliminate some enterprises with small scale of operation, poor product quality and poor risk-sheltering ability, and therefore will accelerate the industry reorganization and provide a development opportunity for the Group.

Minimization of adverse impact of reduction in apple supply

To minimize the impact brought about by potential reduction in apple output due to adverse weather conditions, apple growth cycle and severe materials competition, apart from diversifying its 6 production bases throughout the 4 richest apple supply provinces, the Group will :

1. Maintain sufficient working capital
The Group has sufficient working capital to pay the farmers on time and to meet the capital requirement on purchase of raw materials under normal production requirement.
2. Utilizing its existing reserve of AJC
The Group has refrigerating facilities sufficient for storage of approximately 100,000 tonnes of AJC. The Group has continuously maintained a reasonable level of inventory of AJC as reserve to stabilize the output of AJC when the apple supply fluctuates.

把握人民幣重新估值之機遇

本集團之經營收入主要以美元為貨幣單位。鑒於人民幣的重新估值，本公司已作出相應調整以抵銷事件帶來的潛在負面影響。該等相應調整包括提高銷售價格或銷售合同中新增匯率波動條款；增加美元負債，如增加貸款中以美元為貨幣單位之比例及海運費中以美元為貨幣單位之比例；積極開拓國內市場；增加毛利高的高酸品種的產量等。董事相信，人民幣重新估值將會淘汰部分規模小、產品質量差、抗風險能力低的企業，從而加快行業整合速度，為本公司帶來良好的發展機遇。

減低蘋果供應短缺的影響

針對因受氣候和蘋果生長周期的影響以及原料爭奪加劇而可能引起的原材料短缺問題，集團除分散建廠即在蘋果資源最豐富的四省建立了六個生產基地外，為儘量減低蘋果供應短缺對本公司的負面影響，本集團在目前經營模式的基礎上將作好以下應對措施：

1. 保持充裕的流動資金
本集團擁有充裕的流動資金，可及時支付果農貨款，採購到集團正常生產所需原材料。
2. 動用濃縮蘋果汁儲備
本集團現有可儲存約10萬噸濃縮果汁的冷風庫，可維持合理的濃縮果汁儲備量，以平衡蘋果產量不穩定時之濃縮蘋果汁供應。

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3. Focusing on premium customers for higher profit margin

While developing sale channel in the European market, the Group will continue its corporate strategy of focusing on premium customers in Japan and the US to maximize its returns particularly when there is a shortage of apple supply.

4. Developing self-owned cultivation sites for apples with high acidity

Since 2002, the Group has started developing over 400,000 acres of cultivation sites around its factories for apples with high acidity solely for the the production of AJC. Upon harvest in 2008, this can help to relieve the raw material shortage problem.

Moreover, industry reorganization may provide tremendous development opportunities to the Group and thus avoid the situation of insufficient product supply in the market attributable to the shortage of raw materials supply. The juice concentrate industry in our country is on the way to maturity. As a leading industry player, the Group has apparently stronger capital base, advanced technology, abundant customer resources and competitive advantages to expand through acquisition of small and medium sized enterprises.

3. 專注高毛利率市場

於發展歐洲的銷售渠道的同時，本集團將繼續貫徹專注出口至日本及美國等高毛利率市場的策略，尤其當蘋果供應短缺的情況下，以圖取得最大回報。

4. 自設高酸蘋果培植基地

自二零零二年起，本集團已在自己的生產基地周圍發展了四十餘萬畝的專門用於壓榨濃縮蘋果汁的高酸蘋果基地，該高酸蘋果基地將在二零零八年進入豐產期，這將有助於解決原材料短缺的問題。

另外，行業整合可能為本公司帶來巨大的發展機會，彌補因原材料短缺造成的產品供不應求的狀況。我國的濃縮果汁行業已經進入成熟期，本集團作為行業龍頭企業具有明顯的資金、技術、客戶資源和規模優勢，整合中小企業是大規模擴張的主要途徑。

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EUREPGAP accreditation system

The Group is in its plan to implement a new EUREPGAP accreditation system jointly with IFC in this year. EUREPGAP accreditation system is a technology supporting system mainly provided by IFC. Following the occurrence of a series of food accidents in Europe and the emphasis on anti-terrorism on food after the 911 events in the US, the establishment of a product traceability system becomes more important. A product traceability system requires food and drink manufacturers to possess ability to trace the country of origin of raw materials, the processing process of materials, manufacturer, supply chain and other critical problems. EUREPGAP is a well recognized accreditation system for agricultural industry in the world. The Directors believe as a pioneer in implementing such system in fruit juice concentrate manufacturing industry, the Group is expected to benefit from tremendous business opportunities.

Research and development

The Group will devote further effort to the following technology development:

1. research in and develop the technology in industrialized process of cloudy carrot, date and guava juice concentrate, etc
2. achieve new breakthrough in the apple juice production technology through continuation to undertake the research topic of critical processing technology in Shandong Province
3. research in the industrialization of the technology for extracting pectin from apple pomace

通過EUREPGAP(歐洲良好農業操作規程)認證體系

IFC和本集團計劃合作的主要由IFC提供的技術援助項目—EUREPGAP認證體系，將計劃於本年度開始啟動。隨著歐洲一系列食品事故的發生和美國911事件後對食品反恐的關注，產品的可追溯系統的建立顯得越來越重要。產品的可追溯系統將要求食品和飲料生產企業具備追溯原料果產地、原料果加工流程、生產商、產品供應鏈的關鍵環節等問題的能力。EUREPGAP是在農業方面被世界各國廣泛認同的認證體系。董事相信，作為首家採用EUREPGAP認證體系的濃縮果汁生產商，此舉將會為本集團帶來巨大的商機。

研究與開發

本集團將致力於以下項目：

1. 研發濃縮胡蘿蔔濁汁、棗汁和石榴汁等的產業化加工技術
2. 通過繼續承擔山東省重大科技專項，將取得蘋果汁加工技術方面的新成果
3. 蘋果皮渣提取果膠技術實現產業化

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Liquidity and Financial Resources

The Group generally financed its operations and investing activities by internally generated financial resources and loans from banks. As at 31 December 2005, the Group had outstanding short-term bank loans of approximately RMB663,885,000, terms of which are set out in note 25 on the Financial Statement. There was no long term bank loan as at 31 December 2005. In the year 2005, the Group repaid on time all debts that were due. The Directors consider that the Group has sufficient financial resources to meet its ongoing operation requirements.

Loan Agreement with IFC

On 21 April 2005, the Company entered into a loan agreement (the "Loan Agreement") with IFC for a loan of US\$15,000,000 (approximately HK\$117,000,000) repayable commencing on 15 March 2007 by 10 approximately equal instalments until all monies payable under the loan agreement have been fully repaid.

Pursuant to the Loan Agreement, Glory Cause Land Afforestation Co., Ltd.* (光彩事業國土綠化整理有限公司), being the controlling shareholder of the Company, Beijing RAJ Network Sales Co., Ltd.* (北京瑞澤網絡銷售有限責任公司), Yantai Donghua Fruit Co., Ltd.* (煙台東華果業有限公司) and Donghua Fruit Industry Co., Ltd. have collectively undertaken to IFC and the Company to retain their legal and beneficial aggregate ownership of not less than 40% in the share capital of the Company so long as any part of the principal of or interest on the loan under or any other sums due under the loan agreement remain outstanding and unpaid. In the event that their legal and beneficial aggregate ownership falls below the above aggregate percentage level, the Company shall be required to repay the principal amount of the loan from time to time outstanding and the interest thereon accrued.

* For identification purpose only

流動資金及財務資源

本集團一般以內部財務資源及銀行借貸等為其經營及投資活動之資金。於二零零五年十二月三十一日，本集團尚未償還之短期銀行借貸約為人民幣663,885,000元，其條款詳載於財務報表附註25。二零零五年度本集團均按期償還到期借款。董事認為，本集團具有充足財務資源，滿足持續營運需要。

與IFC之貸款協議

於二零零五年四月二十一日，本公司與IFC簽訂為數15,000,000美元（約117,000,000港元）之貸款協議，還款期由二零零七年三月十五日起，分十期平均攤還，至貸款協議下所有應付之金額完全償還為止。

按協議，本公司之控股公司光彩事業國土綠化整理有限公司、北京瑞澤網絡銷售有限責任公司、煙台東華果業有限公司及Donghua Fruit Industry Co., Ltd. 集體與IFC及本公司協議，只要貸款協議下任何貸款的本金或利息仍未完全償還，該等控股公司不可持有少於本公司股本之40%的法定及實益合併持股量。如該等控股公司之法定及實益合併持股量少於上述之要求，本公司需立即償還當時結欠之貸款本金及利息金額。

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

On 21 March 2006, after the subscription of shares by IFC, the Company entered into an Amended and Restated Agreement to the Loan Agreement (the "Amended Loan Agreement") with IFC to amend the facility to be granted by IFC under the Loan Agreement from US\$15,000,000 to US\$8,000,000 and to make certain other incidental changes to the Loan Agreement, including the cancellation of all assets charged by IFC.

The Amended Loan Agreement is signed subject to the entering into of (a) the Yantai Share Retention Agreement, pursuant to which each of Glory Cause Land Afforestation Co., Ltd.* (光彩事業國土綠化整理有限公司), being the controlling shareholder of the Company, Beijing RAJ Network Sales Co., Ltd.* (北京瑞澤網絡銷售有限責任公司), Yantai Donghua Fruit Co., Ltd.* (烟台東華果業有限公司) and Donghua Fruit Industry Co., Ltd. will undertake to maintain an aggregate interest of no less than 40% in the issued share capital of the Company; and (b) Donghua Share Retention Agreement, pursuant to which Mr. Wang An and Mr. Zhang Hui will agree to maintain the specified percentage interests in each of Yantai Donghua Fruit Co., Ltd.* (烟台東華果業有限公司) and Donghua Fruit Industry Co., Ltd.. As at the date of this report, both the Yantai Share Retention Agreement and the Donghua Share Retention Agreement have not yet been finalised and the loan of US\$8,000,000 under the Amended Loan Agreement is not yet available to be drawn down.

Charge of Assets

As at 31 December 2005, property, plant and equipment of the Company at net book value totaling approximately RMB130,565,000 were pledged to secure a loan facility amounting to US\$15,000,000 from IFC that was not utilised by the Company as at 31 December 2005.

Since the signing of such loan agreement, no other assets of the Company was pledged.

* For identification purpose only

於二零零六年三月二十一日，本公司在定向配股於IFC後，本公司與IFC協商訂立一份有關貸款協議之經修訂及重訂之協議（「經修訂貸款協議」），以將IFC根據貸款協議將給予之貸款由15,000,000美元修訂為8,000,000美元，及對貸款協議作出若干其他附帶變動，包括取消對本公司之所有資產抵押。

經修訂貸款協議已經簽署，惟須待訂立下列協議後方可落實：(a)烟台股權保留協議，據此北京瑞澤網絡銷售有限責任公司、光彩事業國土綠化整理有限公司、烟台東華果業有限公司及Donghua Fruit Industry Co., Ltd.各自將承諾維持其於本公司已發行股本中合共持有不低於40%之權益；及(b)東華股權保留協議，據此王安先生及張輝先生將同意分別於烟台東華果業有限公司及Donghua Fruit Industry Co., Ltd.維持持有特定百分比之股權。於本報告日期，烟台股權保留協議及東華股權保留協議均尚未落實，因此經修訂貸款協議項下之為數8,000,000美元貸款尚不可動用。

資產抵押

於二零零五年十二月三十一日，本公司賬面值共約人民幣130,565,000元之物業、廠房和設備已抵押予IFC取得未使用的15,000,000美元銀行額度。

自該貸款協議簽訂後，本公司已無任何對外資產抵押。

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

Contingent Liabilities

As at 31 December 2005, the Group had no contingent liabilities.

Foreign Exchange Exposure

The operating revenue of the Group is substantially denominated in US dollars. It is the practice of the Group to convert its operating revenue denominated in US dollars to RMB to finance its operating expenses and capital requirements. However, the results of operations and the financial position of the Group may be affected by any changes in the exchange rates.

On the other hand, the conversion of RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Capital Commitment

For the capital commitment of the Group, please refer to note 34 on the Financial Statements.

Gearing Ratio

As at 31 December 2005, the Group had a net cash and cash equivalents of approximately RMB61,187,000. The Group's gearing ratio as at 31 December 2005 was approximately 59% (31 December 2004: approximately 54%) which is calculated by dividing the Group's total liabilities of approximately RMB841,394,000 (31 December 2004: RMB642,557,000) by the Group's total equity and liabilities of approximately RMB1,432,462,000 (31 December 2004: RMB1,190,975,000).

或然負債

於二零零五年十二月三十一日本集團並無或然負債。

外匯風險

本集團之經營收入主要以美元為貨幣單位。本集團一向將以美元為單位之經營收入兌換為人民幣，作為經營支出及資本需求。然而，本集團之經營業績及財務狀況受匯率變動而影響。

另一方面，將以人民幣作為單位之款項兌換為外幣，須受中國政府頒佈之外匯控制規例及規條所限制。

資本承擔

本集團之資本承擔詳載於財務報表附註34。

資本負債比率

於二零零五年十二月三十一日，本集團之現金及現金等價物淨額約為人民幣61,187,000元。於二零零五年十二月三十一日，本集團之資產負債比率約為59% (二零零四年十二月三十一日：約54%)，乃按本集團之總負債約人民幣841,394,000元 (二零零四年十二月三十一日：約人民幣642,557,000元) 除以總股本、股東權益及負債約人民幣1,432,462,000元 (二零零四年十二月三十一日：約人民幣1,190,975,000元) 計算。

Comparison of Business Objective Plans with Actual Business Progress

業務目標計劃與實際業務進度比較

The Company was successfully listed on GEM on 22 April 2003 and its business objectives for the year ended 31 December 2005 have been clearly set out in the prospectus of the Company (“Prospectus”). The followings were actual progress during the year ended 31 December 2005:

Business objectives for the year ended 31 December 2005 mentioned in the Prospectus **招股章程所述於截至二零零五年十二月三十一日止年度之業務目標**

Expansion of Sales and Distribution Network **擴大銷售及分銷網路**

1. Promote the Group’s products in all representative offices by means of advertisement and journals
透過廣告及報章於所有代辦處推廣本集團的產品

Modification of Production Facilities **改善生產設施**

1. Purchase and install new machineries and equipment for the production of fruit essence and utilization of pomace
購買及安裝新機器及設備供生產水果精華和使用蘋果渣
2. Complete transformation process and commence production
完成轉型過程及開始投產

本公司於二零零三年四月二十二日成功於創業板上市。本公司已於其招股章程中闡明其於截至二零零五年十二月三十一日止年度之業務目標。下文所述實際進度謹涵蓋二零零五年十二月三十一日止年度。

Actual progress for the year ended 31 December 2005 **截至二零零五年十二月三十一日止年度之實際進展**

The Directors believe that the Company is unnecessary for the time being to implement this objective in light of the current market demand and supply situation as well as the Company’s sales strategy
根據目前市場供求現狀和公司的行銷策略公司認為暫無必要執行該項業務目標

Completed
已完成

Completed
已完成

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Directors

Executive Directors

Mr. Zheng Yue Wen (鄭躍文), aged 44, is the Chairman and executive Director of the Company. Mr. Zheng is a well-known entrepreneur in the PRC. Mr. Zheng is a member of the Chinese People's Political Consultative Conference (CPPCC-全國政協) and is a Vice Chairman of the All-China Federation of Industry and Commerce (ACFIC-全國工商聯). In October 1999, Mr. Zheng graduated from the Asia International Open University (Macau) (亞洲國際公開大學(澳門)) with a degree in Master of Business Administration. He then obtained his PhD. in Economics from the Dongbei University of Finance and Economics (東北財經大學) in November 1999. In December 1999, Mr. Zheng was appointed as a visiting professor of the Department of Business Administration at Jiangxi University of Economics (江西財經大學). He joined the Company in November 2000 and has been involving in the concentrated juice production industry since then. Mr. Zheng is responsible for the Group's corporate policy formulation, business strategic planning, business development and overall management of the Group. Currently, Mr. Zheng is the Chairman of Creat Group Co., Ltd. (科瑞集團有限公司) and also a Director of Henan Pinggao Electric Company Limited (河南平高電氣股份有限公司).

Mr. Wang An (王安), aged 43, is the Vice Chairman, executive Director and chief executive of the Company. Mr. Wang is a well known entrepreneur in the PRC. Top ten of Outstanding Youths Entrepreneurs in Shangdong Province. Mr. Wang has been awarded the medal of "Labor Model of the Nation" and is a Representative of Shandong Province to the National People's Congress (人大代表). Mr. Wang graduated from the College of Chinese Communist Party (中共中央黨校函授學院) in June 1994. He was the General Manager of Yangma Resort (養馬島渡假村) for four years before joining the Group. He joined the Company in March 1996 and has been involving in the concentrated juice production industry since then. Mr. Wang is responsible for the overall management of the Group.

董事

執行董事

鄭躍文先生，44歲，本公司董事長兼執行董事。鄭先生是全國著名的民營企業家、全國政協委員、全國工商聯副主席。一九九九年十月，鄭先生畢業於亞洲國際公開大學(澳門)取得工商管理碩士學位，其後於一九九九年十一月在東北財經大學取得其經濟系博士學位。於一九九九年十二月，鄭先生於江西財經大學工商管理系擔任客座教授。他於二零零零年十一月加入本公司，並自此投身濃縮果汁生產業。鄭先生負責本集團企業政策的制訂、業務策略規劃、業務發展及本集團的整體管理。鄭先生目前為科瑞集團有限公司董事長，亦為河南平高電氣股份有限公司之董事。

王安先生，43歲，本公司副董事長，執行董事兼總裁。王先生是全國著名的民營企業家、山東省十大傑出青年企業家、全國「五一」勞動獎章獲獎者、山東省人大代表。王先生於一九九四年六月在中共中央黨校函授學院畢業。於加盟本集團前，他曾擔任養馬島渡假村的總經理四年。王先生於一九九六年三月加入本公司，並自此參予濃縮蘋果汁生產業。王先生負責本集團的整體管理。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Mr. Zhang Hui (張輝), aged 33, is an executive Director and executive President of the Company. He was the Deputy General Manager of Muping Foodstuff Industrial Company Limited (牟平食品工業有限公司) and Muping Material (牟平物資) before joining the Group. Mr. Zhang joined the Company in December 1998 and has been involving in the concentrated juice production industry since then. Mr. Zhang is responsible for assisting Mr. Wang An for overall management of the Group.

Mr. Yu Hui Lin (于會林, formerly于惠霖), aged 57, is an executive Director and Chief Engineer of the Company. He was the Facility Supervisor of Rusan County Candy and Fruit Juice Factory (乳山縣糖果及果汁廠) in Shandong Province from March 1982 to March 1988 and has been involving in the juice production industry since then. Mr. Yu then joined Yantai Fruit Juice Factory (烟台市果汁廠) as the Chief of the Technical Department from April 1988 to March 1995. In April 1995, Mr. Yu joined the Shangdong Zhonglu Fruit Juice and Food Co. (山東中魯果汁食品公司) as the Assistant Supervisor of the Research and Development Department before joining the Group. Mr. Yu has over 20 years of experience in the juice production industry. He joined the Company in March 1996 and is responsible for the Group's equipment and the overall technical work.

張輝先生，33歲，本公司執行董事兼執行總裁。於加盟本集團前，他曾擔任牟平食品工業有限公司及牟平物資的副總經理。張先生於一九九八年十二月加入本公司，並自此參與濃縮蘋果汁生產業。張先生協助王安先生負責本集團的整體管理。

于會林先生(曾用名于惠霖)，57歲，本公司執行董事兼總工程師。一九八二年三月至一九八八年三月，于先生曾於山東省乳山縣糖果及果汁廠擔任設備科長，並至此參予果汁生產業。于先生於其後加入烟台市果汁廠，一九八八年四月至一九九五年三月出任技術部總監。加入本集團前，于先生於一九九五年四月起加入山東中魯果汁食品公司擔任研究及開發部門助理主任。于先生於果汁生產業擁有二十多年經驗。于先生於一九九六年三月加入本公司，現負責本集團的設備、工藝等整體技術工作。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Non-executive Directors

Mr. Zhang Wan Xin (張萬欣), aged 75, is a non-executive Director. He graduated from Tsinghua University in 1952, and engaged in advanced studies in R&D Institutions and Corporations of former Soviet for two years. He had been awarded Top grade Award of National Technology Progress in 1986. He had been the Vice President of China Chemical Engineering Chemical Industry Association and Vice President of China National Petroleum and Petrochemical Industry Association for ten years. He was a part-time professor of Shenzhen University, the advisor of Doctor-degree for postgraduate candidate student in Tsinghua University. He was also the member of MBA China Advisory Board of New York State University, co-research professor in Danmark Technology University. He was the Senior Vice President of China National Petrochemical Corporation (SINOPEC), the Vice President for the Development Research Center of the State Council of the PRC, the Chairman and President of SAAX Corporation in U.S.A. and Montpel Corporation in U.S.A. He is a Vice Chairman of National Society of Taiwan Studies, the China Western Region Economic Development Association, Deputy Director General I.B.C. (England Cambridge), the Vice President of the Research of Development Research Center of the State Council of the PRC. He was also a member of the Chinese People's Political Consultative Conference (CPPCC) in 8th & 9th Session for ten years. He is a Director of Henan Pinggao Electric Company Limited. He joined the Company in November 2000.

Mr. Ren Xiao Jian (任曉劍), aged 49, is a non-executive Director. Mr. Ren obtained his Master Degree in Business Administration from La Trobe University in Australia in September 2001. He worked as a Senior Economist in China Agriculture Bank before joining the Group. Mr. Ren is also currently a Director of Henan Pinggao Electric Company Limited (河南平高電氣股份有限公司). Mr. Ren joined the Company in November 2000.

非執行董事

張萬欣先生，75歲，本公司非執行董事。張先生一九五二年畢業於清華大學，50年代曾在前蘇聯研究機構及企業進修、實習二年。為一九八六年中國國家科技進步特定獎獲得者。曾任中國化工學會及中國石油化工學會副理事長十年，曾任清華大學及深圳大學兼職教授及博士生導師，紐約州立大學MBA中國顧問委員會成員，丹麥技術大學合作研究教授。中國石化總公司副總經理，國務院開發研究中心副主任，美國SAAX中美捷通顧問公司及美國凱宇公司董事長兼總裁。現任全國台灣研究會副會長，中國西部經濟研究發展促進會副會長，國際傳記中心(英國劍橋)副總幹事，國務院發展研究中心研究員，全國政協第八、第九屆委員。張先生目前為河南平高電氣股份有限公司之董事。張先生於二零零零年十一月加入本公司。

任曉劍先生，49歲，本公司非執行董事。任先生於二零零一年九月在澳洲La Trobe University取得工商管理碩士學位。於加盟本集團前，他於中國農業銀行擔任高級經濟師。任先生目前為河南平高電氣股份有限公司之董事。任先生於二零零零年十一月加入本公司。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Mr. Lo Chih-Hsien (羅智先), aged 49, was appointed as a non-executive Director with effect from 17 May 2005. Mr. Lo studied in the Department of Foreign Language of Tainan Cheng Kung University, and the Research Institute of Business Administration of University of California Los Angeles where he obtained his Master Degree in Business Administration. Mr. Lo was the Taiwan regional general manager of De Beers Diamond Promotion Services before 1986. He was the section chief of Uni-President Enterprises Corp. between 1986 and 1991 and the business general manager and the chief operation officer of a U. S. subsidiary of Uni-President Enterprises Corp. between 1991 and 1997. Subsequently, he held positions such as the special assistant to the chief executive officer of President Enterprises (China) Investment Co. and senior vice president of Uni-President Enterprises Corp.. Since July 2003, he has been the executive vice president of Uni-President Enterprises Corp.. Mr. Lo is also the director of President Chain Store Corp., a listed company in Taiwan.

Mr. Lei Liang Sheng (雷良生), aged 46, resigned as a non-executive Director on 16 May 2005. In 1984, Mr. Lei graduated from Chung Buk University in Korea and obtained his Bachelor Degree in Business Management in May 1984. He is currently the President of Cheongpoong ANT Corporation in Korea. He joined the Company in June 1998.

Independent non-executive Directors

Mr. Wu Jian Hui (鄔建輝), aged 35, is an independent non-executive Director of the Company. Mr. Wu is a Partner of Shenzhen Dahua Tiancheng Certified Public Accountants (深圳大華天城會計師事務所) and is a Registered Accountant in the PRC, a Chartered Accountant in Securities Industry and a registered Estate Surveyor in the PRC. Mr. Wu was responsible for initial public offering and issue of new shares for various companies and was a financial consultant to a number of listed companies in the PRC. Mr. Wu was appointed as independent non-executive Director in May 2004 and re-appointed in November 2004.

羅智先先生，49歲，於二零零五年五月十七日被委任為本公司非執行董事。羅先生曾就學於台南成功大學外語系，並於美國洛杉磯加州大學企管研究所獲得工商管理碩士學位。羅先生於一九八六年之前任De Beers 鑽石推廣服務 (De Beers Diamond Promotion Services) 台灣區總經理，一九八六年至一九九一年任統一企業股份有限公司課長，一九九一年至一九九七年任統一企業股份有限公司美國子公司之事業群總經理及營運長，後任統一企業(中國)投資公司最高行政人員的特別協理及統一企業股份有限公司高級副總裁等職。二零零三年七月起任統一企業股份有限公司執行副總裁。羅先生亦是統一超商股份有限公司(為於台灣上市之公司)之董事。

雷良生先生，46歲，於二零零五年五月十六日辭任本公司非執行董事。雷先生於一九八四年在韓國Chung Buk University畢業，並於一九八四年五月年獲頒工商管理學士學位。雷先生目前擔任韓國Cheongpoong ANT Corporation 的總裁。雷先生於一九九八年六月加入本公司。

獨立非執行董事

鄔建輝先生，35歲，本公司獨立非執行董事，現任深圳大華天誠會計師事務所合夥人，中國註冊會計師，證券業特許會計師，中國註冊房地產估價師，曾負責多家企業首次發行及增發股票的審計，並擔任多家上市公司財務顧問。鄔先生於二零零四年五月獲委任為獨立非執行董事，並於二零零四年十一月再獲重新委任。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Mr. Hu Xiao Song (胡小松), aged 45, is an independent non-executive Director. Mr. Hu is currently the Professor of the Food Science Faculty of China Agriculture University (中國農業大學食品學院). He graduated from the Food Science Faculty of Beijing Agriculture University (北京農業大學食品系) in June 1998 with a Master Degree in Agricultural Products Storage and Processing. Mr. Hu has been conducting research in agricultural products processing technology. He was appointed as independent non-executive Director in September 2002 and re-appointed in November 2004.

Mdm. Yu Shou Neng (俞守能), aged 51, is an independent non-executive Director. Mdm. Yu possesses postgraduate qualification. She is a Representative of Shandong Province to the National People's Congress and is also the head and a senior lecturer of Shangdong Yantai Agriculture Institute (山東烟台農業學院). Mdm. Yu was appointed as independent non-executive Director in May 2004 and re-appointed in November 2004.

Supervisors

Mr. Mu Gui Sheng (慕桂盛), aged 64, is the Chairman and an independent representative in the supervisory committee of the Company. Mr. Mu graduated from Shandong Industrial University (山東工業大學) in August 1965 with a major in the profession of machinery design. Mr. Mu worked in the Muping Agricultural Machinery Factory (牟平縣農業機械廠) from August 1965 to July 1971. From July 1971 to November 1980, Mr. Mu worked as the vice chairman of Muping Ministry of Economic Affairs (牟平縣工業局). He was the head of the Muping Generator Factory (牟平發動機廠) from November 1980 to April 1984. From April 1984 to 2001, he acted as the minister of Muping Economic and Trade Commission (牟平縣經濟貿易委員會主任), minister of Development and Reform Commission (發展和改革委員會主任) and vice minister of the Muping National People's Congress (牟平區人大常委會). He was appointed as Supervisor in September 2005.

胡小松先生，45歲，本公司獨立非執行董事，目前為中國農業大學食品學院教授。胡先生於一九九八年六月畢業於北京農業大學食品系及獲頒農業產品貯藏及加工學碩士學位。胡先生於農產品加工技術一直有進行研究。胡先生於二零零二年九月獲委任為獨立非執行董事，並於二零零四年十一月再獲重新委任。

俞守能女士，51歲，本公司獨立非執行董事，碩士學歷，山東省人大代表，現為山東烟台農業學院院長及高級講師。俞女士於二零零四年五月獲委任為獨立非執行董事，並於二零零四年十一月再獲重新委任。

監事

慕桂盛先生，64歲，本公司監事會主席兼獨立代表。慕先生於一九六五年八月畢業於山東工業大學，主修機械設計製造專業。一九六五年八月至一九七一年七月在牟平縣農業機械廠工作，一九七一年七月至一九八零年十一月出任牟平縣工業局副局長，一九八零年十一月至一九八四年四月出任牟平發動機廠廠長，一九八四年四月至二零零一年出任牟平縣經濟貿易委員會主任、發展和改革委員會主任及牟平區人大常委會副主任。慕先生於二零零五年九月獲委任為本公司監事。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Chen Ke Lin (陳克林), aged 54, is an independent representative in the supervisory committee of the Company. In July 1983, he graduated from the University of Finance and Economics (江西財經學院) in Jiangxi Province and obtained his Bachelor Degree in Economics with a major in Business Accounting. Mr. Chen is a Certified Public Accountant in the PRC. He was the Deputy Mayor of Jinggangshan City (井岡山市) of Jiangxi Province and the director of the Office of the Commissioner of National Audit in Shenzhen (國家審計署駐深圳特派員辦事處). He is currently a council member of the Chinese Institute of Certified Public Accountants and a principal partner of Shenxin Accounting Firm (深信會計師事務所) in Shenzhen. Mr. Chen is also an independent director of Henan Pinggao Electric Company Limited (河南平高電氣股份有限公司). He was first appointed as Supervisor in September 2002 and was re-appointed on 14 September 2005.

Mr. Qu Wei Jia (曲維佳), aged 57, is an employee representative in the supervisory committee of the Company. In 1991, he graduated from the Shangdong Muping Teachers Training Institute (山東牟平縣教師進修學校). Since October 1991, Mr. Qu worked in Yangma Resort (養馬島渡假村). Mr. Qu joined the Company in October 1999 as the manager of the administration department. Mr. Qu is currently the deputy general manager of a subsidiary of the Company. He was appointed as Supervisor in April 2000 and was re-appointed on 14 September 2005.

Mdm. Zou Ji Yu (鄒積余), aged 63, was an independent representative and chairman in the supervisory committee of the Company until 13 September 2005. In 1967, she graduated from the Faculty of Mechanical and Electrical Engineering of University of Tsinghua University (清華大學) and obtained her Bachelor Degree in high voltage technology. Ms. Zou is currently the Chairman of Pingdingshan City Yanhuang Culture Institute (平頂山市炎黃文化研究會). She was appointed as Supervisor in September 2002 and was retired on 13 September 2005.

陳克林先生，54歲，本公司監事會獨立代表。陳先生於一九八三年七月畢業於江西財經學院，並取得經濟學士學位，主修商業會計。陳先生為中國執業會計師，曾出任江西省井岡山市副市長及國家審計署駐深圳特派員辦事處處長。現任中國註冊會計師協會理事及深圳深信會計師事務所首席合夥人。陳先生亦為河南平高電氣股份有限公司獨立董事。陳先生於二零零二年九月獲委任並於二零零五年九月十四日連任為本公司監事。

曲維佳先生，57歲，本公司監事僱員代表。曲先生於一九九一年在山東牟平縣教師進修學校畢業。一九九一年十月開始在養馬島渡假村工作。一九九九年十月加入本公司，擔任公司行政部經理。目前為本公司一間附屬公司副總經理。曲先生於二零零零年四月獲委任並於二零零五年九月十四日連任為本公司監事。

鄒積余女士，63歲，直至二零零五年九月十三日為本公司監事會獨立代表及主席。鄒女士於一九六七年畢業於清華大學電機系，並取得高電壓科技學士學位。鄒女士目前為平頂山市炎黃文化研究會會長。鄒女士於二零零二年九月獲委任為本公司監事並於二零零五年九月十三日退任。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Senior Management

Mr. Wang An (王安), aged 43, is the Vice Chairman, executive Director and chief executive of the Company. Mr. Wang is a well known entrepreneur in China. Top ten of Outstanding Youths Entrepreneurs in Shangdong Province. Mr. Wang has been awarded the medal of "Labor Model of the Nation" and is a Representative of Shandong Province to the National People's Congress (人大代表). Mr. Wang graduated from the College of Chinese Communist Party (中共中央黨校函授學院) in June 1994. He was the General Manager of Yangma Resort (養馬島渡假村) for four years before joining the Group. He joined the Company in March 1996 and has been involving in the concentrated juice production industry since then. Mr. Wang is responsible for the overall management of the Group.

Mr. Zhang Hui (張輝), aged 33, is an executive Director and executive President of the Company. He was the Deputy General Manager of Muping Foodstuff Industrial Company Limited (牟平食品工業有限公司) and Muping Material (牟平物資) before joining the Group. Mr. Zhang joined the Company in December 1998 and has been involving in the concentrated juice production industry since then. Mr. Zhang is responsible for assisting Mr. Wang An for overall management of the Group.

高級管理層

王安先生，43歲，本公司副董事長，執行董事兼總裁。王先生是全國著名的民營企業家、山東省十大傑出青年企業家、全國「五一」勞動獎章獲獎者、山東省人大代表。王先生於一九九四年六月在中共中央黨校函授學院畢業。於加盟本集團前，他曾擔任養馬島渡假村的總經理四年。王先生於一九九六年三月加入本公司，並自此參予濃縮蘋果汁生產業。王先生負責本集團的整體管理。

張輝先生，33歲，本公司執行董事兼執行總裁。於加盟本集團前，他曾擔任牟平食品工業有限公司及牟平物資的副總經理。張先生於一九九八年十二月加入本公司，並自此參與濃縮蘋果汁生產業。張先生協助王安先生負責本集團的整體管理。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Mr. Yu Hui Lin (于會林，formerly于惠霖), aged 57, is an executive Director and Chief Engineer of the Company. He was the Facility Supervisor of Rusan County Candy and Fruit Juice Factory (乳山縣糖果及果汁廠) in Shandong Province from March 1982 to March 1988 and has been involving in the juice production industry since then. Mr. Yu then joined Yantai Fruit Juice Factory (烟台市果汁廠) as the Chief of the Technical Department from April 1988 to March 1995. In April 1995, Mr. Yu joined the Shangdong Zhonglu Fruit Juice and Food Co. (山東中魯果汁食品公司) as the Assistant Supervisor of the Research and Development Department before joining the Group. Mr. Yu has over 20 years of experience in the juice production industry. He joined the Company in March 1996 and is responsible for the Group's equipment and the overall technical work.

Mr. Jiang Hong Qi (姜洪奇), aged 39, is the Financial Controller of the Company. Mr. Jiang holds a Master Degree in Economics majoring in Accounting. Mr. Jiang is a Certified Public Accountant in the PRC. He was the Business Manager and Senior Manager in Shangdong International Trust and Investment Corporation (山東省國際信託投資公司) before joining the Company. Mr. Jiang joined the Company in 2002 as a Deputy Chief Accountant. Mr. Jiang is responsible for the accounting and finance matters of the Group.

Mr. Yung Ka Hee Titus (容家禧), aged 48, is a Vice President of the Company. He holds a Bachelor Degree in Economics. Mr. Yung was the District Sales Manager and Chief Representative of China of APV 遠東有限公司. He was the General Manager of Shanghai head office of Daya Group Company (大亞集團公司) and also the Deputy Manager of Shanghai Daya Economy Development Co. Ltd. (上海大亞經濟發展有限公司). Mr. Yung joined the Company in 2000 and is responsible for the overseas sales of the Group.

于會林先生(曾用名于惠霖)，57歲，本公司執行董事兼總工程師。一九八二年三月至一九八八年三月，于先生曾於山東省乳山縣糖果及果汁廠擔任設備科長，並至此參予果汁生產業。于先生於其後加入烟台市果汁廠，一九八八年四月至一九九五年三月出任技術部總監。加入本集團前，于先生於一九九五年四月起加入山東中魯果汁食品公司擔任研究及開發部門助理主任。于先生於果汁生產業擁有二十多年經驗。于先生於一九九六年三月加入本公司，現負責本集團的設備、工藝等整體技術工作。

姜洪奇先生，39歲，經濟學碩士，本公司財務總監。姜先生主修會計學專業，亦為中國註冊會計師。姜先生曾任山東省國際信託投資公司(Shangdong International Trust and Investment Corporation)業務經理、高級經理等職。姜先生於二零零二年加入本公司，曾任本公司副總會計師。姜先生現負責本集團的會計及財務事務。

容家禧先生，48歲，本公司副總裁。經濟學學士。容先生曾任APV遠東有限公司地區銷售經理及中國首席代表，大亞集團公司(上海總部)海貿部總經理兼上海大亞經濟發展有限公司副總經理。容先生於二零零零年加入本公司，現負責本集團的海外銷售工作。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Mr. Yang Tao (楊濤), aged 36, is a Vice President of the Company. Mr. Yang joined the Company in March 1996 and had worked as production line leader, supervisor and factory manager. He is well experienced in juice manufacturing. He is currently responsible for the production of the Group.

Ms. Peng Xiao Jun (彭小峻), aged 30, is a Vice President of the Company. Ms. Peng was the sales supervisor of Chongqing Jianshe Motor Co. Ltd. (重慶建設摩托車有限公司) and Nanjing Siemens Co. Ltd. (南京西門子有限公司). Ms. Peng joined the Company in 2002 as an Assistant to President. She is currently responsible for the domestic sales of the Group.

Miss Yao Xiao Ying (姚曉瑩), aged 32, is the secretary to the Board. Miss Yao graduated from Northwest University of the PRC and obtained her Bachelor degree in Law in 1997. She is currently responsible for the preparation of the sessions of shareholders' meeting and meetings of the Board, preservation of documents, management of information of the shareholders of the Company and information disclosure, etc.

楊濤先生，36歲，大專學歷，本公司副總裁。楊先生於一九九六年三月加入本公司，曾任本公司生產班長、車間主任、分廠廠長等職，楊先生有著豐富的果汁生產經驗，現負責本集團的生產工作。

彭小峻女士，30歲，研究生學歷，本公司副總裁。彭女士主修國際貿易和國際金融。彭女士曾任重慶建設摩托車有限公司和南京西門子有限公司的銷售主管。彭女士於二零零二年加入本公司，曾任本公司總裁助理，現負責本集團的國內銷售工作。

姚曉瑩小姐，32歲，為本公司董事會秘書。姚小姐畢業於中國西北大學，主修法律專業，並於一九九七年獲法學學士學位。姚小姐目前主要負責本公司股東大會和董事會會議的籌備、文件保管以及公司股東資料的管理，辦理信息披露事務等事宜。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Qualified Accountant and Company Secretary

Miss Ng Man Yee (伍敏怡), aged 34, is the Qualified Accountant and Company Secretary of the Company. Miss Ng graduated from the Chinese University of Hong Kong and obtained her Bachelor degree in Business Administration in 1994. She is a fellow Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and Chartered Accountant of the Institute of Chartered Accountants in England and Wales. Miss Ng has over 10 years of experience in the field of auditing and accounting. Miss Ng was appointed as the Qualified Accountant, Company Secretary and one of the authorized representatives of the Company on 12 September 2005.

Mr. Lim Yeau Teng (林耀庭), aged 35, was the Qualified Accountant and Company Secretary of the Company until 11 September 2005. Mr. Lim graduated from University of Portsmouth in England and obtained his Master in Business Administration in 2001. He is a Chartered Management Accountant and an associate member of the Chartered Institute of Management Accountants, possessing over 4 years of experience in the accounting and finance field. Mr. Lim has worked in S. Thillaimutu & Company and Southern Steel Berhad in Malaysia as well as China Construction Group (Hong Kong) before joining the Group. Mr. Lim joined the Company on 16 September 2002 and resigned on 11 September 2005.

合資格會計師及公司秘書

伍敏怡小姐，34歲，為本公司合資格會計師及公司秘書。伍小姐畢業於香港中文大學，並於一九九四年獲頒工商管理學士學位。伍小姐為香港會計師公會資深會計師，英國特許公認會計師公會資深會員，英格蘭及威爾斯會計師公會特許會計師。伍小姐於審計及會計業擁有逾十年經驗。伍小姐於二零零五年九月十二日獲委任為本公司合資格會計師、公司秘書及獲授權代表之一。

林耀庭先生，35歲，直至二零零五年九月十一日為本公司合資格會計師及公司秘書。林先生畢業於英國University of Portsmouth，並於二零零一年獲頒工商管理碩士。林先生為執業管理會計師及特許管理會計協會的會員，並於會計及金融業擁有逾四年經驗。林先生於加入本集團前，在馬來西亞S.Thillaimutu & Company and Southern Steel Berhad及中國建築集團(香港)工作。林先生於二零零二年九月十六日加入本集團，並於二零零五年九月十一日辭任。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The articles of association, terms of reference of the Audit Committee and terms of reference of the Supervisory Committee of the Company form the framework for the code of corporate governance practice of the Company.

The Board has reviewed its corporate governance documents and is of the view that such documents have incorporated all of the principles and code provisions in the “Code on Corporate Governance Practices” of the GEM Listing Rules (“the CG Code”). In certain respects, the code of practices laid down in the Company’s corporate governance documents exceeds the code provisions in the CG Code. The followings are the major respects in which the Company’s own corporate governance code exceed the code provisions in the CG Code:

- the Company has established a nomination committee in accordance with the recommended best practices of the CG Code; and
- the Board met more than 4 times during 2005.

BOARD OF DIRECTORS

The Company is governed by a Board of Directors which has the responsibility for leadership and control of the Company. Through the Board, these Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs.

企業管治常規

本公司的企業管治常規守則由公司章程、審核委員會議事守則及監事委員會議事守則組成。

董事會已檢討有關本公司企業管治的文件，並認為文件中已達到創業板上市規則《企業管治常規守則》（「該守則」）列載的原則及守則條文。以下載列比該守則所載的守則條文更為嚴格的主要方面：

- 本公司按該守則列載的建議最佳常規成立了提名委員會；及
- 在二零零五年內舉行超過四次董事會會議。

董事會

本公司由董事會管理，董事會負責公司的領導及監控工作。各董事透過董事會指揮及監督公司事務，集體負責並推動本公司的事務。

The Directors

Currently the Board comprises 4 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors. Mr. Lei Liang Sheng resigned on 16 May 2005 as non-executive Director. Mr. Lo Chih-Hsien was appointed as non-executive Director on 17 May 2005. With the exception of Mr. Lei Liang Sheng and Mr. Lo Chih-Hsien, all Directors served for the whole of 2005.

Except for Mr. Lo Chih-Hsien, each of the Directors has entered into a service contract with the Company for a term of three years. Mr. Lo Chih-Hsien has entered into a service contract with the Company commencing from 17 May 2005 until 10 June 2007. All Directors are appointed in the shareholders' meeting with formal letters of appointment setting out the key terms and conditions relative to their appointment.

The independent non-executive Directors possess a wide range of skill and experience. They serve the important function of providing adequate monitoring and balances for safeguarding the interests of shareholders and the Company as a whole. The Board considers that they can make independent judgement effectively and fulfill the independence guidelines set out in rule 5.09 of the GEM Listing Rules.

The biographical details of the Directors are set out on pages 33 to 37 of this report.

董事

目前董事會包括四名執行董事、三名非執行董事及三名獨立非執行董事。雷良生先生於二零零五年五月十六日辭任非執行董事及羅智先先生於二零零五年五月十七日加入董事會為非執行董事。除羅智先先生及雷良生先生外，其它所有董事均於二零零五年全年任職。

除羅智先先生外，各董事已分別與本公司訂立為期三年之服務合約。羅智先先生與本公司訂立服務合約之服務期由二零零五年五月十七日至二零零七年六月十日。所有董事均由股東大會委任，正式委任書對他們的任命列明有關期限和條件。

本公司的獨立非執行董事具備廣泛的技巧和經驗。他們能充分發揮監察和平衡的重要作用，保障股東和整體公司的利益。董事會認為他們能夠有效地作出獨立判斷，符合《創業板上市規則》第5.09條列載的評估獨立性的指引。

各董事的個人資料載於本報告書第33及37頁。

Corporate Governance Report

企業管治報告

Powers of the Board

The Board reviews the performance of the operating divisions against their agreed budgets and business objectives on a regular basis and also exercises a number of reserved powers which include:

- convening shareholders' meetings and reporting on their works at shareholders' meetings;
- implementation of resolutions passed at shareholders' meetings;
- formulating the Company's business plans and investment proposals;
- preparing the Company's annual financial budget and final accounts;
- formulating proposals for profit distribution and for setting off of accumulated losses of the Company;
- formulating proposals for an increase or reduction in registered capital and the issuance of debt securities of the Company;
- formulating proposals for the demerger, merger or dissolution of the Company;
- formulating the internal management structure of the Company;
- appointment or dismissal of the chief executive of the Company and appointment and dismissal of deputy general manager, financial controller and other senior management at the recommendation of the chief executive of the Company and determination of their remuneration and method of payment;

董事會的權力

本公司董事會定期檢討各營業部門議定的預算及業務目標有關的業績表現，並行使多項保留權力，包括：

- 負責召集股東大會，並向股東報告工作；
- 執行股東大會的決議；
- 決定公司經營計劃和投資方案；
- 制訂公司的年度財務預算方案、決算方案；
- 制訂公司的利潤分配方案和彌補虧損方案；
- 制訂公司增加或者減少註冊資本的方案以及發行公司債券的方案；
- 擬訂公司合併、分立、解散的方案；
- 決定公司內部管理機構的設置；
- 聘任或者解聘公司總裁，根據總裁提名，聘任或者解聘公司副總裁、財務總監和其他高級管理人員，決定其報酬事項；

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- formulating the basic management system of the Company;
- formulating proposals for amendments to the articles of association; and
- carrying out other powers conferred by shareholders' meetings.

The Board is also responsible for the integrity of financial information and the effectiveness of the Company's systems of internal control and risk management processes. The Board is also responsible for preparing the accounts of the Company. Day to day management of the Company's business is delegated to the chief executive. The functions of the Board and the powers delegated to the chief executive are reviewed periodically to ensure that they remain appropriate.

To ensure a balance of power and authority, the role of the Chairman is separate from that of the chief executive. The Chairman of the Company is Mr. Zheng Yue Wen. The Chairman is responsible for convening and holding of general meetings and Board meetings, tracking the progress implementation of the resolutions passed by the Board, signing the securities issued by the Company and carrying out other powers conferred by the Board. Mr. Wang An is the chief executive of the Company. The chief executive is responsible for the production, operation and management of the Company, implementation of the resolutions passed by the Board, implementation of annual business plans and investment proposals, formulation of internal management structure of the Company, formulation of the basic management system of the Company, formulating the specific governance of the Company, proposing to the Board for appointment and dismissal of deputy general manager, financial controller and other senior management of the Company, appointment and dismissal of other management staffs whose appointment and dismissal does not require approval from the Board and carrying out other powers conferred by the Board and the articles of association.

- 制定公司的基本管理制度；
- 制訂公司章程修改方案；及
- 執行股東大會授予的其他職權。

董事會亦須對財務資料的完整性以及公司內部監控制度及風險管理程序的效能負責。董事會亦肩負編製本公司財務報表的責任。達致本公司業務目標及日常業務運作的責任則交由總裁承擔。董事會定期檢討總裁的職能及賦予總裁的權力，以確保此安排仍然適當。

為確保權力和授權分布均衡，主席與總裁的角色已清楚區分。本公司現任主席是鄭躍文先生，主席負責召集和主持股東大會、董事會會議；檢查董事會決議的實施情況；簽署公司發行的證券以及董事會授予的其他職權。現任總裁是王安先生，負責主持公司的生產、經營和管理工作；組織實施董事會決議；組織實施公司年度經營計劃和投資方案；擬訂公司內部管理機構設置方案；擬訂公司的基本管理制度；制定公司的具體規章；提請董事會聘任或者解聘公司副總經理、財務總監和其他高級管理人員；聘任或者解聘除應由董事會聘任或者解聘以外的管理人員；執行公司章程和董事會授予的其他職權。

Board Meetings

The Chairman is responsible for the leadership of the Board, ensuring the effectiveness of the Board in all aspects of its role and for setting its agenda and taking into account any matters proposed by other Directors for inclusion in the agenda. Agendas and accompanying board papers are circulated where possible at least 3 days before the time of a board or committee meeting. The Chairman is also responsible for making sure all Directors are properly briefed on issues arising at board meetings. The Chairman ensures that the Directors receive accurate, timely and clear information. Directors are encouraged to update their skills, knowledge and familiarity with the Company through their initial induction, ongoing participation at board and committee meetings, and through meeting key people at head office and in the divisions.

All Directors have access to the services of the company secretary who regularly updates the Board on governance and regulatory matters. Any Director, wishing to do so in the furtherance of his or her duties, may take independent professional advice through the Chairman at the Company's expense. The availability of professional advice extends to the Audit, Remuneration and other Committees.

Minutes of board meetings are taken by the company secretary or the secretary to the Board and, together with any supporting board papers, are available to all board members. Board meetings are structured to encourage open discussion and frank debate to ensure the non-executive Directors provide an effective challenge to each executive Director. When necessary, the independent non-executive Directors meet privately to discuss matters which are their specific responsibility.

董事會會議

主席負責領導董事會，確保董事會有效履行其各方面的職責，並負責擬定董事會會議議程及考慮其它董事提議加入議程的事項。議程連同附隨的董事會文件盡可能在董事會會議或委員會會議進行前至少三天傳閱。主席亦有責任確保所有董事就董事會會議上的事項獲適當的簡介。主席確保各董事獲得準確、及時及清楚的資料。透過董事就職時的培訓、持續參與董事會及委員會會議以及透過與總部及各部門主要人員會面，鼓勵各董事不斷更新其技術、知識及對公司的認識。

所有董事均可享用公司秘書的服務，公司秘書須即時讓董事會知悉有關管治及監管事宜的最新資料。董事可為履行職責而透過主席尋求獨立專業意見，費用由本公司支付。審核委員會、薪酬及其他委員會亦可尋求專業意見。

董事會會議由公司秘書或董事會秘書負責記錄，這些會議記錄連同任何有關的董事會會議文件，均向所有董事會成員提供。董事會會議的設立，旨在鼓勵董事作公開和坦誠的討論，確保非執行董事能向每位執行董事提出有效的查詢。在需要時，獨立非執行董事會私下進行會議，討論與其本身職責有關的事項。

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In furtherance of good corporate governance, the Board has established 3 committees: Audit Committee, Nomination Committee and Remuneration Committee. All have terms of reference which fulfill the principles set out in the CG Code. With the help of the secretary of the Board, the company secretary takes minutes of the meetings of these committees and the work of these committees is reported to the Board.

The Board met 7 times during 2005. The chief compliance officer, the chief executive and the financial controller also attended all Board meetings to advise on corporate governance, risk management, statutory compliance, mergers and acquisitions and accounting and financial matters. The attendance (other than attending by authorized representatives) of individual Directors at the Board meetings and the other committees is set out in the table below.

Board Meeting

Date(YY/MM/DD) 日期(年/月/日)	Chair person 主席	Members 成員								INED 獨立非執行董事		
		ZYW	WA	ZH	YHL	ZWX	RXJ	LCH	LLS	HXS	WJH	YSN
24 February 2005 2005年2月24日	ZYW	✓	✓	✓		✓	✓				✓	
16 March 2005 2005年3月16日	ZYW	✓	✓	✓	✓	✓	✓				✓	✓
11 May 2005 2005年5月11日	ZYW	✓	✓	✓	✓	✓	✓				✓	✓
17 May 2005 2005年5月17日	ZYW	✓	✓	✓	✓		✓	✓				✓
9 August 2005 2005年8月9日	ZYW	✓	✓	✓	✓	✓	✓	✓			✓	✓
27 September 2005 2005年9月27日	ZYW	✓	✓	✓	✓	✓	✓	✓			✓	✓
9 November 2005 2005年11月9日	ZYW	✓	✓	✓	✓	✓	✓	✓			✓	✓

為確保良好的企業管治，董事會已成立三個小組委員會：審核委員會、提名委員會及薪酬委員會，其職權範圍皆遵守該守則。公司秘書於董事會秘書的協助下為這些委員會撰寫會議記錄，而委員會向董事會彙報工作。

董事會於二零零五年召開了七次會議。監察主任、總裁及財務總監出席了所有董事會會議，並對企業管治、風險管理、遵守法規、合併收購、會計和財務事宜提供意見。下表顯示各董事於二零零五年內出席(除授權其他董事代為出席)董事會及主要委員會會議之詳情：

董事會會議

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企業管治報告

Audit Committee Meeting

審核委員會會議

Date (YY/MM/DD) 日期(年/月/日)	Chair person 主席	Members - INED 成員－獨立非執行董事			Attendees 出席者
		WJH	HXS	YSN	Jiang Hong Qi (Financial Controller) 姜洪奇 (財務總監)
16 March 2005 2005年3月16日	WJH	✓	✓	✓	✓
11 May 2005 2005年5月11日	WJH	✓	✓	✓	✓
9 August 2005 2005年8月9日	WJH	✓	✓	✓	✓
9 November 2005 2005年11月9日	WJH	✓	✓	✓	✓

Remuneration Committee Meeting

薪酬委員會會議

Date(YY/MM/DD) 日期(年/月/日)	Chair person 主席	Members - INED 成員－獨立非執行董事	
		WJH	YSN
28 December 2005 2005年12月28日	WJH	✓	✓

Note

註

ZYW Zheng Yue Wen
 WA Wang An
 ZH Zhang Hui
 YHL Yu Hui Lin
 ZWX Zhang Wan Xin
 RXJ Ren Xiao Jian
 LLS Lei Liang Sheng
 LCH Lo Chih-Hsien
 HXS Hu Xiao Song
 WJH Wu Jian Hui
 YSN Yu Shou Neng

鄭躍文
 王安
 張輝
 于會林
 張萬欣
 任曉劍
 雷良生
 羅智先
 胡小松
 鄔建輝
 俞守能

Directors' Interest

All Directors disclose to the Board on their first appointment their interests as a director or otherwise in other companies or organizations and such declarations of interests are updated annually. When the Board considers any proposal or transaction in which a Director has a conflict of interest, the Director declares his interest and is required to abstain from voting and withdraw from the meetings as appropriate. The Company seeks confirmation from Directors annually in respect of any transactions of the Company or its subsidiaries which are related to Directors or their associates.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standards governing the required standard against which listed issuers and their directors must measure their conduct dealings of securities of the listed issuer related to Directors ("the Securities Code") contained in Rules 5.46 to 5.67 of the GEM Listing Rules as the Company's code of conduct regarding securities transactions by its Directors. A copy of the Securities Code is sent to each Director upon his appointment and thereafter four times annually, that is one month before the date of the Board meetings to approve the Company's quarterly results, half year results and annual results, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published.

All Directors have confirmed that they have complied with the requirements in the Securities Code during 2005.

Specific employees who are likely to be in possession of unpublished price-sensitive information of the Company are also subject to compliance with the Securities Code. No incident of non-compliance was noted by the Company in 2005.

董事權益

所有董事須於首次獲委任時向董事會申報在其它公司或機構擔任董事或其它職務的身份，有關利益申報每年更新一次。倘董事會在討論任何動議或交易時認為董事在當中存在利益衝突，該董事須申報利益及放棄投票，並在適當情況下避席。本公司根據指引於每個財務報告期間要求董事確認他們或其聯繫人與公司或其附屬公司進行的任何有關聯的交易。

董事進行之證券交易

本公司已採納上市規則第5.46至5.67所列表載董事於買賣其所屬發行人證券時用以衡量其本身操守的所需標準為本公司的董事證券交易守則(《證券守則》)。公司各董事於獲委任時均獲發一份證券守則，其後每年四次，分別在通過公司季度業績、中期業績及全年業績的董事會會議前一個月，連同一份提示一併發出，提醒董事不得在公布業績前買賣本公司的證券或衍生工具。

本公司所有董事於二零零五年確認已遵守《證券守則》。

所有特定僱員若可能擁有關於本公司的尚未公開股價敏感資料，亦須符合《證券守則》。本公司於二零零五年年度並未發現任何違規事件。

SUPERVISORY COMMITTEE

The Supervisory Committee of the Company comprises 3 members of which 2 are recommended by shareholders and 1 is an employee representative elected by the employees. The Supervisory Committee is responsible for supervision of the Board, members of the Board and senior management, to prevent authority abuse, shareholders' interest infringement and to protect legal interest of the Company and its employees. During 2005, the Supervisory Committee held 1 meeting and reviewed the Company's financial position, legal operation conditions and due diligence status of the senior management.

INTERNAL CONTROL

Internal control system

The Board has overall responsibility for setting and reviewing of the Company's system of internal control. Audit Committee will also review the effectiveness of such system periodically. Procedures applied by the Audit Committee for reviewing the effectiveness of the Company's internal control system include: discussion with the management on the risky areas arising from auditing and/or raised by management, reviewing material issues arising from internal or external audit report and reviewing material matters identified by internal auditors and risk assessment manager of the Group. The internal control system of the Company plays an effective role in risk management which is a very important factor for ensuring the achievement of operational goal. The establishment of internal control system is for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for the reliability of financial information used within the business or for publication. However, the procedures provide reasonable but not absolute assurance against material errors, losses or fraud. Procedures have also been designed for compliance of applicable laws, rules and regulations.

監事會

本公司監事會由三名成員組成，其中二名為由股東推薦產生，一名為本公司員工代表並由員工選舉產生。監事會負責對董事會及其成員以及高級管理層進行監督，防止其濫用職權，侵犯股東、公司及公司員工的合法權益。二零零五年監事會召開一次會議，對公司財務狀況、公司依法運作情況和高級管理人員盡職情況進行了審查。

內部監控

內部監控制度

董事會全權負責公司的內部監控制度的建立和完善，並通過審核委員會定期檢討該制度是否有效。審核委員會用以檢討內部監控系統是否有效的程序包括：與管理層討論由管理層及／或在審核程序中指出的風險範圍；檢討內部及外聘審計師的審核計劃；檢討由內部及外聘審計師審核報告所引起的重大事項；及檢討集團內部審核部與集團風險經理彙報的重大集團風險。本公司的內部監控制度對風險管理發揮關鍵的作用，而風險管理對於能否達到營運目標非常重要。訂立內部監控程序是為保障資產以防未經授權使用或處理資產；確保適當的會計記錄得以保存；並且可提供可靠的財務資料供內部使用或對外發放。但監控程序旨在合理（但非絕對）保證並無重大失實陳述、損失或舞弊。本公司內部監控程序是按相關法律條例、附屬法例和規章編寫。

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A review of the Company's internal control system covering financial, operational, compliance and risk management, is conducted annually.

The Board confirms that systems and procedures are in place to identify, control and report on significant risks involved in achieving the Company's strategic objectives. Exposures to these risks are monitored by the Board with the support of various committees and senior management. For the year under review, the Board considered that the Company's internal control system is adequate and the Company has complied with the provisions on internal control of the CG Code.

Internal Audit

The Internal Audit Department provides an independent review of the adequacy and effectiveness of the internal control system. The Department is headed by a manager familiar with the Company's operation. Its scope of work mainly includes auditing of financial and operational systems, observance of relevant policies and regulations, regular and special auditing, auditing of production effectiveness, etc. The audit plan, which is prepared based on risk assessment methodology, is discussed and agreed every year with the Audit Committee. In addition to its agreed annual schedule of work, the Internal Audit Department conducts other special reviews as required.

The primary reporting line of the Internal Audit Department is to the Chairman of the Board but there is also direct access to the Audit Committee. Audit reports are sent to the chief executive, the financial controller and the relevant management of the department under audit. A summary of major audit findings is reported to the Audit Committee. The Board and the Audit Committee actively monitor the number and seriousness of findings raised by the Internal Audit Department and also the corrective actions taken by relevant departments.

本公司每年均對內部監控系統進行檢討，內容包括財務、營運、遵守法規及風險管理之監控。

董事會確認本公司已具有辨認、管理及彙報對達致其策略性目標所面對的重大風險系統和程序。董事會持續監察風險，並獲得各董事委員會及高層管理人員的支持。於本年度內，董事會認為本公司的內部監控制度是足夠的，並且本公司亦已遵守該守則有關內部監控的條文。

內部審核

本公司的內部審核部負責對內部監控系統是否足夠及其成效進行獨立審核。部門由熟悉公司業務的經理帶領，內部審核職能的工作範圍主要包括財務與運營系統審訂、有關制度及法規遵守情況審核、經常性與突發審核、生產效益審核等。審核計劃乃以風險評估方法編製並每年經由審核委員會商討及議定。除議定的年度工作外，該部門亦需要進行其它專項的審核工作。

本公司內部審核部的主要彙報流程是向董事會主席彙報，亦可直接聯絡審核委員會。所有內部審核報告均送交本公司總裁、財務總監、被審核部門的管理層及外聘審計師。每次審核主要結果亦與審核委員會討論。董事會及審核委員會積極監察內部審核部門提交的調查結果的數目和嚴重性，以及相關的部門采取的糾正行動。

Detailed control guidelines have been set and made available to all employees of the Company regarding handling and dissemination of corporate data which is price sensitive.

Risk Management

Risk management is concerned with the identification and effective management of business risks, including safety and security, legal, environmental and reputational risks.

Risk Management Committee

The Company has established a Risk Management Committee which coordinates the proper application of operational risk management procedures throughout the Company. The Committee assists the Board to fulfill its oversight role over the Company and its subsidiaries in, among others, the following areas:

- establishment of the risk approach and risk management strategy of the Company to formulate its risk profile;
- identification, assessment and management of the material risks faced by the various business units of the Company;
- reviewing and assessment of the adequacy of the Company's risk management process, system and internal control; and
- reviewing and monitoring the Company's risk management process, system and internal control, including whether the development of the Company's business is prudent and in compliance with the legal requirements.

本公司已制定關於處理對價格敏感的公司資料的詳細監控指引，供本公司的所有僱員參閱。

風險管理

風險管理關乎識別及有效管理業務風險，包括安全及保安、法律、環境及商譽風險。

風險管理委員會

公司設有一個風險管理委員會，負責協調在整個公司內適當地實施營運風險管理程序。該委員會負責協助董事會對本公司及其子公司在以下(包括其他)方面實現監控職責：

- 建立公司的風險取向和風險管理戰略，確定本公司的風險組合狀況；
- 識別、評估、管理本公司不同業務單位面臨的重大風險；
- 審查和評估本公司風險管理程序、制度和內部控制的適當性；
- 審查及監控本公司對風險管理程序、制度及內部控制的遵守情況，包括本公司在開展業務時是否符合審慎、守法的要求。

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Financial risk management and the coordination of the Company's policy on environmental issues are outside its terms of reference. The Committee is chaired by the financial controller and includes senior representatives from each division as well as the human resources manager and the head of Internal Audit Department. The Committee reports to the Audit Committee on a regular basis.

AUDIT COMMITTEE

The Audit Committee is responsible for reviewing the Group's financial reporting, internal controls and corporate governance issues and making relevant recommendations to the Board. All of its members are independent non-executive Directors and its Chairman, Mr. Wu Jian Hui, is an independent non-executive Director.

The terms of reference of the Audit Committee is based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee met 4 times in 2005. During 2005, it met to review the internal and external audit findings, the accounting principles and practices adopted by the Group, internal control and listing rules and statutory compliance, and to discuss auditing, internal controls, risk management and financial reporting matters. The quarterly, interim and annual accounts for 2005 were recommended to the Board for approval after discussion of the Audit Committee.

EXTERNAL AUDITORS

In 2005, the total remuneration paid to the external auditors were approximately RMB1,880,000. All are for audit services. The audit fee was approved by the Audit Committee and endorsed by the Board.

財務風險管理及公司對環境問題的政策協調工作並不列入其職權範圍內。委員會由財務總監擔任主席，成員包括各部門高層代表、人事主管及內部審核主管。委員會定期向本公司審核委員會彙報工作。

審核委員會

審核委員會負責審核財務報告、檢討內部監控及企業管治的工作，並負責向董事會提出相關的建議。委員會成員全部由獨立非執行董事來擔任，並由其中之一的鄔建輝先生擔任委員會主席。

審核委員會的書面職權範圍乃參考香港會計師公會刊發之指引而制訂。

審核委員會在二零零五年間開會四次，於二零零五年，審核委員會就外聘審計師和內部核數師的報告結果、本集團採納之會計原則與常規、內部監控、是否符合上市規則的規定進行審核，對審核、內部監控、風險管理及財務報告事宜進行檢討，本公司的二零零五年季度、半年及全年業績經審核委員會開會討論後才建議交由董事會通過。

外聘審計師

二零零五年審計師酬勞約為人民幣1,880,000元，全部為審計服務方面徵收的費用。審計費用已經審核委員會及董事會批准。

The Audit Committee has resolved the re-appointment of KPMG for statutory audits for the financial year 2006. This resolution has been endorsed by the Board and is subject to final approval and authorization by the shareholders at the forthcoming annual general meeting.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Mr. Wu Jian Hui and Mr. Wu Jian Hui and Mdm. Yu Shou Neng, both independent non-executive Directors, are members. The Committee's responsibilities are as follows:

- to recommend the remuneration policy and structure, for all directors and senior executives under transparent and legal procedures to the Board;
- to approve the remuneration policy and structure (comprising non-monetary benefit, retirement benefit and the amount of compensation including compensation for lost or termination of office or appointment) for all directors and senior executives with the Board's approval;
- to recommend the remuneration of non-executive Directors to the Board;
- to formulate, review and approve remuneration with reference to the performance and the Company's objectives laid down by the Board at irregularly interval;
- to review and approve the compensation paid to executive Directors and senior management for lost or termination of office or appointment and to ensure such compensation is determined in accordance with the relevant terms of service;

審核委員會已議決再次委任畢馬威會計師事務所進行二零零六年財政年度的法定審計工作。此決議案已獲得董事會通過，並有待股東於即將召開之股東週年大會上作最終批准和授權。

薪酬委員會

薪酬委員會由獨立非執行董事鄔建輝先生和俞守能女士組成，鄔建輝先生出任主席。薪酬委員會的主要職責如下：

- 就公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事會提出建議；
- 如董事會轉授以下職責，即釐定全體執行董事及高級管理人員的特定薪酬待遇，包括非金錢利益、退休金福利及賠償金額（包括喪失或終止職務或委任的賠償）；
- 就非執行董事的薪酬向董事會提出建議；
- 透過參照董事會不時通過的公司目標，檢討及批准按表現而釐定的薪酬；
- 檢討及批准向執行董事及高級管理人員支付那些與喪失或終止職務或委任有關的賠償，以確保該等賠償按有關合約條款釐定；

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- to set compensation paid to executive Directors and senior management for lost or termination of office or appointment under the principle of fairness, reasonableness and not to create undue burden to the Company if such compensation cannot be determined in accordance with the relevant terms of service;
 - to review and approve compensation for termination/dismissal of appointment of Directors due to misconduct and to ensure that such arrangement is in compliance in accordance with the relevant terms of service;
 - to set compensation for termination/dismissal of appointment of Directors due to misconduct under reasonable and appropriate basis if such compensation cannot be determined in accordance with the relevant terms of service; and
 - to ensure remuneration of any Director or any associated person cannot be set by themselves.
- 若未能按有關合約條款釐定喪失或終止職務或委任有關的賠償，賠償亦須以公平合理，不會對公司造成過重負擔之原則來釐定；
 - 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排按有關合約條款釐定；
 - 若未能按有關合約條款釐定，因董事行為失當而解僱或罷免有關董事所涉及的賠償安排亦須合理適當；及
 - 確保任何董事或其任何聯繫人不得自行釐定薪酬。

Factors to be considered by the Remuneration Committee for formulation of remuneration package including the remuneration paid by other similar companies, time devoted by a director, director's responsibilities, employment terms of other positions in the Group, linkage to pay to Director's performance, etc.

Terms of reference of the Remuneration Committee is available on the Company's website.

The Remuneration Committee met once in 2005 to review and approve the Directors' and senior management's remuneration for 2006. At that meeting, the Committee approved individual Directors' remuneration packages to be paid for 2006.

薪酬委員會應考慮的因素包括同類公司支付的薪酬、董事須付出的時間及董事職責、集團內其他職位的僱傭條件及是否應該按表現釐定薪酬等。

薪酬委員會的職權範圍載於本公司網址。

薪酬委員會在二零零五年舉行一次會議，檢討並批准董事及高級行政人員之二零零六年度酬金，在該次會議內，委員會已批准各董事於二零零六年度的酬金。

Remuneration Policy for Directors

Remuneration of Directors is subject to annual assessment and recommendation by the Remuneration Committee to the Board for further review and approval, which subsequently require approval by the shareholders at annual general meeting. The primary goal of the remuneration policy on executive remuneration packages is to enable the Company to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, a Director is not allowed to approve his own remuneration.

The elements of the Company's executive remuneration package include basic compensation (comprising of director fee) and discretionary bonus without capping. In determining guidelines for each compensating element, the Company refers to remuneration surveys conducted by independent external consultants on companies operating in similar businesses.

Basic Compensation

The Remuneration Committee annually reviews and approves the basic compensation of each Director in accordance with the Company's remuneration policy. In accordance with the service contracts entered into by the Company and each of the Directors, all Directors have the right to receive fixed basic compensation.

Discretionary Bonus

The Company implements a performance-based discretionary bonus scheme for each Director. Under this scheme, the computation of discretionary bonus (without capping) is based on measurable performance contributions of business units headed by the respective Directors.

Under the service contracts between the Company and each of the Directors, Directors are entitled to a discretionary bonus based on the Company's results and the degree of responsibilities of each of the Directors.

董事之酬金政策

董事之酬金須由薪酬委員會進行年度評估並將其建議於董事會，董事會審議並通過之後再提交股東周年大會經股東批准後始可作實。董事的酬金組合政策，主旨是使本公司董事之酬金及其表現與公司目標掛鉤，有助激勵董事的工作表現及留任。根據該政策，董事不可批准本身酬金。

本公司董事酬金之主要組成包括基本薪酬(包括袍金)、無上限之酌情花紅。於釐定各酬金項目指引時，本公司會參考由獨立外聘顧問對本公司相類似業務之公司所作之酬金調查。

基本薪酬

薪酬委員會每年均會根據本公司之酬金政策檢討及批准各董事之基本薪酬。根據本公司與各董事之間所訂立之服務合約，各董事有權獲取固定基本薪酬。

酌情花紅

本公司為各董事釐定酌情花紅計劃。根據該計劃，酌情花紅(並無上限)乃根據由各董事所主管之業務部門之可衡量表現貢獻為基礎計算。

根據本公司與各董事之間訂立之服務合約，公司董事會可視公司業績及董事盡職情況決定對董事分紅。

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The amounts paid to each Director of the Company for 2004 and 2005 are disclosed in notes 11 on the financial statements.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Mr. Zheng Yue Wen, an executive Director, and comprises Mr. Wu Jian Hui and Mdm. Yu Shou Neng as members. The role of the Committee is to make recommendations to the Board on the appointment of Directors, evaluation of Board composition and the management of Board succession with reference to certain guidelines as endorsed by the Nomination Committee. These guidelines include appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills, and time commitments of members. The Nomination Committee carries out the process of selecting and recommending candidates for directorship including the consideration of referrals and engagement of external recruitment professional when necessary. During 2005, no nomination of Directors was made as there were no resignations from the Board after the establishment of the Nomination Committee and therefore no meeting was held.

INVESTOR RELATIONS

The Company is committed to fair disclosure and comprehensive, transparent reporting. The Chairman is ultimately responsible for ensuring that there is effective communication with investors and that the Board understands the views of major shareholders. The Chairman therefore makes himself available to meet shareholders for this purpose. On a day-to-day basis the Board's primary contact with major shareholders is through the chief executive and financial controller of the Company.

於二零零四年及二零零五年支付予各董事之酬金詳情請見財務報表附註。

提名委員會

提名委員會由執行董事鄭躍文先生出任主席，委員包括鄒建輝先生和俞守能女士。委員會的角色是，根據委員會認可的若干標準，向董事會就委任董事、評估董事會的組合及董事會成員替換作出建議。有關標準包括董事之適當專業知識及行業經驗、個人操守、誠信及技能，以及付出足夠時間之承諾。提名委員會負責挑選及推薦董事人選，包括考慮經他人推薦的人選及有需要時使用招聘公司的服務。由於在提名委員會成立後無董事辭任，提名委員會在二零零五年沒有做出委任董事的建議，亦未有舉行會議。

與投資者關係

本公司承諾作公正的披露及提供全面而透徹的報告。董事會主席的最終責任，是確保與投資者有有效的溝通，並確保董事會明白主要股東的意見。因此，主席須為此與股東會面。董事會與主要股東的日常接觸，主要是透過公司總裁及財務總監等進行。

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To enhance the Company's system of information disclosure, and to ensure the accuracy, completeness and timeliness of the Company's public disclosures, an Information Disclosure Review Committee, led by the financial controller was established. The Information Disclosure Review Committee is responsible for the establishment of procedures to compile, verify and report the Company's financial and operational statistics and other information as well as to supervise the drafting and publication of periodic reports.

Printed copies of the quarterly, interim and annual reports are sent to all shareholders. The most recent annual general meeting was held on 17 May 2005 at 3rd Floor, No. 18 Andre Avenue, Muping Economic development Zone, Yantai City, Shandong Province, the PRC. The meeting was open to all shareholders and members of the press and was attended by all substantial shareholders personally present or by proxy.

As part of a regular programme of investor relations, senior management holds briefings and attends conferences with institutional investors and financial analysts to engage in a two-way communication on the Company's performance and objectives. A wide range of information on the Group's business activities is made available to investors and the public through the corporate website and the website of the Stock Exchange. Webcasts of the meetings announcing the quarterly, interim and annual results are also available on the corporate website and the website of the Stock Exchange.

為了進一步完善本公司的信息披露制度，確保公司對外披露信息的準確性、完整性和及時性，本公司建立了由財務總監主持的信息披露檢查委員會。信息披露檢查委員會負責訂立本公司的財務運營數據及其它信息的匯總、核實、上報的程序及定期報告的編寫審閱的工作。

本公司亦就其季度、中期及年度業績報告發放予所有股東。最近期的股東周年大會於二零零五年五月十七日，在中國山東省煙臺市牟平經濟開發區安德利大街十八號三樓舉行。該會議公開讓所有股東及傳媒參與，會上主要股東均親身或委任代表出席。

由高級行政人員出席與機構投資者及財務分析員的會議，是投資者關係常規項目的一部分，以便就本公司的業績表現及業務目標作雙向溝通。投資者及公眾可登入公司網址及聯交所網站，瞭解有關本公司各項業務的詳細資料。公布季度、中期及年度業績的公告亦可在本公司網址及聯交所網站下載。

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In 2005, the Company held over 150 meetings with analysts and investors in its Hong Kong office, organized 2 Company visits by analysts, 3 Company visits by press, conducted over 3 press conferences, and were interviewed by press on 5 occasions. The Company also arranged over 10 road shows for analysts and investors in Hong Kong, the PRC, Japan and Europe. These activities allow them to have good opportunities to communicate with and understand the management, general staffs and its operating subsidiaries and visit different places of business of the Group.

From information publicly available to the Company and within the knowledge of its Directors, at least 37.05% of the Company's total issued share capital is held by the public at all times. As at 21 March 2006, being the latest practicable date, there were 237 holders of H shares on the Company's register of shareholders.

Enquiries may be put to the Board by contacting either the company secretary through the shareholders' hotline, email or directly by questions at an annual general meeting or special general meeting. Questions on the procedures for convening of or putting forward proposals at an annual general meeting or special general meeting may also be put to the Company by the same means.

二零零五年度，本公司財務總監及投資者關係主任與香港的分析員及投資者進行了多次會議，本公司在香港、中國、日本和歐洲組織了十餘次路演或相關會議，組織了五次專門的媒體專訪和三次媒體發布會，組織了二次投資分析員參觀公司和三次媒體參觀公司的活動，本公司香港辦公室接受了約有超過一百五十餘次專訪。本公司不時主動為分析師及投資者安排路演，使他們能與本公司管理層、運營公司管理層和基層員工有更直接的溝通和瞭解，並進行實地考察，參觀不同地方分公司的業務及營業地點。

據公司公開所得的資料及就公司董事所知，本公司至少37.05%已發行股本總額一直由公眾持有。於二零零六年三月二十一日，本公司股東名冊上共有二百三十七名股東持有H股。

如欲向董事會作出任何查詢，股東可透過股東熱線電話、電郵聯絡公司秘書，或直接於股東週年大會或特別股東大會上直接提問。關於股東召開年會或特別大會及提呈決議案的程序，可透過上述途徑向公司秘書查詢。

Report of Directors

董事會報告

The Directors have pleasure in submitting the annual report together with the audited financial statements for the year ended 31 December 2005.

Principal Activities

The principal activities of the Group are manufacturing and sale of AJC, PJC, apple essence, feedstuff and related products. The principal activities of the Company's subsidiaries are set out in note 16 on the Financial Statements.

Results

The results and financial status of the Group for the year ended 31 December 2005 are set out in page 80 to page 157 of the Annual Report.

Major Customers and Suppliers

In the reporting period, the Group mainly exported products to the US market, Japanese market and European market, and was expanding its market to other countries. The sales attributable to the top five customers of the Group accounted for about 39% of the Group's total turnover and sales to the largest customer included therein amounted to about 14%.

Purchases from the Group's top five largest suppliers accounted for about 9% of total purchases for the year. The largest supplier accounted for about 5% of the total purchases of the Group for the year.

None of the Directors, Supervisors, their respective associates or any shareholders which, to the knowledge of the Directors, own more than 5% of the Company's issued share capital had any interest in the top five largest suppliers or customers of the Group.

董事會欣然提呈二零零五年年報及本集團截至二零零五年十二月三十一日止年度經審核財務報表。

主要業務

本集團主要從事生產及銷售濃縮蘋果汁、濃縮梨汁、蘋果香精、生物飼料等產品，本公司之子公司之主要業務詳情載於財務報表附註16。

業績

本集團截至二零零五年十二月三十一日止年度的業績及財務狀況載於年報第80頁至第157頁。

主要客戶與供應商

於本報告期內，本集團的產品主要是銷往美國市場、日本市場和歐洲市場，但已逐步開拓了其他市場。本集團向五大客戶的銷售額佔本集團營業額約39%。本集團向最大客戶的銷售額佔本集團營業額約14%。

本集團從五大供應商的採購約佔總採購量的9%。同期，本集團最大的供應商約佔總採購量的5%。

就董事所知概無擁有超過本公司已發行股本5%以上的董事、監事、他們各自的聯繫人士或任何股東，於本集團五大客戶或供應商中擁有權益。

Dividends

The Board of Directors has resolved to recommend a final dividend of approximately RMB25,459,500 (inclusive of tax), or approximately RMB0.015 per share for 2005. The proposal to declare and pay this final dividend will be submitted to the shareholders of the Company at the forthcoming annual general meeting to be held on 18 May 2006. Final dividend for Domestic Shares will be distributed and paid in RMB whereas dividend for H Shares will be declared in RMB and paid in Hong Kong dollars. The register of holders of H Shares of the Company will be closed from 14 April 2006 to 17 May 2006 (both days inclusive) during which no transfers of H Shares will be registered. The final dividend will be distributed within one month from the conclusion of the forthcoming annual general meeting.

Share Capital

The change(s) in share capital of the Company is set out in note 29 on the Financial Statements.

Reserves

The change(s) in reserves of the Company in the year is set out in the statements of changes in equity of the Group and the Company in the Financial Statements.

The distributable reserves of the Company as at 31 December 2005 amounted to approximately RMB92,465,000 (2004 (restated): RMB39,802,000).

Property, Plant and Equipment

During the year, the Group incurred approximately RMB140,312,000, mainly for the construction of its new factory in Xianyang city, Shaanxi Province and Dalian city, Liaoning Province and acquiring plant and equipment.

The change(s) of property, plant and equipment of the Group is set out in note 14 on the Financial Statements.

股利

董事會提議案派付二零零五年度末期股息約人民幣25,459,500元(含稅)或每股約人民幣0.015元。宣告和支付末期股息的建議將於二零零六年五月十八日召開的股東周年大會上提呈予本公司之股東。內資股股東的末期股息將以人民幣宣告並支付，而H股股東的末期股息將以人民幣宣告並以港幣支付。本公司將於二零零六年四月十四日至二零零六年五月十七日止(首尾兩日包括在內)暫停辦理H股登記手續，期間將不會登記H股過戶。末期股息將於即將舉行之股東週年大會結束後之一個月內派付。

股本

本公司股本於本年內之變動詳情載於財務報表附註29。

儲備

本公司儲備於本年內之變動詳情載於本集團及本公司股東權益變動表。

於二零零五年十二月三十一日，本公司股東可分配利潤約為人民幣92,465,000元(二零零四年(重列)：約人民幣39,802,000元)。

物業、廠房及設備

本年度、本集團支出了大約人民幣140,312,000元用於興建其於陝西省咸陽市及遼寧省大連市之新廠房及購買機器設備。

本集團物業、廠房及設備於本年內之變動詳情載於財務報表附註14。

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the Company Law of the PRC which oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, Sale or Redemption of Shares

For the year ended 31 December 2005, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's shares.

Directors' and Supervisors' Rights to Acquire Shares or Debentures

None of the Directors or Supervisors of the Company or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right as at 31 December 2005.

Material Acquisitions and Disposals During the Year

According to the relevant joint venture agreement and the related supplementary agreements of the Company's subsidiary, Andre Pectin, signed on 3 March 2005, the Group had transferred US\$4,000,000 equity interests in Andre Pectin at cost to an independent third party, Richride Investments Limited, and the registered capital of Andre Pectin had increased from US\$12,000,000 to US\$20,000,000, of which US\$7,000,000 and US\$5,000,000 were contributed by Bytetrion Limited, which is also an independent third party, and Richride Investments Limited, respectively. The Group, Bytetrion Limited and Richride Investments Limited currently have 40%, 35% and 25% equity interests in Andre Pectin respectively.

優先認購權

本公司之公司組織章程或中國法例並無訂明本公司須按比例向現有股東發售新股的優先認購權條文。

購買、出售或購回股份

截至二零零五年十二月三十一日止年度，本公司或其任何子公司概無購入、出售或購回本公司任何股份。

董事及監事購入股份或債券的權利

本公司或其附屬公司概無授出任何權利，以致本公司董事或監事或彼等各自的聯繫人可藉購入本公司或任何其他法人團體的股份或債券而獲益，而彼等亦無於二零零五年十二月三十一日行使任何該等權利。

年內重大收購及出售

根據於二零零五年三月三日簽訂的有關本公司之附屬公司安德利果膠的合資協議及相關補充協議，本集團以成本價轉讓安德利果膠之4,000,000美元權益予一獨立第三方，富邦投資有限公司，並且安德利果膠的註冊資本已由12,000,000美元增加至20,000,000美元。另一獨立第三方，百特創業有限公司及富邦投資有限公司分別注入7,000,000美元和5,000,000美元作為註冊資本。本集團，百特創業有限公司及富邦投資有限公司現分別享有安德利果膠40%，35%及25%的權益。

Report of Directors

董事會報告

Apart from the above transaction, the Group did not have any material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 December 2005.

Significant Investment

Save as disclosed above, no other significant investment was held by the Group as at 31 December 2005.

Employment and Remuneration Policy

As at 31 December 2005, the Group had a total of 794 employees (31 December 2004: 538 employees). Staff costs including directors' remuneration for the year ended 31 December 2005 and 31 December 2004 were approximately RMB10,751,000 and approximately RMB9,181,000 respectively. Details of the emoluments of the Directors and Supervisors and the top five highest paid individuals of the Group are set out in notes 11 and 12 on the Financial Statements. The Group's employment and remuneration policies remained unchanged from those described in the prospectus of the Company dated 11 April 2003. The salaries and benefits of employees of the Group are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system which is reviewed annually. A wide range of benefits, including statutory compulsory welfare plans, are also provided to the employees.

Retirement Fund Scheme

The retirement fund scheme is set out in note 6 on the Financial Statements.

截至二零零五年十二月三十一日止年度，除以上所述之交易外，本公司概無對附屬公司及聯營公司進行重大收購或出售。

重大投資

除以上披露者外，於二零零五年十二月三十一日，本集團概無持有其他重大投資。

僱員及薪酬政策

於二零零五年十二月三十一日，本集團僱用共794名員工（二零零四年十二月三十一日：538名）。截至二零零五年及二零零四年十二月三十一日止年度之員工成本（包括董事酬金）分別約為人民幣10,751,000元及約人民幣9,181,000元。本公司之董事和監事及本集團之五名最高薪酬人士之薪酬詳情載於財務報表附註11及12。本集團僱用及薪酬政策保持與本集團於二零零三年四月十一日的售股章程所述者不變。本集團僱員之薪金及福利維持於具競爭力水準，而僱員之薪酬及福利根據本集團之薪金及花紅制度按僱員表現每年檢討釐定。本集團向僱員提供多種福利（包括法定強制性福利計劃）。

退休金計劃

本公司退休金計劃詳情載於財務報表附註6。

Report of Directors 董事會報告

Directors and Supervisors

As at 31 December 2005, the Directors and Supervisors of the Company were as follows:

Executive Directors:	Zheng Yue Wen, Wang An, Zhang Hui and Yu Hui Lin (formerly于惠霖)
Non-executive Directors:	Zhang Wan Xin, Ren Xiao Jian and Lo Chih-Hsien
Independent non-executive Directors:	Wu Jian Hui, Hu Xiao Song, Yu Shou Neng
Supervisors:	Mu Gui Sheng, Chen Ke Lin and Qu Wei Jia

Except for Mr. Lo Chih-Hsien, each of the Directors and Supervisors (including the independent non-executive Directors and Supervisors) has entered into a service contract with the Company for a term of three years. Mr. Lo Chih-Hsien has entered into a service contract with the Company commencing from 17 May 2005 until 10 June 2007. None of the Directors or the Supervisors had entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company was a party in 2005.

董事及監事

於二零零五年十二月三十一日，本公司之董事及監事如下：

執行董事：	鄭躍文、王安、張輝和于會林(曾用名于惠霖)
非執行董事：	張萬欣、任曉劍和羅智先
獨立非執行董事：	鄔建輝、胡小松和俞守能
監事：	慕桂盛、陳克林和曲維佳

除羅智先先生外，各董事及監事(包括獨立非執行董事及監事)已分別與本公司訂立服務合約，為期三年。羅智先先生與本公司訂立服務合約之服務期由二零零五年五月十七日至二零零七年六月十日。概無董事或監事與本公司訂有任何不可以由本公司於一年內終止而毋須賠償(法定補償除外)之服務合約。

董事於合約之權益

於二零零五年內，概無董事於對本集團業務具重大影響之本公司所訂合約中直接或間接持有任何重大權益。

Directors', Supervisors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

As at 31 December 2005, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); and (b) required to be recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in the shares of the Company

Name of Directors 董事姓名	Class of Shares 股份類別	Number of shares held 所持股份數目	Capacity 身份	Type of Interest 權益種類	Percentage in Domestic Shares 佔內資股百分比	Percentage in total share capital 佔總股本百分比
Zheng Yue Wen (Note 1) 鄭躍文 (附註1)	Domestic Shares 內資股	558,714,000 (L) 558,714,000 (長)	Interest of controlled corporation 受控制法團權益	Personal 個人	49.06%	32.92%
Wang An (Note 2) 王安 (附註2)	Domestic Shares 內資股	200,690,730 (L) 200,690,730 (長)	Interest of controlled corporation 受控制法團權益	Personal 個人	17.62%	11.82%

董事、監事及總裁於本公司股份及債權證中的權益及淡倉

於二零零五年十二月三十一日，董事、監事及總裁於本公司及其相關法團（按《證券及期貨條例》第十五章的涵義）擁有(i)根據《證券及期貨條例》第十五章第7及8部份之規定須知會本公司及聯交所（包括根據《證券及期貨條例》之規定被當作或被視作擁有之權益及淡倉）；及(ii)根據《證券及期貨條例》第352條須予備存之登記冊所載或根據創業板上市規則第5.46條至第5.67條須知會本公司及聯交所所有關董事進行證券交易之股份、基本股份或債券如下：

公司長倉股份

Report of Directors

董事會報告

Notes:

- (1) As at 31 December 2005, Zheng Yue Wen was taken to be interested in the 558,714,000 Domestic Shares through its controlled corporations. Out of the 558,714,000 Domestic Shares, 光彩事業國土綠化整理有限公司 (Glory Cause Land Afforestation Co., Ltd.*) was having a direct interest of 546,624,000 Domestic Shares whereas 北京瑞澤網絡銷售有限責任公司 (Beijing RAJ Network Sales Co., Ltd.*) was having a direct interest of 12,090,000 Domestic Shares. As at 31 December 2005, 光彩事業國土綠化整理有限公司 (Glory Cause Land Afforestation Co., Ltd.*) was controlled (as to 79%) by 北京亞太世紀科技發展有限責任公司 (Beijing Asia Pacific Century Technology Development Limited Liability Company*) which in turn was controlled (as to 80%) by 北京瑞澤網絡銷售有限責任公司 (Beijing RAJ Network Sales Co., Ltd.*). As at 31 December 2005, Zheng Yue Wen controlled 43% interest in 北京瑞澤網絡銷售有限責任公司 (Beijing RAJ Network Sales Co., Ltd.*).
- (2) As at 31 December 2005, China Pingan Investment Holdings Limited was having a direct interest of 200,690,730 Domestic Shares and Wang An controlled 90% interest in China Pingan Investment Holdings Limited.
- (3) The letter "L" denotes a long position.

* For identification purpose only

附註：

- (1) 於二零零五年十二月三十一日，鄭躍文因其控制之法團而被認為擁有558,714,000股內資股之權益。在558,714,000股內資股中，光彩事業國土綠化整理有限公司直接擁有546,624,000股內資股之權益，而北京瑞澤網絡銷售有限責任公司直接擁有12,090,000股內資股之權益。於二零零五年十二月三十一日，光彩事業國土綠化整理有限公司乃由北京亞太世紀科技發展有限責任公司控制(79%權益)，而北京亞太世紀科技發展有限責任公司則由北京瑞澤網絡銷售有限責任公司控制(80%權益)。於二零零五年十二月三十一日，鄭躍文控制北京瑞澤網絡銷售有限責任公司之43%權益。
- (2) 於二零零五年十二月三十一日，China Pingan Investment Holdings Limited直接擁有200,690,730股內資股之權益，而王安控制China Pingan Investment Holdings Limited之90%權益。
- (3) 「長」表示長倉。

* 僅供識別

Report of Directors

董事會報告

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2005, so far as the Directors are aware, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company which are discloseable under Divisions 2 and 3 of Part XV of the SFO and recorded in the register kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares of the Company

Name of substantial shareholder 主要股東名稱	Class of shares 股份類別	Number of shares held 所持股份數目	Capacity 身份
Zheng Yue Wen 鄭躍文	Domestic Shares 內資股	558,714,000 (L) 558,714,000(長)	Interest of controlled corporation (controlling 43% interest of such corporation) 受控制法團權益 (控制該法團的43%權益)
Beijing RAJ Network Sales Co., Ltd.* 北京瑞澤網絡銷售有限責任公司	Domestic Shares 內資股	12,090,000 (L) 12,090,000(長)	Beneficial owner 實益擁有人
	Domestic Shares 內資股	546,624,000 (L) 546,624,000(長)	Interest of controlled corporation (controlling 80% interest of such corporation) 受控制法團權益 (控制該法團的80%權益)

* For identification purpose only

主要股東及其他人士於股份的權益及淡倉

據董事所知，於二零零五年十二月三十一日，除本公司董事、監事或總裁外，在本公司之股份及基本股份中擁有須根據《證券及期貨條例》第十五章第2及3部份之規定而須披露，及已記入本公司根據《證券及期貨條例》第336條之規定存置之登記冊中之權益及淡倉之股東及其他人士如下：

公司長倉股份

Type of Interest 權益種類	Percentage in Domestic Shares/ H Shares 佔內資股/ H股百分比	Percentage in total share capital 佔總股本百分比
Personal 個人	49.06%	32.92%
Corporate 公司	1.06%	0.71%
Corporate 公司	48.00%	32.21%

* 僅供識別

Report of Directors

董事會報告

Name of substantial shareholder 主要股東名稱	Class of shares 股份類別	Number of shares held 所持股份數目	Capacity 身份	Type of Interest 權益種類	Percentage in Domestic Shares/ H Shares 佔內資股/ H股百分比	Percentage in total share capital 佔總股本百分比
Beijing Asia Pacific Century Technology Development Limited Liability Company* 北京亞太世紀科技發展有限責任公司	Domestic Shares 內資股	546,624,000 (L) 546,624,000 (長)	Interest of controlled corporation (controlling of 79% interest of such corporation) 受控制法團權益 (控制該法團的79%權益)	Corporate 公司	48.00%	32.21%
Wang An (Note 1) 王安 (附註1)	Domestic Shares 內資股	200,690,730 (L) 200,690,730 (長)	Interest of controlled corporation (controlling 90% interest of such corporation) 受控制法團權益 (控制該法團的90%權益)	Personal 個人	17.62%	11.82%
China Pingan Investment Holdings Limited (Note 1) (附註1)	Domestic Shares 內資股	200,690,730 (L) 200,690,730 (長)	Beneficial owner 實益擁有人	Corporate 公司	17.62%	11.82%
Yantai Donghua Fruit Co., Ltd.* (Note 1) 烟台東華果業有限公司 (附註1)	Domestic Shares 內資股	176,526,730 (L) 176,526,730 (長)	Beneficial owner 實益擁有人	Corporate 公司	15.50%	10.40%
HSBC International Trustee Limited	Domestic Shares 內資股	284,700,000 (L) 284,700,000 (長)	Trustee (Note 2) 信託人 (附註2)	Corporate 公司	25.00%	16.77%

Report of Directors

董事會報告

Name of substantial shareholder 主要股東名稱	Class of shares 股份類別	Number of shares held 所持股份數目	Capacity 身份	Type of Interest 權益種類	Percentage in Domestic Shares /H Shares 佔內資股/H股百分比	Percentage in total share capital 佔總股本百分比
Prosper United Limited	Domestic Shares 內資股	284,700,000 (L) 284,700,000 (長)	Interest of controlled corporation (controlling 100% interest of such corporation) 受控制法團權益 (控制該法團的100%權益)	Corporate 公司	25.00%	16.77%
ACME Team International Limited	Domestic Shares 內資股	284,700,000 (L) 284,700,000 (長)	Interest of controlled corporation (controlling 70% interest of such corporation) 受控制法團權益 (控制該法團的70%權益)	Corporate 公司	25.00%	16.77%
Donghua Fruit Industry Co., Ltd.	Domestic Shares 內資股	284,700,000 (L) 284,700,000 (長)	Beneficial owner 實益擁有人	Corporate 公司	25.00%	16.77%
Uni-President Enterprises Corp. 統一企業股份有限公司	Domestic Shares 內資股	84,695,270 (L) 84,695,270 (長)	Beneficial owner (Note 3) 實益擁有人 (附註3)	Corporate 公司	7.44%	4.99%
Atlantis Investment Management Ltd. (Note4) (附註4)	H Shares H股	34,000,000 (L) 34,000,000 (長)	Investment manager 投資經理	Corporate 公司	6.09%	2.00%

Report of Directors

董事會報告

Notes:

- (1) On 18 November 2005, 烟台東華果業有限公司 (Yantai Donghua Fruit Co., Ltd.*), the shareholding of which was owned as to 83.36% by Wang An, and Mr. Yung Ka Hee Titus entered into separate agreements with China Pingan Investment Holdings Limited, the shareholding of which was owned as to 90% by Wang An. Pursuant to the agreements, 烟台東華果業有限公司 (Yantai Donghua Fruit Co., Ltd.*) would transfer 176,526,730 Domestic Shares and Mr. Yung Ka Hee would transfer 24,164,000 Domestic Shares to China Pingan Investment Holdings Limited. The transfer is conditional upon, among other things, the Company obtaining the written approval by the relevant PRC authority and the new business license reflecting the changes due to the transfer. As at 31 December 2005, the Company had not obtained the relevant approval and new business license. The application for approval of such transfer is still in the process.
- (2) The corporate substantial shareholder notices filed to the Stock Exchange and the Company showed that HSBC International Trustee Limited controlled 99.77% interest in Prosper United Limited.
- (3) The corporate substantial shareholder notices filed by 統一企業股份有限公司 (Uni-President Enterprises Corp.) to the Stock Exchange and the Company on 8 September 2004 showed that it was taken to be interested in 84,695,270 Domestic Shares through its controlled corporations, with 成都統一企業食品有限公司 (Chengdu President Enterprises Food Co., Ltd.*), its indirect controlled corporation, having interest of 84,695,270 Domestic Shares in the Company. No notice had been given to or received by the Stock Exchange or the Company by 成都統一企業食品有限公司 (Chengdu President Enterprises Food Co., Ltd.*) in relation to its interests in the Company.
- (4) Based on the information available on the website of the Stock Exchange, the corporate substantial shareholder notice filed to the Stock Exchange showed that Atlantis Investment Management Ltd., in the capacity of investment manager, holds 34,000,000 H Shares, representing 6.09% and 2.00% of the total H Shares and the total share capital of the Company respectively.
- (5) The letter "L" denotes a long position.

* For identification purpose only

附註：

- (1) 於二零零五年十一月十八日，83.36%股權由王安擁有之烟台東華果業有限公司及容家禧先生分別與90%股權由王安擁有之China Pingan Investment Holdings Limited簽訂協議。根據彼等協議，烟台東華果業有限公司會轉讓其176,526,730股內資股及容家禧先生會轉讓其24,164,000股內資股予China Pingan Investment Holdings Limited。以上轉讓有待(其中包括)本公司取得中國有關當局之書面批准及新營業執照，以反映其變動，方告作實。於二零零五年十二月三十一日，本公司尚未取得有關之批准及新營業執照，有關股權轉讓正在申請批准程序之中。
- (2) 據HSBC International Trustee Limited於聯交所及本公司存檔之公司主要股東通知顯示，其控制Prosper United Limited之99.77%權益。
- (3) 據二零零四年九月八日統一企業股份有限公司(Uni-President Enterprises Corp.)於聯交所及本公司存檔之公司主要股東通知顯示，該公司被認為透過其多間受控制之法團，及其間接受控制之法團成都統一企業食品有限公司擁有84,695,270股內資股之權益。聯交所或本公司並未接獲成都統一企業食品有限公司有關擁有本公司權益的通知。
- (4) 根據聯交所網站提供之資料，存檔於聯交所的公司主要股東通知顯示Atlantis Investment Management Ltd. 以投資經理之身份持有34,000,000股H股，即分別佔總H股之6.09%及總股本之2%。
- (5) 「長」表示長倉。

* 僅供識別

Competing Interests

None of the Directors, the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the businesses of the Group or has or may have any other conflicts of the interest with the Group.

Practices and Procedures of the Board of Directors

The Company has adopted the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules (“the Required Standard”) as the Company’s code of conduct regarding securities transactions by its Directors. A copy of the Required Standard was sent to each Director one month before the date of the Board meeting to approve the Company’s 2005 annual results, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published.

Under the Required Standard, the Directors are required to notify the chairman of the Company and receive a dated acknowledgement in writing before dealing in the securities and derivatives of the Company and, in the case of the chairman of the Company himself, he must notify the chairman of the Audit Committee and receive a dated acknowledgement in writing before any dealing.

競爭權益

本公司董事或管理層股東或彼等各自之聯繫人(定義見創業板上市規則)概無於任何構成或可能構成與本集團業務出現競爭業務中擁有任何權益，亦無本集團產生或可能產生利益衝突。

董事會的常規及程式

本公司已採納創業板上市規則第5.48至5.67條所載之買賣準則作為本公司的董事證券交易守則(「該標準守則」)。公司各董事於通過公司二零零五年度業績的董事會會議前一個月已獲發一份該標準守則以及一份提示，提醒董事不得在公佈業績前買賣本公司的證券或衍生工具。

根據該標準守則的規定，董事須於通知主席並接獲註明日期的確認書後，方可買賣本公司的證券或衍生工具。而主席若擬買賣本公司證券或衍生工具，必須在交易前先通知審核委員會主席並獲取註明日期的確認書。

Report of Directors

董事會報告

All Directors, upon specific enquiries, have confirmed that they have complied with the Required Standard during year ended 31 December 2005.

Specific employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with the Required Standard. No incident of non-compliance was noted by the Company for the year ended 31 December 2005.

Length of Term of Non-executive Directors

The existing non-executive Directors (except Mr. Lo Chih-Hsien) were appointed for a term of three years from 11 June 2004 to 10 June 2007. Mr. Lo Chih-Hsien's term of service commenced from 17 May 2005 until 10 June 2007. The term of the existing independent non-executive Directors is from 15 November 2004 to 10 June 2007.

Independence of Independent non-executive Directors

The Company confirms that the Company has received written independence status confirmation from all independent non-executive Directors in accordance with Rule 5.09 of the GEM Listing Rule. All independent non-executive Directors are considered as independent.

經特定查詢後，本公司所有董事確認於本報告期內已遵守該標準守則。

所有特定僱員若可能擁有關於本集團的未公開而又可能影響股價的敏感資料，亦須符合該標準守則。本公司於截至二零零五年十二月三十一日止年內並未發現任何違規事件。

非執行董事之服務年期

本公司現任非執行董事(除羅智先先生外)之委任期由二零零四年六月十一日至二零零七年六月十日，為期三年。羅智先先生之服務期由二零零五年五月十七日至二零零七年六月十日。而現任獨立非執行董事之委任期由二零零四年十一月十五日至二零零七年六月十日。

獨立非執行董事之獨立性

本公司確認已根據創業板上市規則第5.09條向本公司各獨立非執行董事收取獨立地位確認書，而全體獨立非執行董事均被認為獨立。

Report of Directors

董事會報告

Sponsor's Interests

None of Barits Securities (Hong Kong) Limited, its directors, employees or its associates (as referred to in notes 2 and 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 31 December 2005.

Audit Committee

The Company has established an Audit Committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control of the Group, ensuring compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Wu Jian Hui, who is the Chairman of the Audit Committee, Hu Xiao Song and Yu Shou Neng.

During the year, the Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the internal controls and financial reporting matters with the Directors, including a review of the annual results for the year ended 31 December 2005. The Audit Committee held 4 meetings during the period.

保薦人權益

倍利證券(香港)有限公司、其董事、僱員及其聯繫人(定義見創業板上市規則第6.35條附註2及3)於二零零五年十二月三十一日概無於本公司或本集團任何成員擁有任何證券權益(包括該等證券的期權或認購權)。

審核委員會

本公司已設立審核委員會，其書面職權範圍乃參考香港會計師公會刊發之「審核委員會指引」而制訂。審核委員會之主要職責為審核及監管本集團之財務申報程式及內部控制，以符合創業板上市規則第5.28至5.33條。審核委員會由三名獨立非執行董事(即鄒建輝、胡小松和俞守能)組成。鄒建輝為審核委員會主席。

於報告期內，審核委員會已審核本集團所採用的會計原則及慣例，並與董事討論內部控制及財務申報事宜，包括審核本集團截至二零零五年十二月三十一日止之年度業績。本年度審核委員會已舉行四次會議。

Report of Directors 董事會報告

Auditors

KPMG shall retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

In the past 3 years, the Company's auditors remained unchanged.

By Order of the Board of Directors
Yantai North Andre Juice Co., Ltd.*
Zheng Yue Wen
Chairman

Hong Kong, 27 March 2006

核數師

在即將召開的股東周年大會中，將提請通過續聘畢馬威會計師事務所為本公司核數師的議案。

本公司於過去三年並無更改核數師。

承董事會命
烟台北方安德利果汁股份有限公司
鄭躍文
主席

香港，二零零六年三月二十七日

* For identification purpose only

* 僅供識別

Report of Supervisory Committee

監事會報告

To the Shareholders:

The Supervisory Committee (the “Supervisory Committee”) of Yantai North Andre Juice Co., Ltd.*, in compliance with the relevant laws and regulations and the Articles of Association of the Company, has conducted its work in accordance with the fiduciary principle, and has taken up an active role to work seriously and with diligence to protect the interests of the Company and its shareholders.

During the year, Supervisory Committee had reviewed cautiously the development plans of the Company and provided reasonable suggestions and opinions to the Board of Directors. It also strictly and effectively monitored and supervised the Company’s management in making significant policies and decisions to ensure that they are in compliance with the laws and regulations of the PRC and the Articles of Association of the Company, and in the interests of its shareholders.

We have reviewed and agreed to the report of the Directors, audited financial statements and the dividend to be proposed by the Board for presentation at the forthcoming annual general meeting. We are of the opinion that the Directors, the chief executive and other senior management of the Company are able to strictly observe their fiduciary duty, to act diligently, to exercise their authority faithfully in the best interests of the Company and to work in accordance with the Articles of Association of the Company. The operation is becoming more regulated and the internal control is becoming more perfect. The transactions between the Company and connected parties are in the interests of the shareholders as a whole and under fair and reasonable price.

Up till now, none of the Directors, chief executive and senior management staff had been found to have

各位股東：

烟台北方安德利果汁股份有限公司監事會（「本監事會」）遵照有關法律、法規及公司章程的規定，認真履行職權，維護股東權益及維護本公司利益，恪盡職守，合理謹慎、勤勉主動地開展工作。

在本年度內本監事會對本公司的經營及發展計劃進行謹慎審核，並向董事會提出合理的建議和意見，對本公司管理層的重大決策及具體決定是否符合國家法律法規以及本公司章程，是否維護股東利益等，進行了嚴格有效的監督。

本監事會認真審閱並同意董事會擬提呈予本次股東週年大會的董事會報告、經審核的財務報表以及股息派發方案，認為本公司董事會成員、總裁及其他高級管理人員，嚴格遵守誠信原則，工作克勤盡職，真誠地以公司最大利益為出發點行使職權，能夠按照公司章程開展各項工作，運作較為規範，內部控制制度日趨完善。本公司與關聯企業交易嚴格按符合本公司股東整體利益之條款及公平合理價格執行。

本監事會至今未發現董事、總裁及高級管理人員濫用職權，損害公司利益及侵犯本公司股東和本公司

Report of Supervisory Committee

監事會報告

abused their authority, damaged the interests of the Company or infringed upon the interests of its shareholders and employees. None of them was found to be in breach of any laws and regulations or the Articles of Association of the Company.

The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company in 2005 and has great confidence in the future of the Company.

By Order of the Supervisory Committee
Yantai North Andre Juice Co., Ltd.*
Mu Gui Sheng

27 March 2006

員工權益之行為，亦未發現上述人員有違反法律、法規或本公司公司章程的行為。

本監事會對本公司二零零五年度各項工作和取得的經濟效益表示滿意，對公司未來的發展前景充滿信心。

承監事會命
烟台北方安德利果汁股份有限公司
慕桂盛

二零零六年三月二十七日

* For identification purpose only

* 僅供識別

Auditors' Report

核數師報告書

Auditors' report to the shareholders of
Yantai North Andre Juice Co., Ltd.
(Incorporated in the People's Republic of China with
limited liability)

We have audited the financial statements on pages 80 to 157 which have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

致**烟台北方安德利果汁股份有限公司**各股東
(於中華人民共和國成立的有限公司)

我們已審核刊於第80頁至第157頁按照國際會計準則委員會頒布的國際財務報告準則編製的財務報表。

董事及核數師的責任

貴公司的董事須負責編製真實與公允的財務報表。在編製真實與公允的財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理之判斷和估計，並說明任何重大偏離適用會計準則之原因。

我們的責任是根據我們審核工作的結果，對這些財務報表提出獨立的意見，並只向作為法人團體的股東作出報告，除此以外，我們的報告書不可用作其他用途。我們概不就本報告書之內容，對任何其他人士負責或承擔法律責任。

意見的基礎

我們是按照香港會計師公會頒布的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製財務報表時所作出之主要估計和判斷、所釐定之會計政策是否適合 貴公司及 貴集團之具體情況，以及有否貫徹運用並足夠披露這些會計政策。

Auditors' Report

核數師報告書

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2005 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
Hong Kong, 27 March 2006

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充分的憑證，就財務報表是否存在重大的錯誤陳述，作合理的確定。在提出意見時，我們亦已衡量財務報表所載的資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

意見

我們認為，上述的財務報表均真實與公允地反映貴公司及貴集團於二零零五年十二月三十一日的財政狀況及貴集團截至該日止年度之溢利及現金流量，並已按照國際會計準則委員會頒布的國際財務報告準則及香港《公司條例》的披露規定適當編製。

畢馬威會計師事務所

執業會計師
香港，二零零六年三月二十七日

Consolidated Income Statement

合併損益表

for the year ended 31 December 2005

(Expressed in Renminbi Yuan)

截至二零零五年十二月三十一日止年度

(以人民幣列示)

		Note 附註	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Turnover	收入	3	660,421	563,734
Cost of sales	銷售成本		(448,766)	(350,397)
Gross profit	毛利		211,655	213,337
Other operating income	其他經營收入	4	6,522	23,718
Distribution expenses	銷售費用		(71,239)	(88,921)
Administrative expenses	管理費用		(31,427)	(21,064)
Other operating expenses	其他經營費用	5	(1,525)	(8,591)
Profit from operations	經營溢利		113,986	118,479
Net finance costs	財務成本淨額	7	(27,764)	(22,935)
Investment income	投資收入	8	-	1,483
Share of losses from an associate	應佔聯營公司虧損		(3,416)	-
Profit before taxation	除稅前溢利	9	82,806	97,027
Income tax	所得稅	10(a)	(6,130)	(5,360)
Profit for the year	本年度溢利		76,676	91,667
Attributable to:	歸屬於：			
Equity shareholders of the Company	本公司股東	13	75,928	91,587
Minority interests	少數股東		748	80
Profit for the year	本年度溢利		76,676	91,667
Dividends payable to equity shareholders of the Company attributable to the year	本年度應付本公司股東股息			
Final dividend proposed after the balance sheet date	結算日後建議分派末期股息	30	25,460	33,946
Basic earnings per share	每股基本盈利	31	人民幣0.04	人民幣0.06

The notes on pages 88 to 157 form part of these financial statements.
第88頁至第157頁的附註屬本財務報表的一部份。

Consolidated Balance Sheet

合併資產負債表

at 31 December 2005
(Expressed in Renminbi Yuan)
於二零零五年十二月三十一日
(以人民幣列示)

		Note	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
		附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	554,189	468,480
Lease prepayments	預付土地租賃費	15	31,256	25,239
Interest in an associate	於聯營公司權益	17	62,744	—
Goodwill	商譽	18	1,452	1,452
Total non-current assets	非流動資產合計		649,641	495,171
Current assets	流動資產			
Inventories	存貨	19	480,343	341,905
Trade receivables	應收賬款	20	167,791	190,515
Other receivables and prepayments	其他應收款及 預付賬款	21	73,500	76,839
Cash and cash equivalents	現金及現金等價物	24	61,187	86,545
Total current assets	流動資產合計		782,821	695,804
Total assets	資產合計		1,432,462	1,190,975
EQUITY AND LIABILITIES	股東權益及負債			
Current liabilities	流動負債			
Short-term bank loans	短期銀行貸款	25	663,885	457,424
Trade payables	應付賬款	26	56,523	56,004
Other payables and accrued expenses	其他應付款及 預提費用	27	117,573	124,491
Income tax payable	應付所得稅		3,164	2,756
Total current liabilities	流動負債合計		841,145	640,675
Net current (liabilities)/assets	淨流動(負債)/資產		(58,324)	55,129
Total assets less current liabilities	資產合計扣除流動負債		591,317	550,300

Consolidated Balance Sheet

合併資產負債表

at 31 December 2005

(Expressed in Renminbi Yuan)

於二零零五年十二月三十一日

(以人民幣列示)

		Note 附註	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Other long-term liabilities	其他長期負債	28	<u>249</u>	<u>1,882</u>
Total non-current liabilities	非流動負債合計		<u>249</u>	<u>1,882</u>
Total liabilities	負債合計		<u>841,394</u>	<u>642,557</u>
Capital and reserves	股本及儲備			
Paid-in capital	股本	29(b)	169,730	169,730
Capital surplus	資本公積	29(c)	10	10
Share premium	股本溢價		212,606	212,606
Statutory reserves	法定儲備	29(d)	70,310	51,867
Retained earnings	未分配利潤	29(e)	129,386	105,847
Total equity attributable to equity shareholders of the Company	本公司股東應佔 權益合計		582,042	540,060
Minority interests	少數股東權益		9,026	8,358
Total equity	股東權益合計		591,068	548,418
Total equity and liabilities	股東權益及負債合計		1,432,462	1,190,975

Approved and authorised for issue by the board of directors on 27 March 2006.

董事會於二零零六年三月二十七日核准並授權發出。

Zheng Yue Wen)	
鄭躍文)	Directors
)	董事
Wang An)	
王安)	

The notes on pages 88 to 157 form part of these financial statements.

第88頁至第157頁的附註屬本財務報表的一部份。

Balance Sheet

資產負債表

at 31 December 2005
(Expressed in Renminbi Yuan)
於二零零五年十二月三十一日
(以人民幣列示)

			2005 二零零五年	2004 二零零四年 (restated) (重報)
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	139,604	145,086
Lease prepayments	預付土地租賃費	15	8,522	8,743
Investments in subsidiaries	於子公司的投資	16	153,931	180,279
			<hr/>	<hr/>
Total non-current assets	非流動資產合計		302,057	334,108
			<hr/>	<hr/>
Current assets	流動資產			
Inventories	存貨	19	275,219	185,308
Trade receivables	應收賬款	20	134,217	145,437
Other receivables and prepayments	其他應收款及 預付賬款	21	55,276	60,797
Dividends receivable	應收股息	22	130,810	51,510
Amounts due from subsidiaries	應收子公司款項	23	348,535	182,789
Cash and cash equivalents	現金及現金等價物	24	38,538	67,884
			<hr/>	<hr/>
Total current assets	流動資產合計		982,595	693,725
			<hr/>	<hr/>
Total assets	資產合計		1,284,652	1,027,833
			<hr/> <hr/>	<hr/> <hr/>
EQUITY AND LIABILITIES	股東權益及負債			
Current liabilities	流動負債			
Short-term bank loans	短期銀行貸款	25	633,885	364,424
Trade payables	應付賬款	26	23,524	37,088
Other payables and accrued expenses	其他應付款及 預提費用	27	69,823	83,522
Amounts due to subsidiaries	應付子公司款項	23	33,593	81,978
Income tax payable	應付所得稅		-	530
			<hr/>	<hr/>
Total current liabilities	流動負債合計		760,825	567,542
			<hr/>	<hr/>
Net current assets	淨流動資產		221,770	126,183
			<hr/>	<hr/>
Total assets less current liabilities	資產合計扣除流動負債		523,827	460,291
			<hr/>	<hr/>

Balance Sheet

資產負債表

at 31 December 2005
(Expressed in Renminbi Yuan)
於二零零五年十二月三十一日
(以人民幣列示)

			2005 二零零五年	2004 二零零四年 (restated) (重報)
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Other long-term liabilities	其他長期負債	28	-	1,500
Total non-current liabilities	非流動負債合計		-	1,500
Total liabilities	負債合計		760,825	569,042
Capital and reserves	股本及儲備			
Paid-in capital	股本	29(b)	169,730	169,730
Capital surplus	資本公積	29(c)	10	10
Share premium	股本溢價		212,606	212,606
Statutory reserves	法定儲備	29(d)	49,016	36,643
Retained earnings	未分配利潤	29(e)	92,465	39,802
Total equity	股本及儲備合計		523,827	458,791
Total equity and liabilities	股東權益及負債合計		1,284,652	1,027,833

Approved and authorised for issue by the board of directors on 27 March 2006.
董事會於二零零六年三月二十七日核准並授權發出。

Zheng Yue Wen)	
鄭躍文)	Directors
)	董事
Wang An)	
王安)	

The notes on pages 88 to 157 form part of these financial statements.
第88頁至第157頁的附註屬本財務報表的一部份。

Consolidated Cash Flow Statement

合併現金流量表

for the year ended 31 December 2005
(Expressed in Renminbi Yuan)
截至二零零五年十二月三十一日止年度
(以人民幣列示)

		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動產生的現金流量		
Profit before taxation	除稅前溢利	82,806	97,027
Adjustments for:	調整：		
Depreciation	折舊	50,415	40,874
Amortisation of lease prepayments	預付土地租賃費攤銷	780	664
Amortisation of goodwill	商譽攤銷	-	198
Interest expenses	利息費用	26,997	19,070
Interest income	利息收入	(615)	(263)
Increase in inventories	存貨增加	(138,438)	(121,378)
Decrease/(increase) in trade receivables	應收賬款減少／(增加)	22,724	(67,008)
Decrease/(increase) in other receivables and prepayment	其他應收款及預付賬款減少／(增加)	5,337	(9,692)
Increase in trade payables	應付賬款增加	519	32,216
Decrease in other payables and accrued expenses	其他應付款及預提費用減少	(22,226)	(32,002)
Investment income	投資收入	-	(1,483)
Share of losses from an associate	應佔聯營公司虧損	3,416	-
Income tax paid	支付的所得稅	(5,722)	(5,230)
Interest paid	支付的利息	(26,997)	(19,070)
Interest received	收到的利息	615	263
Net cash used in operating activities	經營活動之現金流出淨額	(389)	(65,814)

Consolidated Cash Flow Statement

合併現金流量表

for the year ended 31 December 2005

(Expressed in Renminbi Yuan)

截至二零零五年十二月三十一日止年度

(以人民幣列示)

		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Cash flows from investing activities	投資活動產生的現金流量		
Acquisition of property, plant and equipment	購買物業、廠房及設備	(155,338)	(149,098)
Lease prepayments	預付土地租賃費	(6,797)	(2,045)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	4,188	258
Proceeds from disposal of a subsidiary's equity interests	出售子公司權益所得款項	21,478	10,010
Repayments of advances from/ (advances to) a related party	關聯方還款／(借款予關聯方)	2,739	(2,739)
Advances to third parties	借款予第三方	(7,067)	(3,542)
Repayments of advances from a third party	第三方還款	500	-
Net cash used in investing activities	投資活動之現金流出淨額	(140,297)	(147,156)
Cash flows from financing activities	籌資活動產生的現金流量		
Proceeds from bank loans	新增銀行貸款	1,045,695	669,973
Repayments of bank loans	償還銀行貸款	(839,234)	(524,833)
Net proceeds from the issue of share capital	發行股本的所得款項淨額	-	141,385
Dividends paid	已付股息	(33,946)	(34,932)
Repayments of advances to an associate	償還聯營公司借款	(47,693)	-
(Repayments of advances to)/advances from a third party	(償還)／從第三方借款	(9,494)	9,494
Net cash from financing activities	籌資活動之現金流入淨額	115,328	261,087
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加淨額	(25,358)	48,117
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	86,545	38,428
Cash and cash equivalents at end of year	年末之現金及現金等價物	61,187	86,545

The notes on pages 88 to 157 form part of these financial statements.

第88頁至第157頁的附註屬本財務報表的一部份。

Consolidated Statement of Changes in Equity

合併股東權益變動表

for the year ended 31 December 2005
(Expressed in Renminbi Yuan)
截至二零零五年十二月三十一日止年度
(以人民幣列示)

		Note	Paid-in capital	Capital surplus	Share premium	Statutory reserves	Total equity attributable to equity shareholders of the Company		Minority interests	Total equity
							Retained earnings	Unallocated profits		
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2004	於二零零四年一月一日之結餘		151,880	10	89,071	33,037	68,022	342,020	-	342,020
Issuance of shares	發行股份	29(b)	17,850	-	133,632	-	-	151,482	-	151,482
Share issue expenses	發行股份之開支		-	-	(10,097)	-	-	(10,097)	-	(10,097)
Profit for the year	本年度溢利		-	-	-	-	91,587	91,587	80	91,667
Appropriations	調撥	29(d)	-	-	-	18,830	(18,830)	-	-	-
Dividends to equity shareholders of the Company	分派股息予本公司股東	30	-	-	-	-	(34,932)	(34,932)	-	(34,932)
Capital contribution from minority interests	少數股東資本投入		-	-	-	-	-	-	8,278	8,278
Balance at 31 December 2004	於二零零四年十二月三十一日之結餘		<u>169,730</u>	<u>10</u>	<u>212,606</u>	<u>51,867</u>	<u>105,847</u>	<u>540,060</u>	<u>8,358</u>	<u>548,418</u>
Balance at 1 January 2005	於二零零五年一月一日之結餘		169,730	10	212,606	51,867	105,847	540,060	8,358	548,418
Profit for the year	本年度溢利		-	-	-	-	75,928	75,928	748	76,676
Appropriations	調撥	29(d)	-	-	-	18,443	(18,443)	-	-	-
Dividends to equity shareholders of the Company	分派股息予本公司股東	30	-	-	-	-	(33,946)	(33,946)	-	(33,946)
Dividends to minority interests	分派股息予少數股東		-	-	-	-	-	-	(80)	(80)
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘		<u>169,730</u>	<u>10</u>	<u>212,606</u>	<u>70,310</u>	<u>129,386</u>	<u>582,042</u>	<u>9,026</u>	<u>591,068</u>

The notes on pages 88 to 157 form part of these financial statements.
第88至第157頁的附註屬本財務報表的一部份。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

1 Organisation and Principal Activities

Yantai North Andre Juice Company Limited (the “Company”) was established in the form of a Sino-foreign equity joint venture in Yantai, Shandong province, the People’s Republic of China (“the PRC”) on 30 March 1996.

With the approval from the Ministry of Foreign Trade and Economic Cooperation, the legal form of the Company was changed from that of a Sino-foreign equity joint venture to a Sino-foreign joint stock limited company on 26 June 2001.

The Company is principally engaged in the manufacture and sale of all kinds of fruit juice, apple extract, and related products.

2 Principal Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board (“IASB”). IFRS include International Accounting Standards and Interpretations. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited.

The IASB has issued a number of new and revised IFRS that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised IFRS for the current and prior accounting periods reflected in these financial statements is provided in Note 36.

1 組織和主要活動

烟台北方安德利果汁股份有限公司（「本公司」）是於一九九六年三月三十日在中華人民共和國（「中國」）山東省烟台市註冊成立的中外合資經營企業。

二零零一年六月二十六日經對外經濟貿易合作部批准，本公司由中外合資經營企業變更為中外合資股份有限公司。

本公司主要從事生產銷售各類果汁、蘋果香精及相關產品。

2 主要會計政策

此財務報表是按照國際會計準則委員會所頒布的國際財務報告準則編製。國際財務報告準則包括國際會計準則及解釋。此財務報表亦符合香港《公司條例》的披露規定以及香港聯合交易所有限公司創業板（「創業板」）的《創業板上規規則》中適用的披露條例。

國際會計準則委員會制定和修改一系列於二零零五年一月一日及以後起財政年度生效或容許提前採用的國際財務報告準則（「新國際財務報告準則」）。由於初次採用新國際財務報告準則引致會計政策的變更，對本會計期間及以前會計期間財務報表的影響列於附註36。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(a) Basis of preparation

The consolidated financial statements for the year ended 31 December 2005 comprise the Company and its subsidiaries (collectively the “Group”) and the Group's interest in an associate.

The financial statements are prepared on the historical cost basis.

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in Note 37.

2 主要會計政策(續)

(a) 編製基準

截至二零零五年十二月三十一日止年度的合併財務報表包含本公司及各子公司(統稱「本集團」)以及本集團於聯營公司之權益。

本財務報表是以歷史成本作為編製基準。

管理層在編製根據國際財務報告準則的財務報表時需要作出判斷、估計和假設，從而影響政策的採用和資產、負債、收入和支出的匯報數額。該等估計及假設是以本集團認為合理的過往經驗和其他不同因素作為基礎，而這些經驗和因素均為對未能從其他來源確定的資產和負債賬面值作出判斷的基準。實際結果可能有別於這些估計。

對這些估計和假設須不斷作出審閱。會計估計的變更在相應的期間內確認，即當變更僅影響作出該變更的當期時，於變更當期確認，但若變更對當期及以後期間均產生影響時，於變更當期及以後期間均確認。

於應用國際財務報告準則時管理層所作對本財務報告具有重大影響的判斷以及可能引致於下年度需作重大調整的估計在附註37中披露。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(a) Basis of preparation (cont'd)

The principal accounting policies adopted by the Group set out below have been consistently applied by the Group and are consistent with those used in previous years, except those disclosed in Note 36.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities in which the Group or the Company has significant influence, but not control or joint control, over their management, including participation in the financial and operating policy decisions. An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's net assets. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates.

2 主要會計政策(續)

(a) 編製基準(續)

除附註36的披露外，以下列出之本集團採用的主要會計政策遵循了一貫性原則，並且與以前年度一致。

(b) 合併基準

(i) 子公司

子公司是指被本公司控制的實體。控制是指本公司有能力直接或間接支配一家實體的財務和經營政策，並從其業務取得利益。自這種控制出現起，至其結束終，子公司的財務報表將包含於合併財務報表之中。

(ii) 聯營公司

聯營公司是指本集團或本公司對其有重大影響但不擁有對其管理(包括參與財務及經營決策)控制權或共同控制權的實體。於聯營公司之投資是按權益法記入合併財務報告，並且先以成本入賬，其後就本集團應佔該聯營公司淨資產在收購後的變動作出調整。合併損益表包括本集團應佔該聯營公司於收購後的稅後業績。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(b) Basis of consolidation (cont'd)

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(iii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

(c) Investments in subsidiaries

Investments in subsidiaries in the Company's balance sheet are stated at cost less impairment losses (Note 2 (j)).

Profit or losses on disposal of investments in subsidiaries are determined as the difference between the net disposal proceeds and the carrying amount of the investments and are accounted for in the income statement as they arise.

2 主要會計政策 (續)

(b) 合併基準 (續)

當本集團應佔聯營公司虧損超出本集團於該聯營公司的權益時，本集團之權益會減至零，並且不再確認進一步的損失，除非本集團需承擔法律或推定責任或已代聯營公司支付款項，則以相關金額為限。

(iii) 編製合併財務報表中的抵銷交易事項

集團內部的交易及其產生的科目餘額，和任何由集團內部的交易所產生的未實現利潤，將在編製合併財務報表中全數抵銷。與聯營公司進行交易產生的未實現利潤按本集團對其擁有的權益進行抵銷。集團內部的交易所產生的未實現虧損與未實現利潤之抵銷方法相同，但只限於沒有減值虧損證據的部份。

(c) 對子公司投資

在本公司資產負債表中，對子公司的投資以成本減減值虧損入賬(附註2(j))。

轉讓對子公司的投資按實際取得的價款與賬面價值的差額計入當期損益。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (Note 2(j)). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. When payment for an item of property, plant and equipment is deferred beyond normal credit terms, its cost is the cash price equivalent; the difference between this amount and the total payments is recognised as interest expense over the period of credit.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised the income statement as incurred.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the item. They are recognised in the income statement on the date of retirement or disposal.

2 主要會計政策(續)

(d) 物業、廠房及設備

物業、廠房及設備是以成本減累計折舊及減值虧損(附註2(j))入賬。資產的成本包括採購價及為使資產達到其可使用狀態及位置所發生的直接成本。當購買某項物業、廠房及設備的付款期限超過一般的信用期限時，其成本為其現金售價價值，現金售價價值與付款總額的差異確認為信用期間的利息支出。

當替換一項物業、廠房及設備的一部份所發生的成本很有可能為本集團帶來未來經濟效益流入，並且該成本能夠可靠計量時，本集團會把其記入該物業、廠房及設備的賬面值。所有其他成本會在發生時記入當期的損益表。

報廢或出售物業、廠房及設備所產生的損益以估計處理變賣所得淨額與資產的賬面數額之間的差額釐定，並於報廢或出售當日在損益表中列支。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(d) Property, plant and equipment (cont'd)

Depreciation of property, plant and equipment is provided to write off the cost, less their estimated residual values, if any, in equal annual amounts over their estimated useful lives as follows:

Buildings	8 – 20 years
Machinery and equipment	10 years
Motor vehicles	5 years
Office equipment	5 years

In respect of assets which are used for production of goods for only part of the year, due to seasonal factors, the full year's depreciation charge is allocated on a systematic basis to the periods during the year in which the assets are used for production.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents buildings and various plant and equipment under construction and pending installation, and is stated at cost less impairment losses (Note 2 (j)). Cost comprises direct costs of construction incurred during the periods of construction. Borrowing costs are not capitalised.

Construction in progress is transferred to buildings, and machinery and equipment when the asset is substantially ready for its intended use.

2 主要會計政策 (續)

(d) 物業、廠房及設備 (續)

折舊是按物業、廠房及設備的下列預計可使用年限，扣除預計殘值後，以每年相等的金額沖銷其成本計算：

建築物	8-20年
機器及設備	10年
汽車	5年
辦公室設備	5年

與生產有關的機器設備，由於季節性原因，未在整個會計期間中使用，其年度折舊額是根據系統性的方法分配到該資產投入使用的期間。

當一項物業、廠房及設備的各部分有不同的可使用年限，該資產的成本或估值依照合理的基準分配於其各部分並單獨計提折舊。資產的可使用年限及其殘值(如有)每年作檢討。

在建工程是指興建中和待安裝的建築物、廠房及設備，並按成本減去減值虧損(附註2(j))列示。成本包括建築期間發生的直接建築成本。借款利息未予資本化。

在建工程在資產實質上達到擬定用途時轉入建築物、機器及設備。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

- (d) **Property, plant and equipment (cont'd)**
No depreciation is provided for construction in progress.

- (e) **Goodwill**
Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired.

Goodwill is stated in the consolidated balance sheet at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (Note 2 (j)).

- (f) **Lease prepayments**
Lease prepayments represent amounts paid to the municipal governments to acquire land use rights. Land use rights are stated at cost and are amortised on a straight-line basis over the 50-year period of the rights.

- (g) **Inventories**
Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is calculated based on the weighted-average costing method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their existing location and condition.

2 主要會計政策 (續)

- (d) **物業、廠房及設備 (續)**
在建工程不提任何折舊。

- (e) **商譽**
商譽產生於收購時收購成本高於被收購的可辨認淨資產之公平價值。

商譽以成本減累積減值虧損列示於合併資產負債表。商譽會被分配至各現金產出單元，並每年進行減值測試(附註2(j))。

- (f) **預付土地租賃費**
預付土地租賃費是指支付給地方政府的土地使用權費。土地使用權是以成本入賬並按照50年期限，以直線法進行攤銷。

- (g) **存貨**
存貨是以成本及可變現淨值兩者中的較低數額入賬。可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需的估計成本後所得之金額。

存貨成本以加權平均成本法計算，其中包括採購存貨所產生的開支及將存貨變成現狀和運輸的成本。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(g) Inventories (cont'd)

When inventories are sold, the carrying amount of those inventories is recognised as an expense of the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(h) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (Note 2(j)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (Note 2 (j)).

(i) Cash equivalents

Cash equivalents consist of time deposits with financial institutions with an initial term of less than three months.

2 主要會計政策 (續)

(g) 存貨 (續)

所出售存貨的賬面金額在相關收入獲確認的期間內列支。存貨金額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內列支。因可變現淨值增加引致存貨的任何減值逆轉之數，均在出現逆轉的期間內確認。

(h) 應收賬款及其他應收款

應收賬款及其他應收款先以公允價值入賬，其後以已攤銷成本減除呆壞賬減值虧損(附註2(j))列示。除非應收款是不含利息、無故定價還期限或折現時沒有重大影響的關聯方貸款，在該情況下，應收款以成本減除呆壞賬減值虧損(附註2(j))列示。

(i) 現金等價物

現金等價物包括存於金融機構之短於三個月的定期存款。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(j) Impairment

(i) *Impairment of trade and other receivables*

Trade and other receivables are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is determined and recognised. The impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for trade and other receivables are reversed if in a subsequent period the amount of the impairment loss decreases.

(ii) *Impairment of non-current assets*

The carrying amounts of the Group's non-current assets, other than deferred tax assets (Note 2(p)), are reviewed at each balance sheet date to identify indications that the assets may be impaired. If any such indication exists, the asset's carrying amount is reduced to its recoverable amount. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment. The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, the estimated future cash flows generated by the asset are discounted to their present value. The amount of the reduction is recognised as an expense in the income statement.

2 主要會計政策 (續)

(j) 減值虧損

(i) 應收賬款及其他應收款之減值虧損

本集團在每個結算日審閱應收賬款及其他應收款，以確定是否有客觀的減值證據。如有任何這類證據存在，便會釐定並確認減值虧損。減值虧損是以資產的帳面金額與以同類金融資產的當時市場回報率折現（如果折現會造成重大的影響）的預計未來現金流量之間的差額計量。如果減值虧損在其後的期間減少，應收賬款和其他應收款的減值虧損會被轉回。

(ii) 非流動資產之減值虧損

本集團對除遞延稅項資產（附註2(p)）外的非流動資產於各結算日作出審閱以確定是否存在資產減值之跡象。如該跡象存在，該資產之賬面值應減少至其可回收值。此外，不論有否減值跡象，商譽之可回收值會每年作評估。可回收值是以淨售價與使用價值兩者中的較高者計算。在確定使用價值時，由資產產生的預期未來現金流量會折現至其現值。減值的數額在損益表內確認為支出。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(j) Impairment (cont'd)

The Group assesses at each balance sheet date whether there is any indication that an impairment loss recognised for an asset, except in the case of goodwill, in prior years may no longer exist. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. A subsequent increase in the recoverable amount of an asset, when the circumstances and events that led to the write-down or write-off cease to exist, is credited to the income statement. The reversal is reduced by the amount that would have been recognised as depreciation or amortisation had the write-down or write-off not occurred. An impairment loss in respect of goodwill is not reversed.

(k) Trade payables and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation resulting from a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

2 主要會計政策 (續)

(j) 減值虧損 (續)

除商譽外，本集團於各結算日評估是否有任何跡象顯示於以前年度確認的資產減值虧損可能不再存在。假如用以釐定可收回值的估計有回升的轉變，則減值虧損便會逆轉。當引致撇減或撇銷的情況及事項不再存在時，其後增加的資產可收回值會在損益表內確認為收益。逆轉金額會扣除倘沒有撇減或撇銷的情況下原應確認為折舊或攤銷的金額。商譽之減值虧損不會逆轉。

(k) 應付賬款及其他應付款

應付賬款及其他應付款先以公允價值入賬，其後以已攤銷成本列示，如折現之影響不重大，則以成本入賬。

(l) 準備

如果本集團因過往事項而承擔法律或推定責任，而且為處理有關的責任時經濟效益很可能需要流出並且能夠可靠計量，準備會在資產負債表內確認。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(m) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group, and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) *Sale of goods*

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the customers. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, or the possible return of goods.

(ii) *Interest income*

Interest income is recognised in the income statement as it is accrued, taking into account the effective yield on the asset.

(n) Expenses

(i) *Retirement benefits*

Defined contributions to retirement benefit schemes are recognised as an expense in the income statement as and when incurred.

2 主要會計政策(續)

(m) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本(如適用)時，按下列方式在當期損益表內確認：

(i) *銷售收入*

銷售收入會在客戶接收擁有權的重大風險及回報時在當期損益表中確認。假如在收回到期價款、相關成本或退貨的可能性存在重大的不明朗因素，則不會確認收入。

(ii) *利息收入*

利息收入是以資產的實際回報，於實際發生時在當期損益表內確認。

(n) 支出

(i) *養老保險金*

養老保險金的固定供款於實際發生時在當期損益表中列支。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(n) Expenses (cont'd)

(ii) *Finance costs*

Net finance costs comprise interest payable on borrowings, interest receivable on funds invested, and foreign exchange gains and losses that are recognised in the income statement.

The interest expense component of repayment of the long-term liabilities in relation to the acquisition of buildings is recognised in the income statement using the effective interest rate method.

(iii) *Operating lease payments*

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expenses.

(iv) *Research and development expenses*

Research and development costs are expensed as incurred.

2 主要會計政策(續)

(n) 支出(續)

(ii) 融資成本

融資成本淨額包括借款的應付利息、已投資基金的應收利息、股息收入及匯兌損益，並在當期損益表中列支。

與取得建築物相關的長期負債所構成之融資成本以實際利率法於損益表確認。

(iii) 經營租賃付款

經營租賃付款於相關租賃期以直線法記入損益表。獲得的租賃激勵措施作為經營租賃費用整體的一部份記入損益表。

(iv) 研究及開發費用

研究及開發費用在發生時列支。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(o) Government grants

Unconditional government grants are recognised in the income statement as revenue upon receipt. These grant amounts are determined and paid at the sole discretion of the local government of certain jurisdictions in the PRC.

Grants that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for cost of an asset are recognised in the income statement as revenue on a systematic basis over the useful life of the asset.

(p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Initial recognition of assets or liabilities that affect neither accounting nor taxable profit is regarded as a temporary difference which is not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

2 主要會計政策(續)

(o) 政府補貼

無限制條件的政府補貼於實際收到時在當期損益表內確認。該等補貼金額的確定及支付全由中國當地政府酌情決定。

用於彌補本集團之開支費用的補貼在相關費用發生的當期按系統性的方法配比計入當期損益表。用於彌補本集團資產成本的補貼按系統性的方法在相關資產的預計使用年限間分期計入損益表。

(p) 所得稅

當期損益表內的所得稅包括本期間稅項及遞延稅項。

本期間稅項包括以結算日施行或實質上施行的稅率計算的本年度應評稅收入的預計應付稅金，以及對以往年度應付稅金作出的任何調整。

遞延稅項是就作財務匯報用的資產與負債的賬面數額與稅務數額之間的所有暫時差異，按負債法計提準備。不影響會計及應評稅收入的首次資產或負債確認會視為不予計提準備的暫時差額。遞延稅項準備的數額是以資產及負債賬面數額實現時預期採用的變現或結清的方法為基準並按結算日施行或實質上施行的稅率計算。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(p) Income tax (cont'd)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Foreign currency transactions

Transactions in foreign currencies are translated into Renminbi at the foreign exchange rate quoted by the People's Bank of China ("PBOC rates") prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Renminbi at the PBOC rates on that date. Foreign exchange differences arising from translation are recognised in the income statement.

The overseas subsidiaries are considered to be an integral part of the Company's operations. Accordingly, the related foreign exchange differences arising on translation are also recognised in the income statement.

2 主要會計政策(續)

(p) 所得稅(續)

遞延稅項資產只有在很可能在未來會獲得足夠的應稅利潤而又可使用未動用的稅務損失及抵免時才予以確認。遞延稅項資產會在相關稅務利益不再是很可能實現時減少。

(q) 外幣換算

外幣交易按交易日的中國人民銀行(「人民銀行」)頒佈的匯率換算為人民幣。外幣的貨幣性資產及負債則按該結算日的人民銀行頒佈的匯率換算為人民幣。所發生的匯兌差額會在當期損益表中確認。

境外子公司被計為本公司運營的組成部分。因此，有關交易所產生的匯兌差額會在當期損益中確認。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Principal Accounting Policies (cont'd)

(r) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the group or of any entity that is a related party of the Group.

(s) Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment) or providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

2 主要會計政策(續)

(r) 關聯方

就本報告而言，如果本集團能夠直接或間接監控另一方或對另一方的財務及經營決策發揮重大的影響力，或另一方能夠直接或間接監控本集團或對本集團的財務及經營決策發揮重大的影響力，或本集團與另一方均受制於共同的監控或共同的重大影響下，該方即被視為本集團的關聯方。關聯方可以是個別人士(即主要管理人員、重要股東及/或與他們關係密切的家庭成員)或其他實體，並且包括受到本集團屬於個人身份的關聯方重大影響的實體，以及為本集團或為本集團關聯方的任何實體的僱員福利而設的離職後福利計劃。

(s) 分部報告

每個分部是本集團一個可以區分的部份，提供產品(業務分部)或某種經濟環境下提供產品(地區分部)，而且須承受與其他分部不同的風險及取得與其他分部不同的回報。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

3 Turnover and Segmental Information

The Group is principally engaged in the production and sale of condensed juice. Turnover primarily represents income arising from the sale of condensed juice net of value added tax.

The Group's products are mainly exported to the United States. The directors consider that the Group principally operates within a single business and geographical segment.

4 Other Operating Income

Sale of packaging materials	銷售包裝材料
Government grants	政府補貼
Compensation from a carrier	海運公司賠償款
Others	其他
Total	合計

- (i) Sales of packaging materials
This represents the sales of barrels, which are used for the storage of the Group's products, and unused steel materials which are the major materials for the manufacture of barrels.

3 收入及分部資料

本集團之主要業務為生產及銷售濃縮果汁。收入主要指銷售濃縮果汁所產生之收入，當中已扣除增值稅。

本集團產品主要出口美國。董事們認為本集團主要在單一業務及地區分部內經營。

4 其他經營收入

	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
(i)	725	7,783
(ii)	5,083	14,767
(iii)	-	777
	714	391
	6,522	23,718

- (i) 銷售包裝材料
指本公司銷售用以儲存本集團產品之圓桶及未用的鋼材，這些鋼材是生產圓桶之主要原料。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

4 Other Operating Income (cont'd)

(ii) Government grants

In 2005, the Group received a total amount of RMB5,083,000 (2004: RMB786,000) paid by Yantai Forest Bureau, Yantai Finance Bureau and Xuzhou Municipal Government to the Group to reward the Group for its contributions to the local fruit industry.

In addition to the above, the Group received the following government grants in 2004:

- A total amount of RMB2,376,000 was paid by Baishui Finance Bureau and Longkou Finance Bureau to the Group to reward the Group for its contributions to the local fruit industry.
- An amount of RMB9,600,000 was received from China Planning and Development Committee for an improvement project on the technology of extracting apple essence. The improvement project was completed in 2004.
- A total amount of RMB1,099,000 was received from Yantai Forest Bureau and Yantai Finance Bureau, representing interest subsidies paid to the Company to subsidise the loan interest.
- A total amount of RMB906,000 was received from various authorities, mainly representing an incentive for the purchase of domestically manufactured equipment and subsidies to support development of a subsidiary in Longkou, PRC.

4 其他經營收入(續)

(ii) 政府補貼

於二零零五年,本集團收到烟台市林業局、烟台市財政局及徐州市人民政府發放共人民幣5,083,000元(二零零四年:人民幣786,000元)以獎勵本集團對當地果業產業所作出的貢獻。

除以上所述,本集團於二零零四年收到以下政府補貼款:

- 白水縣財政局及龍口市財政局支付的用於獎勵本集團對當地果業產業所作出的貢獻,金額共為人民幣2,376,000元。
- 中國國家發展計劃委員會提供之撥款人民幣9,600,000元,用於改善提取蘋果香精技術項目研究。該研究項目已於2004年完成。
- 本公司收到烟台市林業局及烟台市財政局發放的銀行貸款的利息補貼共人民幣1,099,000元。
- 自不同政府機關收到的用於鼓勵購買國產設備及支持位於中國龍口市之子公司的發展的政府補貼款共計人民幣906,000元。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

4 Other Operating Income (cont'd)

- (ii) Government grants (cont'd)
The grant amounts were determined and paid at the sole discretion of the respective government authorities. There is no assurance that the Group will continue to receive such government grants in the future.
- (iii) Compensation from a carrier
This represents the compensation received from a marine carrier for a delayed delivery of the Group's products in 2004.

4 其他經營收入(續)

- (ii) 政府補貼(續)
上述政府補貼款是由相應政府機構酌情決定並支付的。無任何保證本集團將在日後繼續收到該等補貼。
- (iii) 海運公司賠償款
指本集團於二零零四年向有關海運公司收取的延遲運送本集團產品的賠償款。

5 Other Operating Expenses

Cost of packaging materials sold	包裝材料銷售成本
Others	其他
Total	合計

5 其他經營費用

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
725	8,108
800	483
1,525	8,591

6 Personnel Expenses

Salaries, wages and staff welfare	薪金、工資及員工福利
Contributions to retirement benefit schemes	退休福利計劃供款
Total	合計
Average number of employees during the year	於年內之平均僱員數目

6 職工費用

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
9,829	8,361
922	820
10,751	9,181
666	432

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

6 Personnel Expenses (cont'd)

As stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal governments for its staff. The Group is required to make contributions to the retirement plans at 20% (2004: 20%) of the salaries, bonuses and certain allowances of its staff of last year. A member of the plan is entitled to a pension, to be paid by the municipal governments, equal to a fixed proportion of the salary prevailing at his retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

6 職工費用(續)

根據中國有關勞工條例，本集團參與由地方政府管理之僱員固定供款退休計劃。本集團須就退休計劃按上年之薪金、花紅及某些補貼之20%（二零零四年：20%）作出供款。參加計劃的員工有權取得由地方政府支付相等於退休時薪金固定比例之退休金。本集團除上述年度供款以外，毋須就這些計劃承擔其他任何有關支付退休金的重大責任。

7 Net Finance Costs

7 財務成本淨額

		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Interest expenses on bank loans repayable wholly within five years	於五年內全數歸還之銀行貸款利息費用	26,997	19,070
Interest income	利息收入	(615)	(263)
Bank charges	銀行費用	1,267	772
Net exchange loss	匯兌淨虧損	115	3,356
Total	合計	<u>27,764</u>	<u>22,935</u>
Effective interest rate on bank loans per annum	銀行貸款實際年利息率	<u>4.9%</u>	<u>4.8%</u>

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

8 Investment Income

On 22 August 2004, the Company entered into an agreement in relation to the transfer of a 10% equity interest in its subsidiary, Yantai Longkou Andre Juice Co., Ltd. ("Longkou Andre"), to Mitsui & Co., Ltd., for a total consideration of US \$1,200,000. The transfer was effective upon the payment of consideration on 17 November 2004. The investment income recognised in 2004 arising from this disposal represents the difference between the net disposal proceeds and the carrying amount of the interests disposed.

9 Profit Before Taxation

Profit before taxation is arrived at after charging:

8 投資收入

於二零零四年八月二十二日，本公司與三井物產株式會社訂立一項轉讓烟台龍口安德利果汁飲料有限公司(「龍口安德利」)之10%權益的協議，作價1,200,000美元。該權益轉讓於二零零四年十一月十七日三井物產株式會社支付上述轉讓價款後生效。二零零四年入賬之投資收入是指在上述龍口安德利權益轉讓中實際取得的價款與轉讓權益賬面價值的差額。

9 除稅前溢利

除稅前溢利已扣除下列項目：

		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	50,415	40,874
Auditors' remuneration – audit services	核數師酬金 – 審核服務	1,880	1,698
Operating lease charge – land use right	經營租賃費用 – 土地使用權	780	664
– hire of plant and equipment	– 租賃廠房及設備	2,251	2,886
– hire of other assets (including property rental)	– 租賃其他資產 (包括租賃物業)	1,984	1,200
Research and development expenditure	研究及開發 費用	333	258
Amortisation of goodwill	商譽攤銷	–	198
Share of an associate's taxation	應佔聯營公司稅項	232	–

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

10 Taxation

- (a) Taxation in the consolidated income statements represents:

Current tax expenses 本期稅項費用

The Company is subject to PRC income tax, before any relief or concessions, at a rate of 24%. In accordance with the relevant PRC tax rules and regulations, the Company is entitled to a 50% relief on PRC income tax in 2005 as the Company's export sales account for more than 70% of its total sales for the year. The Company has obtained approval from the local tax authorities on this tax preferential policy for the year ended 31 December 2005.

The subsidiary operating in the United States is subject to income tax at the appropriate current rates of taxation ruling in the United States.

The other subsidiaries operating in the PRC are subject to PRC income tax, before any relief or concession, at rates of 15% to 33%. In accordance with the relevant PRC tax rules and regulations, certain of these subsidiaries are exempt from PRC income tax for two years starting from their first profit-making year, and are entitled to a 50% relief on PRC income tax for the following three years.

10 稅項

- (a) 合併損益表中的稅項指：

	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
	6,130	5,360
	<u>6,130</u>	<u>5,360</u>

在無任何稅務減免或優惠下，本公司適用之中國企業所得稅稅率為24%。根據中國有關稅務規則及規例，本公司於二零零五年度，因出口銷售量佔整體銷售量多於70%而獲減半徵收企業所得稅。本公司已自相關稅務機關取得對上述二零零五年度企業所得稅減半優惠的批准。

在美國經營的子公司適用的所得稅稅率為美國稅法規定下現行稅率。

在無任何稅務減免或優惠下，本公司在中國經營的各子公司適用之中國企業所得稅稅率為15%至33%。根據中國有關稅務規則及規例，若干子公司從開始獲利的年度起，第一年和第二年免徵企業所得稅，第三年至第五年減半徵收企業所得稅。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

10 Taxation (cont'd)

(b) The following is a reconciliation of income tax calculated at the applicable tax rate with income tax expense:

10 稅項(續)

(b) 以下乃按適用稅率計算之所得稅與所得稅費用之調節：

		2005 RMB'000 二零零五年 人民幣千元	2004 RMB'000 二零零四年 人民幣千元
Profit before taxation	除稅前溢利	<u>82,806</u>	<u>97,027</u>
Expected PRC income tax expense at a tax rate of 24%	按適用稅率24%計算之所得稅	19,873	23,286
Tax effect of exemption and relief granted	稅務減免	(10,047)	(16,833)
Tax effect of the difference in tax rates between the Company and the subsidiaries	本公司與子公司適用稅率差別之影響	(2,945)	(1,420)
Tax effect of domestically manufactured equipment purchases deduction*	購買國產設備減免*	(2,483)	-
Others**	其他**	1,732	327
Income tax expense	所得稅費用	<u>6,130</u>	<u>5,360</u>

* The deduction represents the tax deduction for purchases of domestically manufactured equipment approved by the local tax authorities.

** Others primarily represent the tax effect of non-deductible expenses.

* 此減免指經當地稅務機關批准之購買國產設備稅務減免。

** 其他主要為不可作稅務抵扣支出的稅務影響。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

11 Directors' and Supervisors' Emoluments

Details of directors' and supervisors' emoluments are as follows:

11 董事及監事酬金

董事及監事酬金之詳情如下：

Name	姓名	Fees		Salaries, allowances and benefits in kind		Retirement scheme contributions		Total	
		2005	2004	2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
(Amounts in RMB'000) (人民幣千元)									
Executive Directors: 執行董事：									
Zheng Yuewen	鄭躍文	50	-	-	-	-	-	50	-
Wang An	王安	50	-	66	58	7	7	123	65
Yu Huijin	于會林	50	-	66	58	7	7	123	65
Zhang Hui	張輝	50	-	66	58	7	7	123	65
Non-executive Directors: 非執行董事：									
Zhang Wanxin	張萬欣	50	-	-	-	-	-	50	-
Ren Xiaojian	任曉劍	50	-	-	-	-	-	50	-
Lei Liangsheng	雷良生	23	-	-	-	-	-	23	-
Lo Chih-Hsien	羅智先	27	-	-	-	-	-	27	-
Independent non-executive Directors: 獨立非執行董事：									
Hu Xiaosong	胡小松	50	30	-	-	-	-	50	30
Wu Jianhui	鄒建輝	50	18	-	-	-	-	50	18
Yu Shouneng	俞守能	50	18	-	-	-	-	50	18
Supervisors: 監事：									
Qu Weijia	曲維佳	30	-	53	33	5	5	88	38
Zou Jiyu	鄒積余	26	-	-	-	-	-	26	-
Mu Guisheng	慕桂盛	4	-	-	-	-	-	4	-
Chen Kelin	陳克林	30	-	-	-	-	-	30	-
		590	66	251	207	26	26	867	299

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

11 Directors' and Supervisors' Emoluments (cont'd)

For the years ended 31 December 2005 and 2004, no emoluments were paid to the directors or supervisors as an inducement to join or upon joining the Company or as compensation for loss of office. During the year ended 31 December 2005, no fee (2004: RMB169,000) was waived by the (2004: seven) executive and non-executive directors. There was no waiver of any other emoluments by the directors or supervisors for the years ended 31 December 2005 and 2004.

12 Senior Management's Emoluments

Among the five highest paid individuals, three (2004: three) were executive directors and one (2004: Nil) supervisor whose emoluments are disclosed in Note 11 above. The emoluments of the other one (2004: two) individual are as follows:

11 董事及監事酬金(續)

於截至二零零五年及二零零四年十二月三十一日止年度，本公司並未向董事及監事支付任何酬金以作為吸引其加入本公司的獎勵或離職補償。於截至二零零五年十二月三十一日止年度，沒有(二零零四年為七名)執行及非執行董事放棄袍金(二零零四年：人民幣169,000元)。除此之外，於本年度董事或監事概無放棄其他酬金。

12 高級管理層酬金

在五位最高薪高級管理層人士中，三人(二零零四年為三人)為執行董事及一人(二零零四年為無)為監事，其酬金已在之上的附註11中予以披露。另一人(二零零四年為二人)酬金列示如下：

		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Basic salaries, allowances and other benefits	基本薪金、津貼及其他福利	66	90
Retirement scheme contributions	退休福利計劃供款	3	13
Total	合計	<u>69</u>	<u>103</u>

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

12 Senior Management's Emoluments (cont'd)

An analysis of emoluments paid to these highest paid individuals by numbers of individuals and emolument range is as follows:

HKD Nil – HKD1,000,000	港幣零元至港幣1,000,000元
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For the years ended 31 December 2005 and 2004, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12 高級管理層酬金(續)

付予這些最高薪人士酬金按人數及酬金範圍之分析如下：

2005 二零零五年 Number 人數	2004 二零零四年 Number 人數
<u>1</u>	<u>2</u>

於截至二零零五年及二零零四年十二月三十一日止年度，本集團並未向五位最高薪僱員支付任何酬金以作為吸引其加入本集團的獎勵或離職補償。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

13 Profit Attributable to Equity Shareholders of the Company

The profit attributable to equity shareholders of the Company includes a profit of RMB15,962,000 (2004 (restated): RMB27,696,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

13 歸屬於本公司股東之溢利

歸屬於本公司股東之溢利包括利潤人民幣15,962,000元(二零零四年(重報): 人民幣27,696,000元), 已列入本公司財務報表。

以上金額與本公司之本年度溢利調節表:

		2005	2004
		二零零五年	二零零四年 (restated) (重報)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amount of consolidated profit attributable to equity shareholders of the Company dealt with in the Company's financial statements	已列入本公司財務報表的本公司股東應佔合併溢利數額	15,962	27,696
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	來自子公司上一財政年度溢利, 並於本年度核准及支付的末期股息	83,020	51,511
Company's profit for the year	本公司本年度溢利	98,982	79,207

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

14 Property, Plant and Equipment

14 物業、廠房及設備

The property, plant and equipment of the Group for the years ended 31 December 2004 and 2005 are as follows:

本集團截至二零零四年及二零零五年十二月三十一日止年度的物業、廠房及設備如下：

		Buildings 建築物	Machinery and equipment 機器及設備	Motor vehicles 汽車	Office equipment 辦公室設備	Construction in progress 在建工程	Total 合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：						
Balance at 1 January 2004	於二零零四年一月一日之結餘	87,627	308,753	8,814	7,885	6,480	419,559
Additions	添置	25,817	70,568	2,311	1,421	56,576	156,693
Transfers	重新分類	47,789	7,380	-	-	(55,169)	-
Disposals	處置	-	-	(326)	-	-	(326)
Balance at 31 December 2004	於二零零四年十二月三十一日之結餘	161,233	386,701	10,799	9,306	7,887	575,926
Balance at 1 January 2005	於二零零五年一月一日之結餘	161,233	386,701	10,799	9,306	7,887	575,926
Additions	添置	2,954	70,822	2,365	3,900	60,271	140,312
Transfers	重新分類	45,918	7,275	-	9	(53,202)	-
Disposals	處置	-	-	-	-	(4,188)	(4,188)
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘	210,105	464,798	13,164	13,215	10,768	712,050
Accumulated depreciation:	累計折舊：						
Balance at 1 January 2004	於二零零四年一月一日之結餘	(6,276)	(56,800)	(2,044)	(1,520)	-	(66,640)
Charge for the year	本年度折舊	(5,892)	(31,878)	(1,718)	(1,386)	-	(40,874)
Written back on disposal	處置時撥回	-	-	68	-	-	68
Balance at 31 December 2004	於二零零四年十二月三十一日之結餘	(12,168)	(88,678)	(3,694)	(2,906)	-	(107,446)
Balance at 1 January 2005	於二零零五年一月一日之結餘	(12,168)	(88,678)	(3,694)	(2,906)	-	(107,446)
Charge for the year	本年度折舊	(9,319)	(37,123)	(1,828)	(2,145)	-	(50,415)
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘	(21,487)	(125,801)	(5,522)	(5,051)	-	(157,861)
Net book value:	賬面值：						
At 31 December 2005	於二零零五年十二月三十一日	188,618	338,997	7,642	8,164	10,768	554,189
At 31 December 2004	於二零零四年十二月三十一日	149,065	298,023	7,105	6,400	7,887	468,480

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

14 Property, Plant and Equipment (cont'd)

As at 31 December 2005, property, plant and equipment of the Group at net book value totaling RMB130,565,000 were pledged to secure a loan facility amounting to US\$15,000,000 that was not utilised by the Group as at 31 December 2005.

As at 31 December 2004, property, plant and equipment of the Group at net book value totaling RMB 30,931,977 were pledged to secure certain bank loans amounting to RMB10,000,000 (Note 25(ii)).

The property, plant and equipment of the Company for the years ended 31 December 2004 and 2005 are as follows:

14 物業、廠房及設備(續)

於二零零五年十二月三十一日，本集團賬面淨值共計人民幣130,565,000元的物業、廠房及設備已作為共計15,000,000美元的貸款額度之抵押。於二零零五年十二月三十一日，本集團並未使用該額度。

於二零零四年十二月三十一日，本集團賬面淨值共計人民幣30,931,977元的物業、廠房及設備已作為共計人民幣10,000,000元的銀行貸款(附註25(ii))之抵押。

本公司截至二零零四年及二零零五年十二月三十一日止年度的物業、廠房及設備如下：

		Machinery and Motor Office Construction					Total
		Buildings	equipment	vehicles	equipment	in progress	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：						
Balance at 1 January 2004	於二零零四年一月一日之結餘	36,980	122,942	5,671	3,654	-	169,247
Additions	添置	13,138	59,801	1,230	883	13,151	88,203
Transfers	重新分類	7,009	1,823	-	-	(8,832)	-
Disposals *	處置*	-	(76,012)	-	-	-	(76,012)
Balance at 31 December 2004	於二零零四年十二月三十一日之結餘	57,127	108,554	6,901	4,537	4,319	181,438
Balance at 1 January 2005	於二零零五年一月一日之結餘	57,127	108,554	6,901	4,537	4,319	181,438
Additions	添置	1,088	7,487	340	1,031	5,202	15,148
Transfers	重新分類	1,859	777	-	-	(2,636)	-
Disposals*	處置*	-	(1,938)	-	(1,000)	(4,188)	(7,126)
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘	60,074	114,880	7,241	4,568	2,697	189,460

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財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

14 Property, Plant and Equipment (cont'd)

14 物業、廠房及設備(續)

		Machinery and Motor Office Construction					Total
		Buildings	equipment	vehicles	equipment	in progress	
		建築物	機器及設備	汽車	辦公室設備	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Accumulated depreciation: 累計折舊：							
Balance at 1 January 2004	於二零零四年一月一日之結餘	(4,113)	(42,026)	(1,591)	(988)	-	(48,718)
Charge for the year	本年度折舊	(2,628)	(11,779)	(1,047)	(552)	-	(16,006)
Written back on disposal	處置時撥回	-	28,372	-	-	-	28,372
Balance at 31 December 2004	於二零零四年十二月三十一日之結餘	(6,741)	(25,433)	(2,638)	(1,540)	-	(36,352)
Balance at 1 January 2005	於二零零五年一月一日之結餘	(6,741)	(25,433)	(2,638)	(1,540)	-	(36,352)
Charge for the year	本年度折舊	(2,873)	(9,689)	(997)	(667)	-	(14,226)
Written back on disposal	處置時撥回	-	347	-	375	-	722
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘	(9,614)	(34,775)	(3,635)	(1,832)	-	(49,856)
Net book value: 賬面值：							
At 31 December 2005	於二零零五年十二月三十一日	50,460	80,105	3,606	2,736	2,697	139,604
At 31 December 2004	於二零零四年十二月三十一日	50,386	83,121	4,263	2,997	4,319	145,086

* The disposals of machinery and equipment and office equipment represent transfers to the subsidiaries of the Company.

* 處置為將機器及設備轉予本公司的子公司。

As at 31 December 2005, property, plant and equipment of the Company at net book value totaling RMB130,565,000 (2004: Nil) were pledged to secure a loan facility amounting to US\$15,000,000 that was not utilised by the Company as at 31 December 2005.

於二零零五年十二月三十一日，本公司賬面淨值共計人民幣130,565,000元(二零零四年：無)的物業、廠房及設備已作為共計15,000,000美元的貸款額度之抵押。於二零零五年十二月三十一日，本公司並未使用該額度。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

15 Lease Prepayment

15 預付土地租賃費

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January	於一月一日之結餘	25,239	23,858	8,743	8,964
Additions	增加額	6,797	2,045	-	-
Amortisation	攤銷額	(780)	(664)	(221)	(221)
Balance at 31 December	於十二月 三十一日之結餘	<u>31,256</u>	<u>25,239</u>	<u>8,522</u>	<u>8,743</u>

Lease prepayments represent payments for land use rights.

預付土地租賃費指為土地使用權所支付的款項。

16 Investments in Subsidiaries – the Company

16 對子公司投資 – 本公司

		31 December 2005 二零零五年 十二月 三十一日	31 December 2004 二零零四年 十二月 三十一日 (restated) (重報)
		RMB'000 人民幣千元	RMB'000 人民幣千元
Unlisted shares, at cost	非上市，成本	<u>153,931</u>	<u>180,279</u>

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財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

16 Investments in Subsidiaries – the Company (cont'd)

As at 31 December 2005, the Company held investments in the following subsidiaries:

16 對子公司投資 – 本公司 (續)

於二零零五年十二月三十一日，本公司投資於以下子公司：

Name of company 公司名稱	Place and date of incorporation 成立地點 及日期	Principal activities 主營業務	Authorised/ Registered capital	Paid-in capital	Attributable equity interest % 所佔股權比例	
			法定/ 註冊資本	實收資本	Direct 直接	Indirect 間接
Yantai North Andre Juice Inc. ("US Andre") 美國烟台北方安德利 果汁股份有限公司 (「美國安德利」)	The United States of America 21 March 2001 美國 二零零一年 三月二十一日	Sale of juice 果汁銷售	US\$100,000 100,000美元	US\$100,000 100,000美元	100%	–
Baishui Andre Juice Co., Ltd. 白水安德利果蔬汁有限公司	Shaanxi, PRC 13 December 2001 中國陝西省 二零零一年 十二月十三日	Manufacture and sale of juice 果汁生產 及銷售	US\$3,025,000 3,025,000美元	US\$3,025,000 3,025,000美元	75%	25%
Yantai Longkou Andre Juice Co., Ltd. ("Longkou Andre") 烟台龍口安德利果汁飲料 有限公司(「龍口安德利」)	Shandong, PRC 9 April 2002 中國山東省 二零零二年四月九日	Manufacture and sale of juice 果汁生產 及銷售	US\$10,010,000 10,010,000美元	US\$10,010,000 10,010,000美元	65%	25%
Xuzhou Andre Juice Co., Ltd. ("Xuzhou Andre") 徐州安德利果蔬汁有限公司 (「徐州安德利」)	Jiangsu, PRC 4 November 2002 中國江蘇省 二零零二年十一月四日	Manufacture and sale of juice 果汁生產 及銷售	US\$5,000,000 5,000,000美元	US\$5,000,000 5,000,000美元	75%	25%
Andre Juice Co., Ltd. ("BVI Andre") 安德利果汁有限公司 (「BVI安德利」)	British Virgin Islands 17 June 2003 英屬處女島 二零零三年六月十七日	Investment holding 投資控股	US\$50,000 50,000美元	US\$1 1美元	100%	–

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

16 Investments in Subsidiaries – the Company (cont'd)

16 對子公司投資 – 本公司 (續)

Name of company 公司名稱	Place and date of incorporation 成立地點 及日期	Principal activities 主營業務	Authorised/ Registered capital 法定/ 註冊資本	Paid-in capital 實收資本	Attributable equity interest % 所佔股權比例	
					Direct 直接	Indirect 間接
Xuzhou Andre Bio-feedstuff Co., Ltd. 徐州安德利生物飼料有限公司	Jiangsu, PRC 7 January 2004 中國江蘇省 二零零四年 一月七日	Manufacture and sale of bio-feedstuff 生物飼料生產 及銷售	US\$500,000 500,000美元	US\$500,000 500,000美元	-	100%
Longkou Andre Bio-feedstuff Co., Ltd. 龍口安德利生物飼料有限公司	Shandong, PRC 6 February 2004 中國山東省 二零零四年 二月六日	Manufacture and sale of bio-feedstuff 生物飼料生產 及銷售	US\$500,000 500,000美元	US\$500,000 500,000美元	-	100%
Baishui Andre Bio-feedstuff Co., Ltd. 白水安德利生物飼料有限公司	Shaanxi, PRC 16 December 2004 中國陝西省 二零零四年 十二月十六日	Manufacture and sale of bio-feedstuff 生物飼料生產 及銷售	US\$500,000 500,000美元	US\$500,000 500,000美元	-	100%
Xianyang Andre Juice Co., Ltd. 咸陽安德利果蔬汁有限公司	Shaanxi, PRC 11 January 2005 中國陝西省 二零零五年 一月十一日	Manufacture and sale of juice 果汁生產及銷售	RMB40,000,000 人民幣 40,000,000元	RMB40,000,000 人民幣 40,000,000元	75%	25%
Dalian Andre Juice Co., Ltd. 大連安德利果蔬汁有限公司	Liaoning, PRC 18 March 2005 中國遼寧省 二零零五年 三月十八日	Manufacture and sale of juice 果汁生產及銷售	RMB20,000,000 人民幣 20,000,000元	RMB20,000,000 人民幣 20,000,000元	90%	10%

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

17 Interest in an Associate – the Group

17 對聯營公司投資 – 本集團

		31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
Share of net assets	應佔淨資產	62,744	–

As at 31 December 2005, the Group held investments in the following company:

於二零零五年十二月三十一日，本集團投資於以下公司：

Name of company 公司名稱	Place and date of incorporation 成立地點 及日期	Principal activities 主營業務	Registered capital 註冊資本	Paid-in capital 實收資本	Attributable equity interest % 所佔股權比例	
					Direct 直接	Indirect 間接
Yantai Andre Pectin Co., Ltd. ("Andre Pectin") 烟台安德利果膠有限公司 (「安德利果膠」)	Shandong, PRC 25 September 2003 中國山東省 二零零三年 九月二十五日	Manufacture and sale of pectin 果膠生產及銷售	US\$20,000,000 20,000,000美元	US\$16,095,000 16,095,000美元	–	40%

Andre Pectin was previously a wholly owned subsidiary of the Company. According to the share transfer agreements signed on 11 January 2005 and the revised joint venture agreement of Andre Pectin signed on 3 March 2005, which were subsequently approved by the local authorities on 18 March 2005, the Group transferred US\$4,000,000 equity interests in Andre Pectin to an unrelated party, Richride Investments Ltd. ("Richride"), at cost, and the capital of Andre Pectin was increased from US\$12,000,000 to US\$20,000,000, among addition of which, US\$7,000,000 and US\$1,000,000 were shared by Bytetrion Ltd. ("Bytetrion"), which is also an unrelated party, and Richride, respectively. As at 31 December 2005, the Group, Bytetrion and Richride share 40%, 35% and 25% equity interests of Andre Pectin, respectively.

安德利果膠曾是本公司一間全資子公司。根據二零零五年一月十一日簽訂之股份轉讓協議及於二零零五年三月三日簽訂的修改後安德利果膠的合資協議，並其後於二零零五年三月十八日由當地政府部門批准，本集團以成本價轉讓安德利果膠之4,000,000美元權益予一非關聯方，富邦投資有限公司（「富邦」），並且安德利果膠的註冊資本由12,000,000美元增加至20,000,000美元。另一非關聯方，百特創業有限公司（「百特」）及富邦分別佔有其中7,000,000美元和1,000,000美元的註冊資本。於二零零五年十二月三十一日，本集團，百特及富邦分別擁有安德利果膠40%、35%及25%的權益。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

17 Interest in an Associate – the Group (cont'd)

Summary of financial information on the associate is as follows:

17 對聯營公司投資 – 本集團 (續)

以下為聯營公司之財務報表撮要：

		2005 二零零五年 RMB'000 人民幣千元
Assets	資產	159,096
Liabilities	負債	(2,236)
Equity	股東權益	(156,860)
Turnover	收入	–
Profit/(loss)	溢利/(虧損)	<u>(8,540)</u>

18 Goodwill – the Group

18 商譽 – 本集團

		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Cost:	成本：		
Balance at 1 January	於一月一日之結餘	1,780	1,978
Disposal of equity interests in a subsidiary	出售一家子公司 之權益	(i) –	(198)
Opening balance adjustment to eliminate accumulated amortisation	沖銷累計攤銷的 承前結餘調整	(ii) (328)	–
Balance at 31 December	於十二月三十一日之結餘	<u>1,452</u>	<u>1,780</u>
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：		
Balance at 1 January	於一月一日之結餘	(328)	(165)
Amortisation for the year	本年度攤銷	(ii) –	(198)
Written back on disposal	出售時撥回	(i) –	35
Eliminated against cost at 1 January 2005	於二零零五年一月一日 與成本抵銷	(ii) 328	–
Balance at 31 December	於十二月三十一日之結餘	<u>–</u>	<u>(328)</u>
Carrying amounts:	賬面值：		
At 31 December	於十二月三十一日	<u>1,452</u>	<u>1,452</u>

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

18 Goodwill – the Group (cont'd)

- (i) This represents the disposal of 10% equity interests in Longkou Andre in 2004.
- (ii) In 2004, the goodwill was amortised on a straight-line basis over ten years. The amortisation of goodwill for the year ended 31 December 2004 was included in “administrative expenses” in the consolidated income statement.

As explained further in Note 36 (c), with effect from 1 January 2005 the Group no longer amortises goodwill. In accordance with the transitional provisions set out in IFRS 3, the accumulated amortisation of goodwill as at 1 January 2005 has been eliminated against the cost of goodwill as at that date.

Impairment test for the cash-generating unit containing goodwill

The Group’s cash-generating unit (“CGU”) to which the goodwill is allocated is Longkou Andre.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on actual operating results and financial forecasts less than five years. Cash flows beyond the period covered by the financial forecasts are kept constant which management determined to be no higher than the long-term growth rate of the industry. A pre-tax discount rate of 9.4 per cent has been used in discounting the projected cash flows.

18 商譽 – 本集團 (續)

- (i) 指二零零四年度出售龍口安德利10%的權益。
- (ii) 二零零四年商譽按十年期限以直線法攤銷。截至二零零四年十二月三十一日止年度的商譽攤銷已計入合併損益表之管理費用內。

按附註36(c)，本集團自二零零五年一月一日起不再攤銷商譽。根據《國際財務報告準則》第3條之過渡安排，於二零零五年一月一日之商譽累計攤銷金額已於當天跟商譽成本抵銷。

對包含商譽的現金產出單元的減值測試

本集團分配了商譽的現金產出單元為龍口安德利。

該現金產出單元的可收回值是按使用價值計算來厘定。這些計算採用了以實際經營業績及少於五年的財務預測為基礎的現金流預計。超出該財務預測期間的現金流預計部份維持平穩，管理層確定該水平不會高於行業的長期增長率。運用於現金流量預計的稅前折現率為9.4百分點。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

19 Inventories

19 存貨

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
Raw materials	原材料	36,845	34,399	11,257	13,512
Finished goods	產成品	443,498	307,506	263,962	171,796
		480,343	341,905	275,219	185,308

No inventories were stated at fair value less costs to sell as at 31 December 2005 (2004: Nil).

於二零零五年十二月三十一日，存貨概無按公允價值減銷售成本列賬（二零零四年：無）。

The cost of inventories recognised as an expense in the consolidated income statement amounted to RMB449,491,000 for the year ended 31 December 2005 (2004: RMB358,505,000).

存貨成本在二零零五年之合併損益表內獲確認列支總額為人民幣449,491,000元（二零零四年：人民幣358,505,000元）。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

20 Trade Receivables

An ageing analysis of trade receivables is as follows:

20 應收賬款

應收賬款之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
Within 3 months	三個月以內	94,659	164,709	79,349	121,955
Over 3 months but less than 6 months	三個月以上但少 於六個月	72,537	25,806	54,744	23,482
Over 6 months	六個月以上	595	—	124	—
Total	合計	167,791	190,515	134,217	145,437

Customers are normally granted credit terms of three to six months (2004: three to six months), depending on the credit standing of individual customers.

客戶一般享有三個月至六個月賒賬期(二零零四年：三個月至六個月)，視乎個別客戶之信譽程度。

Notes on the Financial Statements

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(Expressed in Renminbi Yuan)

(以人民幣列示)

20 Trade Receivables (cont'd)

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

20 應收賬款(續)

應收賬款中包含以下以別於個別實體的功能性貨幣記賬的金額：

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月 三十一日 '000 千元	31 December 2004 二零零四年 十二月 三十一日 '000 千元	31 December 2005 二零零五年 十二月 三十一日 '000 千元	31 December 2004 二零零四年 十二月 三十一日 '000 千元
United States Dollars	美元	US\$18,043	US\$18,038	US\$16,600	US\$16,499

21 Other Receivables and Prepayments

21 其他應收款及預付賬款

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月三十一日 RMB'000 人民幣千元
Prepayments in connection with construction work and equipment purchases	建築工程及設備採購預付款	3,495	5,325	3,495	3,485
Prepayments to suppliers	預付供應商款	16,822	23,768	10,963	22,185
Value added tax ("VAT") refunds for export sales	出口銷售之增值稅返還 (i)	4,635	6,828	3,489	6,448
Restricted deposits for letters of credit and bills payable	信用證及應付票據保證金	-	12,864	-	12,864
Recoverable input VAT	可抵扣進項增值稅	34,129	19,421	24,043	11,137
Advances to third parties	借款予第三方 (ii)	10,109	3,542	9,202	3,042
Advances to a related party	借款予關聯方 (iii)	-	2,739	-	-
Others	其他	4,310	2,352	4,084	1,636
Total	合計	73,500	76,839	55,276	60,797

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

21 Other Receivables and Prepayments (cont'd)

- (i) The Company's sales are subject to VAT at the rate of 17% but the Company is entitled to VAT refunds of 13% in respect of export sales.
- (ii) This represents advances of RMB9,202,000 (2004: RMB3,042,000) to Yantai Muping Finance Bureau and advances of RMB907,000 (2004: Nil) to Longkou Finance Bureau. The remaining balance of RMB500,000 in 2004 represents advances to Xuzhou Fengcheng Finance Bureau. These advances were unsecured, interest free and had no fixed terms of repayment.
- (iii) This balance as at 31 December 2004 represents advances to Baishui Andre Bio-feedstuff Co., Ltd., a subsidiary not qualified to be consolidated in the Group's consolidated financial statements for the year ended 31 December 2004 in accordance with the relevant regulations of PRC. The advances were unsecured, interest free and had no fixed terms of repayment. As at 31 December 2005, this subsidiary's financial statements were consolidated in the Group's consolidated financial statements.

22 Dividends Receivable – the Company

This represents the dividends receivable from the Company's subsidiaries.

21 其他應收款及預付賬款(續)

- (i) 本公司銷售產品適用之增值稅稅率為17%，並享受13%的出口銷售退稅。
- (ii) 該餘額包括給予烟台市牟平區財政局借款人民幣9,202,000元(二零零四年：人民幣3,042,000元)及給予龍口財政局借款人民幣907,000元(二零零四年：無)。二零零四年餘額人民幣500,000元為給予徐州市鳳城財政局借款。該等借款無抵押、無利息，並且無固定償還期限。
- (iii) 於二零零四年十二月三十一日，此餘額為給予一間據中國有關法規不可合併於本集團截至二零零四年十二月三十一日止年度之合併財務報表的子公司白水安德利生物飼料有限公司之借款。該借款無抵押、無利息，並且無固定償還期限。於二零零五年十二月三十一日，此子公司的財務報表已合併於本集團之合併財務報表。

22 應收股息 – 本公司

該餘額為本公司應向子公司收取之股息。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

23 Amounts due from and due to Subsidiaries – the Company

Amounts due from and due to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

Included in amounts due from/(due to) subsidiaries are the following amounts denominated in a currency other than the functional currency of the Company:

United States Dollars	美元
United States Dollars	美元

23 應收及應付子公司款項 – 本公司

應收及應付子公司款項無抵押、無利息，並且無固定的償還期限。

應收／(應付)子公司款項包含以下以非本公司的功能性貨幣記賬的金額：

The Company		本公司	
2005	2004	2005	2004
二零零五年	二零零四年	二零零五年	二零零四年
'000	'000	'000	'000
千元	千元	千元	千元
US\$5,416	US\$5,109	US\$5,416	US\$5,109
(US\$2,235)	(US\$1,034)	(US\$2,235)	(US\$1,034)

24 Cash and cash equivalents

Cash in hand	現金
Cash at bank	銀行存款
Total	合計

24 現金及現金等價物

The Group		The Company	
本集團		本公司	
31 December	31 December	31 December	31 December
2005	2004	2005	2004
二零零五年	二零零四年	二零零五年	二零零四年
十二月	十二月	十二月	十二月
三十一日	三十一日	三十一日	三十一日
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
856	5,406	104	489
60,331	81,139	38,434	67,395
61,187	86,545	38,538	67,884

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

24 Cash and Cash Equivalents (cont'd)

Included in cash and cash equivalents are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		'000 千元	'000 千元	'000 千元	'000 千元
United States Dollars	美元	US\$428	US\$4,240	US\$190	US\$4,199
Euros	歐元	EUR270	—	—	—

24 現金及現金等價物(續)

現金及現金等價物包含以下以別於個別實體的功能性貨幣記賬的金額：

25 Short-term Bank Loans

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月三十一日	31 December 2004 二零零四年 十二月三十一日	31 December 2005 二零零五年 十二月三十一日	31 December 2004 二零零四年 十二月三十一日
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Secured bank loans	有抵押銀行貸款 (ii)	—	10,000	—	—
Guaranteed bank loans	有擔保銀行貸款 (iii)	147,000	215,276	187,000	215,276
Unsecured bank loans	無抵押銀行貸款	516,885	232,148	446,885	149,148
Total	合計 (i)	663,885	457,424	633,885	364,424

25 短期銀行貸款

(i) Bank loans of RMB663,885,000 (2004: RMB457,424,000) as at 31 December 2005 bear interest at rates ranging from 5.17% to 6.14% (2004: 3.00% to 6.14%) per annum.

(ii) Bank loans of RMB10,000,000 of the Group as at 31 December 2004, were secured by property, plant and equipment (Note 14).

(i) 於二零零五年十二月三十一日銀行貸款人民幣663,885,000元(二零零四年: 人民幣457,424,000元), 年利率為5.17%—6.14%(二零零四年: 3.00%—6.14%)。

(ii) 於二零零四年十二月三十一日, 本集團有銀行貸款人民幣10,000,000元以物業、廠房及設備作為抵押(附註14)。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

25 Short-term Bank Loans (cont'd)

- (iii) Bank loans of RMB100,000,000 as at 31 December 2005 (2004: RMB100,000,000) of the Company were guaranteed by a related party of the Group, Creat Group Co., Ltd. Bank loans of RMB47,000,000 as at 31 December 2005 (2004: Nil) of the Company were guaranteed by an unrelated third party of the Group, Yantai Anlin Fruit Co., Ltd.. Bank loans of RMB 40,000,000 as at 31 December 2005 (2004: Nil) of the Company were guaranteed by a subsidiary of the Company, Longkou Andre. As at 31 December 2004, bank loans of US\$1,000,000 (equivalent RMB8,276,000) and RMB50,000,000 of the Company were guaranteed by an unrelated third party, Yantai North Andre Barrel Making Co., Ltd., and bank loans of RMB57,000,000 of the Company were guaranteed by another unrelated third party of the Group, Yantai Jiuyuan Materials Co., Ltd..

Included in short-term bank loans are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

25 短期銀行貸款(續)

- (iii) 於二零零五年十二月三十一日，本公司有銀行貸款人民幣100,000,000元（二零零四年：人民幣100,000,000元）由本集團之關聯方科瑞集團有限公司提供擔保。於二零零五年十二月三十一日，本公司有銀行貸款人民幣47,000,000元（二零零四年：無）由本集團非關聯第三方烟台安林果業有限公司提供擔保。於二零零五年十二月三十一日，本公司有銀行貸款人民幣40,000,000元（二零零四年：無）由本公司之子公司，龍口安德利提供擔保。於二零零四年十二月三十一日，本公司有銀行貸款1,000,000美元（折合人民幣8,276,000元）和人民幣50,000,000元由非關聯第三方烟台北方安德利製桶有限公司提供擔保，及銀行貸款人民幣57,000,000元由非關聯第三方烟台市久源物資有限公司提供擔保。

短期銀行貸款包含以下以別於個別實體的功能性貨幣記賬的金額：

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		'000 千元	'000 千元	'000 千元	'000 千元
United States Dollars	美元	<u>US\$47,940</u>	<u>US\$16,000</u>	<u>US\$47,940</u>	<u>US\$16,000</u>

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

26 Trade Payables

An ageing analysis of trade payables is as follows:

Within 6 months	六個月以內
Over 6 months but less than 1 year	六個月以上但少於一年
Over 1 year	一年以上
Total	合計

All the trade payables are expected to be settled within one year.

Included in trade payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

United States Dollars	美元
Euros	歐元

26 應付賬款

應付賬款的賬齡分析如下：

The Group 本集團		The Company 本公司	
31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
47,555	53,803	18,381	36,399
7,656	1,486	3,940	38
1,312	715	1,203	651
56,523	56,004	23,524	37,088

所有應付賬款預計於一年內償還。

應付賬款包含以下以別於個別實體的功能性貨幣記賬的金額：

The Group 本集團		The Company 本公司	
31 December 2005 二零零五年 十二月 三十一日 '000 千元	31 December 2004 二零零四年 十二月 三十一日 '000 千元	31 December 2005 二零零五年 十二月 三十一日 '000 千元	31 December 2004 二零零四年 十二月 三十一日 '000 千元
US\$840	US\$912	US\$760	US\$721
EUR 454	-	EUR 454	-

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

27 Other Payables and Accrued Expenses

Other payables and accrued expenses include:

27 其他應付款及預提費用

應付賬款包含以下非有關實體的功能性貨幣：

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
Staff and workers' bonus and welfare fund	職工獎勵及福利基金 (i)	3,923	4,668	3,879	1,638
Amount payable in relation to the acquisition of property, plant and equipment	與購入物業、廠房及設備	42,424	59,149	24,912	37,164
Advances from a third party	聯營公司訂金 (ii)	-	9,494	-	-
Bills payable	應付票據 (iii)	-	40,000	-	40,000
Advance payments from an associate	聯營公司訂金 (iv)	39,945	-	35,945	-
Advance payments from customers	客戶訂金	4,659	657	-	-
Other taxes payable	應付其他稅金	14,000	1,957	96	130
Other borrowings (Note 28(ii))	其他借款(附註28(ii))	1,500	-	1,500	-
Others	其他	11,122	8,566	3,491	4,590
Total	合計	117,573	124,491	69,823	83,522

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

27 Other Payables and Accrued Expenses (cont'd)

- (i) This represents provision for staff and workers' bonus and welfare fund, applicable to the Company being a Sino-foreign equity joint venture enterprise before 26 June 2001 and its subsidiaries in PRC being Sino-foreign equity joint venture enterprises, provided at a certain percentage of the Company's and the subsidiaries' profit after taxation determined in accordance with the PRC accounting rules and regulations. The percentage for this appropriation was decided by the directors of the Company and the subsidiaries.
- (ii) Advances from a third party represent the advances from Richride, a shareholder of Andre Pectin. The amounts were unsecured, interest free and had no fixed terms of repayment.
- (iii) Bills payable of RMB40,000,000 as at 31 December 2004 were guaranteed by Yantai North Andre Barrel Making Co., Ltd., which is an unrelated third party.
- (iv) Advance payments from Andre Pectin represents receipts in advance from Andre Pectin to purchase pomace and related materials.

27 其他應付款及預提費用(續)

- (i) 該餘額為本公司於二零零一年六月二十六日以前作為中外合資企業及本公司在中國的子公司作為中外合資企業，以本公司及該等子公司按照中國會計規則及規定決算之淨利潤的一定比例計提之職工獎勵及福利基金準備。該計提比例是本公司及該等子公司之董事會決定的。
- (ii) 從第三方借款為安德利果膠之股東，富邦提供之借款。該借款無抵押、無利息，並且無固定償還期限。
- (iii) 於二零零四年十二月三十一日人民幣40,000,000元之應付票據由本集團的非關聯第三方烟台北方安德利製桶有限公司提供擔保。
- (iv) 從安德利果膠收到的訂金為安德利果膠採購果渣和相關材料之預付款。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

27 Other Payables and Accrued Expenses (cont'd)

Included in other payables and accrued expenses are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

27 其他應付款及預提費用(續)

其他應付款及預提費用包含以下以別於個別實體的功能性貨幣記賬的金額：

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月 三十一日 '000 千元	31 December 2004 二零零四年 十二月 三十一日 '000 千元	31 December 2005 二零零五年 十二月 三十一日 '000 千元	31 December 2004 二零零四年 十二月 三十一日 '000 千元
United States Dollars	美元	US\$431	US\$1,660	-	US\$280
Euros	歐元	EUR1,035	-	EUR729	-
Swiss Franc	瑞士法郎	CHF2,650	CHF4,079	CHF2,650	CHF4,079

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

28 Other Long-term Liabilities

28 其他長期負債

		The Group 本集團		The Company 本公司	
		31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
Amount payable in relation to acquisition of buildings	與購入建築物相關之應付款項 (i)	249	382	-	-
Other borrowings	其他借款 (ii)	-	1,500	-	1,500
		249	1,882	-	1,500

(i) The balance represents an amount due to Shaanxi Baishui Municipal Government for the acquisition of buildings in Baishui. The amount payable will be due over the period from 2025 to 2031.

(ii) The balance as at 31 December 2004 represents interest-free borrowings from the Yantai Finance Bureau. The borrowing is unsecured and will be due for repayment on 30 September 2006.

(i) 此餘額為向陝西省白水縣人民政府購買建築物之應付款項。該應付款項將於二零二五年至二零三一年之間償還。

(ii) 二零零四年十二月三十一日餘額為烟台財政局之無利息借款，此借款無抵押並應於二零零六年九月三十日償還。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

29 Capital and Reserves

29 股本及儲備

(a) The changes in equity of the Company for the years ended 31 December 2004 and 2005 are as follows:

(a) 截至二零零五及二零零四年十二月三十一日止年度，本公司的權益變動如下：

		Paid-in capital	Capital surplus	Share premium	Statutory reserves	Retained earnings	Total equity
		股本	資本公積	股本溢價	法定儲備	未分配利潤	總權益
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2004	於二零零四年一月一日之結餘						
- as previously reported	一如前呈報	151,880	10	89,071	33,037	68,022	342,020
- prior period adjustment in respect of IAS 27	－關於國際會計準則第27號之前期調整	36 (b) -	-	-	(10,132)	(58,757)	(68,889)
- as restated	重報	151,880	10	89,071	22,905	9,265	273,131
Issuance of shares	發行股份	29(b) 17,850	-	133,632	-	-	151,482
Share issue expenses	發行股份之開支	-	-	(10,097)	-	-	(10,097)
Profit for the year (restated)	本年度溢利(重報)	-	-	-	-	79,207	79,207
Appropriations (restated)	調撥(重報)	29(d) -	-	-	13,738	(13,738)	-
Dividends to equity shareholders of the Company	分派股息予本公司股東	30 -	-	-	-	(34,932)	(34,932)
Balance at 31 December 2004 (as restated)	於二零零四年十二月三十一日之結餘(重報)	<u>169,730</u>	<u>10</u>	<u>212,606</u>	<u>36,643</u>	<u>39,802</u>	<u>458,791</u>
Balance at 1 January 2005 (as restated)	於二零零五年一月一日之結餘(重報)	169,730	10	212,606	36,643	39,802	458,791
Profit for the year	本年度溢利	-	-	-	-	98,982	98,982
Appropriations	調撥	29(d) -	-	-	12,373	(12,373)	-
Dividends to equity shareholders of the Company	分派股息予本公司股東	30 -	-	-	-	(33,946)	(33,946)
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘	<u>169,730</u>	<u>10</u>	<u>212,606</u>	<u>49,016</u>	<u>92,465</u>	<u>523,827</u>

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

29 Capital and Reserves (cont'd)

29 股本及儲備(續)

(b) Capital

(b) 股本

	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
Registered, issued and fully paid:		
1,138,800,000 (2004: 1,138,800,000) Domestic Shares of RMB0.10 each (2004: RMB0.10 each)	113,880	113,880
558,500,000 (2004: 558,500,000) H shares of RMB0.10 each (2004: RMB0.10 each)	55,850	55,850
	169,730	169,730

Pursuant to a resolution passed at a Special General Meeting and the Class Meetings of the holders of the H shares and Domestic Shares of the Company on 2 June 2004 and approvals from relevant government authorities, the Company was authorised to issue not less than 152,000,000 and not more than 304,000,000 new H Shares.

On 14 July 2004, the Company issued 178,500,000 new H shares with a par value of RMB0.10 each, at a price of HK\$0.80 per H share by placing.

All the shares issued by the Company rank pari passu.

根據於二零零四年六月二日召開的股東特別大會及本公司之H股與內資股持有人的類別股東大會通過之決議案及有關政府機關之批准，本公司獲授權增發不少於152,000,000股及不多於304,000,000股之H股。

於二零零四年七月十四日，本公司以配售方式按每股H股港幣0.8元之價格增發178,500,000股每股面值人民幣0.10元之H股。

本公司發行之所有股份均享有同等權益。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

29 Capital and Reserves (cont'd)

(c) Capital surplus

Capital surplus represents exchange differences arising from the use of different exchange rates in translating the paid-in capital contributed by the investors.

(d) Statutory reserves

29 股本及儲備(續)

(c) 資本公積

資本公積為資本換算差額，即有關資本賬戶於分期收到投資人出資時所採用的換算匯率與合同約定的換算匯率不同而產生的差額。

(d) 法定儲備

		The Group 本集團					
		The Company 本公司			The subsidiaries 子公司		
		Statutory surplus reserve 法定 公積金 (i)	public welfare fund 法定 公益金 (ii)	Total	Reserve fund 儲備基金 (iii)	Enterprise expansion fund 企業 發展基金 (iv)	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2004	於二零零四年 一月一日之結餘	15,569	7,336	22,905	5,066	5,066	33,037
Appropriations from retained earnings	未分配利潤中 作調撥	9,159	4,579	13,738	2,546	2,546	18,830
Balance at 31 December 2004	於二零零四年 十二月三十一日 之結餘	24,728	11,915	36,643	7,612	7,612	51,867
Balance at 1 January 2005	於二零零五年一月一日 之結餘	24,728	11,915	36,643	7,612	7,612	51,867
Appropriations from retained earnings	未分配利潤中 作調撥	8,248	4,125	12,373	3,035	3,035	18,443
Balance at 31 December 2005	於二零零五年 十二月三十一日 之結餘	32,976	16,040	49,016	10,647	10,647	70,310

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

29 Capital and Reserves (cont'd)

(d) Statutory reserves (cont'd)

- (i) According to the Company's Articles of Association, the Company is required to transfer 10% of its net profit, as determined in accordance with the PRC Accounting Rules and Regulations, to statutory surplus reserve. The transfer to this reserve must be made before distributing dividends to shareholders.

The statutory surplus reserve can be used to make up for previous years' losses, if any. It may be converted into share capital by issuing new shares to shareholders proportionate to their existing shareholdings, provided that the balance after such issue is not less than 25% of the registered capital.

- (ii) According to the Company's Articles of Association, the Company is required to transfer 5% of its net profits, as determined in accordance with the PRC Accounting Rules and Regulations, to the statutory public welfare fund. This fund can only be used on capital items for the collective benefit of the Company's employees (such as for the construction of dormitories, canteens and other staff welfare facilities). This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distributing dividends to shareholders.

29 股本及儲備(續)

(d) 法定儲備(續)

- (i) 按照本公司章程的規定，本公司須按中國會計準則及制度計算的淨利潤的10%提取法定公積金。提取法定公積金須在向股東分配股息前進行。

法定公積金可用作彌補以往年度虧損(如有)，並可藉向股東按現有所持股權比重發行新股份轉換為股本，惟於發行股份後之結餘不得少於註冊股本25%。

- (ii) 根據本公司章程的規定，本公司須按中國會計準則及制度計算的淨利潤的5%提取法定公益金。此項基金僅可用於本公司僱員集體福利之資本項目，如興建宿舍、食堂及其他員工福利設施。除於清盤時外，此項基金不可作為股息分派。本公司須於分派股息予股東前將有關款項調撥作法定公益金。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

29 Capital and Reserves (cont'd)

(d) Statutory reserves (cont'd)

- (iii) According to the Articles of Association of the subsidiaries incorporated in PRC, the subsidiaries are required to transfer a certain percentage of their net profits, as determined in accordance with the PRC Accounting Rules and Regulations, to the reserve fund. The percentage of this appropriation was decided by the directors of the subsidiaries.

The reserve fund can be used for the subsidiaries' working capital purposes and to make up for previous years' losses, if any. This fund can also be used to increase capital of the subsidiaries, if approved. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distributing dividends to the Company.

- (iv) According to the Articles of Association of the subsidiaries incorporated in PRC, the subsidiaries are required to transfer a certain percentage of their net profits, as determined in accordance with the PRC Accounting Rules and Regulations, to the enterprise expansion fund. The percentage of this appropriation was decided by the directors of the subsidiaries.

The enterprise expansion fund can be used for the subsidiaries' business development purposes and for working capital purposes. This fund can also be used to increase capital of the subsidiaries, if approved. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distributing dividends to the Company.

29 股本及儲備(續)

(d) 法定儲備(續)

- (iii) 根據本公司在中國境內設立之子公司的章程規定，該等子公司須按各自按中國會計準則及制度計算的淨利潤的一定比例提取儲備基金。該調撥比例是由該等子公司之董事會決定的。

儲備基金可用作該等子公司補充運營資金之目的，並可彌補以往年度虧損（如有）。此項基金亦可用作增加該等子公司之資本金（如經批准）。除於清盤時外，此項基金不可用作股息分派。本公司須於分派股息予股東前將有關款項調撥作儲備基金。

- (iv) 根據本公司在中國境內設立之子公司的章程規定，該等子公司須按各自按中國會計準則及制度計算的淨利潤的一定比例提取企業發展基金。該調撥比例是該等子公司之董事會決定的。

企業發展基金可用作該等子公司業務發展及補充運營資金之目的。此項基金亦可用作增加該等子公司之資本金（如經批准）。除於清盤時外，此項基金不可用作股息分派。本公司須於分派股息予股東前將有關款項調撥作企業發展基金。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

29 Capital and Reserves (cont'd)

(e) Distributable reserves

Pursuant to the Company's Articles of Association, the Company's net profit for the purpose of profit distribution to equity shareholders of the Company will be the lesser of (i) the net profit determined in accordance with the PRC Accounting Rules and Regulations; or (ii) the profit attributable to equity shareholders of the Company determined in accordance with IFRS.

Under PRC company Law and the Company's Articles of Association, net profit can be distributed as dividends after allowance has been made for:

- (i) making up cumulative prior years' losses, if any;
- (ii) allocations of 10% net profit, as determined in accordance with the PRC Accounting Rules and Regulations, to the Company's statutory surplus reserve;
- (iii) allocations of 5% of net profit, as determined in accordance with the PRC Accounting Rules and Regulations, to the Company's statutory public welfare fund; and
- (iv) allocations to the discretionary surplus reserve, if approved by the shareholders.

As at 31 December 2005, the Company's retained earnings determined in accordance with the PRC Accounting Rules and Regulations and IFRS were RMB134,725,000 (2004: RMB105,847,000) and RMB92,465,000 (2004 (restated): RMB39,802,000), respectively. Accordingly, the distributable reserve of the Company as at 31 December 2005 amounted to RMB92,465,000 (2004 (restated): RMB39,802,000).

29 股本及儲備(續)

(e) 可分派儲備

根據本公司採用的章程，本公司分配予股東之淨利潤為下列較低者(i)按照中國會計準則及制度計算之淨利潤；或(ii)按照國際財務報告準則計算之本公司股東應佔溢利。

根據中國公司法及本公司之章程，除稅後淨利潤須支付下列各項後方可作為股息分派：

- (i) 彌補以前年度累計虧損(如有)；
- (ii) 將按中國會計準則及制度計算的淨利潤之10%提取本公司之法定公積金；
- (iii) 將按中國會計準則及制度計算的淨利潤之5%提取本公司之法定公益金；及
- (iv) 倘獲得股東大會批准，提取任意盈餘公積金。

於二零零五年十二月三十一日，本公司按照中國會計準則及制度計算之可供分派的儲備及按照國際財務報告準則計算之可供分派的儲備分別為人民幣134,725,000元(二零零四年：人民幣105,847,000元)及人民幣92,465,000元(二零零四年(重報)：人民幣39,802,000元)。因此，於二零零五年十二月三十一日，本公司可供分派的儲備為人民幣92,465,000元(二零零四年(重報)：人民幣39,802,000元)。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 Dividends

30 股息

(a) Dividends payable to equity shareholders of the Company attributable to the year

(a) 本年度分派股息予本公司股東

		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Final dividend proposed after the balance sheet date of RMB0.015 per share (2004: RMB0.02 per share)	於結算日後建議分派末期股息每股人民幣0.015元 (二零零四年：每股人民幣0.02元)	25,460	33,946

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(b) 屬於上一財政年度，並於本年度核准及支付予本公司股東的股息

		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.02 per share (2004: RMB0.023 per share)	屬於上一財政年度，並於本年度核准及支付之末期股息為每股人民幣0.02元 (二零零四年：每股人民幣0.023元)	33,946	34,932

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

31 Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB75,928,000 (2004: RMB91,587,000) and the weighted average of 1,697,300,000 shares (2004: 1,602,197,541 shares) in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share has not been presented as there were no dilutive potential ordinary shares in existence for the years ended 31 December 2004 and 2005.

32 Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors and supervisors as disclosed in Note 11 and the senior management as disclosed in Note 12, is as follows:

Short-term employee benefits
Retirement scheme contributions

Total

日常在職報酬
退休福利計劃供款

合計

31 每股盈利

(a) 每股基本盈利

本年每股基本盈利的計算基礎為本公司股東應佔溢利人民幣75,928,000元（二零零四年：人民幣91,587,000元）及本年已發行股份加權平均數1,697,300,000股（二零零四年：1,602,197,541股）。

(b) 每股攤薄盈利

由於截至二零零四年及二零零五年十二月三十一日止期內並無潛在攤薄普通股，因此並無列示每股攤薄盈利。

32 關聯方交易

除於財務報表其他部份披露之交易和餘額外，本集團有以下重大關聯方交易：

主要管理人員薪酬

主要管理人員薪酬（包括支付予附註11披露之本公司董事及監事和附註12披露之高級管理層之金額）如下：

		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Short-term employee benefits	日常在職報酬	1,793	1,161
Retirement scheme contributions	退休福利計劃供款	29	36
Total	合計	1,822	1,197

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

33 Financial Instruments

The Group's financial assets include cash and cash equivalents, trade and other receivables. The Group's financial liabilities include bank loans, trade and other payables.

The Group does not hold nor has issued financial instruments for trading purposes. Exposure to credit, interest, and currency risks arises in the normal course of the Group's business.

(a) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral for financial assets. At the balance sheet date, the Group had no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Interest rate risk

The interest rates and terms of repayment of the Group's bank loans are disclosed in Note 25.

33 金融工具

本集團之金融資產包括現金及現金等價物、應收賬款及其他應收款。本集團之財務負債包括銀行貸款、應付賬款及其他應付款。

本集團並無持有或發行金融工具供買賣用途。本集團在日常業務當中承受信貸、利率及外匯風險。

(a) 信貸風險

管理層實行信貸政策，而信貸風險持續受到監察。客戶若要求超過一定金額之信貸，均須接受信貸評估。本集團並無要求就金融資產提供抵押品。於結算日，本集團並無任何重大集中信貸風險情況。最高信貸風險指資產負債表之每項金融資產賬面值。

(b) 利率風險

本集團銀行貸款之利率及償還條款於附註25披露。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

33 Financial Instruments (cont'd)

(c) Foreign currency risk

Renminbi is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China ("PBOC") or other institutions authorised to buy and sell foreign exchange. The exchange rate adopted for the foreign exchange transactions are the rates of exchange quoted by the PBOC. On 21 July 2005, with the authorisation from the PRC government, the PBOC announced that the PRC government reformed the exchange rate regime by moving into a managed floating exchange rate regime based on market supply and demand with reference to a basket of currencies.

Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currency (which depends on the foreign currency denominated earnings of the Group) or must be arranged through the PBOC with government approval.

The Group is exposed to foreign currency risk on sales, purchase, acquisition of machinery and equipment, and borrowings that are denominated in currencies other than Renminbi, primarily United States Dollars. Depreciation or appreciation of the Renminbi against foreign currencies can affect the Group's results. The Group is not able to hedge its foreign currency exposure effectively other than by retaining its foreign currency denominated earnings and receipts to the extent permitted by the State Administration of Foreign Exchange.

33 金融工具(續)

(c) 外匯風險

人民幣不可自由兌換為外幣。所有涉及人民幣之外匯交易均須透過人民銀行或其他獲授權買賣外匯之機構進行。外匯交易所採用匯率乃人民銀行所頒布之匯率。於二零零五年七月二十一日，經中國政府批准，人民銀行宣佈中國政府通過參考一籃子貨幣之市場供求，改革匯率制度至管理浮動匯率制度。

外匯付款，包括將盈利匯出中國，須視乎外幣供應情況，（而外幣供應則視乎本集團以外幣為單位之盈利金額），或須在政府批准後透過中國人民銀行安排。

本集團的銷售、採購、購置機器設備及貸款部份以外幣為單位，主要是美元。故此，人民幣兌外幣的貶值或升值會對本集團的業績構成影響。本集團除了在中國國家外匯管理局允許的範圍內保留其以外幣為單位的盈利及收入，並無其他方法可有效地對沖其外幣風險。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

33 Financial Instruments (cont'd)

(d) Fair value

The carrying amounts of significant financial assets and liabilities approximate their respective fair values as at 31 December 2004 and 2005.

(i) *Cash and cash equivalents, trade and other receivables, trade and other payables (current portion)*

The carrying values approximate their fair values because of the short maturities of these items.

(ii) *Bank loans*

The carrying amount of bank loans approximates their fair value based on the borrowing rates currently available for bank loans with similar terms and maturities.

(iii) *Other long-term liabilities*

The fair values of long-term liabilities are estimated by discounting future cash flows using current market interest rates offered to the Group for debt with substantially the same characteristics and maturities.

The carrying amount of amounts payable in relation to the acquisition of buildings and land use rights represent their fair value.

33 金融工具(續)

(d) 公平價值

於二零零四年及二零零五年十二月三十一日，重大金融資產及負債之賬面金額約為其公平價值。

(i) 現金及現金等價物、應收賬款及其他應收款(一年內到期部份)

鑒於此等工具之到期日短暫，因此賬面值約為其公平價值。

(ii) 銀行貸款

以現行相若貸款條件及到期日之銀行貸款利率為依據，銀行貸款之賬面金額約為其公平價值。

(iii) 其他長期負債

長期負債之公平價值是將未來現金流用現行市場給予本集團相若貸款條件及到期日之貸款利率折現而確定的。

收購物業相關應付款項之賬面金額為其公平價值。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

34 Commitments

- (a) As at 31 December 2005, the Group and the Company had capital commitments in respect of property, plant and equipment not provided for in the financial statements as follows:

34 承擔

- (a) 於二零零五年十二月三十一日，本集團及本公司就購置物業、廠房及設備而未有在財務報表撥備的資本承擔如下：

	The Group 本集團		The Company 本公司	
	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
Contracted for Authorised but not contracted for	已簽約 已授權未簽約	- -	- -	- -
	100,000	-	-	-
	100,000	-	-	-

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

34 Commitments (cont'd)

- (b) As at 31 December 2005, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	一年內到期
After 1 year but within 5 years	一年以上至 五年以內
Over 5 years	五年以上

The Group leases certain land use rights, buildings, and machinery and equipment under operating leases. For the land use rights, the lease period is fifty years. For buildings, and machinery and equipment, the leases typically run for an initial period of one to three years. None of the leases includes contingent rentals.

35 Contingent Liabilities

As at 31 December 2005, a bank loan of a wholly owned subsidiary of the Company, Xuzhou Andre, amounting to RMB 30,000,000 (2004: Nil) was guaranteed by the Company.

36 Changes in Accounting Policies

The IASB has issued a number of new and revised IFRS that are effective for accounting periods beginning on or after 1 January 2005.

34 承擔(續)

- (b) 於二零零五年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款額總數如下：

The Group 本集團		The Company 本公司	
31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元	31 December 2005 二零零五年 十二月 三十一日 RMB'000 人民幣千元	31 December 2004 二零零四年 十二月 三十一日 RMB'000 人民幣千元
900	4,200	900	4,200
-	900	-	900
848	848	-	-
1,748	5,948	900	5,100

本集團以經營租賃租用部分土地使用權、物業及機器設備。土地使用權的租賃期為五十年。物業及機器設備的租賃一般初步為期一年至三年。各項經營租賃均不包含或有租金。

35 或有負債

於二零零五年十二月三十一日，本公司對本公司一家全資子公司，徐州安德利，的一筆銀行貸款人民幣30,000,000元提供了擔保。

36 會計政策的更改

國際會計準則委員會已公布若干全新及新修訂之國際財務報告準則，自二零零五年一月一日起或以後的會計期間生效。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

36 Changes in Accounting Policies (cont'd)

The accounting policies of the Group after the adoption of these new and revised IFRS have been summarised in Note 2. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

(a) Minority interests (IAS 1, Presentation of financial statements and IAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the consolidated statement of income as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 January 2005, in order to comply with IAS 1 and IAS 27, the Group has changed its accounting policy relating to presentation of minority interests. Under the new accounting policy, minority interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to equity shareholders of the Company, and minority interests in the results of the Group for the year are to be presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between the minority interests and equity shareholders of the Company. The presentations of minority interests in the consolidated balance sheet, consolidated income statement and consolidated statement of changes in equity for the comparative period have been restated accordingly.

36 會計政策的更改(續)

本集團已採用該全新及新修訂的國際財務報告準則作為會計政策並摘要於附註2。對本期及以前會計期間重要的會計政策修訂事項已反映於此財務報表中並且列述如下：

(a) 少數股東權益(《國際會計準則》第1號「財務報表的列報」和《國際會計準則》第27號「合併財務報表和單獨財務報表」)

在以往年度，於資產負債表日的少數股東權益於合併資產負債表內是與負債分開列報並在淨資產中扣減。少數股東所佔本集團年度業績的權益亦會在合併損益表內分開列報並在計算股東應佔溢利前作出扣減。

為符合《國際會計準則》第1號和第27號的規定，本集團由二零零五年一月一日起修訂了有關少數股東權益列報方式的會計政策。根據新政策，少數股東權益是在合併資產負債表中列報為權益的一部分，並與本公司股東的應佔權益分開列示，而少數股東所佔本集團年度業績的權益，會按照本年度損益總額在少數股東權益與本公司股東之間作出分配的形式，在合併損益表中列報。比較期間的合併資產負債表、合併損益表和合併股東權益變動表所列報的少數股東權益已相應的重報。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

36 Changes in Accounting Policies (cont'd)

(b) Accounting for investments in subsidiaries (IAS 27, Consolidated and separate financial statements)

In prior years, in the balance sheet of the Company investments in subsidiaries are accounted for using the equity method.

With effect from 1 January 2005, in order to comply with IAS 27, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries and reserves balance in the balance sheet of the Company for the comparative period have been restated accordingly. There was no impact to the Group's consolidated financial statements.

The following table discloses the adjustments that have been made in accordance with IAS 27 to each of the line items in the balance sheet of the Company as previously reported as at 31 December 2004:

36 會計政策的更改(續)

(b) 於子公司的投資的會計方法(《國際會計準則》第27號「合併財務報表和單獨財務報表」)

在以往年度，於子公司的投資是按權益法在本公司資產負債表列賬。

為符合《國際會計準則》第27號的規定，由二零零五年一月一日起，於子公司的投資是按成本法核算。比較期間的本公司資產負債表所示的子公司投資結餘已相應地重報。上述變更對本集團的合併財務報表並沒有影響。

以下列表披露因採用《國際會計準則》第27號對已於以前年度呈報的本公司於二零零四年十二月三十一日之資產負債表中相關項目的調整：

		2004 (as previously reported)	Effect of new policy	2004 (as restated)
		2004 (已於以前年度呈報)	新政策影響	(重報)
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Investments in subsidiaries	於子公司的投資	260,096	(79,817)	180,279
Goodwill	商譽	1,452	(1,452)	-
Statutory reserves	法定儲備	51,867	(15,224)	36,643
Retained earnings	未分配利潤	105,847	(66,045)	39,802

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

36 Changes in Accounting Policies (cont'd)

(c) Amortisation of goodwill (IFRS 3, Business combinations and IAS 36, Impairment of assets)

In prior years, positive goodwill was amortised on a straight line basis over its useful life.

With effect from 1 January 2005, in order to comply with IFRS 3 and IAS 36, the Group no longer amortises goodwill but tests it at least annually for impairment. This new policy has been applied prospectively in accordance with the transitional arrangements under IFRS 3.

(d) Definition of related party disclosures (IAS 24, Related party disclosures)

The definition of related parties under IAS 24 as disclosed in Note 2 (r) has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions.

With effect from 1 January 2005, in order to comply with IAS 24, the Group has made further disclosure of key management personnel compensation and contributions to post-retirement benefit plans.

36 會計政策的更改(續)

(c) 商譽攤銷(《國際財務報告準則》第3號「企業合併」及《國際會計準則》第36號「資產減值」)

於以前年度，正商譽按直線法在使用年限內攤銷。

自二零零五年一月一日起，為符合《國際財務報告準則》第3號及《國際會計準則》第36號，本集團已不再攤銷商譽，該商譽至少每年進行減值測試。該新政策按《國際財務報告準則》第3號之過渡期安排不作追溯調整。

(d) 關聯方披露(《國際會計準則》第24號「關聯方披露」)

如附註2(r)所披露，《國際會計準則》第24號所載的關聯方定義已予擴展，並說明「關聯方」包括受到個別關聯方(即主要管理人員、重要股東及／或與他們關係密切的家族成員)重大影響的實體，以及為本集團或作為本集團關聯方的任何實體的僱員福利而設的離職後福利計劃。

為符合《國際會計準則》第24號的規定，本集團由二零零五年一月一日起進一步披露有關給予主要管理人員的補償和對退休後福利計劃作出供款的資料。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

37 Accounting Estimates and Judgements

(a) Impairment for bad and doubtful debts

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the customers to make the required payments. The Group bases the estimates on the aging of the accounts receivable balance, customer credit-worthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs would be higher than estimated.

(b) Impairment for non-current assets

If circumstances indicate that the net book value of a non-current asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in accordance with IAS 36 “Impairment of Assets”. The carrying amounts of non-current assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for the Group’s assets are not readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume, selling price and amount of operating costs.

37 會計估計及判斷

(a) 呆壞帳減值虧損

本集團就客戶無法作出所需付款時產生的估計虧損計提呆壞帳減值虧損。本集團以應收賬款的賬齡、客戶的信譽和歷史沖銷記錄等資料作為估計的基礎。如果該等客戶的財務狀況惡化，實際沖銷數額將會高於估計數額。

(b) 非流動資產的減值虧損

倘若情況顯示非流動資產的賬面淨值可能無法收回，有關資產便會視為「已減值」，並可能根據《國際會計準則》第36號「資產減值」確認減值虧損。非流動資產資產的賬面值會被定期評估，以確定可收回數額是否下跌至低於賬面值。當事項或環境變動顯示資產的賬面值可能無法收回時，有關資產便會進行減值測試。如果出現下跌跡象，賬面值便會減至可收回值。可收回值是以淨售價與使用價值兩者中的較高者計算。由於本集團難以獲得資產的公開市價，因此難以準確地估計售價。在釐定使用價值時，該資產所產生的預期現金流量會貼現至其現值，因而需要對銷售額、售價和經營成本等作出重大判斷。本集團在釐定與可收回數額相若的合理數額時會採用所有現存可供使用的資料，包括根據合理和可支持的假設所作出的估計和銷售額、售價及經營成本的預測。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

37 Accounting Estimates and Judgements (cont'd)

(c) Provision for diminution in value of inventories

If the costs of inventories fall below their net realisable values, a provision for diminution in value of inventories is recognised. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Group bases the estimates on all available information, including the current market prices of the finished goods and raw materials, and historical operating costs. If the actual selling prices were to be lower or the costs of completion and other distribution costs were to be higher than estimated, the actual provision for diminution in value of inventories could be higher than estimated.”

37 會計估計及判斷(續)

(c) 存貨跌價減值準備

當存貨的賬面值跌至其可變現淨值以下時，便會確認存貨跌價減值準備。可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需的估計成本後所得之金額。本集團以所有可取得的資料(包括市場上最新的產成品及原材料售價，以及過往的生產成本)為估計的基礎。如果實際售價比估計低或實際生產成本及銷售費用比估計高，實際的存貨跌價減值準備將會高於估計數額。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

38 Possible Impacts of Amendments, New Standards and Interpretations Issue but not yet Effective for the Annual Accounting Period ended 31 December 2005

Up to the date of issue of these financial statements, the IASB has issued the following amendments, new standards and interpretations which are not yet effective for the annual accounting period ended 31 December 2005 and which have not been adopted in these financial statements:

38 已頒布但尚未於截至二零零五年十二月三十一日止會計年度生效的修訂後的和新的會計準則及解釋公告的可能影響

截至發布此財務報表日，國際會計準則委員會已公布以下的修訂後的和新的會計準則以及解釋公告，尚未於截至二零零五年十二月三十一日止會計期內間生效並且未為本財務報表採用：

	Effective for accounting period beginning on or after 生效於該日期或 以後開始的會計期間
IFRS 6, Exploration for and evaluation of mineral resources 《國際財務報告準則》第6號「礦產資源的勘探和評價」	1 January 2006 二零零六年一月一日
IFRS 7, Financial instruments: disclosures 《國際財務報告準則》第7號「金融工具：披露」	1 January 2007 二零零七年一月一日
IFRIC 4, Determining whether an arrangement contains a lease 《國際財務報告解釋公告》第4號「釐定安排是否包含租賃」	1 January 2006 二零零六年一月一日
IFRIC 5, Rights to interests arising from decommissioning, restoration environmental rehabilitation funds 《國際財務報告解釋公告》第5號「解除運作、復原及環境修復 基金產生權益之權利」	1 January 2006 二零零六年一月一日
IFRIC 6, Liabilities arising from participating in a specific market-Waste electrical and electronic equipment 《國際財務報告解釋公告》第6號「參與特定市場之責任－廢料、 電力及電子設備」	1 December 2005 二零零五年十二月一日
IFRIC 7, Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies 《國際財務報告解釋公告》第7號「執行《國際會計準則》第29號－ 在惡性通貨膨脹經濟中的財務報告的重報方法」	1 March 2006 二零零六年三月一日

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

38 Possible Impacts of Amendments, New Standards and Interpretations Issue but not yet Effective for the Annual Accounting Period ended 31 December (cont'd)

38 已頒布但尚未於截至二零零五年十二月三十一日止會計年度生效的修訂後的和新的會計準則及解釋公告的可能影響(續)

	Effective for accounting period beginning on or after 生效於該日期或 以後開始的會計期間
IFRIC 8, Scope of IFRS 2 《國際財務報告解釋公告》第8號「《國際財務報告準則》第2號的範圍」	1 May 2006 二零零六年五月一日
IFRIC 9, Reassessment of Embedded Derivatives 《國際財務報告解釋公告》第9號「嵌入衍生工具的再評價」	1 June 2006 二零零六年六月一日
Amendment to IAS 1, Presentation of financial statements: capital disclosures 對《國際會計準則》第1號「財務報表的列報：資本的披露」的修訂	1 January 2007 二零零七年一月一日
Amendment to IAS 19, Employee benefits-Actuarial Gains and Losses, Group Plans and Disclosures 對《國際會計準則》第19號「僱員福利－精算的收益和損失， 企業計劃和披露」的修訂	1 January 2006 二零零六年一月一日
Amendment to IAS 21, Net investment in a foreign operation 對《國際會計準則》第21號「外匯匯率變動的影響－於一項 國外業務的淨投資」的修訂	1 January 2006 二零零六年一月一日
Amendments to IAS 39, Financial instruments: Recognition and measurement: 對《國際會計準則》第39號「金融工具：確認和計量」的修訂：	
– Cash flow hedge accounting of forecast intragroup transactions – 預測集團內部交易的現金流量套期會計	1 January 2006 二零零六年一月一日
– The fair value option – 公允價值法的選擇	1 January 2006 二零零六年一月一日
– Financial guarantee contracts – 財務擔保合約	1 January 2006 二零零六年一月一日
Amendments to IFRS 1, First-time Adoption of International Financial Reporting Standards 對《國際財務報告準則》第1號「首次執行國際財務報告準則」的修訂	1 January 2006 二零零六年一月一日

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財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

38 Possible Impacts of Amendments, New Standards and Interpretations Issue but not yet Effective for the Annual Accounting Period ended 31 December (cont'd)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. Up to the date of issuance of these financial statements, the Group believes that the adoption of IFRS 6, IFRIC 4, IFRIC 5, IFRIC6, IFRIC 7, IFRIC 8, IFRIC 9 and the amendments to IAS 19, IAS 21 and IFRS 1 are not applicable to any of the Group's operations and that the adoption of the remainder of the above amendments, new standards and new interpretations is unlikely to have a significant impact on the Group's results of operations and financial position.

39 Comparative Figures

Certain comparative figures have been adjusted as a result of the changes in accounting policies. Further details are disclosed in Note 36.

40 Parent and ultimate Holding Company

The directors of the Company consider as at 31 December 2005, Beijing RAJ Network Sales Co., Ltd., established in the PRC, to be the Company's parent and ultimate holding company. This entity does not produce financial statements available for public use.

38 已頒布但尚未於截至二零零五年十二月三十一日止會計年度生效的修訂後的和新的會計準則及解釋公告的可能影響(續)

本集團目前正在評估初次執行該等修訂後的和新的會計準則及解釋公告之影響。截至本財務報告簽發日止，本集團相信IFRS 6, IFRIC 4, IFRIC 5, IFRIC 6, IFRIC 7, IFRIC 8, IFRIC 9以及對IAS 19, IAS 21及IFRS 1之修訂不適用於本集團的任何業務，而執行以上其餘的修訂後的和新的會計準則及解釋公告對本集團之運作及財務狀況構成重大影響之機會不大。

39 比對數據

若干比較數字因會計政策變更已進行調整，詳情載於附註36。

40 母公司及最終控股公司

本公司的董事們認為於二零零五年十二月三十一日，於中華人民共和國成立的北京瑞澤網絡銷售有限責任公司為本公司母公司及最終控股公司。該企業未有提供可供公眾使用的財務報表。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

41 Subsequent Events

The following significant events took place subsequent to 31 December 2005:

- (a) On 23 February 2006, the Company entered into a subscription agreement with International Finance Corporation (“IFC”), pursuant to which IFC has agreed to subscribe an aggregate of 50,000,000 new H shares of the Company at a price of HK\$0.70 per H share.

The Company has also entered into a placing agreement on 23 February 2006 with Guotai Junan Securities (Hong Kong) Limited (“Guotai Junan”), pursuant to which Guotai Junan has agreed to place an aggregate of 61,580,000 new H shares of the Company at a price of HK\$0.70 per H Share.

Upon the completion of the above subscription and placing, the total registered share capital of the Company will be increased from 1,697,300,000 shares to 1,808,880,000 shares, of which the total H shares of the Company will be increased from 558,500,000 shares to 670,080,000 shares.

41 期後事項

於二零零五年十二月三十一日後發生的重大期後事項如下：

- (a) 於二零零六年二月二十三日，本公司與國際金融公司（「IFC」）簽訂認購協議，IFC同意以每H股港幣0.70認購共50,000,000股本公司的新H股。

本公司同時於二零零六年二月二十三日與國泰君安證券（香港）有限公司（「國泰君安」）簽訂配售協議，國泰君安同意以每H股港幣0.70配售共61,580,000股本公司新H股。

當上述認購和配售完成後，本公司之總註冊資本將由1,697,300,000股增至1,808,880,000股，其中總H股將由558,500,000股增至670,080,000股。

Notes on the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

41 Subsequent Events (cont'd)

(a) (cont'd)

Approvals from The Stock Exchange of Hong Kong Limited for the above subscription and placing were obtained on 8 March 2006. The above subscription and placing were completed on 10 March 2006.

(b) After the balance sheet date, the directors of the Company proposed a final dividend for the year ended 31 December 2005. Further details are disclosed in Note 30.

41 期後事項(續)

(a) (續)

上述之認購及配售於二零零六年三月八日獲香港聯合交易所有限公司批准，並於二零零六年三月十日完成。

(b) 董事於結算日後建議分派截至二零零五年十二月三十一日止年度末期股息，詳情載於附註30。

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of 烟台北方安德利果汁股份有限公司 (Yantai North Andre Juice Co., Ltd.*) (the “Company”) and together with its subsidiaries, the “Group”) will be held at 3rd Floor, No. 18 Andre Avenue, Muping Economic Development Zone, Yantai City, Shandong Province, the PRC on Thursday, 18 May 2006 at 10 a.m. for the following purposes:

As ordinary resolutions:

1. To consider and approve the report of the board of directors of the Company (the “Board”) for the year ended 31 December 2005.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2005.
3. To consider and approve the audited consolidated financial statements of the Company and the report of the auditors for the year ended 31 December 2005.
4. To consider and approve the profit distribution plan for the year ended 31 December 2005, and the final dividend distribution plan for the year ended 31 December 2005 (if any), and to authorize the Board for the distribution of the final dividends (if any) to the shareholders of the Company.
5. To consider and determine (if appropriate) the remuneration of the directors and supervisors of the Company for the year ending 31 December 2006.
6. To consider and approve the re-appointment of KPMG and KPMG Huazhen as the auditors of the Company (international and PRC auditors, respectively) for the year ending 31 December 2006 and to authorize the Board to fix their remunerations.

* For identification purpose only

茲通告烟台北方安德利果汁股份有限公司(「本公司」，連同其附屬公司，合稱「本集團」)謹訂於二零零六年五月十八日星期四上午十時正假座中國山東省烟台市牟平經濟開發區安德利大街18號3樓舉行股東週年大會(「股東週年大會」)，藉以處理下列事項：

作為普通決議案：

1. 審議及通過截至二零零五年十二月三十一日止年度的本公司董事會(「董事會」)報告。
2. 審議及通過截至二零零五年十二月三十一日止年度的本公司監事會報告。
3. 審議及通過截至二零零五年十二月三十一日止年度的本公司經審核合併財務報表及核數師報告。
4. 審議及通過截至二零零五年十二月三十一日止年度的利潤分配計劃及截至二零零五年十二月三十一日止年度之末期股息分派計劃(如有)，並授權董事會分派末期股息(如有)予本公司股東。
5. 審議及釐定(如適當)本公司董事及監事於截至二零零六年十二月三十一日止年度之酬金。
6. 審議及通過續聘畢馬威會計師事務所及畢馬威華振會計師事務所為截至二零零六年十二月三十一日止年度的本公司核數師(分別為國際及中國核數師)，並授權董事會釐定其酬金。

* 僅供識別

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As special resolution:

7. To consider and, if thought fit, pass the following resolution:

THAT:

- (1) there be granted to the Board an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company (whether Domestic Shares or H Shares) and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
- (b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board otherwise than pursuant to the share option scheme (if any) adopted by the Company for the grant or issue of shares of the Company, shall not exceed:
- i. 20% of the aggregate nominal amount of Domestic Shares of the Company in issue; and/or
- ii. 20% of the aggregate nominal amount of H Shares of the Company in issue,
- in each case as at the date of this resolution; and

作為特別決議案：

7. 審議並酌情通過下列決議案：

動議：

- (1) 授予董事會無條件的一般授權以發行、配發及處置本公司股本中的額外股份（不論是發起人股或H股），以及就此作出或授予要約、協議及購股權，惟須受以下條件規限：
- (a) 有關授權不可超越有關期間，惟董事會在有關期間作出或授予要約、協議或購股權而需要在有關期間完結後行使有關權力者除外；
- (b) 除卻本公司根據購股權計劃（如有）所授予或發行股份外，董事會可配發或有條件或無條件同意配發的股份（不論是否按購股權或其他方式）的總面值，不可超過：
- i. 本公司已發行的發起人股的總面值的20%；及／或
- ii. 本公司已發行的H股的總面值的20%，
- 以上兩種情況均以本決議案當日為準；及

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- (c) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (as the same may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained;

For the purposes of this resolution:

“**Domestic Shares**” mean the domestic invested shares in the share capital of the Company, of nominal value of RMB0.10 each, which are held in Renminbi by PRC investors;

“**H Shares**” mean the overseas-listed foreign invested shares in the share capital of the Company, with a nominal value of RMB0.10 each, which are held and traded in Hong Kong dollars;

“**PRC**” means the People’s Republic of China, excluding, for the purpose of this resolution only, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;

“**Relevant Period**” means the period from the date of passing this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (b) the expiry date of the 12-month period following the passing of this resolution; or

- (c) 董事會僅可按照(不時修訂之)中國公司法以及香港聯合交易所有限公司創業板證券上市規則行使獲授予的權力，且必須向中國證券監督管理委員會及/或中國政府其他有關機構取得各項所需批准後方可行使；

就本決議案而言：

「**內資股**」指本公司內地投資者按人民幣計價認購的本公司股本中每股面值人民幣0.10元的普通股，以及本公司內地投資者按人民幣以外其他貨幣計價認購的本公司股本中每股面值人民幣0.10元的普通股；

「**H股**」指本公司股本中每股面值人民幣0.10元的境外上市外資股，以港元為單位持有及買賣；

「**中國**」指中華人民共和國，僅就本決議案而言，並不包括中國香港特別行政區、中國澳門特別行政區及台灣；

「**有關期間**」指本決議案通過之日起至以下最早發生者為止：

- (a) 本決議案通過後，本公司下屆股東週年大會結束；或
- (b) 本決議案通過後十二個月屆滿之後；或

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- (c) the passing of a special resolution of the Company in general meeting revoking or varying the authority set out in this resolution;

“**RMB**” means Renminbi, the lawful currency of the PRC.

- (2) contingent on the Board resolving to issue shares pursuant to paragraph (1) of this resolution, the Board be and is hereby authorized:

- (a) to approve, execute and do or procure to be executed and done all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares of the Company, including, without limitation, determining the time and place of issue, making all necessary applications to the relevant authorities, entering into underwriting agreement (or any other agreements);
- (b) to determine the use of proceeds and to make necessary filings and registration with the PRC, the Hong Kong Special Administrative Region of the PRC and other relevant authorities;
- (c) to make amendments to the articles of association of the Company as it may deem appropriate for the increase of the registered capital of the Company and to reflect the new share capital structure of the Company under the intended allotment and issue of the shares of the Company pursuant to the resolution under paragraph (1) of this resolution.

- (c) 本公司股東大會上通過特別決議案撤銷或更改本決議案所述的權力。

「**人民幣**」指人民幣，中國的法定貨幣；

- (2) 待董事會議決根據本決議案第(1)段發行股份後，授權董事會：

- (a) 批准、簽訂、作出、促使簽訂及作出所有其認為有關於發行本公司新股份的各項文件、契約及事宜，包括但不限於發行時間和地點、向有關機關提出所有必須之申請、訂立承銷協議或任何其他協議等；
- (b) 議定收益的用途，並須向中國、中國香港特別行政區及其他有關機關申報及登記；
- (c) 以其認為適當的情況下，修訂本公司組織章程，以增加本公司的註冊資本及反映本決議案第(1)段配發和發行股份後本公司新的股本結構。

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As an ordinary resolution:

8. To consider and approve any written proposals (if any) put forward by shareholders having voting rights of 5 per cent. or more at the meeting.

By Order of the Board

Yantai North Andre Juice Co., Ltd.*

Zheng Yue Wen

Chairman

Yantai, the PRC, 31 March 2006

Registered Office:

No. 18 Andre Avenue

Muping Economic Development Zone

Yantai City

Shandong Province

The PRC

Principal Place of Business in Hong Kong

Rooms 1905-08

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

Notes:

- (A) The register of holders of H Shares of the Company will be closed from 14 April 2006 Friday to 17 May 2006 Wednesday (both days inclusive) during which period no transfer of H Shares will be registered. Any holder of the H Shares of the Company and whose name appearing in the Company's register of holders of H Shares with Tengis Limited at the close of business on 13 April 2006 Thursday and have completed the registration process, will be entitled to attend and vote at the AGM.

The address of Tengis Limited is as follows:

26th Floor

Tesbury Centre

28 Queen's Road East,

Wanchai

Hong Kong

Fax: (852) 2810 8185

* For identification purpose only

作為普通決議案：

8. 審議通過持有5%或以上股東大會投票權的股東所提呈的書面建議(如有)。

承董事會命

烟台北方安德利果汁股份有限公司

主席

鄭躍文

中國烟台市，二零零六年三月三十一日

註冊辦事處：

中國

山東省

烟台市

牟平經濟開發區

安德利大街18號

香港主要營業地點：

香港

灣仔

港灣道30號

新鴻基中心

1905-8室

附註：

- (A) 本公司將於二零零六年四月十四日(星期五)起至二零零六年五月十七日(星期三)止(首尾兩日包括在內)暫停辦理H股登記手續，期間將不會登記H股過戶。於二零零六年四月十三日(星期四)營業時間結束時，名列本公司設於登捷時有限公司的登記冊並辦妥登記手續的H股股東，可出席股東週年大會並於會上投票。

登捷時有限公司的地址為：

香港

灣仔

皇后大道東28號

金鐘匯中心26樓

傳真：(852) 2810 8185

* 僅供識別

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- (B) Holders of Domestic Shares or H Shares, who intend to attend the AGM, must complete and return the reply slips for attending the AGM and return them to the Company's principal place of business in Hong Kong (as set out above in this notice) (for holders of H Shares) or to the registered office of the Company (as set out above in this notice) (for holders of Domestic Shares) not later than 20 days before the date of the AGM.
- (C) Each holder of H Shares entitled to attend the AGM and having voting rights is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the AGM. For shareholders appointing more than one proxy, its proxy may exercise its voting right by polling only.
- (D) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, in the case of a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing such attorney to sign or other authorization documents must be notarially certified.
- (E) To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Tengis Limited, the address of which is set out in Note (A) above, not less than 24 hours before the time for holding the AGM or any adjournment thereof in order for such documents to be valid.
- (F) Each holder of Domestic Shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on its behalf at the AGM, Notes (C) to (E) also apply to holders of Domestic Shares, except that a notarially certified copy of the proxy form or other documents of authority must be delivered to the registered office of the Company, the address of which is set out above in this Notice, not less than 24 hours before the time for holding the AGM or any adjournment thereof in order for such documents to be valid.
- (B) 擬出席股東週年大會的內資股或H股股東，必須於股東週年大會舉行之日前20日內，將填妥的出席股東週年大會回條，交回本公司在香港的主要營業地點（地址載於上述本通告）（H股持有人）或本公司的註冊辦事處（地址載於上述本通告）（內資股股份持有人）。
- (C) 每名有權出席股東週年大會並於會上投票之H股股東有權以書面委派一名或多名代表（不論是否股東），代其出席股東週年大會並於會上投票。若股東委派的代表多於一人，有關的代表只可於表決時投票。
- (D) 委派代表的文據必須以書面提出，並由委派人或其以書面正式授權的代表簽署作實。如股東為一間公司，則該文據須蓋上公司印鑑，或由公司負責人或其授權人或獲授權簽署之其他人士簽署。若該文據由委派人授權的代表簽署，則該授權書或授權文件必須經公證行核實。
- (E) 代表委任表格（如委任表格由根據授權書或其他授權文件代表委派人之人士簽署，則須連同授權書或其他授權文件的公證文件一併提交）必須於股東週年大會或其任何續會舉行前24小時內送達本公司在香港的H股登記處登捷時有限公司後方為有效，登捷時有限公司的地址列於以上附註(A)。
- (F) 每名內資股股東有權委派一名或多於一名代表為出席股東週年大會及於大會上投票（不論股東是否出席）。附註(C)及(E)亦適用於內資股股東，除內資股股東的代表委任表格或其他授權文件必須於股東週年大會或其任何續會舉行前24小時內交回本通告上文所示本公司註冊地址後方為有效。

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- (G) If a proxy attends the AGM on behalf of a shareholder, he/she should produce his/her ID card and the instrument signed by the proxy or his/her legal representative, and specifying the date of its issuance. If a legal person shareholder appoints its corporate representative to attend the AGM, such representative should produce his/her ID card and the notarised copy of the resolution passed by the board of directors or other authorities or other notarised copy of the licence issued by such legal person shareholder.
- (H) In the case of joint registered holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register of member in respect of the joint holding.
- (I) The AGM is expected to last for half a day. Shareholders and their proxies attending the AGM are responsible for their own transportation and accommodation expenses.
- (G) 若委派代表出席股東週年大會，有關的代表必須出示身份證明文件以及委派人或其法定代表所簽署的授權書或授權文件，其上應註明文件簽發的日期。若法人股東委派公司代表出席股東週年大會，則有關的代表必須出示身份證明文件以及董事會決議的公證副本或其他授權書的公證副本或法人股東所簽發的執照的公證副本。
- (H) 如屬任何股份之聯名登記持有人，該等人士任何一位均可就該等股份親身或由受委代表代表其於大會上投票，猶如其為唯一有權投票之股東，惟倘超過一位此等聯名持有人親身或委派代表出席，則此等出席之持有人中，只有在股東名冊內排名首位之聯名持有人方有權就該等股份投票。
- (I) 預期股東週年大會歷時半日。出席大會的股東及彼等之代表自行承擔交通和住宿費用。

