



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)

二零零六年年報 Annual Report 2006

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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

* 僅供識別

Contents

目錄

	Pages 頁次
Corporate Information 公司資料	3-5
Financial Highlights 財務摘要	6-7
Chairman's Statement 主席報告書	8-15
Management Discussion and Analysis 管理層討論及分析	16-33
Directors, Supervisors and Senior Management 董事、監事及高級管理層	34-43
Corporate Governance Report 企業管治報告	44-61
Report of Directors 董事會報告	62-77
Report of Supervisory Committee 監事會報告	78-79
Auditors' Report 核數師報告書	80-81
Consolidated Income Statement 合併損益表	82
Consolidated Balance Sheet 合併資產負債表	83-84
Balance Sheet 資產負債表	85-86
Consolidated Cash Flow Statement 合併現金流量表	87-88
Consolidated Statement of Changes in Equity 合併股東權益變動表	89
Notes to the Financial Statements 財務報表附註	90-157
Notice of Annual General Meeting 股東週年大會通告	158-165
Appendix 1 附錄一	166-171
Appendix 2 附錄二	172

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

Independent non-executive Directors

Wu Jian Hui

Hu Xiao Song

Yu Shou Neng

Supervisors

Mu Gui Sheng

Chen Ke Lin

Qu Wei Jia

Qualified Accountant

Ng Man Yee Karen CPA FCCA ACA

Company Secretary

Ng Man Yee Karen CPA FCCA ACA

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

獨立非執行董事

鄔建輝

胡小松

俞守能

監事

慕桂盛

陳克林

曲維佳

合資格會計師

伍敏怡 CPA FCCA ACA

公司秘書

伍敏怡 CPA FCCA ACA

審核委員會成員

鄔建輝

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

Auditors

KPMG

Legal Advisers

As to Hong Kong Law
Li & Partners

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
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

核數師

畢馬威會計師事務所

法律顧問

香港法律
李偉斌律師行

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
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

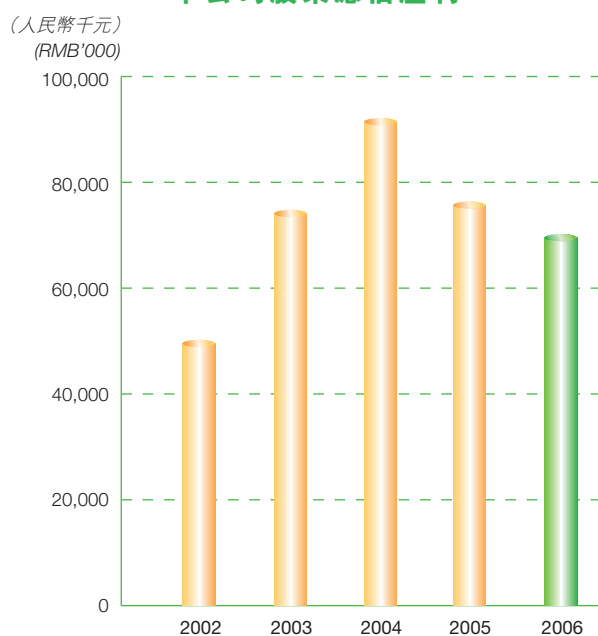
Results 業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2006	2005	2004	2003	2002
		二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
		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	786,435	660,421	563,734	363,855	233,230
Profit from operations	經營溢利	58,662	113,986	118,479	89,003	62,337
Profit before taxation	除稅前溢利	78,823	82,806	97,027	76,761	55,887
Profit for the year	本年度溢利	70,234	76,676	91,667	74,171	49,386
Attributable to:	歸屬於：					
Equity shareholders of the Company	本公司股東	69,673	75,928	91,587	74,456	50,032
Minority interests	少數股東	561	748	80	(285)	(646)
Basic earnings per share *	每股基本盈利*	RMB人民幣0.039元	RMB人民幣0.045元	RMB人民幣0.057元	RMB人民幣0.053元	RMB人民幣0.044元

* 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元之各非流通股及H股於各呈報期內已拆細為十股每股面值人民幣0.10元之非流通股及H股。

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

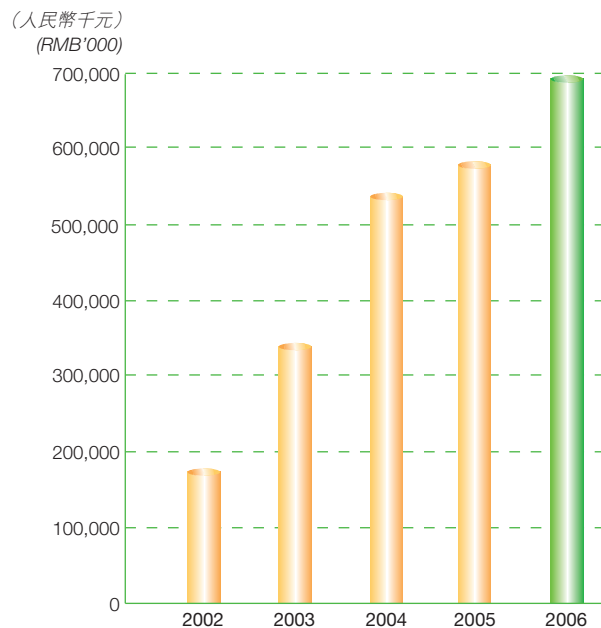


Financial Highlights 財務摘要

Assets and Liabilities 資產及負債

		As at 31 December 於十二月三十一日				
		2006	2005	2004	2003	2002
		二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
		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	1,852,683	1,432,462	1,190,975	835,503	498,669
Total Liabilities	負債總值	1,145,146	841,394	642,557	493,483	303,609
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益	697,950	582,042	540,060	342,020	175,425
Minority interests	少數股東權益	9,587	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 2006.

Annual Results and Review

The Group recorded a turnover of approximately RMB786,435,000 for the year ended 31 December 2006, representing an increase of approximately 19% over the previous year; profit attributable to equity shareholders of the Company was approximately RMB69,673,000, and basic earnings per share was approximately RMB0.039.

Due to the unfavourable weather condition and the effect of apple production cycle, the output in major apple production areas in the PRC was reduced significantly in 2005. The Group faced the most serious shortage of raw materials since its establishment. As apple production of major apple production areas in the PRC resumed to normal level in 2006, and the board of directors of the Company ("Board") and the management emphasized the production volume and product quality of fruit juice, the production volume and product quality of fruit juice improved significantly as compared to previous year and achieved the best result. The fruit juice pressing season starts from August every year in general. As the fruit juice pressing season is inconsistent with the

本人欣然提呈本公司及附屬公司(合稱「本集團»)截至二零零六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

本集團截至二零零六年十二月三十一日止年度實現本公司收入約為人民幣786,435,000元，比去年同期上升約19%；實現本公司股東應佔溢利約人民幣69,673,000元，每股基本盈利約為人民幣0.039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，本集團遭遇到了自公司成立以來最嚴重的原材料短缺問題。隨着二零零六年度中國主要蘋果產區的蘋果產量恢復到正常年份，以及本公司董事會(「董事會»)和高級管理層對果汁產量和產品質量的高度重視，本年度果汁產量和質量均比上年度有了較大幅度的提高，達到了歷史最好水平。由於果汁榨季和財務年度不一致，果汁榨季一般在每年的八月份才真正開始，每年度的前三個季度銷售的基本上是上一個榨季的產品，也就是說，二零零五年度的蘋果短缺主要影響的是二零零六年度的業績；再加上二零零六年度新榨季果汁的市場價格在不斷攀升，帶動了原料果價格的不斷上漲，而果汁的銷售總是滯後於果汁的生產，產品銷售成本的結轉又採取的加

Chairman's Statement 主席報告書

financial year, the fruit juice sold in the first three quarters each year were produced in the last pressing season, in other words, the shortage of apples in 2005 would affect the result of 2006. In addition to that, the market price of new pressing season fruit juice was increasing in 2006, which drove the price of raw material higher continuously. As the sale of fruit juice always lagged behind the production of fruit juice, while the transfer of products cost adopted weighted average method, which resulted in higher costs during the year, the earning status during the year was affected. Although the sales income and market share of the Group was increasing, the operating result did not grow up simultaneously.

The Group has strengthened the cooperation and has arranged various long-term and short-term funding arrangements in foreign currency with international renowned financial institutions, which enabled the switching of most of the short-term loans in Renminbi to US dollar. At the time of continuous appreciation of Renminbi, such switching reduced the foreign exchange exposure and financing cost of the Group. The Group has also enhanced close cooperation with international strategic investors. In addition to the introduction of strategic investors, such as Chengdu President Enterprise Food Co., Ltd., Mitsui & Co., Ltd., and International Finance Corporation (“IFC”), etc., the Group also entered into a share transfer agreement with AGRANA Juice GmbH (“AGRANA”) (a wholly owned subsidiary of AGRANA AG), to transfer 50% equity interest of Xianyang Andre Juice Co., Ltd.* (“Xianyang Andre”) to AGRANA. AGRANA is the major fruit processor of the world and the largest manufacturer of concentrate fruit juice in Europe. The entering into such agreement will provide an opportunity for the Company to further develop its market and distribution channel in Europe and other international markets,

權平均法，從而導致本年度結轉的銷售成本偏高，影響了本年度的盈利狀況，致使本集團在銷售收入和市場佔有率不斷提高的情況下，經營業績並沒有隨銷售業績的增長而同步增長。

本集團加強了與國際著名金融機構的合作，並與多家國際著名金融機構簽訂了多個外幣長期及短期資金安排，成功的將原來以短期人民幣貸款為主轉化為以美元貸款為主，在人民幣持續升值的情況下，有效的降低了本集團匯率風險和融資成本；本集團還加強了與國際策略性投資者的緊密合作，除已成功引進成都統一企業食品有限公司、三井物產株式會社及國際金融公司（「IFC」）等策略性投資者外，本集團又與世界主要水果加工商和歐洲最大濃縮果汁製造商之一AGRANA AG之全資附屬公司阿格那公司（AGRANA Juice GmbH）訂立了轉讓咸陽安德利果蔬汁有限公司（「咸陽安德利」）50%股權予阿格那公司的股權轉讓協議，這將會為本公司締造良機，進一步於歐洲及其他國際市場開拓其市場及分銷渠道，繼而促進本公司之市場能力及銷售量。另外，在提升生產能力方面，本集團已按計劃在大連廠房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，使本集團年設計生產能力達到了約為21萬噸；在市場優化方面，本集團在拓寬市場，提高市場佔有率的同時，根據近年來公司產品供不應求的現狀，對公司客戶群進行了優化組合，目前，公司的客戶群主要是世界上著名的飲料生產商；在產品的可追溯系統方面，本集團已正式啟動了主要由IFC資金援助

* For identification purpose only

* 僅供識別

Chairman's Statement

主席報告書

then enhance the market capacity and sales of the Company. Furthermore, to uplift the production capacity, the Group has built a new production line of juice concentrate with productive capacity of approximately 30,000 tonnes per pressing season in Dalian plant as planned, which in turn increased the scheduled annual production capacity of the Group to approximately 210,000 tonnes; for market optimization, while expanding its market places and market share, the Group also optimized its profile of customer base, according to the situation of insufficient product supply in recent years, and the current customer base of the Company mainly comprises the renowned beverage manufacturer of the world; for products traceability system, the Group has activated the linkage project of product traceability and farm management improvement, which is mainly financed by IFC, and has profound impact on the product quality and market development of the Company; for product diversification, the Group established the production lines of guava juice, preserved fruit, dried fruit ring and dried fruit dice, and altered two production lines which can process fructose successfully; for pectin manufacture, the Group's pectin production equipment in Yantai plant has completed commissioning, trial production, etc. as planned, and realized volume production in the fourth quarter.

Analysis of Industry and Our Market Share

The PRC exported approximately 673,000 tonnes of apple juice concentrate in 2006, representing only an increase of 3.78% as compared to 648,500 tonnes in 2005. Under the condition that the raw material supply resumed to normal level in this pressing season (2006/2007 pressing season), and apple juice concentrate production increased significantly, the export volume

的可對公司產品質量和市場拓展產生深遠影響的產品可追溯和農戶管理提升的商橋項目；在產品多樣化方面，本集團成功的興建了石榴汁生產線和果脯、果乾、果粒的生產線，並成功改製了兩條可加工果糖的生產線；在果膠生產方面，本集團位於烟台之廠房的果膠生產設備已按計劃順利完成了調試、試生產等工作，並於第四季度成功實現了批量生產。

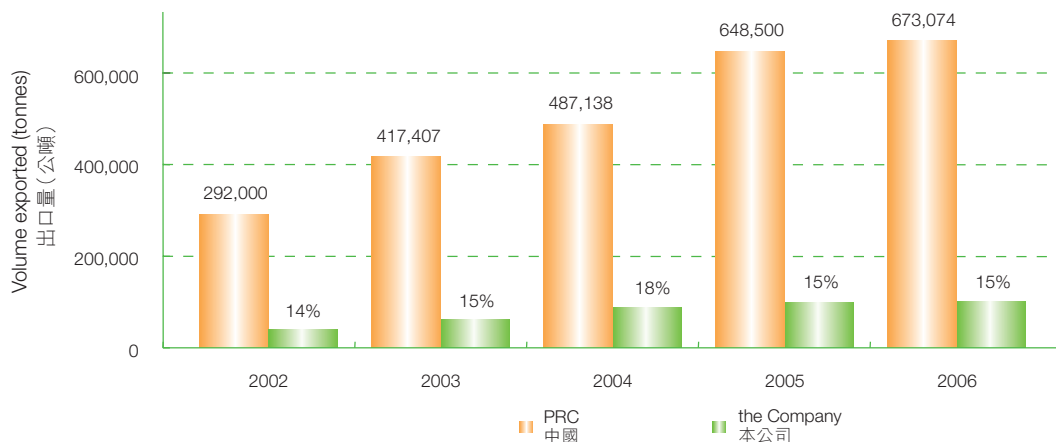
行業和本公司市場份額分析

二零零六年度，中國濃縮蘋果汁出口量約為67.3萬噸，與二零零五年度出口量64.85萬噸相比增長僅為3.78%。在本榨季(二零零六／二零零七榨季)原料果產量恢復到正常年份，濃縮蘋果汁產量大增的情況下，中國出口量之所以與上一年度出口量基本持平，主要基於以下原因：每年度的前三個季度銷售的基本是上一個榨季的產品，而上一榨季由於原料果嚴

of the PRC remained flat as compared with the previous year. The main reason for this is: the products sold in the first three quarters each year were produced in the last pressing season, during which there was a serious shortage of raw materials, thus the output of apple juice concentrate was significantly reduced, since the supply of apple juice concentrate before the new pressing season in 2006 (2006/2007 pressing season) experienced a serious shortage, most producers were forced to use the products of new pressing season in order to fulfill the demand of customers on time.

重短缺，濃縮蘋果汁產量大幅度減少，致使二零零六年度新榨季（二零零六／二零零七榨季）到來前濃縮蘋果汁嚴重短缺，大部份生產商不得不用新榨季的產品及時補足客戶的需要。

Volume of Apple Juice Concentrate Exported from the PRC (tonnes) and our Market Share
中國濃縮蘋果汁出口量（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

The apple juice concentrate 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 grew at a tremendous rate, and has claimed a world market share of nearly 50% within just a decade. The market share of the

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約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。二零零六年度，由於董事會和高級管理層認為果汁價格將會逐步提

Chairman's Statement

主席報告書

Company, being a leader in the apple juice concentrate industry of the PRC, has also increased steadily each year. In 2006, as the Board and the management considered the price of fruit juice would increase gradually, the Group only sold over 30,000 tonnes apple juice concentrate produced in new pressing season, and most of the apple juice concentrate produced in new pressing season will be sold in 2007. Notwithstanding to that, the market share of the Group still increased in 2006.

Prospect and Outlook

In 2007, 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 better 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. To enhance the profile of the Group which, in turn, can attract more attention and gain further recognition from leading industry analysts and the investing public, including institutional investors, as well as to increase the liquidity of the H Shares, the Company will submit the application of switching with China Securities Regulatory Commission and the Stock Exchange pursuant to the condition of market and the Group and the requirements of relevant regulations.

升，因此，本集團僅發售了3萬多噸新榨季生產的濃縮果汁，絕大部份新榨季生產的濃縮果汁將在二零零七年度發售。即使如此，本集團二零零六年度的市場份額仍有所上升。

前景與展望

二零零七年，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，本集團已獲股東大會批准申請H股由創業板轉往聯交所主板上市，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，本公司將按市場及集團情況和有關法規的要求向中國證券監督管理委員會及聯交所提出轉板申請。

Chairman's Statement 主席報告書

For production capacity, in addition to the approval of the construction of new production base in Yongji City, Shanxi, and the uplift of production capacity of unit time of the existing production lines through the completion of technology upgrade of the existing production lines before the new pressing season, which will increase the annual production capacity of the Group to approximately 250,000 tonnes, the Group also accelerates the speed of acquisition and merger, in order to achieve breakthrough of target enterprises acquisition and merger prior to the new pressing season, which will further enhance the annual production capacity of juice concentrate of the Group, and strengthen its leading position in the industry. Moreover, leveraging on the successful volume production of the existing pectin production lines, the Group will start the construction of the second pectin production line as soon as possible, so as to uplift the pectin production capacity, and achieve economy of scale.

For product diversification, other than clear apple juice concentrate, clear pear juice concentrate, apple essence, pear essence, pectin and feedstuff, the Group will endeavour to bring significant breakthroughs in the diversified production of pectin, higher volume production of cloudy apple juice concentrate, fructose (including apple fructose and pear fructose) and guava juice, and the production of other fruit juice types and preserved fruit, dried fruit ring and dried fruit dice. The critical technology of industrialization of pectin production has been managed and volume production was commenced. The Group will accelerate its diversified production of pectin product type. For

在產能方面，本集團除通過在山西永濟市新增生產基地，以及在新榨季開始前完成對現有生產線的技術改造，提升現有生產線單位時間的產能，使本集團自身年生產能力達到約25萬噸外，還將加快收購兼併步伐，力爭在新的榨季前實現現有目標企業收購兼併的突破，進一步提高本集團年生產濃縮果汁的生產能力，鞏固本集團於行業內的領導地位。另外，在現有果膠生產線成功批量生產的基礎上，本集團將盡快着手第二條果膠生產線的興建工作，以便盡快提升果膠的生產能力，達到規模效益。

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、果膠和生物飼料外，本集團將力求在果膠的多樣化生產、濃縮蘋果濁汁、果糖（包括蘋果果糖和梨果糖）和石榴汁的更大批量生產、其他水果品種以及果脯、果乾和果粒的生產等方面有較大突破。果膠產業化生產的關鍵技術現已掌握並已批量生產，以後要盡快實現果膠產品品種的多樣化生產；經多年的研究和開發，高毛利率的濃縮蘋果濁汁、果糖和石榴汁的產業化生產技術已獲突破，上個榨季已批量生產出合格產品，以後將會有更大批量的生產；其他水果品種方面，本公司現已開發出濃縮胡蘿蔔汁、棗汁、地瓜汁和石榴汁等新品種樣品；另外，本公司將充分利用本公司所在地水果

Chairman's Statement

主席報告書

cloudy apple juice concentrate, fructose and guava juice 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 managed to produce such qualified products. Larger volume production will be commenced in the future. For other fruit juice types, the Group has successfully developed samples of carrot juice concentrate, date juice concentrate, sweet potato juice concentrate, guava juice concentrate, etc. Furthermore, the Company will fully make use of its strategic advantage, that is abundant supply of fruit and various fruit juice types nearby its factory locations, with reference to market demand and on the basis of successful small volume production in the last pressing season, increase the volume production of preserved fruit, dried fruit ring and dried fruit dice.

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 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.

Dividend

The Board proposes a final dividend of approximately RMB0.015 per share for the financial year 2006 in the forthcoming annual general meeting.

品種極其豐富的優勢，在上個榨季成功小批量生產的基礎上，根據市場需求情況，加大果脯、果乾和果粒的批量生產。

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，本人及董事會對本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。

股利

董事會擬於即將召開的股東周年大會上建議派發二零零六年度股利每股約人民幣0.015元。

Chairman's Statement 主席報告書

Appreciation

During the reporting period, the industry was affected by a short supply of raw materials and the increasing cost in the last pressing season. Although turnover and market share of the Group increased stably, profit margin did not grow simultaneously. However, the output of the Group in 2006 new pressing season rose to a record high, and most of the products will be sold in 2007. The Board believes 2007 will be another year of substantial development for the Company. On behalf of the Board, 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

18 March 2007

致謝

報告期內，本集團由於受上個榨季原材料短缺，成本上升的影響，在本集團營業收入和市場佔有率穩步增長的情況下，利潤率水平沒有得到同步增長，但是，二零零六年度新榨季本集團已創下了產量最高的歷史記錄，且絕大部份產品將於二零零七年度銷售，董事會相信，二零零七年度將是公司又一重大發展的年度。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

二零零七年三月十八日

* For identification purpose only

* 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 2006, the Group's turnover increased to approximately RMB786,435,000 as compared to approximately RMB660,421,000 in 2005, representing an increase of approximately RMB126,014,000 or 19%. The Group's turnover was principally derived from the manufacture and sale of apple juice concentrate, pear juice concentrate, apple essence, feedstuff and related products. The sale of apple juice concentrate accounted for approximately 95% of the total turnover of the Group in both years ended 31 December 2006 and 2005. The increase in turnover was mainly attributable to the increase in selling price and sales volume of apple juice concentrate. The increase in sales volume was mainly due to Company's expansion into new market.

For the year ended 31 December 2006, the Group's gross profit was approximately RMB164,641,000 and the gross profit margin was approximately 21%. For the corresponding period in 2005, the gross profit was approximately RMB211,655,000 and gross profit margin was approximately 32%. The decrease in gross profit and gross profit margin was mainly attributable to the increase in production costs as the fruit juice pressing season is inconsistent with the financial year, the fruit juice pressing season starts from August every year in general. The fruit juice sold in the first three quarters each year were produced in the last pressing season, in other words, the shortage of apples in 2005 would affect the result of 2006. In addition to that, the market price of new pressing season fruit juice was increasing in 2006, which drove the price of raw material higher continuously. As the sale of fruit juice always lagged behind the production of fruit juice, while the transfer of products cost adopted weighted average method, which resulted in higher costs during the year, the earning status during the year was affected.

財務回顧

業績

截至二零零六年十二月三十一日止年度，本集團的收入增加至約人民幣786,435,000元，與二零零五年約人民幣660,421,000元相比，增加約人民幣126,014,000元或19%。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。截至二零零六年十二月三十一日及二零零五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。銷售數量上升主要是因為公司積極開拓市場而引起。

截至二零零六年十二月三十一日止年度，本集團毛利約為人民幣164,641,000元，毛利率約為21%。二零零五年同期的毛利約為人民幣211,655,000元，毛利率約為32%。毛利及毛利率之降低主要是由於果汁榨季和財務年度不一致，果汁榨季一般在每年的八月份才真正開始，每年度的前三個季度銷售的基本上是上一個榨季的產品，也就是說，二零零五年度的蘋果短缺主要影響的是二零零六年度的業績；再加上二零零六年度新榨季果汁的市場價格在不斷攀升，帶動了原料果價格的不斷上漲，而果汁的銷售總是滯後於果汁的生產，產品銷售成本的結轉又採取的加權平均法，從而導致本年度結轉的銷售成本偏高，影響了本年度的盈利狀況。

Management Discussion and Analysis

管理層討論及分析

For the year ended 31 December 2006, the Group's net profit (i.e. the profit for the year attributable to equity shareholders of the Company) decreased to approximately RMB69,673,000 as compared to approximately RMB75,928,000 for the corresponding period in 2005, representing a decrease of approximately RMB6,255,000 or 8%. The decrease in net profit was mainly attributable to the rise in production costs and thus the decrease in gross profit and gross profit margin.

Other Operating Income and Other Operating Expenses

For the year ended 31 December 2006, other operating income of the Group was approximately RMB16,631,000, as compared to approximately RMB6,522,000 for the corresponding period in last year, representing an increase of approximately RMB10,109,000. The increase in other operating income was mainly due to the royalty fee received from an exclusive distributor to distribute products of the Group in US and Canada, increase in sales of packaging materials and grants from government. For the year ended 31 December 2006, other operating expenses of the Group were approximately RMB5,970,000, as compared to approximately RMB1,525,000 for the corresponding period in last year, representing an increase of approximately RMB4,445,000. The increase was mainly due to the increase in cost of sales of packaging materials and loss on disposal of property, plant and equipment.

截至二零零六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69,673,000元，與二零零五年同期約為人民幣75,928,000元相比，降低約人民幣6,255,000元或8%。淨利潤降低主要是由於果汁成本升高、毛利及毛利率降低而引致。

其他經營收入及其他經營支出

截至二零零六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16,631,000元，與去年同期約人民幣6,522,000元相比，增加約人民幣10,109,000元。其他經營收入的增加主要是由於向本集團美加獨家銷售商收取的特許費、銷售包裝材料和政府補貼的增加。其他經營支出約為人民幣5,970,000元，與去年同期約人民幣1,525,000元相比，增加約人民幣4,445,000元，其他經營支出的增加主要是由於銷售包裝材料結轉的成本增加及報廢物業、廠房及設備損失所致。

Management Discussion and Analysis

管理層討論及分析

Distribution and Administration Expenses

For the year ended 31 December 2006, the Group incurred distribution expenses of approximately RMB81,541,000, as compared to approximately RMB71,239,000 for the corresponding period in last year, representing an increase of approximately RMB10,302,000. The Group's distribution expenses mainly included transport, export inspection and marketing expenses. Such increase was mainly attributable to the increase in transportation charges. As compared to 2005, local transportation charges increased approximately RMB10,612,000.

For the year ended 31 December 2006, the Group incurred administration expenses of approximately RMB35,099,000 as compared to approximately RMB31,427,000 for the corresponding period in last year, representing an increase of approximately RMB3,672,000. Such increase was mainly attributable to the commencement of operation of the two new factories in Dalian and Xianyang in the second half of 2005 which led to the increase in general administrative expenses in 2006.

Net Finance Costs

For the year ended 31 December 2006, the net finance costs of the Group increased to approximately RMB32,877,000, as compared to approximately RMB27,764,000 for the corresponding period in 2005, representing an increase of approximately RMB5,113,000 or 18%. Such increase was mainly due to the increase in the amount of bank borrowings resulting from expansion of production scale, the increase in basic interest rate in the PRC and the London Interbank Offered Rate Index in the international finance market during the year.

銷售及管理費用

截至二零零六年十二月三十一日止年度，本集團銷售費用約為人民幣81,541,000元。與去年同期約人民幣71,239,000元相比增加約人民幣10,302,000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。銷售費用增加主要是由於陸運費增加造成的。二零零六年度比二零零五年度陸運費增加約人民幣10,612,000元。

截至二零零六年十二月三十一日止年度，本集團的管理費用約為人民幣35,099,000元。與去年同期約人民幣31,427,000元相比，增加約人民幣3,672,000元。管理費用上升主要是由於位於大連及咸陽兩間新廠房於二零零五年下半年投產，二零零六年相應的一般行政開支也隨之增加所致。

財務成本淨額

截至二零零六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32,877,000元，比二零零五年同期約人民幣27,764,000元高約人民幣5,113,000元或18%，主要是由於生產規模擴大增加銀行貸款以及中國基本利率調高和國際金融市場倫敦銀行同業拆放利率調高而造成的。

Management Discussion and Analysis

管理層討論及分析

Investment Income

For the year ended 31 December 2006, investment income recognised by the Group was approximately RMB53,086,000. Such investment income represented the profit on disposal of 50% equity interest in a subsidiary, Xianyang Andre. For details, please refer to “Business Review”.

Business Review and Outlook

Business Review

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 The Hongkong and Shanghai Banking Corporation Limited, IFC, Rabobank 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.

On 2 June 2006, the Company as borrower entered into the Term Facility Agreement with certain financial institutions whereby the lenders have agreed to make available to the Company a term facility in an aggregate amount of US\$60,000,000 (approximately HK\$468,000,000).

The terms of the Term Facility Agreement impose specific performance obligations on the part of the controlling shareholders of the Company. Under the Term Facility Agreement, each of the following will constitute an event of default upon which the Facility will, among others, become immediately due and payable: (i) Mr. Wang An does not or ceases to have or is not or ceases to be entitled to exercise, directly or through his controlled corporations, management

投資收入

截至二零零六年十二月三十一日止年度，本集團的投資收入約為人民幣53,086,000元。該投資收入為轉讓本集團附屬公司咸陽安德利50%權益之利潤。詳情請參見「業務回顧」。

業務回顧及展望

業務回顧

與國際金融機構合作

本集團已與國際著名金融機構（如香港上海滙豐銀行有限公司、IFC、荷蘭合作銀行和中國銀行（香港）有限公司）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。

於二零零六年六月二日，本公司（作為借款人）與若干金融機構訂立定期貸款協議。根據該定期貸款協議之條款，貸款人同意授予本公司一項總額為60,000,000美元（約港幣468,000,000元）之定期貸款。

該定期貸款協議之條款對本公司之控股股東施加特定之履約責任。根據該定期貸款協議，以下各項將構成違約事件。倘發生違約事件，該貸款（其中包括）將即時到期清還：(i) 王安先生並不或不再或無權或不再有權直接或透過其受控制法團行使本公司及其主要附屬公司之管理控制權；及(ii) 由鄭躍文先生及王安先生（不論是直接或透過彼等各自受控制法團）實

Management Discussion and Analysis

管理層討論及分析

control over each of the Company and its material subsidiaries; and (ii) the aggregate shareholding in the Company that is beneficially owned by Mr. Zheng Yue Wen and Mr. Wang An, whether directly or through their respective controlled corporations, is not or ceases to be larger than the aggregate shareholding (whether direct or indirect) in the Company of and/or held to the order of any other person and/or persons acting in concert with such other person.

As at the date of this report, Mr. Zheng Yue Wen and Mr. Wang An, whether directly or through their respective controlled corporations, collectively held approximately 41.98% of the total issued share capital of the Company. Mr. Zheng Yue Wen and Mr. Wang An are also executive Directors of the Company.

Cooperation with International Renowned Enterprises

Besides the introduction of strategic investors like Chengdu President Enterprise Food Co., Ltd., Mitsui & Co., Ltd. and IFC, the Group entered into a share transfer agreement with AGRANA Juice GmbH (“AGRANA”), a wholly owned subsidiary of AGRANA AG on 9 June 2006. AGRANA AG is one of the world’s leading fruit processor and Europe’s largest manufacturer of fruit juice concentrates. Through transferring 50% equity interest in Xianyang Andre to AGRANA, the Company is expected to obtain better opportunities to further develop its market and distribution channel in Europe as well as in other international markets, thereby enhancing the market capabilities and sales volume of the Company. By introducing strategic investors, the Directors believe that the Company can benefit from improved corporate governance structure, enhanced research and development capability, upgraded product quality, diversified product mix, expanded market place and increased market share.

益擁有之本公司之持股總額並不或不再高於其他人士及／或代表其他人士及／或與該等人士一致行動之人士於本公司所持有之持股總額。

於本報告日，鄭躍文先生及王安先生（不論是直接或透過彼等各自受控制法團）共同持有本公司已發行股本總額約41.98%。鄭躍文先生及王安先生均為本公司之執行董事。

與國際策略性投資者緊密合作

本集團除已成功引進成都統一企業食品有限公司、三井物產株式會社及IFC等策略性投資者外，於二零零六年六月九日，本集團已與AGRANA AG之全資附屬公司阿格那公司(AGRANA Juice GmbH)訂立股權轉讓協議。AGRANA AG為世界主要水果加工商之一和歐洲最大濃縮果汁製造商之一。通過轉讓咸陽安德利50%股權予阿格那公司，將會為本公司締造良機，進一步於歐洲及其他國際市場開拓其市場及分銷渠道，繼而促進本公司之市場能力及銷售量。董事相信，多個策略投資者的引入，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。

Management Discussion and Analysis

管理層討論及分析

The above share transfer agreement was completed in 2006.

Enhancing 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 enhance the European market and sales volume, the Company and AGRANA had entered into the Distribution and Agency Agreement pursuant to which the Company agreed to appoint AGRANA as its distributor in the region agreed by the parties. AGRANA also agreed to appoint the Company as its sales agent in the US in respect of the products of AGRANA.

Increase Juice Production Capacity

The Group has built a new production line of juice concentrate with productive capacity of approximately 30,000 tonnes per pressing season in Dalian plant as planned, which in turn enables the scheduled annual production capacity of the Group reach approximately 210,000 tonnes.

該股權轉讓協議已在二零零六年度實施完畢。

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，本公司與阿格那公司簽訂一份經銷代理協議，據此，本公司已同意委任阿格那公司為本公司協定地區之分銷商。阿格那公司亦已同意委任本公司為阿格那公司產品之美國銷售代理。

提升果汁生產能力

本集團已按計劃在大連廠房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，使本集團年設計生產能力達到了約為21萬噸。

The strategic locations of the Group's production bases are as follows:

本集團現有生產基地之策略性地點如下：

Strategic Production Locations

策略性生產地點



Optimization of Customer Base

While expanding its market places and market share, the Group also optimized its profile of customer base, according to the situation of insufficient product supply in recent years. Currently, the customer base of the Company mainly comprises the renowned beverage manufacturer of the world.

優化客戶群

本集團在拓寬市場，提高市場佔有率的同時，根據近年來公司產品供不應求的現狀，對公司客戶群進行了優化組合。目前，公司的客戶群主要是世界上著名的飲料生產商。

Management Discussion and Analysis

管理層討論及分析

Construction of Production Lines of Guava Juice, Preserved Fruit, Dried Fruit Ring and Dried Fruit Dice, and Alteration of Fructose Production Line Successfully

As the production technology of guava juice and fructose is maturing, the Company built a trial production line of guava juice during the year, and two production lines have been altered to manufacture fructose, which lay a solid foundation of fulfilling the serious shortage of volume production of guava juice and fructose in the market. In addition, as the market prospect of preserved fruit, dried fruit ring and dried fruit dice is extensive, the Company also built a production line of preserved fruit, dried fruit ring and dried fruit dice during the year, and managed to produce a small amount of such products.

Development of Apples with High Acidity

Encouraging peasants to cultivate apples is the major business strategy and the foundation of continuing development of the Company throughout the years. In the recent years, the price of juice concentrate is increasing in the global market, so as the acquisition price of raw materials, which in turn drives the peasants to cultivate apples, in particular their motivation to cultivate apples with high acidity. Hence, the cultivation area of the bases of apple juice concentrate developed by the Group surrounding the production bases is expanding continuously. As the Group started to develop the bases of apple juice concentrate early, some of the bases are attaining the capacity gradually, which guarantees the supply of raw materials for the Company.

石榴汁生產線和果脯、果乾、果粒生產線的建立及果糖生產線的成功改製

隨著石榴汁和果糖生產技術的日益成熟，本年度試製性的建立了一條石榴汁生產線，並成功改製了兩條可生產果糖的生產線，為批量生產市場缺口巨大的石榴汁和果糖產品奠定了堅實的基礎。另外，由於果脯、果乾和果粒市場前景廣闊，本年度公司還建立了一條果脯、果乾、果粒生產線，並成功小批量的生產該產品。

高酸蘋果基地的發展

鼓勵農戶種植蘋果一直是公司的業務方針，也是公司持續發展的基石。近年來，國際市場上濃縮果汁價格不斷攀升，原料果的收購價格也隨之提高，這極大的推動了農戶種植蘋果，特別是種植高酸蘋果的積極性，使本集團在生產基地週邊發展的高酸蘋果基地的種植面積不斷擴大。由於本集團發展高酸蘋果基地起步較早，部份基地現已逐步達產，這將有力的保證公司原料果的供應。

Management Discussion and Analysis

管理層討論及分析

Traceability and Farm Management Improvement Linkages Project

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 increasingly important. A product traceability system requires food and drink manufacturers to possess ability to trace the country of origin of raw materials, the manufacturing process of materials, manufacturer, supply chain and other critical problems. To increase its competitiveness, the Company had entered into a Linkages Cooperation Agreement with IFC for the development of a Traceability and Farm Management Improvement Linkages Project (the "Project") in the PRC.

The Project is a technology supporting system, mainly funded by IFC, aims to improve the standards in the supply chain of the Company to respond to what is increasingly expected as the norm by the Company's international customers. One of the targets of the Project is to assist the Company to develop systems of traceability and better management techniques.

The Project will also adopt EUREPGAP. EUREPGAP is a well recognized accreditation system for agricultural industry in the world. The Company will be a pioneer in implementing such system in fruit juice concentrate manufacturing industry in the PRC, in the event that it proceeds to implement the Project.

The project was started during 2006.

Production of Pectin

The Group had further implemented various aspects of the production of pectin during the reporting period. Tasks such as commissioning of the production equipment in the factory premises located in Yantai, trial production run, were completed in accordance with its plan. Volume production was also started in the fourth quarter.

開發可追溯和農戶管理提升的商橋項目

隨著歐洲發生多宗食物事故及美國自九一一事件後對食品反恐的關注，成立產品的可追溯系統顯得愈來愈重要。產品可追溯系統要求食品和飲料生產商具備追溯原料果產地、原料果加工流程、生產商、供應鏈及其他關鍵環節等問題的能力。為增加本公司之競爭力，本公司已前瞻性地與IFC簽訂了一份商橋合作協議，與IFC在中國共同開發可追溯和農戶管理提升的商橋項目（「該項目」）。

該項目乃一項技術支援系統，主要由IFC提供資金，旨在改良本公司的供應鏈標準，以回應本公司國際客戶對市場規範日益增加的訴求。該項目的其中一個目標是協助本公司發展多個可追溯系統，同時改良管理技巧。

該項目並採取EUREPGAP（歐洲良好農業操作規程）。EUREPGAP乃世界各地農業界廣泛認可的認證體系。本公司正式推行該項目後，將會成為中國首家採用該系統的濃縮果汁生產商。

該項目已於二零零六年正式開始啟動。

果膠生產

集團在本報告期內進一步落實果膠生產的各項工作。位於烟台之廠房的果膠生產設備已按計劃順利完成調試、試產等工作，並於第四季度成功實現了批量生產。

Management Discussion and Analysis

管理層討論及分析

Subscription and Placing of H Shares

On 23 February 2006, the Company entered into a subscription agreement with IFC, pursuant to which IFC 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 also entered into a placing agreement on 23 February 2006 with Guotai Junan Securities (Hong Kong) Limited, pursuant to which Guotai Junan Securities (Hong Kong) Limited 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.

The above subscription and placing were completed on 10 March 2006. From 13 March 2006, the new H shares, representing an aggregate of approximately 6.17% of the total share capital of the Company as enlarged by the issue of the new H shares, are traded on the GEM.

Net proceeds from share subscription and placing had been fully utilized according to the recommended uses set out in the relevant announcement.

Research and Development

The Group, acting as the main bidder and together with China Agricultural University, the Chinese Academy of Inspection and Quarantine of the General Administration of Quality Supervision, Inspection and Quarantine of China, etc, have undertaken key projects under the National Science and Technology Support Program of the “11th Five-Year Plan” - the development and industrialisation demonstration of apple pectin products and apple juice of prime quality. The Group

H 股認購及配售

於二零零六年二月二十三日，本公司與IFC簽訂認購協議，IFC同意以每H股港幣0.70元認購共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)有限公司簽訂配售協議，國泰君安證券(香港)有限公司同意以每H股港幣0.70元配售共61,580,000股本公司新H股。

上述之認購及配售於二零零六年三月十日完成。共佔經發行新H股後擴大本公司總股本約6.17%的新H股，從二零零六年三月十三日起在創業板進行買賣。

本公司認購及配售股份募集資金淨額現已按有關之公告內之建議用途使用完畢。

研究與開發

本集團作為主標單位，與中國農業大學、國家質檢總局檢科院等繼續承擔國家「十一五」科技支撐計劃重大項目－蘋果果膠系列產品與優質蘋果汁開發及產業化示範；繼續實施山東省二零零五年科技專項「山東省有時農產品深加工關鍵技術及裝備研究開發」；承擔「山東省二零零六年度重大科技專項－水果精深加工關鍵技術」；有兩項專利被國家專利局授權：(1)一種防止濃縮蘋果清汁褐變的加工方法(ZL03112155.1)及(2)一種防止濃縮蘋果清汁二次沈澱的加工方法

Management Discussion and Analysis

管理層討論及分析

continued implementing the “Research and Development of Key Technology and Equipment for Deep Processing of Fresh Agricultural Products of Shandong Province” which is a Shandong Province technology project of 2005, and has also undertaken the “Shandong Province Key Technology Project of 2006 - Key Technology for Fine and Deep Processing of Fruits”. We have been granted two patents for our processing methods by the State Intellectual Property Office: (1) a processing method to prevent clear apple juice concentrate becoming brown (ZL03112155.1) and (2) a processing method to prevent secondary sedimentation of clear apple juice concentrate (ZL03112157.8), and we have also submitted patent applications for two of our inventions: (1) a processing method for clear apple juice concentrate with a high juice yield (200610146269.6) and (2) a method for concentration of super concentrated essence under low temperature (200610146270.9).

Future Prospects

In 2007, 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 better 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. The Company will make such applications to the China Securities Regulatory Commission and the Stock Exchange according to the related rules and regulations and with reference to the market condition and the Group’s own situation. Future development plans of the Company are summarized as follows:

(ZL03112157.8)；並申請了兩項國家發明專利：(1)一種出汁率高的濃縮蘋果清汁的加工方法(200610146269.6)及(2)一種超高倍香精的低溫濃縮方法(200610146270.9)。

未來展望

二零零七年，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，本集團將按市場及集團情況和有關法規的要求向中國證券監督管理委員會及聯交所提出轉板申請。具體計劃如下：

Management Discussion and Analysis

管理層討論及分析

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 with a view to achieve 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.

Further Increase Juice 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 Shanxi, the Group plans to build a new production base in Yongji city, Shanxi, to put the production line into operation prior to new pressing season, to further uplift the Group's production capacity and perfect the strategic location of production lines. Also, the Group will complete the alteration of technology of the existing production lines prior to new pressing season, and enhance the production capacity of unit time of the existing production lines. The implementation of the above measures helps to uplift the annual production capacity of the Group to approximately 250,000 tonnes.

Accelerate Acquisition and Merger

The Group is aiming at taking over small and medium enterprises in the industry, both domestic or abroad, through capital activities such as merger and acquisition, to further increase the Group's annual production capacity for juice concentrate, thereby strengthening our leading position in the industry. For the current target enterprises, the Group strives to achieve the breakthrough of acquisition and merger prior to the new pressing season.

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，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。

進一步提升果汁生產能力

為滿足國內外對濃縮果汁日益增長的需求及考慮到山西蘊藏豐富的蘋果資源，本集團計劃於山西永濟市興建新的生產基地，並於新榨季開始前投入生產，以進一步提升本集團的生產能力及完善本集團生產線的戰略佈局。另外，本集團還將於新榨季開始前完成對現有生產線的技術改造，提升現有生產線單位時間的產能。通過以上措施的實施，將使本集團自身年生產能力達到約25萬噸。

加快收購兼併步伐

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，進一步提高本集團年生產濃縮果汁的生產能力，鞏固本集團於行業內的領導地位。就現有目標企業來說，本集團力爭在新的榨季前實現收購兼併的突破。

Management Discussion and Analysis

管理層討論及分析

Enhance Pectin Production Capacity

The pectin production equipment of Yantai plant of the Group has realized volume production in October last year, with an annual production capacity amounted to 2,000 tonnes. On the basis of the successful volume production of current pectin production line, the Group is planning to start the construction of the second pectin production line as soon as possible, thereby uplift the production capacity of pectin as soon as possible, so as to achieve economy of scale.

Product Diversification

Other than clear apple juice concentrate, clear pear juice concentrate, apple essence, pear essence, pectin and feedstuff, the Group will endeavour to bring significant breakthroughs in the diversified production of pectin, higher volume production of cloudy apple juice concentrate, fructose (including apple fructose and pear fructose) and guava juice, and the production of other fruit juice types and preserved fruit, dried fruit ring and dried fruit dice. The critical technology of industrialization of pectin production has been managed and volume production was commenced. The Group will accelerate its diversified production of pectin product type. For cloudy apple juice concentrate, fructose and guava juice 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 managed to produce such qualified products. Larger volume production will be commenced in the near future. For other fruit juice types, the Group has successfully developed samples of carrot juice concentrate, date juice concentrate, sweet potato juice concentrate, guava juice concentrate, etc. In addition, the Company will fully make use of its strategic advantage, that is abundant supply of fruit and various fruit types nearby its factory locations, with reference to market demand and on the basis of successful small volume production in the last pressing season, increase the volume production of preserved fruit, dried fruit ring and dried fruit dice.

提升果膠生產能力

本集團位於烟台廠房的果膠生產設備已於去年十月份實現了批量生產，年產能達2,000噸。本集團正計劃在現有果膠生產線成功批量生產的基礎上，盡快著手第二條果膠生產線的興建工作，以便盡快提升果膠的生產能力，達到規模效益。

產品多樣化

除濃縮蘋果清汁、濃縮梨清汁、蘋果香精、梨香精、果膠和生物飼料外，本集團將力求在果膠的多樣化生產、濃縮蘋果濁汁、果糖(包括蘋果果糖和梨果糖)和石榴汁的更大批量生產、其他水果品種以及果脯、果乾和果粒的生產等方面有較大突破。果膠產業化生產的關鍵技術現已掌握並已批量生產，以後要盡快實現果膠產品品種的多樣化生產；經多年的研究和開發，高毛利率的濃縮蘋果濁汁、果糖和石榴汁的產業化生產技術已獲突破，上個榨季已批量生產出合格產品，以後將會有更大批量的生產；其他水果品種方面，本公司現已開發出濃縮胡蘿蔔汁、棗汁、地瓜汁和石榴汁等新品種樣品；另外，本公司將充分利用本公司所在地水果品種極其豐富的優勢，在上個榨季成功小批量生產的基礎上，根據市場需求情況，加大果脯、果乾和果粒的批量生產。

Management Discussion and Analysis

管理層討論及分析

Research and Development

The Group will work for the followings:

1. New achievements will be made through continual undertaking key technology projects for Shandong Province and we may be able to submit patent application for one to two projects;
2. Through undertaking Shandong's key technology projects of 2006, we will make new achievements; and
3. Through undertaking key projects under the National Science and Technology Support Program of the "11th Five-Year Plan", we will make further new achievements.

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. The Group can thereby reduce its foreign exchange risk and finance cost, improve its capital structure, enhance its risk-hedging ability, and at the same time facilitate better business development.

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

研究與開發

本集團將致力於以下項目：

1. 通過繼續承擔山東省重大科技專項，將取得新成果，可望申報1-2項專利；
2. 通過承擔山東省二零零六年度重大科技專項將取得新成果；及
3. 通過承擔「十一五」國家科技支撐計劃重大項目將取得新成果。

拓寬融資渠道

本集團將積極繼續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，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。

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

Management Discussion and Analysis

管理層討論及分析

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 higher 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.

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 2006, the Group had outstanding short-term and long-term bank loans of approximately RMB505,975,000 and 468,522,000 respectively. As at 31 December 2006, the short-term bank loans bore interest at rates ranging from 5.58% to 6.73% per annum. The long-term bank loans bore floating interest rate of LIBOR +1.1%, with maturity in 2009. In the year 2006, 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.

場；增加高毛利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。

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。於二零零六年十二月三十一日，本集團尚未償還之短期及長期銀行借貸分別約為人民幣505,975,000元及人民幣468,522,000元，於二零零六年十二月三十一日，短期銀行貸款之年利率為5.58%至6.73%，長期貸款之浮動息率為倫敦銀行同業拆放利率+1.1%，將於二零零九年到期。二零零六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。

Management Discussion and Analysis

管理層討論及分析

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 issued 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.

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.* (煙台東華果業有限公司) and Donghua

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。

於二零零六年三月二十一日，本公司在定向配股予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)煙台股權保留協議，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、煙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煙台東華果業有限公司及Donghua Fruit Industry Co., Ltd.

* For identification purpose only

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

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 2006, no assets of the Company was pledged.

Contingent Liabilities

As at 31 December 2006, 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.

** For identification purpose only*

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

於二零零六年十二月三十一日，本公司無任何對外資產抵押。

或然負債

於二零零六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。

** 僅供識別*

Management Discussion and Analysis

管理層討論及分析

Capital Commitment

For the capital commitment of the Group, please refer to note 35 to the Financial Statements.

Gearing Ratio

As at 31 December 2006, the Group had a net cash and cash equivalents of approximately RMB58,432,000. The Group's gearing ratio as at 31 December 2006 was approximately 62% (2005: approximately 59%) which is calculated by dividing the Group's total liabilities of approximately RMB1,145,146,000 (2005: RMB841,394,000) by the Group's total equity and liabilities of approximately RMB1,852,683,000 (2005: RMB1,432,462,000).

資本承擔

本集團之資本承擔詳載於財務報表附註35。

資本負債比率

於二零零六年十二月三十一日，本集團之現金及現金等價物淨額約為人民幣58,432,000元。於二零零六年十二月三十一日，本集團之資產負債比率約為62%（二零零五年：約59%），乃按本集團之總負債約人民幣1,145,146,000元（二零零五年：約人民幣841,394,000元）除以總股東權益及負債約人民幣1,852,683,000元（二零零五年：約人民幣1,432,462,000元）計算。

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 45, 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 chairman of Lead REITs Asset Management Corp (領銳資產管理股份有限公司).

Mr. Wang An (王安), aged 44, 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 Shandong 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，45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，亦為領銳資產管理股份有限公司之董事長。

王安先生，44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 34, 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 58, 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 Shandong 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，34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)，58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 76, 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 50, 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，76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學學會副理事長十年，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，50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 50, 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.

Independent non-executive Directors

Mr. Wu Jian Hui (鄔建輝), aged 36, 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，50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附屬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。

獨立非執行董事

鄔建輝先生，36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 46, 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 52, 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 Shandong 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 65, 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，46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，52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，65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 55, 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 58, is an employee representative in the supervisory committee of the Company. In 1991, he graduated from the Shandong 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.

陳克林先生，55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，58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。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Senior Management

Mr. Wang An (王安), aged 44, 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 Shandong 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 34, 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，44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，34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 58, 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 Shandong 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 40, 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 Shandong 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 49, 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)，58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，40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(Shandong 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，49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 37, 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 31, 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 33, 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，37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，31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，33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 35, 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.

合資格會計師及公司秘書

伍敏怡小姐，35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。

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 2006.

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
- 在二零零六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。

Corporate Governance Report

企業管治報告

The Directors

Currently the Board comprises 4 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors. All Directors served for the whole of 2006.

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 the 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 34 to 38 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。所有董事均於二零零六年全年任職。

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34至38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及決算方案；
- 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；

Corporate Governance Report

企業管治報告

- 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。董事會定期檢討董事會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執行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；提案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、及時和清楚的資料。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、知識及對本公司的認識。

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。

Corporate Governance Report

企業管治報告

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

The Board met 6 times during 2006. 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	HXS	WJH	YSN
06/03/27	ZYW	✓	✓	✓	✓	✓	✓		✓	✓	✓
06/05/11	ZYW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
06/06/09	ZYW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
06/06/30	ZYW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
06/08/09	ZYW	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
06/11/09	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。董事會秘書為這些委員會撰寫會議記錄，而委員會向董事會彙報工作。

董事會於二零零六年召開了六次會議。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。下表顯示各董事於二零零六年內出席(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

Corporate Governance Report

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)
06/03/27	WJH	▼	▼	▼	▼
06/05/11	WJH	▼	▼	▼	▼
06/08/09	WJH	▼	▼	▼	▼
06/11/09	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
06/12/28	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
 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
 羅智先
 胡小松
 鄒建輝
 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 2006.

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 2006.

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所轉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》)。本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。

本公司所有董事於二零零六年確認已遵守《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》。本公司於二零零六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 2006, 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 the Company's system of internal control. The 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。二零零六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。

A review of the Company's internal control system covering financial, operational, compliance and risk management, is conducted annually. The result has been reported to the Board.

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. Internal audit reports are sent to the chief executive, the financial controller, external auditors and the relevant management of the departments 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。有關結果已向董事會報告。

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。內部審核報告均送交本公司總裁、財務總監、外聘審計師及被審核部門的管理層。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。

Corporate Governance Report

企業管治報告

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附屬公司在以下(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；及
- 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。

Corporate Governance Report

企業管治報告

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 2006. During 2006, 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 2006 were recommended to the Board for approval after discussion of the Audit Committee.

EXTERNAL AUDITORS

In 2006, 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。

審核委員會在二零零六年間開會四次，於二零零六年，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，本公司的二零零六年季度、中期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

二零零六年外聘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。

Corporate Governance Report

企業管治報告

The Audit Committee has resolved the re-appointment of KPMG for audits for the financial year 2007. 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 comprises Mdm. Yu Shou Neng as members. Both Mr. Wu Jian Hui and Mdm Yu Shou Neng are independent non-executive Directors. 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 loss 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二零零七年財政年度的審計工作。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，並由鄔建輝先生出任主席。薪酬委員會的主要職責如下：

- 就在正規而具透明度的程序下制定的公司全體董事及高級管理人員的薪酬政策及架構，向董事會提出建議；
- 如董事會轉授以下職責，即釐定全體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；

Corporate Governance Report

企業管治報告

- to set compensation paid to executive Directors and senior management for loss 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 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執行董事及高級管理人員喪失或終止職務或委任有關的賠償，亦須按公平合理，不會對公司造成過重負擔之原則來釐定該賠償金額；
 - 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，亦須按合理適當的原則來釐定該賠償金額；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, director's performance, etc.

薪酬委員會應考慮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表現等因素以釐定董事薪酬。

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

薪酬委員會的職權範圍載於本公司網址。

The Remuneration Committee met once in 2006 to review and approve the Directors' and senior management's remuneration for 2007. At that meeting, the Committee approved individual Directors' remuneration packages to be paid for 2007.

薪酬委員會在二零零六年舉行一次會議，檢討並批准董事及高級行政人員之二零零七年度酬金，在該次會議內，委員會已批准各董事於二零零七年度的酬金。

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

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.

The amounts paid to each Director of the Company for 2005 and 2006 are disclosed in notes 11 to the financial statements.

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，董事不可批准其自身酬金。

本公司董事酬金之主要組成包括基本薪酬(包括袍金)及無上限之酌情花紅。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

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。

於二零零五年及二零零六年支付予各董事之酬金詳情請見財務報表附註11。

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 ethnics, 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 2006, 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.

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，提名委員會在二零零六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進行。

Corporate Governance Report

企業管治報告

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 18 May 2006 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二零零六年五月十八日，在中國山東省烟台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佈亦可在本公司網址及聯交所網站下載。

Corporate Governance Report

企業管治報告

In 2006, the Company held over 100 meetings with analysts and investors in its Hong Kong office, organized 9 Company visits by analysts, 4 Company visits by press, conducted over 3 press conferences, and were interviewed by press on 11 occasions. The Company also arranged 5 road shows for analysts and investors in Hong Kong and the PRC. These activities allow them to have good opportunities to communicate with and understand the senior management, general staffs and its operating staffs and visit different places of business of the Group.

From information publicly available to the Company and within the best knowledge of the Directors, at least 37.05% of the Company's total issued share capital is held by the public at all times. As at 15 March 2007, being the latest practicable date, there were over 180 holders of H shares on the Company's register of shareholders.

Enquiries may be put to the Board by contacting the company secretary through the shareholders' hotline or 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.

二零零六年度，本公司香港辦公室接受了超過一百次專訪，組織了九次投資分析員參觀公司和四次媒體參觀公司的活動，組織了三次媒體發布會和十一次媒體專訪。本公司還在香港及中國大陸為分析員和投資者安排了五次路演，使他們能與本公司高級管理層、運營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。於二零零七年三月十五日，本公司股東名冊上共有超過一百八十名H股股東。

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

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 2006.

Principal Activities

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

Results

The results and financial status of the Group for the year ended 31 December 2006 are set out in page 82 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 35% of the Group's total turnover and sales to the largest customer included therein amounted to about 10%.

Purchases from the Group's top five largest suppliers accounted for about 10% of total purchases for the year. The largest supplier accounted for about 6% 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.

董事會欣然提呈二零零六年年報及本集團截至二零零六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，本公司附屬公司之主要業務詳情載於財務報表附註16。

業績

本集團截至二零零六年十二月三十一日止年度的業績及財務狀況載於年報第82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35%。本集團向最大客戶的銷售額佔本集團營業額約10%。

本集團從五大供應商的採購約佔總採購量的10%。同期，本集團最大的供應商約佔總採購量的6%。

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 has resolved to recommend a final dividend of approximately RMB27,133,000 (inclusive of tax), or approximately RMB0.015 per share for 2006. 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 28 May 2007. 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 27 April 2007 to 25 May 2007 (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 30 to the Financial Statements.

Subscription and Placing of H Shares and Use of Proceeds

On 23 February 2006, the Company entered into a subscription agreement with IFC, pursuant to which IFC agreed to subscribe an aggregate of 50,000,000 new H Shares of the Company at the price of HK\$0.70 per H Share.

The Company also entered into a placing agreement on 23 February 2006 with Guotai Junan Securities (Hong Kong) Limited, pursuant to which Guotai Junan Securities (Hong Kong) Limited agreed to place an aggregate of 61,580,000 new H Shares of the Company at the price of HK\$0.70 per H Share.

股利

董事會提議案派付二零零六年度末期股息約人民幣27,133,000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二零零七年五月二十八日召開的股東周年大會上提呈予本公司之股東。非流通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。本公司將於二零零七年四月二十七日至二零零七年五月二十五日止(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30。

H股認購及配售及有關所得款項用途

於二零零六年二月二十三日，本公司與IFC簽訂認購協議，IFC同意以每H股港幣0.70元認購共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)有限公司簽訂配售協議，國泰君安證券(香港)有限公司同意以每H股港幣0.70元配售共61,580,000股本公司新H股。

Report of Directors

董事會報告

The above subscription and placing were completed on 10 March 2006. From 13 March 2006, the new H Shares, representing an aggregate of approximately 6.17% of the total share capital of the Company as enlarged by the issue of the new H Shares, are traded on the GEM. The total share capital of the Company increased to 1,808,880,000 shares from 1,697,300,000 shares (among the 1,808,880,000 shares, 670,080,000 of them are H Shares, 1,138,800,000 of them are Domestic Shares). Net proceeds from share subscription and placing which was approximately HK\$73,368,000 (after deducting the relevant expenses) had been fully utilised according to the recommended uses set out in the relevant announcement.

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 2006 amounted to approximately RMB116,788,000 (2005: RMB92,465,000).

Property, Plant and Equipment

During the year, the Group incurred approximately RMB127,588,000, mainly for the construction of new production line and acquiring plant and equipment.

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

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.

上述之認購及配售於二零零六年三月十日完成。共佔經發行新H股後擴大本公司總股本約6.17%的新H股從二零零六年三月十三日起在創業板進行買賣。公司的總股本由原來的1,697,300,000股增至1,808,880,000股(當中H股佔670,080,000股, 非流通股佔1,138,800,000股)。本公司認購及配售股份募集資金淨額約為港幣73,368,000元(已扣除費用), 現已按有關之公告內之建議用途使用完畢。

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。

於二零零六年十二月三十一日, 本公司股東可分配利潤約為人民幣116,788,000元(二零零五年: 約人民幣92,465,000元)。

物業、廠房及設備

本年度, 本集團支出了大約人民幣127,588,000元用於擴建生產線及購買機器設備。

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。

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。

Purchase, Sale or Redemption of Shares

For the year ended 31 December 2006, 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 2006.

Material Acquisitions and Disposals During the Year

Apart from the share transfer agreement entered with AGRANA on 9 June 2006 for transferring 50% equity interest in Xianyang Andre to AGRANA, no material acquisitions or disposals of subsidiaries and associated companies has been made by the Company during the year ended 31 December 2006.

Significant Investment

No significant investment was held by the Group as at 31 December 2006.

Employment and Remuneration Policy

As at 31 December 2006, the Group had a total of 1,225 employees (2005: 794 employees). Staff costs including directors' remuneration for the year ended 31 December 2006 and 31 December 2005 were approximately RMB14,984,000 and approximately RMB10,751,000 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 to the financial statements. The Group's employment and remuneration policies remained unchanged from those described in the

購買、出售或購回股份

截至二零零六年十二月三十一日止年度，本公司或其任何附屬公司概無購入、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，而彼等亦無於二零零六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

除於二零零六年六月九日本集團與阿格那公司訂立股權轉讓協議，以轉讓咸陽安德利50%股權予阿格那公司外，截至二零零六年十二月三十一日止年度內，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

於二零零六年十二月三十一日，本集團概無持有重大投資。

僱員及薪酬政策

於二零零六年十二月三十一日，本集團僱用共1,225名員工(二零零五年：794名)。截至二零零六年及二零零五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14,984,000元及約人民幣10,751,000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

Report of Directors

董事會報告

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 to the Financial Statements.

Directors and Supervisors

As at 31 December 2006, 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 and 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.

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。

董事及監事

於二零零六年十二月三十一日，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。

Exempted Continuing Connected Transactions

On 30 June 2006, the Company entered into an administrative agreement with Create Group (HK) Ltd., pursuant to which Create Group (HK) Ltd. provides administrative services to the Company for its Hong Kong office at a monthly consideration of HKD30,000 from 1 July 2006. The consideration was determined on an arm's length basis. Since Create Group (HK) Ltd. is effectively owned as to 50% by Mr. Zheng Yue Wen and Mr. Zheng Yue Wen is the chairman and executive Director of the Company, the entering into such administrative agreement constitutes an exempted continuing connected transaction of the Company under the GEM Listing Rules. For the year ended 31 December 2006, administrative services fee amounted to HKD180,000 was payable to Create Group (HK) Ltd.

The Directors (including the independent non-executive Directors) confirmed that the administrative expenses made during the year were in the ordinary and usual course of business, on normal commercial terms, in accordance with the terms of the administrative agreement and on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

The Directors confirmed that the Company's auditors have provided a letter to the Board in respect of their factual findings on the abovementioned exempted continuing connected transactions.

Directors' Interests in Contracts

Save as the exempted continuing connected transactions disclosed above, 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 2006.

豁免持續關連交易

於二零零六年六月三十日，本公司與科瑞集團(香港)有限公司簽訂了一份行政服務合同，由科瑞集團(香港)有限公司提供長期行政服務予本公司之香港辦事處，服務費為每月港幣30,000元，由二零零六年七月一日起生效。此代價乃經公平磋商後釐定。由於科瑞集團(香港)有限公司乃由鄭躍文先生持有50%股權及鄭躍文先生為本公司之主席及執行董事，根據創業板上市規則，訂立該協議構成本公司一項豁免持續關連交易。截至二零零六年十二月三十一日止年度，應付予科瑞集團(香港)有限公司之服務費為港幣180,000元。

董事(包括獨立非執行董事)確認，年內應付之服務費乃按一般及日常業務過程進行，屬一般商業條款，並根據相關服務合同之條款，其條款屬公平合理並符合本公司全體股東之利益。

董事確認，本公司核數師已向董事會提供彼等就上述豁免持續關連交易之據實調查結果之函件。

董事於合約之權益

除於以上披露之豁免持續關連交易外，於二零零六年內，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。

Report of Directors

董事會報告

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

As at 31 December 2006, 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 佔非流通股百分比	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 非流通股	279,357,000 (L) 279,357,000 (長)	Interest of controlled corporation 受控制法團權益	Personal 個人	24.531%	15.445%
Wang An (Note 2) 王安 (附註2)	Domestic Shares 非流通股	480,047,730 (L) 480,047,730 (長)	Interest of controlled corporation 受控制法團權益	Personal 個人	42.154%	26.538%

董事、監事及總裁於本公司股份及債權證中的權益及淡倉

於二零零六年十二月三十一日，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

Notes:

- (1) As at 31 December 2006, Zheng Yue Wen was taken to be interested in 279,357,000 Domestic Shares through his controlled corporation 光彩事業國土綠化整理有限公司 (Glory Cause Land Afforestation Co., Ltd.*). As at 31 December 2006, 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 2006, 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 2006, 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. As at 31 December 2006, 山東安德利集團有限公司 (Shandong Andre Group Co., Ltd.*) was having a direct interest of 279,357,000 Domestic Shares and Wang An controlled 80% interest in 山東安德利集團有限公司 (Shandong Andre Group Co., Ltd.*).
- (3) The letter "L" denotes a long position.

* For identification purpose only

附註：

- (1) 於二零零六年十二月三十一日，鄭躍文因其控制之法團光彩事業國土綠化整理有限公司而被認為擁有279,357,000股非流通股之權益。於二零零六年十二月三十一日，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)。於二零零六年十二月三十一日，鄭躍文控制北京瑞澤網絡銷售有限責任公司之43%權益。
- (2) 於二零零六年十二月三十一日，China Pingan Investment Holdings Limited直接擁有200,690,730股非流通股之權益，而王安控制China Pingan Investment Holdings Limited之90%權益。於二零零六年十二月三十一日，山東安德利集團有限公司直接擁有279,357,000股非流通股之權益，而王安控制山東安德利集團有限公司80%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 2006, 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 (Note 1) 鄭躍文 (附註1)	Domestic Shares 非流通股	279,357,000 (L) 279,357,000 (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.* (Note 1) 北京瑞澤網絡銷售有限責任公司 (附註1)	Domestic Shares 非流通股	279,357,000 (L) 279,357,000 (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，於二零零六年十二月三十一日，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 佔非流通股/ H股百分比	Percentage in total share capital 佔總股本百分比
Personal 個人	24.531%	15.445%
Corporate 公司	24.531%	15.445%

* 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 佔非流通股/ 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 非流通股	279,357,000 (L) 279,357,000(長)	Interest of controlled corporation (controlling 79% interest of such corporation) 受控制法團權益 (控制該法團的79%權益)	Corporate 公司	24.531%	15.445%
Wang An (Note 2) 王安(附註2)	Domestic Shares 非流通股	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	17.623%	11.095%
	Domestic Shares 非流通股	279,357,000 (L) 279,357,000(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)	Personal 個人	24.531%	15.445%
China Pingan Investment Holdings Limited (Note 2) (附註2)	Domestic Shares 非流通股	200,690,730 (L) 200,690,730(長)	Beneficial owner 實益擁有人	Corporate 公司	17.623%	11.095%
Shandong Andre Group Co., Ltd.* (Note 2) 山東安德利集團有限公司(附註2)	Domestic Shares 非流通股	279,357,000 (L) 279,357,000(長)	Beneficial owner 實益擁有人	Corporate 公司	24.531%	15.445%

* For identification purpose only

* 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 佔非流通股/ H股百分比	Percentage in total share capital 佔總股本百分比
HSBC International Trustee Limited (Note 3) (附註3)	Domestic Shares 非流通股	284,700,000 (L) 284,700,000 (長)	Trustee 信託人	Corporate 公司	25.000%	15.739%
Prosper United Limited	Domestic Shares 非流通股	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	25.000%	15.739%
ACME Team International Limited	Domestic Shares 非流通股	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	25.000%	15.739%
Donghua Fruit Industry Co., Ltd.	Domestic Shares 非流通股	284,700,000 (L) 284,700,000 (長)	Beneficial owner 實益擁有人	Corporate 公司	25.000%	15.739%
Uni-President Enterprises Corp. (Note 4) 統一企業股份有限公司 (附註4)	Domestic Shares 非流通股	84,695,270 (L) 84,695,270 (長)	Beneficial owner 實益擁有人	Corporate 公司	7.437%	4.682%
Atlantis Investment Management Ltd. (Note 5) (附註5)	H Shares H股	95,000,000 (L) 95,000,000 (長)	Investment manager 投資經理	Corporate 公司	14.177%	5.252%

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 佔非流通股／H股百分比	Percentage in total share capital 佔總股本百分比
IFC	H Shares H股	50,000,000 (L) 50,000,000 (長)	Beneficial owner 實益擁有人	Corporate 公司	7.462%	2.764%
INVESCO Hong Kong Limited (previously known as INVESCO Asia Limited) in its capacity as manager/advisor of various accounts (Note 6) INVESCO Hong Kong Limited (曾稱為 INVESCO Asia Limited) 作為多個賬戶之經理／顧問身份 (附註6)	H Shares H股	55,055,000 (L) 55,055,000 (長)	Investment manager 投資經理	Corporate 公司	8.216%	3.044%
Mitsui & Co., Ltd. (Note 7) 三井物產株式會社 (附註7)	H Shares H股	47,000,000 (L) 47,000,000 (長)	Beneficial owner 實益擁有人	Corporate 公司	7.014%	2.598%
Everest Capital Limited (Note 8) (附註8)	H Shares H股	48,260,000 (L) 48,260,000 (長)	Investment manager 投資經理	Corporate 公司	7.202%	2.668%

Report of Directors

董事會報告

Notes:

- (1) As at 31 December 2006, 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 2006, 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) Wang An controlled 90% interest in China Pingan Investment Holdings Limited and 80% interest in 山東安德利集團有限公司 (Shandong Andre Group Co., Ltd.*).
- (3) The corporate substantial shareholder notices filed to the Stock Exchange and the Company dated 4 July 2006 showed that HSBC International Trustee Limited controlled 100% interest in Prosper United Limited.
- (4) 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 direct 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 interest in the Company.
- (5) 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 95,000,000 H Shares, representing 14.177% and 5.252% of the total H Shares and the total share capital of the Company respectively.
- (6) Based on the information available on the website of the Stock Exchange, the corporate substantial shareholder notice filed to the Stock Exchange showed that INVESCO Hong Kong Limited, in the capacity of investment manager, holds 55,055,000 H Shares, representing 8.216% and 3.044% of the total H Shares and the total share capital of the Company respectively.

* For identification purpose only

附註：

- (1) 於二零零六年十二月三十一日，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)。於二零零六年十二月三十一日，鄭躍文控制北京瑞澤網絡銷售有限責任公司之43%權益。
- (2) 王安控制China Pingan Investment Holdings Limited 90%及山東安德利集團有限公司之80%權益。
- (3) 據HSBC International Trustee Limited於聯交所及本公司存檔日期為二零零六年七月四日之公司主要股東通知顯示，其控制Prosper United Limited之100%權益。
- (4) 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股非流通股之權益。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。
- (5) 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95,000,000股H股，即分別佔總H股之14.177%及總股本之5.252%。
- (6) 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INVESCO Hong Kong Limited 以投資經理之身份持有55,055,000股H股，即分別佔總H股之8.216%及總股本之3.044%。

* 僅供識別

- (7) Based on the information available on the website of the Stock Exchange, the corporate substantial shareholder notice filed to the Stock Exchange showed that Mitsui & Co., Ltd. holds 47,000,000 H Shares, representing 7.014% and 2.598% of the total H Shares and the total share capital of the Company respectively.
- (8) Based on the information available on the website of the Stock Exchange, the corporate substantial shareholder notice filed to the Stock Exchange showed that Everest Capital Limited holds 48,260,000 H Shares, representing 7.202% and 2.668% of the total H Shares and the total share capital of the Company respectively.
- (9) The letter "L" denotes a long position.

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 2006 annual results, with a reminder that the Directors 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.

- (7) 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三井物產株式會社持有47,000,000股H股，即分別佔總H股之7.014%及總股本之2.598%。
- (8) 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Everest Capital Limited持有48,260,000股H股，即分別佔總H股之7.202%及總股本之2.668%。
- (9) 「長」表示長倉。

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二零零六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，提醒董事不得在公布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 the reporting period.

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 2006.

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。本公司於截至二零零六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。

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 2006. The Audit Committee held 4 meetings during the year.

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, 18 March 2007

* *For identification purpose only*

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（即鄔建輝、胡小松和俞守能）組成。鄔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二零零六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。

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，二零零七年三月十八日

* *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, the Supervisory Committee had reviewed cautiously the development plans of the Company and provided reasonable suggestions and opinions to the Board. 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

* For identification purpose only

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

* 僅供識別

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 2006 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

18 March 2007

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。

本監事會對本公司二零零六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

二零零七年三月十八日

* For identification purpose only

* 僅供識別

Auditors' Report

核數師報告書

Independent 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 consolidated financial statements of Yantai North Andre Juice Co., Ltd. (the "Company") set out on pages 82 to 157, which comprise the consolidated and company balance sheets as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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 the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those

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)

本核數師(以下簡稱「我們」)已審核刊載於第82至157頁烟台北方安德利果汁股份有限公司(以下簡稱「貴公司」)的財務報表，此財務報表包括於二零零六年十二月三十一日的合併資產負債表和資產負債表與截至該日止年度的合併利潤表、合併權益變動表和合併現金流量表，以及主要會計政策概要及其他財務報表附註。

董事對財務報告的責任

貴公司董事須負責根據由國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定編製及公允地列報該等財務報表。這責任包括設計、實施及維護與編製及公允地列報財務報表相關的內部控制，以使財務報表不存在由於舞弊或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表發表意見，並僅向整體股東報告。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的內容，對任何其他人士負責或承擔法律責任。

我們是按照香港會計師公會頒佈的香港核數準則進行審核工作。這些準則要求我們遵守相關道德規範，並規劃及執行審核，以合理確定該等財務報表是否

Auditors' Report

核數師報告書

standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

Opinion

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

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 March 2007

不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關財務報表所載金額及披露事項有關的審核證據。所選定的程序取決於核數師的判斷，包括評估由於舞弊或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，我們考慮與該公司編製及公允地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的有效性發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核證據是充足和適當的，已為我們的審核意見建立基礎。

意見

我們認為，該等財務報表已真實和公允地反映貴公司及貴集團於二零零六年十二月三十一日的財政狀況和貴集團截至該日止年度的利潤及現金流量，並已按照由國際會計準則委員會頒佈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
香港中環遮打道10號
太子大廈8樓

二零零七年三月十八日

Consolidated Income Statement

合併損益表

for the year ended 31 December 2006

(Expressed in Renminbi Yuan)

截至二零零六年十二月三十一日止年度

(以人民幣列示)

		Note 附註	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Turnover	收入	3	786,435	660,421
Cost of sales	銷售成本		(621,794)	(448,766)
Gross profit	毛利		164,641	211,655
Other operating income	其他經營收入	4	16,631	6,522
Distribution expenses	銷售費用		(81,541)	(71,239)
Administrative expenses	管理費用		(35,099)	(31,427)
Other operating expenses	其他經營費用	5	(5,970)	(1,525)
Profit from operations	經營溢利		58,662	113,986
Net finance costs	財務成本淨額	7	(32,877)	(27,764)
Investment income	投資收入	8	53,086	-
Share of losses from an associate	應佔聯營公司虧損		(48)	(3,416)
Profit before taxation	除稅前溢利	9	78,823	82,806
Income tax	所得稅	10	(8,589)	(6,130)
Profit for the year	本年度溢利		70,234	76,676
Attributable to:	歸屬於：			
Equity shareholders of the Company	本公司股東	13	69,673	75,928
Minority interests	少數股東		561	748
Profit for the year	本年度溢利		70,234	76,676
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	31	27,133	27,133
Basic and diluted earnings per share	每股基本及攤薄盈利	32	RMB人民幣0.039	RMB人民幣0.045

The notes on pages 90 to 157 form part of these financial statements.
第90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 2006
(Expressed in Renminbi Yuan)
於二零零六年十二月三十一日
(以人民幣列示)

		Note	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 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	574,043	554,189
Lease prepayments	預付土地租賃費	15	32,722	31,256
Interest in an associate	於聯營公司的投資	18	62,695	62,744
Goodwill	商譽	19	1,452	1,452
Total non-current assets	非流動資產合計		670,912	649,641
Current assets	流動資產			
Inventories	存貨	20	699,751	480,343
Trade receivables	應收帳款	21	173,309	167,791
Other receivables and prepayments	其他應收款 及預付帳款	22	250,279	73,500
Cash and cash equivalents	現金及現金等價物	25	58,432	61,187
Total current assets	流動資產合計		1,181,771	782,821
Total assets	資產合計		1,852,683	1,432,462
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	26	505,975	663,885
Trade payables	應付帳款	27	72,598	56,523
Other payables and accrued expenses	其他應付款 及預提費用	28	91,930	117,573
Income tax payable	應付所得稅		5,872	3,164
Total current liabilities	流動負債合計		676,375	841,145
Net current assets/(liabilities)	淨流動資產/(負債)		505,396	(58,324)
Total assets less current liabilities	資產合計扣除流動負債		1,176,308	591,317

Consolidated Balance Sheet

合併資產負債表

at 31 December 2006

(Expressed in Renminbi Yuan)

於二零零六年十二月三十一日

(以人民幣列示)

		Note	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		附註		
Non-current liabilities	非流動負債			
Long-term bank loans	長期銀行貸款	29	468,522	—
Other long-term liabilities	其他長期負債		249	249
Total non-current liabilities	非流動負債合計		468,771	249
Total liabilities	負債合計		1,145,146	841,394
Capital and reserves	股本及儲備	30		
Paid-in capital	股本		180,888	169,730
Reserves	儲備		517,062	412,312
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益		697,950	582,042
Minority interests	少數股東權益		9,587	9,026
Total equity	股東權益合計		707,537	591,068
Total equity and liabilities	股東權益及負債合計		1,852,683	1,432,462

Approved and authorised for issue by the board of directors on 18 March 2007.

董事會於二零零七年三月十八日核准並授權發出。

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

The notes on pages 90 to 157 form part of these financial statements.

第90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 2006
(Expressed in Renminbi Yuan)
於二零零六年十二月三十一日
(以人民幣列示)

		Note	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 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	128,705	139,604
Lease prepayments	預付土地租賃費	15	11,063	8,522
Investments in subsidiaries	於附屬公司的投資	16	239,795	153,931
Interest in a jointly controlled entity	於共同控制實體的投資	17	54,760	–
Total non-current assets	非流動資產合計		434,323	302,057
Current assets	流動資產			
Inventories	存貨	20	462,271	275,219
Trade receivables	應收賬款	21	92,328	134,217
Other receivables and prepayments	其他應收款及 預付賬款	22	208,185	55,276
Dividends receivable	應收股息	23	161,153	130,810
Amounts due from subsidiaries	應收附屬公司款項	24	461,786	348,535
Cash and cash equivalents	現金及現金等價物	25	32,343	38,538
Total current assets	流動資產合計		1,418,066	982,595
Total assets	資產合計		1,852,389	1,284,652
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	26	445,975	633,885
Trade payables	應付賬款	27	24,595	23,524
Other payables and accrued expenses	其他應付款及 預提費用	28	36,259	69,823
Amounts due to subsidiaries	應付附屬公司款項	24	248,874	33,593
Total current liabilities	流動負債合計		755,703	760,825
Net current assets	淨流動資產		662,363	221,770
Total assets less current liabilities	資產合計扣除流動負債		1,096,686	523,827

Balance Sheet

資產負債表

at 31 December 2006

(Expressed in Renminbi Yuan)

於二零零六年十二月三十一日

(以人民幣列示)

		Note	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Long-term bank loans	長期銀行貸款	29	<u>468,522</u>	—
Total non-current liabilities	非流動負債合計		<u>468,522</u>	—
Total liabilities	負債合計		<u>1,224,225</u>	760,825
Capital and reserves	股本及儲備	30		
Paid-in capital	股本		<u>180,888</u>	169,730
Reserves	儲備		<u>447,276</u>	354,097
Total equity	股東權益合計		<u>628,164</u>	523,827
Total equity and liabilities	股東權益及負債合計		<u>1,852,389</u>	1,284,652

Approved and authorised for issue by the board of directors on 18 March 2007.

董事會於二零零七年三月十八日核准並授權發出。

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

The notes on pages 90 to 157 form part of these financial statements.

第90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 2006
(Expressed in Renminbi Yuan)
截至二零零六年十二月三十一日止年度
(以人民幣列示)

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 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	78,823	82,806
Adjustments for:	調整：		
Depreciation	折舊	59,506	50,415
Amortisation of lease prepayments	預付土地租賃費攤銷	897	780
Interest expenses	利息費用	39,495	26,997
Interest income	利息收入	(2,385)	(615)
Loss of disposal of property, plant and equipment	出售物業、廠房及設備虧損	1,687	-
Investment income	投資收入	(53,086)	-
Share of losses from an associate	應佔聯營公司虧損	48	3,416
Operating profit before changes in working capital	流動資金變動前之經營溢利	124,985	163,799
Increase in inventories	存貨增加	(241,258)	(138,438)
(Increase)/decrease in trade receivables	應收帳款(增加)／減少	(5,518)	22,724
(Increase)/decrease in other receivables and prepayments	其他應收款及預付帳款(增加)／減少	(111,109)	5,337
Increase in trade payables	應付帳款增加	20,174	519
Decrease in other payables and accrued expenses	其他應付款及預提費用減少	(20,645)	(22,226)
Cash (used in)/generated from operations	經營(所用)／產生之現金	(233,371)	31,715
Income tax paid	支付的所得稅	(5,881)	(5,722)
Interest paid	支付的利息	(39,495)	(26,997)
Interest received	收到的利息	2,385	615
Net cash used in operating activities	經營活動之現金流出淨額	(276,362)	(389)

Consolidated Cash Flow Statement

合併現金流量表

for the year ended 31 December 2006

(Expressed in Renminbi Yuan)

截至二零零六年十二月三十一日止年度

(以人民幣列示)

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 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	(141,407)	(155,338)
Lease prepayments	預付土地租賃費	(3,630)	(6,797)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	577	4,188
Proceeds from disposal of a subsidiary's equity interests, net off cash disposed of	出售附屬公司權益所得款項(已扣除出售之現金)	62,220	21,478
Repayments of advances from a related party	關聯方還款	-	2,739
Advances to third parties	借款予第三方	(500)	(7,067)
Repayments of advances from a third party	第三方還款	1,000	500
Net cash used in investing activities	投資活動之現金流出淨額	(81,740)	(140,297)
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	1,310,992	1,045,695
Repayments of bank loans and other borrowings	償還銀行貸款及其他借貸	(1,001,880)	(839,234)
Net proceeds from the issue of share capital	發行股本的所得款項淨額	73,368	-
Dividends paid	已付股息	(27,133)	(33,946)
Repayments of advances to an associate	償還聯營公司借款	-	(47,693)
Repayments of advances to a third party	償還第三方借款	-	(9,494)
Net cash from financing activities	籌資活動之現金流入淨額	355,347	115,328
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(2,755)	(25,358)
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	61,187	86,545
Cash and cash equivalents at end of year	年末之現金及現金等價物	58,432	61,187

The notes on pages 90 to 157 form part of these financial statements.

第90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 2006
(Expressed in Renminbi Yuan)
截至二零零六年十二月三十一日止年度
(以人民幣列示)

		Paid-in capital	Capital surplus	Share premium	Statutory reserves	Retained earnings	Total equity attributable to equity shareholders of the Company	Minority interests	Total equity
		股本	資本公積	股本溢價	法定儲備	未分配 利潤	本公司股東 應佔權益 合計	少數股東 權益	股東權益 合計
	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
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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	30(d)	-	-	18,443	(18,443)	-	-	-
Dividends to equity shareholders of the Company	分派股息予 本公司股東	31	-	-	-	(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>
Balance at 1 January 2006	於二零零六年一月一日之結餘	169,730	10	212,606	70,310	129,386	582,042	9,026	591,068
Issuance of shares	發行股本	30(b)	11,158	-	69,838	-	80,996	-	80,996
Shares issuance expenses	發行股本之開支		-	(7,628)	-	-	(7,628)	-	(7,628)
Profit for the year	本年度溢利		-	-	-	69,673	69,673	561	70,234
Appropriations	調撥	30(d)	-	-	13,284	(13,284)	-	-	-
Dividends to equity shareholders of the Company	分派股息予 本公司股東	31	-	-	-	(27,133)	(27,133)	-	(27,133)
Balance at 31 December 2006	於二零零六年十二月 三十一日之結餘	<u>180,888</u>	<u>10</u>	<u>274,816</u>	<u>83,594</u>	<u>158,642</u>	<u>697,950</u>	<u>9,587</u>	<u>707,537</u>

The notes on pages 90 to 157 form part of these financial statements.
第90至第157頁的附註屬本財務報表的一部份。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

1 Organisation and principal activities

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.

2 Significant 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 of the Stock Exchange of Hong Kong Limited.

1 組織和主要活動

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」）山東省煙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。

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的《創業板上市規則》中適用的披露條例。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(a) Basis of preparation

The consolidated financial statements for the year ended 31 December 2006 comprise the Company and its subsidiaries (collectively the "Group") and the Group's interests in a jointly controlled entity and 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 judgments, 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 judgments 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.

Judgments 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

截至二零零六年十二月三十一日止年度的合併財務報表包含本公司及其子公司(統稱為「集團」)以及本集團於共同控制實體和聯營公司之權益。

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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

The significant accounting policies adopted by the Group have been consistently applied by the Group to all periods presented in these financial statements.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group 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)

本集團採用的主要會計政策於本財務報表中披露之期間遵循了一貫性原則。

(b) 合併基準

(i) 附屬公司

附屬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。自控制開始起，至其結束當日，附屬公司的財務報表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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

(ii) Associates (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) Jointly controlled entities

A jointly controlled entity is an entity over which the Group or the Company can exercise joint control with other venturers. Joint control is the contractually agreed sharing of control over an economic activity.

Investments in jointly controlled entities are accounted for in the consolidated financial statements on a proportionate consolidation basis. Under this method, the Group combines its proportionate share of the jointly controlled entity's turnover and expenses with each major turnover and expense caption of the Group's income statement and combines its proportionate share of the jointly controlled entity's assets and liabilities with each major asset and liability caption of the Group's balance sheet, from the date that joint control commences until the date that joint control ceases.

2 主要會計政策(續)

(b) 合併基準(續)

(ii) 聯營公司(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) 共同控制實體

共同控制實體是指本集團或本公司與其他投資者擁有共同控制權的實體。共同控制是按合同協定對經濟活動分享的控制權。

於共同控制實體之投資是按比例合併法記入合併財務報告。根據此方法，自共同控制開始起至其結束當日，本集團將其於共同控制實體中按比例分配得之收入及費用分別併入本集團損益表內各主要收入及費用科目，亦將本集團於共同控制實體中按比例分配得之資產及負債分別併入本集團資產負債表內各主要資產及負債科目。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

(iv) *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. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealized 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 and jointly controlled entities

Investments in subsidiaries and jointly controlled entities 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 and jointly controlled entities 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)

(iv) 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。與聯營公司及共同控制實體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) 對附屬公司投資

在本公司資產負債表中，對附屬公司及共同控制實體的投資以成本減減值虧損入賬 (附註2(j))。

轉讓對附屬公司及共同控制實體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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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 in 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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(j) Impairment (cont'd)

(ii) Impairment of non-current assets (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 favourable 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)

(ii) 非流動資產之減值虧損 (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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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 accrues using the effective interest method.

(iii) *Royalty income*

Royalty income is recognised in the income statement in equal installment over the periods covered by the royalty agreement.

(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。假如在收到到期價款、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。

(iii) *特許費收入*

特許費收入按特許合約期間在損益表中以等額分期確認。

(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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(n) Expenses (cont'd)

(ii) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred.

(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 aggregate net lease payment made.

(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

融資成本在當期損益表中列支。

(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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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. 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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant 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

The presentation currency of the Group is Renminbi. 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

本集團的列報貨幣是人民幣。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。

境外附屬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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(r) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is related party of the Group.

2 主要會計政策(續)

(r) 關聯方

就本報告而言，下列人士被視為與本集團有關連：

- (i) 該方有能力直接或間接透過一家或多間中介公司，控制本集團或對本集團之財務及經營決策發揮重大的影響力，或擁有對本集團之共同控制權；
- (ii) 本集團與另一方均受制於共同的控制；
- (iii) 該方為本集團之聯營公司或本集團為其中一個投資方的共同控制實體；
- (iv) 該方為本集團或本集團母公司主要管理人員之一，或與他們關係密切的家庭成員，或與受他們控制、共同控制或重大影響之實體；
- (v) 該方與以上(i)所指人士關係密切的家庭成員或受他們控制、共同控制或重大影響之實體；或
- (vi) 該方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。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(r) Related parties (cont'd)

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(s) Segment reporting

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

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions that are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

2 主要會計政策(續)

(r) 關聯方(續)

一方關係密切之家庭成員指該等可能影響一方或受一方影響其與該實體交易的家庭成員。

(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。

本集團已按內部財務報告系統，選擇了以業務分部資料為報告分部信息的主要形式，而地區分部則是次要的分部報告形式。

分部收入、費用、業績、資產及負債包括直接歸屬某一分部及可按合理的基礎分配至該分部的項目。如分部資產可能包括存貨、應收帳款及物業、廠房及設備。分部收入、費用、資產及負債包含須在編制合併財務報表時抵銷的集團內部往來的餘額和集團內的交易；但同屬一個分部的集團實體之間的集團內部往來的餘額和交易則除外。分部之間的定價乃按與其他外界人士相若的條款制定。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

2 Significant accounting policies (cont'd)

(s) Segment reporting (cont'd)

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one accounting period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

3 Turnover and segment 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 Directors consider that the Group principally operates within a single business and no business segment information is presented.

The geographical segment information of the Group's turnover based on the geographical location of customers is as follows:

North America	北美
Europe	歐洲
Others	其他
Total	合計

2 主要會計政策(續)

(s) 分部報告(續)

分部資本支出是指在期內購入預計使用超過一個會計期間的分部資產(有形及無形)所發生的總成本。

未能分配項目主要包括財務和企業資產、帶息貸款、借貸、稅務結餘、企業及財務費用。

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。董事們認為本集團主要在單一業務分部內經營，因此並無披露業務分部資料。

按客戶地區分析之本集團地區分部收入如下：

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
North America	北美	473,117	509,354
Europe	歐洲	134,380	39,514
Others	其他	178,938	111,553
Total	合計	<u>786,435</u>	<u>660,421</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

4 Other operating income

4 其他經營收入

			2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Sale of packaging materials	銷售包裝材料	(i)	4,398	725
Government grants	政府補貼	(ii)	9,284	5,083
Royalty income	特許費收入	(iii)	2,392	—
Others	其他		557	714
Total	合計		16,631	6,522

(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.

(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。

(ii) Government grants
The Group received following government grants for the year ended 31 December 2006:

(ii) 政府補貼
於二零零六年，本集團收到以下政府補貼款：

- An amount of RMB2,020,000 was received from Yantai Finance Bureau to reward the Company for its contribution to local fruit industry.
- An amount of RMB6,054,000 was received from Dalian Municipal Government to reward the Group for its investment in Dalian.
- An amount of RMB910,000 was received from Xuzhou Municipal Government to reward the Group for its investment in Xuzhou.

- 烟台財政局－人民幣2,020,000元獎勵本公司對當地果業產業之貢獻。
- 大連市人民政府－人民幣6,054,000元獎勵本集團在大連投資。
- 徐州市人民政府－人民幣910,000元獎勵本集團在徐州投資。

Notes to 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)
- An amount of RMB300,000 was received from Yantai Municipal Government to subsidise the loan interest of the Company.

During the year ended 31 December 2005, the Group received a total amount of RMB5,083,000 paid by Yantai Forest Bureau, Yantai Finance Bureau and Xuzhou Municipal Government to reward the Group for its contributions to the local fruit industry in 2005.

- (iii) Royalty income
- This represents the royalty fee received from a third party distributor for the exclusive right to distribute products of the Group in the United States of America and Canada.

5 Other operating expenses

4 其他經營收入(續)

- (ii) 政府補貼(續)
- 烟台市人民政府—人民幣300,000元補貼本公司之貸款利息。

於二零零五年度，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元以獎勵本集團於二零零五年對當地果業產業所作出的貢獻。

- (iii) 特許費收入
- 特許費收入指收取一家第三者分銷商因取得分銷本集團產品至美國及加拿大獨家權利的特許費收入。

5 其他經營費用

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Cost of packaging materials sold 包裝材料銷售成本	3,785	725
Loss on disposal of property, plant and equipment 出售物業、廠房及設備虧損	1,687	-
Others 其他	498	800
Total 合計	<u>5,970</u>	<u>1,525</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

6 Personnel expenses

6 職工費用

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Salaries, wages and staff welfare	薪金、工資及員工福利	13,514	9,829
Contributions to retirement benefit schemes	退休福利計劃供款	1,470	922
Total	合計	<u>14,984</u>	<u>10,751</u>
Average number of employees during the year	於年內之 平均僱員數目	<u>830</u>	<u>666</u>

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% (2005: 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.

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%（二零零五年：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。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

7 Net finance costs

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
Interest income	利息收入
Bank charges	銀行費用
Net exchange (gain)/loss	匯兌淨(收入)/虧損
Total	合計

2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
39,495	26,997
(2,384)	(615)
7,481	1,267
(11,715)	115
32,877	27,764

7 財務成本淨額

8 Investment income

During the year ended 31 December 2006, the Company entered into an agreement in relation to the transfer of a 50% equity interest in its subsidiary, Xianyang Andre Juice Co., Ltd. ("Xianyang Andre"), to Agrana Juice GMBH, for total consideration of EUR6,800,000. The investment income recognised for the year ended 31 December 2006 arising from this disposal represents the difference between the consideration received and the carrying amount of the interests disposed of. After the completion of this transfer, Xianyang Andre has become a jointly controlled entity of the Company.

8 投資收入

於截至二零零六年十二月三十一日止年度，本公司簽訂一份關於轉讓其一間附屬公司，咸陽安德利果蔬汁有限公司（「咸陽安德利」）50%權益予Agrana Juice GMBH的協議，總代價為6,800,000歐元。截至二零零六年十二月三十一日止年度由以上出售產生之投資收入代表收到之代價及出售權益之帳面值的差額。於該轉讓實施完畢後，咸陽安德利成為本公司之一家共同控制實體。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

8 Investment income (cont'd)

The Group's effective interests of assets and liabilities disposed of are analysed as follows:

8 投資收入(續)

本集團出售之資產及負債之實際權益分析如下：

		2006 二零零六年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	45,964
Lease prepayment	預付土地租賃費	1,267
Inventories	存貨	21,850
Other receivables and prepayments	其他應收款及預付帳款	1,618
Cash and cash equivalents	現金及現金等價物	6,341
Trade payables	應付帳款	(4,099)
Other payable and accrued expenses	其他應付款及預提費用	(57,466)
Net assets	淨資產	<u>15,475</u>
Consideration received, satisfied in cash	收到之代價，以現金形式支付	68,561
Less: cash disposed of	減：出售之現金	<u>(6,341)</u>
Net cash inflow	淨現金流入	<u>62,220</u>

9 Profit before taxation

Profit before taxation is arrived at after charging:

9 除稅前溢利

除稅前溢利已扣除下列項目：

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	59,506	50,415
Auditors' remuneration – audit services	核數師酬金 – 審核服務	1,880	1,880
Operating lease charge	經營租賃費用		
– land use rights	– 土地使用權	897	780
– hire of plant and equipment	– 租賃廠房及設備	7,489	2,251
Research and development expenditure	研究及開發費用	<u>476</u>	<u>333</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

10 Income tax

- (a) Taxation in the consolidated income statements represents provision for PRC income tax.

Provision for PRC income tax 中國企業所得稅費用

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 2006 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 2006.

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中國企業所得稅撥備。

2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
8,589	6,130

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，本公司於二零零六年度，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二零零六年度企業所得稅減半優惠的批准。

在美國經營的附屬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附屬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，若干附屬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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

10 Income tax (cont'd)

(b) The following is reconciliation between accounting profit at the applicable tax rate and income tax expense:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	<u>78,823</u>	<u>82,806</u>
Expected PRC income tax expense at a tax rate of 24%	按適用稅率24%計算之所得稅	18,918	19,873
Tax effect of exemption and relief granted	稅務減免	(10,991)	(10,047)
Tax effect of the difference in tax rates between the Company and the subsidiaries	本公司與附屬公司適用稅率差別之影響	(3,098)	(2,945)
Tax effect of domestically manufactured equipment purchases deduction*	購買國產設備減免*	-	(2,483)
Others**	其他**	3,760	1,732
Income tax expense	所得稅費用	<u>8,589</u>	<u>6,130</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.

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：

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
除稅前溢利	<u>78,823</u>	<u>82,806</u>
按適用稅率24%計算之所得稅	18,918	19,873
稅務減免	(10,991)	(10,047)
本公司與附屬公司適用稅率差別之影響	(3,098)	(2,945)
購買國產設備減免*	-	(2,483)
其他**	3,760	1,732
所得稅費用	<u>8,589</u>	<u>6,130</u>

* 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 to 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	
		2006	2005	2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
(Amounts in RMB'000) (人民幣千元)									
Executive Directors: 執行董事：									
Zheng Yuewen	鄭躍文	50	50	-	-	-	-	50	50
Wang An	王安	50	50	79	66	7	7	136	123
Yu Huilin	于會林	50	50	79	66	7	7	136	123
Zhang Hui	張輝	50	50	79	66	7	7	136	123
Non-executive Directors: 非執行董事：									
Zhang Wanxin	張萬欣	50	50	-	-	-	-	50	50
Ren Xiaojian	任曉劍	50	50	-	-	-	-	50	50
Lei Liangsheng*	雷良生*	-	23	-	-	-	-	-	23
Lo Chih-Hsien	羅智先	50	27	-	-	-	-	50	27
Independent non-executive Directors: 獨立非執行董事：									
Hu Xiaosong	胡小松	50	50	-	-	-	-	50	50
Wu Jianhui	鄒建輝	50	50	-	-	-	-	50	50
Yu Shouneng	俞守能	50	50	-	-	-	-	50	50
Supervisors: 監事：									
Qu Weijia	曲維佳	30	30	63	53	5	5	98	88
Zou Jiyu**	鄒積余**	-	26	-	-	-	-	-	26
Mu Guisheng	慕桂盛	30	4	-	-	-	-	30	4
Chen Kelin	陳克林	30	30	-	-	-	-	30	30
		590	590	300	251	26	26	916	867

* Resigned on 24 February 2005

** Resigned on 30 September 2005

* 於二零零五年二月二十四日離任

** 於二零零五年九月三十日離任

Notes to 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 2006 and 2005, 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 years ended 31 December 2006 and 2005, no fee or any other emolument was waived by directors or supervisors.

12 Senior management's emoluments

Among the five highest paid individuals, three (2005: three) were executive directors and one (2005: one) was a supervisor whose emoluments are disclosed in Note 11 above. The emoluments of the other one (2005: one) individual are as follows:

11 董事及監事酬金(續)

於截至二零零六年及二零零五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。於截至二零零六年及二零零五年十二月三十一日止年度，董事或監事概無放棄袍金或其他酬金。

12 高級管理層酬金

在五位最高薪高級管理層人士中，三人(二零零五年為三人)為執行董事及一人(二零零五年為一人)為監事，其酬金已在之上的附註11中予以披露。另一人(二零零五年為一人)酬金列示如下：

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Basic salaries, allowances and other benefits	基本薪金、津貼及其他福利	79	66
Retirement scheme contributions	退休福利計劃供款	4	3
Total	合計	<u>83</u>	<u>69</u>

Notes to 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 consolidated profit attributable to equity shareholders of the Company includes a profit of RMB5,403,000 (2005: RMB15,962,000) 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合併溢利包括已列入本公司財務報表利潤人民幣5,403,000元(二零零五年：人民幣15,962,000元)。

以上金額與本公司之本年度溢利調節表：

	2006	2005
	二零零六年	二零零五年
	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	5,403	15,962
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	52,699	83,020
Company's profit for the year (Note 30(a))	58,102	98,982

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

14 Property, plant and equipment

The property, plant and equipment of the Group for the years ended 31 December 2005 and 2006 are as follows:

14 物業、廠房及設備

本集團截至二零零五年及二零零六年十二月三十一日止年度的物業、廠房及設備如下：

		Buildings 建築物 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Cost:	成本：						
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
Balance at 1 January 2006	於二零零六年一月一日之結餘	210,105	464,798	13,164	13,215	10,768	712,050
Additions	添置	4,436	57,004	2,140	2,136	61,872	127,588
Transfers	重新分類	55,745	9,696	-	51	(65,492)	-
Disposals of Xianyang Andre	出售咸陽安德利	(19,588)	(29,915)	(325)	(1,168)	(106)	(51,102)
Other disposals	其他處置	(2,317)	(11)	(1,774)	-	-	(4,102)
Balance at 31 December 2006	於二零零六年十二月三十一日之結餘	248,381	501,572	13,205	14,234	7,042	784,434
Accumulated depreciation:	累計折舊：						
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)
Balance at 1 January 2006	於二零零六年一月一日之結餘	(21,487)	(125,801)	(5,522)	(5,051)	-	(157,861)
Charge for the year	本年度折舊	(12,107)	(42,513)	(2,322)	(2,564)	-	(59,506)
Written back on:	撥回：						
Disposal of Xianyang Andre	出售咸陽安德利	328	4,492	79	239	-	5,138
Other disposals	其他處置	652	3	1,183	-	-	1,838
Balance at 31 December 2006	於二零零六年十二月三十一日之結餘	(32,614)	(163,819)	(6,582)	(7,376)	-	(210,391)
Net book value:	賬面值：						
At 31 December 2006	於二零零六年十二月三十一日	215,767	337,753	6,623	6,858	7,042	574,043
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

Notes to 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)

No property, plant and equipment of the Group were pledged as at 31 December 2006. As at 31 December 2005, property, plant and equipment of the Group at net book value totaling RMB 130,565,000 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.

The property, plant and equipment of the Company for the years ended 31 December 2005 and 2006 are as follows:

14 物業、廠房及設備(續)

於二零零六年十二月三十一日，本集團概無任何已作抵押的物業、廠房及設備。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。

本公司截至二零零五年及二零零六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 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)	-
Transfers to subsidiaries	轉至附屬公司	-	(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
Balance at 1 January 2006	於二零零六年一月一日之結餘	60,074	114,880	7,241	4,568	2,697	189,460
Additions	添置	1,333	1,686	1,284	945	4,399	9,647
Transfers	重新分類	3,277	585	-	43	(3,905)	-
Transfers to subsidiaries	轉至附屬公司	-	(20,070)	(680)	-	-	(20,750)
Disposals	處置	(2,317)	-	(1,322)	-	-	(3,639)
Balance at 31 December 2006	於二零零六年十二月三十一日之結餘	62,367	97,081	6,523	5,556	3,191	174,718

Notes to 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)

14 物業、廠房及設備(續)

		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
Accumulated depreciation: 累計折舊：							
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 transfers to subsidiaries	轉至附屬公司 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	<u>(9,614)</u>	<u>(34,775)</u>	<u>(3,635)</u>	<u>(1,832)</u>	<u>-</u>	<u>(49,856)</u>
Balance at 1 January 2006	於二零零六年一月一日之結餘	(9,614)	(34,775)	(3,635)	(1,832)	-	(49,856)
Charge for the year	本年度折舊	(2,783)	(9,215)	(1,073)	(916)	-	(13,987)
Written back on:	撥回：						
Transfer to subsidiaries	轉至附屬公司	-	15,763	358	-	-	16,121
Disposals	處置	652	-	1,057	-	-	1,709
Balance at 31 December 2006	於二零零六年 十二月三十一日之結餘	<u>(11,745)</u>	<u>(28,227)</u>	<u>(3,293)</u>	<u>(2,748)</u>	<u>-</u>	<u>(46,013)</u>
Net book value: 賬面值：							
At 31 December 2006	二零零六年十二月三十一日	<u>50,622</u>	<u>68,854</u>	<u>3,230</u>	<u>2,808</u>	<u>3,191</u>	<u>128,705</u>
At 31 December 2005	二零零五年十二月三十一日	<u>50,460</u>	<u>80,105</u>	<u>3,606</u>	<u>2,736</u>	<u>2,697</u>	<u>139,604</u>

No property, plant and equipment of the Company were pledged as at 31 December 2006. As at 31 December 2005, property, plant and equipment of the Company 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 Company as at 31 December 2005.

於二零零六年十二月三十一日，本公司概無任何已作抵押的物業、廠房及設備。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元的物業、廠房及設備已作為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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

15 Lease prepayments

15 預付土地租賃費

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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	於一月一日結餘	31,256	25,239	8,522	8,743
Additions	增加	3,630	6,797	2,799	-
Disposal of Xianyang Andre	出售咸陽 安德利	(1,267)	-	-	-
Amortisation	攤銷	(897)	(780)	(258)	(221)
Balance at 31 December	於十二月三十一日 結餘	32,722	31,256	11,063	8,522

Lease prepayments represent payments for land use rights in the PRC.

預付土地租賃費指為中國土地使用權所支付的款項。

16 Investment in subsidiaries – the Company

16 對附屬公司投資 – 本公司

		2006 二零零六年	2005 二零零五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Unlisted shares, at cost	非上市·成本	239,795	153,931

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

16 Investment in subsidiaries – the Company (cont'd)

As at 31 December 2006, the Company held investments in the following subsidiaries and jointly controlled entity:

16 對附屬公司投資 – 本公司 (續)

於二零零六年十二月三十一日，本公司投資於以下附屬公司：

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 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
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\$10,000,000 10,000,000美元	US\$10,000,000 10,000,000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\$10,000,000 10,000,000美元	US\$10,000,000 10,000,000美元	75%	25%
Andre Juice Co., Ltd. 安德利果汁有限公司	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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

16 Investment in subsidiaries – the Company (cont'd)

16 對附屬公司投資 – 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%
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	RMB80,000,000 人民幣 80,000,000元	RMB80,000,000 人民幣 80,000,000元	70%	30%

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

17 Interest in a jointly controlled entity – the Company

17 對共同控制實體投資 – 本公司

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Unlisted shares, at cost 非上市·成本	<u>54,760</u>	<u>–</u>

As at 31 December 2006, the Group and the Company held an investment in the following jointly controlled entity:

於二零零六年十二月三十一日，本集團及本公司投資於以下共同控制實體：

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 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
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	RMB 109,520,480 人民幣 109,520,480元	RMB 109,520,480 人民幣 109,520,480元	50%	–

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

17 Interest in a jointly controlled entity – the Company (cont'd)

Summary financial information on the jointly controlled entity – Group's effective interest since the commencement of the joint control:

17 對共同控制實體投資 – 本公司 (續)

共同控制實體財務資料撮要 – 自本集團開始擁有共同控制權之實際權益：

		2006
		二零零六年
		RMB'000
		人民幣千元
Non-current assets	非流動資產	47,774
Current assets	流動資產	65,683
Current liabilities	流動負債	(58,833)
Net assets	淨資產	<u>54,624</u>
Income	收入	28,148
Expense	費用	<u>(24,204)</u>
Profit for the period	本期利潤	<u>3,944</u>
Net cash used in operating activities	用於經營活動之淨現金	33,576
Net cash used in investing activities	用於投資活動之淨現金	6,295
Net cash from financing activities	籌資活動獲得之淨現金	<u>37,504</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

18 Interest in an associate – the Group

18 對聯營公司投資 – 本集團

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	<u>62,695</u>	<u>62,744</u>

As at 31 December 2006, the Group held an investment in the following associate:

於二零零六年十二月三十一日，本集團投資於以下聯營公司：

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\$20,000,000 20,000,000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 Byteton Ltd. ("Byteton"), which is also an unrelated party, and Richride, respectively. As at 31 December 2006, the Group, Byteton 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附屬公司。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。於二零零六年十二月三十一日，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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

18 Interest in an associate – the Group (cont'd)

Summary of financial information on the associate is as follows:

Assets	資產
Liabilities	負債
Equity	股東權益
Turnover	收入
Loss	虧損

18 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：

2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
205,322	159,096
(48,582)	(2,236)
(156,740)	(156,860)
34	–
(120)	(8,540)

19 Goodwill – the Group

Cost:
Balance at 1 January
Opening balance adjustment to eliminate accumulated amortisation*

Balance at 31 December

Accumulated amortisation and impairment losses:

Balance at 1 January
Eliminated against cost at 1 January 2005*

Balance at 31 December

Carrying amounts:

At 31 December

成本：
於一月一日之結餘
沖銷承前結餘累計攤銷的調整*

於十二月三十一日之結餘

累計攤銷及減值虧損：

於一月一日之結餘
於二零零五年一月一日與成本抵銷*

於十二月三十一日之結餘

賬面值：

於十二月三十一日

2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
1,452	1,780
–	(328)
1,452	1,452
–	(328)
–	328
–	–
1,452	1,452

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

19 Goodwill – the Group (cont'd)

- * With effect from 1 January 2005, the Group no longer amortises goodwill in accordance to IFRS 3, Business Combination. 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.

19 商譽 – 本集團 (續)

- * 本集團自二零零五年一月一日起根據《國際財務報告準則》第3條「企業合併」不再攤銷商譽。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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

20 Inventories

20 存貨

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		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
Raw materials	原材料	40,926	36,845	9,428	11,257
Finished goods	產成品	658,825	443,498	452,843	263,962
Total	合計	699,751	480,343	462,271	275,219

No inventories were stated at fair value less costs to sell as at 31 December 2006 (2005: Nil).

於二零零六年十二月三十一日，存貨概無按公允價值減銷售成本列賬（二零零五年：無）。

The cost of inventories recognised as an expense in the consolidated income statement amounted to RMB625,579,000 for the year ended 31 December 2006 (2005: RMB449,491,000).

存貨成本在二零零六年之合併損益表內獲確認列支總額為人民幣625,579,000元（二零零五年：人民幣449,491,000元）。

21 Trade receivables

21 應收賬款

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		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
Amounts due from third parties	應收第三方	172,353	167,791	92,328	134,217
Amounts due from a jointly controlled entity	應收共同控制實體	956	—	—	—
Total	合計	173,309	167,791	92,328	134,217

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

21 Trade receivables (cont'd)

An ageing analysis of trade receivables is as follows:

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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
Within 3 months	三個月以內	163,568	94,659	91,012	79,349
Over 3 months but less than 6 months	三個月以上 但少於六個月	7,820	72,537	1,316	54,744
Over 6 months	六個月以上	1,921	595	-	124
Total	合計	<u>173,309</u>	<u>167,791</u>	<u>92,328</u>	<u>134,217</u>

Customers are normally granted credit terms of three to six months (2005: three to six months), depending on the credit standing of individual customers.

Included in trade receivables 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	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		'000 千元	'000 千元	'000 千元	'000 千元
United States Dollars	美元	<u>US\$21,420</u>	<u>US\$18,043</u>	<u>US\$11,995</u>	<u>US\$16,600</u>

21 應收賬款 (續)

應收賬款之賬齡分析如下：

客戶一般享有三個月至六個月賒賬期(二零零五年：三個月至六個月)，視乎個別客戶之信譽程度。

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：

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

22 Other receivables and prepayments

22 其他應收款及預付賬款

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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
Prepayments in connection with construction work and equipment purchases	建築工程及設備採購預付款	13,814	3,495	10,784	3,495
Prepayments to suppliers	預付供應商款	67,974	16,822	65,594	10,963
Value added tax ("VAT") refunds for export sales	出口銷售之增值稅返還 (i)	8,007	4,635	5,290	3,489
Restricted deposits for letters of credit and bills payable	信用證及應付票據保證金	2,536	-	2,536	-
Recoverable input VAT	可抵扣進項增值稅	80,714	34,129	58,069	24,043
Advances to third parties	借款予第三方 (ii)	9,609	10,109	8,202	9,202
Advances to a related party jointly controlled entity	借款予一有關係之共同控制實體 (iii)	61,476	-	54,895	-
Others	其他	6,149	4,310	2,815	4,084
Total	合計	250,279	73,500	208,185	55,276

(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.

(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) This represented advances of RMB8,202,000 (2005: RMB9,202,000) to Yantai Muping Finance Bureau, RMB907,000 (2005: RMB907,000) to Longkou Finance Bureau and RMB500,000 (2005: Nil) to Xuzhou Fengcheng Finance Bureau. These advances were unsecured, interest free and had no fixed terms of repayment.

(ii) 該餘額包括給予烟台市牟平區財政局借款人民幣8,202,000元(二零零五年：人民幣9,202,000元)，給予龍口財政局借款人民幣907,000元(二零零五年：人民幣907,000元)及給予徐州市鳳城財政局借款人民幣500,000元(二零零五年：無)。該等借款無抵押、無利息，並且無固定償還期限。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

22 Other receivables and prepayments (cont'd)

(iii) This represents the amounts due from Xianyang Andre, the jointly controlled entity of the Group, which were unsecured, bearing interest at 6.12% per annum as at 31 December 2006 and had no fixed terms of repayment.

23 Dividends receivable – the Company

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

24 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

22 其他應收款及預付賬款(續)

(iii) 此為本集團之共同控制實體之欠款，該欠款無抵押，於二零零六年十二月三十一日帶6.12%年息及無固定償還期限。

23 應收股息 – 本公司

該餘額為本公司應向附屬公司收取之股息。

24 應收及應付附屬公司款項 – 本公司

應收及應付附屬公司款項無抵押、無利息，並且無固定的償還期限。

應收／(應付)附屬公司款項包含以下以非本公司的功能性貨幣記賬的金額：

2006 二零零六年 '000 千元	2005 二零零五年 '000 千元
US\$4,464	US\$5,416
(US\$4,061)	(US\$2,235)

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

25 Cash and cash equivalents

25 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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
Cash in hand	現金	11,157	856	142	104
Cash at bank	銀行存款	47,275	60,331	32,201	38,434
Total	合計	58,432	61,187	32,343	38,538

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:

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：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		'000 千元	'000 千元	'000 千元	'000 千元
United States Dollars	美元	US\$1,125	US\$428	US\$855	US\$190
Euros	歐元	EUR6	EUR270	-	-

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

26 Short-term bank loans

26 短期銀行貸款

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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
Guaranteed bank loans	有擔保銀行貸款 (ii)	202,670	147,000	172,670	187,000
Unsecured bank loans	無抵押銀行貸款	303,305	516,885	273,305	446,885
Total	合計 (i)	505,975	663,885	445,975	633,885

(i) As at 31 December 2006, bank loans of RMB505,975,000 (2005: RMB663,885,000) bore interest at rates ranging from 5.58% to 6.73% (2005: 5.17% to 6.14%) per annum.

(ii) As at 31 December 2006, bank loans of RMB75,000,000 (2005: RMB100,000,000), RMB50,000,000 (2005: RMB47,000,000) and RMB47,670,000 (2005: Nil) of the Company were guaranteed by a related party of the Group, Create Group Co., Ltd., an unrelated third party of the Group, Yantai Anlin Fruit Co., Ltd., and an unrelated third party of the Group, Yantai Andre Packaging Materials Co., Ltd., respectively. Bank loans of RMB30,000,000 as at 31 December 2006 (2005: Nil) of a subsidiary of the Group, Xuzhou Andre, were guaranteed by a related party of the Group, Create Group Co., Ltd.. As at 31 December 2005, bank loans of RMB40,000,000 of the Company were guaranteed by a subsidiary of the Company, Longkou Andre.

(i) 於二零零六年十二月三十一日銀行貸款人民幣505,975,000元(二零零五年：人民幣663,885,000元)，年利率為5.58%–6.73%(二零零五年：5.17%–6.14%)。

(ii) 於二零零六年十二月三十一日，本公司有銀行貸款人民幣75,000,000元(二零零五年：人民幣100,000,000元)，人民幣50,000,000元(二零零五年：人民幣47,000,000元)及人民幣47,670,000元(二零零五年：無)分別由本集團之關聯方科瑞集團有限公司，非關聯第三方烟台安林果業有限公司及非關聯第三方烟台北方安德利製桶有限公司提供擔保。本集團其中一家附屬公司徐州安德利於二零零六年十二月三十一日之銀行貸款人民幣30,000,000元(二零零五年：無)由本集團之關聯方科瑞集團有限公司擔保。於二零零五年十二月三十一日，本公司有人民幣40,000,000元銀行貸款由本公司之一家附屬公司龍口安德利擔保。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

26 Short-term bank loans (cont'd)

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:

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		'000 千元	'000 千元	'000 千元	'000 千元
United States Dollars	美元	US\$41,105	US\$47,940	US\$41,105	US\$47,940

26 短期銀行貸款(續)

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：

27 Trade payables

An ageing analysis of trade payables is as follows:

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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
Within 6 months	六個月以內	68,063	47,555	23,261	18,381
Over 6 months but less than 1 year	六個月以上但少於一年	3,231	7,656	636	3,940
Over 1 year	一年以上	1,304	1,312	698	1,203
Total	合計	72,598	56,523	24,595	23,524

27 應付賬款

應付賬款的賬齡分析如下：

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

所有應付賬款預計於一年內償還。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

27 Trade payables (cont'd)

Included in trade payables 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	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		'000 千元	'000 千元	'000 千元	'000 千元
United States Dollars	美元	US\$1,950	US\$840	US\$1,514	US\$760
Euros	歐元	-	EUR454	-	EUR454

27 應付賬款(續)

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：

28 Other payables and accrued expenses

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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
Staff and workers' bonus and welfare fund	職工獎勵及福利基金 (i)	5,251	3,923	4,266	3,879
Amount payable in relation to the acquisition of property, plant and equipment	與購入物業、廠房及設備相關之應付款項	38,924	42,424	23,746	24,912
Prepayments from an associate	聯營公司訂金	-	39,945	-	35,945
Prepayments from customers	其他客戶訂金	4,718	4,659	340	-
Other taxes payable	應付其他稅金	24,459	14,000	198	96
Other borrowings	其他借款 (ii)	-	1,500	-	1,500
Others	其他	18,578	11,122	7,709	3,491
Total	合計	91,930	117,573	36,259	69,823

28 其他應付款及預提費用

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

28 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 the 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) The balance as at 31 December 2005 represents interest-free borrowings from the Yantai Finance Bureau. The balance was unsecured and repaid in 2006.

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:

28 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附屬公司作為中外合資企業，以本公司及該等附屬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附屬公司之董事會決定的。
- (ii) 於二零零五年十二月三十一日之結餘指烟台財政局無利息之借款，此結餘是無抵押及已於二零零六年償還。

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帳的金額：

	The Group 本集團		The Company 本公司	
	2006 二零零六年 '000 千元	2005 二零零五年 '000 千元	2006 二零零六年 '000 千元	2005 二零零五年 '000 千元
United States Dollars 美元	US\$407	US\$431	-	-
Euros 歐元	EUR1,373	EUR1,035	EUR1,373	EUR729
Swiss Franc 瑞士法郎	CHF1,515	CHF2,650	CHF1,515	CHF2,650

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

29 Long-term bank loans

The analysis of the carrying amount of non-current interest-bearing borrowings is as follows:

Bank loans 銀行貸款

The above bank loans bear floating interest rate of LIBOR + 1.1%, with maturity in June 2009.

The terms of the bank loans impose certain specific performance obligations on the two major shareholders, Mr. Zheng Yue Wen and Mr. Wang An, of the Company, who are also the directors of the Company. Under the relevant terms, the bank loans will become due and payable immediately when either (i) Mr. Wang An ceases to have or ceases to be entitled to exercise management over each of the Company and its principal subsidiaries; or (ii) the aggregate shareholding in the Company that is beneficially owned by Mr. Zheng Yue Wen and Mr. Wang An ceases to be larger than the aggregate shareholding in the Company of, and/or held to the order of, any other person or persons acting in concert with such other person.

29 長期銀行貸款

以非流動帶利息貸款賬面值分析如下：

The Group		The Company	
本集團		本公司	
2006	2005	2006	2005
二零零六年	二零零五年	二零零六年	二零零五年
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
468,522	-	468,522	-

以上銀行貸款之浮動息率為倫敦銀行同業拆放利率+1.1%，將於二零零九年六月到期。

該銀行貸款協議之條款對本公司之兩位主要股東及董事鄭躍文先生及王安先生施加特定之履約責任。根據該銀行貸款協議，以下各項將導致該貸款即時到期清還：(i)王安先生並不再或不再有權行使本公司及其主要附屬公司之管理控制權；及(ii)由鄭躍文先生及王安先生實益擁有之本公司之持股總額並不再高於其他人士及／或代表其他人士及／或與該等人士一致行動之人士於本公司所持有之持股總額。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 Capital and reserves

(a) The changes in equity of the Company for the years ended 31 December 2005 and 2006 are as follows:

			Paid-in capital	Capital surplus	Share premium	Statutory reserves	Retained earnings	Total equity
		Note	股本	資本公積	股本溢價	法定儲備	未分配利潤	總權益
		附註	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
Balance at 1 January 2005	於二零零五年一月一日之結餘		169,730	10	212,606	36,643	39,802	458,791
Profit for the year	本年度溢利	13	-	-	-	-	98,982	98,982
Appropriations	調撥	30(d)	-	-	-	12,373	(12,373)	-
Dividends to equity shareholders of the Company	分派股息予本公司股東	31	-	-	-	-	(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>
Balance at 1 January 2006	於二零零六年一月一日之結餘		169,730	10	212,606	49,016	92,465	523,827
Issuance of shares	發行股本	30(b)	11,158	-	69,838	-	-	80,996
Share issuance expenses	發行股本之開支		-	-	(7,628)	-	-	(7,628)
Profit for the year	本年度溢利	13	-	-	-	-	58,102	58,102
Appropriations	調撥	30(d)	-	-	-	6,646	(6,646)	-
Dividends to equity shareholders of the Company	分派股息予本公司股東	31	-	-	-	-	(27,133)	(27,133)
Balance at 31 December 2006	於二零零六年十二月三十一日之結餘		<u>180,888</u>	<u>10</u>	<u>274,816</u>	<u>55,662</u>	<u>116,788</u>	<u>628,164</u>

30 股本及儲備

(a) 截至二零零六及二零零五年十二月三十一日止年度，本公司的權益變動如下：

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 Capital and reserves (cont'd)

(b) Paid-in capital

Registered, issued and fully paid:

1,138,800,000 (2005: 1,138,800,000)
Domestic shares of RMB0.10 each
(2005: RMB0.10 each)

670,080,000 (2005: 558,500,000)
H shares of RMB0.10 each
(2005: RMB0.10 each)

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.

On 14 March 2006, the Company issued 111,580,000 new H shares with a par value of RMB0.10 each, at a price of HK\$0.70 per H share by placing.

All the shares issued by the Company rank pari passu.

30 股本及儲備(續)

(b) 股本

註冊、已發行及繳足股本：

1,138,800,000股(二零零五年：
1,138,800,000股)每股
人民幣0.10元的非流通股

670,080,000股(二零零五年：
558,500,000股)每股
人民幣0.10元的H股(二零零五年：
每股人民幣0.10元)

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
	113,880	113,880
	67,008	55,850
	180,888	169,730

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股與非流通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0.80元之價格增發178,500,000股每股面值人民幣0.10元之H股。

於二零零六年三月十四日，本公司以配售方式按每H股港幣0.70元之價格增發111,580,000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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 Capital and reserves (cont'd)

(c) Capital surplus

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

(d) Statutory reserves

30 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 附屬公司		Total 合計
		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)	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	RMB'000 人民幣千元
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	<u>32,976</u>	<u>16,040</u>	<u>49,016</u>	<u>10,647</u>	<u>10,647</u>	<u>70,310</u>
Balance at 1 January 2006	於二零零六年一月一日之結餘	32,976	16,040	49,016	10,647	10,647	70,310
Appropriations from retained earnings	未分配利潤中作調撥	6,646	-	6,646	3,319	3,319	13,284
Transfer	轉撥 (ii)	16,040	(16,040)	-	-	-	-
Balance at 31 December 2006	於二零零六年十二月三十一日之結餘	<u>55,662</u>	<u>-</u>	<u>55,662</u>	<u>13,966</u>	<u>13,966</u>	<u>83,594</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 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) Before 1 January 2006, 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 could 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 was non-distributable other than upon liquidation. Transfers to this fund must be made before distributing dividends to shareholders.

30 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) 在二零零六年一月一日前，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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 Capital and reserves (cont'd)

(d) Statutory reserves (cont'd)

According to the Company Law of the PRC which was revised on 27 October 2005, the Company is no longer required to make profit appropriation to the statutory public welfare fund commencing from 1 January 2006. Pursuant to the notice "Cai Qi [2006] No. 67." issued by the Ministry of Finance, the balance of this fund as at 31 December 2005 was transferred to the statutory surplus reserve.

- (iii) According to the Articles of Association of the subsidiaries incorporated in the 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.

30 股本及儲備(續)

(d) 法定儲備(續)

根據二零零五年十月二十七日修改後的中國公司法，本公司自二零零六年一月一日起，已毋須提取利潤至法定公益金，根據財政部的財企[2006]67號文，於二零零五年十二月三十一日此公益金的餘額已轉撥至法定公積金。

- (iii) 根據本公司在中國境內設立之附屬公司的章程規定，該等附屬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附屬公司之董事會決定的。

儲備基金可用作該等附屬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附屬公司之資本金(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。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 Capital and reserves (cont'd)

(d) Statutory reserves (cont'd)

- (iv) According to the Articles of Association of the subsidiaries incorporated in the 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.

(e) Distributable reserves

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

30 股本及儲備(續)

(d) 法定儲備(續)

- (iv) 根據本公司在中國境內設立之附屬公司的章程規定，該等附屬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。該調撥比例是該等附屬公司之董事會決定的。

企業發展基金可用作該等附屬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附屬公司之資本金(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。

(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。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

30 Capital and reserves (cont'd)

(e) Distributable reserves (cont'd)

Under the Company Law of the PRC 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 for the year, as determined in accordance with the PRC Accounting Rules and Regulations, to the Company's statutory surplus reserve; and
- (iii) allocations to the discretionary surplus reserve, if approved by the shareholders.

As at 31 December 2006, the Company's distributable reserve amounted to RMB116,788,000 (2005: RMB92,465,000), being the amount determined according to IFRS.

30 股本及儲備(續)

(e) 可分派儲備(續)

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；及
- (iii) 倘獲得股東大會批准，提取任意盈餘公積金。

於二零零六年十二月三十一日，本公司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116,788,000元(二零零五年：人民幣92,465,000元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

31 Dividends

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

Final dividend proposed after the balance sheet date of RMB0.015 per share (2005: RMB0.015 per share)

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

Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.015 per share (2005: RMB0.02 per share)

31 股息

(a) 本年度分派股息予本公司股東

於結算日後建議分派末期股息每股人民幣0.015元 (二零零五年：每股人民幣0.015元)

(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

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0.015元 (二零零五年：每股人民幣0.02元)

2006	2005
二零零六年	二零零五年
RMB'000	RMB'000
人民幣千元	人民幣千元

27,133	27,133
---------------	--------

2006	2005
二零零六年	二零零五年
RMB'000	RMB'000
人民幣千元	人民幣千元

27,133	33,946
---------------	--------

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

32 Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB69,673,000 (2005: RMB75,928,000) and the weighted average of 1,787,786,795 shares (2005: 1,697,300,000 shares) in issue during the year.

There was no difference between basic and diluted earnings per share as there were no dilutive potential shares outstanding during the year.

32 每股盈利

本年每股基本及攤薄盈利的計算基礎為本公司股東應佔溢利人民幣69,673,000元（二零零五年：人民幣75,928,000元）及本年已發行股份加權平均數1,787,786,795股（二零零五年：1,697,300,000股）。

由於期內並無潛在攤薄普通股，因此每股基本盈利與每股攤薄盈利並無差別。

33 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.

(a) Transactions with the associate and the jointly controlled entity

Sales to the jointly controlled entity
Purchases from the jointly controlled entity
Sales to the associate

33 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：

(a) 與聯營公司及共同控制實體之交易

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
銷售予共同控制實體	4,370	—
採購自共同控制實體	17,807	—
銷售予聯營公司	765	—

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

33 Related party transactions (cont'd)

(b) 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:

33 關聯方交易(續)

(b) 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:

		2006	2005
		二零零六年	二零零五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term employee benefits	日常在職報酬	1,856	1,793
Retirement scheme contributions	退休福利計劃供款	30	29
Total	合計	<u>1,886</u>	<u>1,822</u>

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

34 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 it 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. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The Group has a certain concentration of credit risk in relation to its exclusive distributor for sales to United States of America and Canada newly appointed in 2006. As at 31 December 2006, the trade receivable due from this exclusive distributor accounted for 24% of the total trade receivable of the Group.

(b) Interest rate risk

The interest rates and terms of repayment of the Group's bank loans are disclosed in Note 26 and Note 29.

34 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。最高信貸風險指資產負債表之每項金融資產賬面值。

本集團在其二零零六年新委任美國及加拿大獨家分銷商方面受到某程度的集中信貸風險。於二零零六年十二月三十一日，此獨家分銷商應收賬款佔本集團總應收賬款之24%。

(b) 利率風險

本集團銀行貸款之利率及償還條款於附註26及29披露。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

34 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 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.

34 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 to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

34 Financial instruments (cont'd)

(d) Fair value

The carrying value of significant financial assets and liabilities approximates their respective fair values as at 31 December 2005 and 2006.

(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 value of bank loans approximate their fair values based on the borrowing rates currently available for bank loans with similar terms and maturities.

35 Commitments

(a) As at 31 December 2006, the Group and the Company had capital commitments in respect of property, plant and equipment not provided for in the financial statements as follows:

Contracted for	已簽約
Authorised but not contracted for	已授權未簽約
Total	合計

34 金融工具(續)

(d) 公允價值

於二零零五年及二零零六年十二月三十一日，重大金融資產及負債之賬面金額約為其公允價值。

(i) 現金及現金等價物、應收賬款及其他應收款、應付賬款及其他應付款(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允價值。

(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允價值。

35 承擔

(a) 於二零零六年十二月三十一日，本集團及本公司就購置物業、廠房及設備而未在財務報表撥備的資本承擔如下：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		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
Contracted for	已簽約	112,946	—	748	—
Authorised but not contracted for	已授權未簽約	100,000	100,000	100,000	—
Total	合計	212,946	100,000	100,748	—

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi Yuan)

(以人民幣列示)

35 Commitments (cont'd)

- (b) As at 31 December 2006, 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
Total	合計

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.

36 Contingent liabilities

As at 31 December 2006, a bank loan of a wholly owned subsidiary of the Company, Xuzhou Andre, amounting to RMB30,000,000 (2005: RMB30,000,000) was guaranteed by the Company.

35 承擔(續)

- (b) 於二零零六年十二月三十一日，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	
2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
6,980	900	6,980	900
-	-	-	-
848	848	-	-
7,828	1,748	6,980	900

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。

36 或有負債

於二零零六年十二月三十一日，本公司對本公司一家全資附屬公司，徐州安德利，的一筆銀行貸款人民幣30,000,000元（二零零五年：人民幣30,000,000元）提供了擔保。

Notes to 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.

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賬減值虧損。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。

Notes to 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)

(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 會計政策的更改(續)

(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 to 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 會計政策的更改(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 to 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 2006

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 2006 and which have not been adopted in these financial statements:

38 已頒布但尚未於截至二零零六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，尚未於截至二零零六年十二月三十一日止會計期內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 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
IFRS 8, Operating Segments 《國際財務報告準則》第8號「經營分部」	1 January 2009 二零零九年一月一日
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
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號的適用範圍」	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
IFRIC 10, Interim financial reporting and impairment 《國際財務報告解釋公告》第10號 - 「中期財務報告及減值」	1 November 2006 二零零六年十一月一日
IFRIC 11, IFRS2- Group and treasury share transaction 《國際財務報告解釋公告》第11號，《國際財務報告準則》 第2號「集團及庫藏股交易」	1 March 2007 二零零七年三月一日
IFRIC 12, Service concession arrangements 《國際財務報告解釋公告》第12號「特許服務安排」	1 January 2008 二零零八年一月一日
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：資本披露」的修訂	1 January 2007 二零零七年一月一日

Notes to 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 2006 (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 IFRIC 7, IFRIC 8, IFRIC 9, IFRIC 11, IFRIC 12 and the amendment to IAS 1 are not applicable to any of the Group's operations and that the adoption of the remainder of the above new standards and new interpretations is unlikely to have a significant impact on the Group's results of operations and financial position.

39 Subsequent events

On 29 December 2006, the Standing Committee of the Tenth National People's Congress (the "Tenth NPC") passed a resolution to submit the draft corporate income tax law to the Tenth NPC plenary session for voting. According to the corporate income tax law that was passed at the Tenth NPC plenary session, the applicable tax rate of the Company and certain of its subsidiaries would be changed to 25%. The new income tax law does not have any material impact on the financial position of the Group as at 31 December 2006.

38 已頒布但尚未於截至二零零六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IFRIC 7, IFRIC 8, IFRIC 9, IFRIC 11, IFRIC 12及對IAS 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 期後事項

二零零六年十二月二十九日，第十屆全國人大常委會議通過表決，將企業所得稅草案提請第十屆全國人大會議審議。根據第十屆全國人大決議通過的企業所得稅法，本公司及部份附屬公司的適用稅率將變為25%。該新所得稅法對本集團於二零零六年十二月三十一日的財務狀況無重大影響。

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 Monday, 28 May 2007 at 2:00 p.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 2006.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2006.
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 2006.
4. To consider and approve the profit distribution plan for the year ended 31 December 2006, and the final dividend distribution plan for the year ended 31 December 2006 (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 approve the re-election and re-appointment of the directors (particulars of the appointments of each directors is set out in the Appendix 1 of this notice) to be the third Board for a term of three years commencing from 28 May 2007 and expiring on 27 May 2010 and to authorize the Board to determine their remuneration.

* 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」)謹訂於二零零七年五月二十八日(星期一)下午二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. 審議及通過截至二零零六年十二月三十一日止年度的本公司董事會(「董事會」)報告。
2. 審議及通過截至二零零六年十二月三十一日止年度的本公司監事會報告。
3. 審議及通過截至二零零六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. 審議及通過截至二零零六年十二月三十一日止年度的利潤分配計劃及截至二零零六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. 審議及通過重選及重新委任董事(各董事人選的簡歷載於本通告附錄一)為本公司第三屆董事會成員，任期由二零零七年五月二十八日至二零一零年五月二十七日止，為期三年，並授權董事會釐定其董事酬金。

* 僅供識別

Notice of Annual General Meeting

股東週年大會通告

6. (a) To consider and approve the resignation of Mr. Chen Ke Lin as the supervisor of the Company, which will become effective after the completion of this annual general meeting (the reason of resignation is set out in the Appendix 2 of this notice);
- (b) To consider and approve the appointment of Mr. Wang Chun Tang to be the supervisor of the Company, the term of which shall commence on 28 May 2007 and expire on 13 September 2008 (the particulars of Mr. Wang is set out in the Appendix 1 of this notice).
7. To consider and determine (if appropriate) the remuneration of the directors and supervisors of the Company for the year ending 31 December 2007.
8. 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 2007 and to authorize the Board to fix their remunerations.
6. (a) 審議及通過陳克林先生辭任本公司監事，於本股東周年大會結束時生效（辭任原因載於本通告附錄二）；
- (b) 審議及通過委任王春堂先生為本公司監事，任期由二零零七年五月二十八日至二零零八年九月十三日止（王先生的簡歷載於本通告附錄一）。
7. 審議及釐定（如適當）本公司董事及監事於截至二零零七年十二月三十一日止年度之酬金。
8. 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二零零七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。

As special resolution:

9. 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:

作為特別決議案：

9. 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（不論是非流通股或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：

Notice of Annual General Meeting

股東週年大會通告

- (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
- (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;
- (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. 本公司已發行的非流通股的總面值的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
- (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；

Notice of Annual General Meeting

股東週年大會通告

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;

“**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) 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.

就本決議案而言：

「**非流通股**」指本公司按人民幣計價認購的本公司股本中每股面值人民幣0.10元的境內投資的股份；

「**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
- (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。

Notice of Annual General Meeting

股東週年大會通告

- (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.
- (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。

Notice of Annual General Meeting

股東週年大會通告

As an ordinary resolution:

10. 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, 18 March 2007

Registered Office:

No. 18 Andre Avenue

Muping Economic Development Zone

Yantai City

Shandong Province

The PRC

Principal Place of Business in Hong Kong:

Room 1905-08

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

作為普通決議案：

10. 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，二零零七年三月十八日

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

* For identification purpose only

* 僅供識別

Notice of Annual General Meeting

股東週年大會通告

Notes:

(A) **Closure of Register of Members in Entitlement for Final Dividend and Attending AGM**

The register of holders of H Shares of the Company will be closed from 27 April 2007 (Friday) to 25 May 2007 (Friday) (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 appears in the Company's register of holders of H Shares with Tengis Limited by 4:00 p.m. on 26 April 2007 (Thursday) and have completed the registration process, will be entitled to final dividend, and 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

(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.

附註:

(A) **有權收取末期股息及出席股東週年大會股份截止過戶登記**

本公司將於二零零七年四月二十七日(星期五)起至二零零七年五月二十五日(星期五)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。於二零零七年四月二十六日(星期四)下午四時正時,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,可有權收取末期股息,以及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
金鐘滙中心26樓
傳真:(852) 2810 8185

(B) 擬出席股東週年大會的非流通股或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)(非流通股股份持有人)。

(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人核實。

Notice of Annual General Meeting

股東週年大會通告

- (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.
- (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.
- (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) 每名非流通股股東有權委派一名或多於一名代表代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)亦適用於非流通股股東,除非流通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。
- (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。

Appendix 1

附錄一

Executive Directors:

Mr. Zheng Yue Wen

Mr. Zheng Yue Wen (鄭躍文), aged 45, 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 chairman of Lead REITs Asset Management Corp (領銳資產管理股份有限公司). Upon the approval of the aforesaid resolution no. 5, Mr. Zheng will enter into a director service contract with the Company.

Mr. Wang An

Mr. Wang An (王安), aged 44, 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 Shandong 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. Upon the approval of the aforesaid resolution no. 5, Mr. Wang will enter into a director service contract with the Company.

執行董事：

鄭躍文先生

鄭躍文先生，45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席教授。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，亦為領銳資產管理股份有限公司之董事長。待上文所載第5條之決議通過後，鄭先生將與本公司簽署董事服務合同。

王安先生

王安先生，44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。待上文所載第5條之決議通過後，王先生將與本公司簽署董事服務合同。

Mr. Zhang Hui

Mr. Zhang Hui (張輝), aged 34, 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. Upon the approval of the aforesaid resolution no. 5, Mr. Zhang will enter into a director service contract with the Company.

Mr. Yu Hui Lin

Mr. Yu Hui Lin (于會林, formerly于惠霖), aged 58, 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 Shandong 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. Upon the approval of the aforesaid resolution no. 5, Mr. Yu will enter into a director service contract with the Company.

Mr. Jiang Hong Qi

Mr. Jiang Hong Qi (姜洪奇), aged 40, 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 Shandong 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.

張輝先生

張輝先生，34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。待上文第5條之決議通過後，張先生將與本公司簽署董事服務合同。

于會林先生

于會林先生(曾用名于惠霖)，58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。待上文第5條之決議通過後，于先生將與本公司簽署董事服務合同。

姜洪奇先生

姜洪奇先生，40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(Shandong 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。

Appendix 1

附錄一

Apart from being the financial controller of the Company, Mr. Jiang did not hold any directorship in the last three years in other listed public companies. According to the definition of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Jiang did not have interests in the shares or underlying shares of the Company, and did not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Upon the approval of the aforesaid resolution no. 5, Mr. Jiang will be the executive director of the Company for a term of three years, and will enter into a director service contract with the Company.

Mr. Li Ye Sheng

Mr. Li Ye Sheng (李業勝), aged 52. Mr. Li has post-secondary academic qualification. Mr. Li was the squad leader and captain of a warship under North Sea Marine, from December 1973 to 1990, the supervisor of the Agricultural Bank of Muping, Yantai, Shandong Province from November 1990 to October 1995, and the deputy manager of Land Development Service Company of Muping, Yantai, Shandong Province from November 1995 to January 1997. Mr. Li joined the Company in 1997 as the general manager of Longkou Andre and Xuzhou Andre, and is currently the party secretary of the Company.

Apart from holding the above post in the Company, Mr. Li did not hold any directorship in the last three years in other listed public companies. According to the definition of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Li did not have interests in the shares or underlying shares of the Company, and did not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Upon the approval of the aforesaid resolution no. 5, Mr. Li will be the executive director of the Company for a term of three years, and will enter into a director service contract with the Company.

除卻擔任本公司之財務總監外，姜先生於過去三年並無在其它上市公眾公司擔任董事職務。按照香港法例第571章《證券及期貨條例》第XV部所界定，姜先生並無持有本公司之任何股份或相關股份之權益，另與本公司之任何董事、高級管理層、主要股東或控股股東並無任何關係。待本通告上文所載第5條之決議通過後，姜先生將出任本公司之執行董事，為期三年，並與本公司簽署董事服務合同。

李業勝先生

李業勝先生，52歲。李先生為大專學歷。李先生於一九七三年十二月至一九九零年曾在海洋北海艦隊某軍艦任班長、船長等職，一九九零年十一月至一九九五年十月在山東省烟台市牟平農業銀行任科長，一九九五年十一月至一九九七年一月在山東省烟台市牟平區土地開發服務公司任副經理之職。李先生於一九九七年加入本公司，先後擔任龍口安德利、徐州安德利總經理等職，目前為本公司黨委書記。

除卻擔任本公司上述之職務外，李先生於過去三年並無在其它上市公眾公司擔任董事職務。按照香港法例第571章《證券及期貨條例》第XV部所界定，李先生並無持有本公司之任何股份或相關股份之權益，另與本公司之任何董事、高級管理層、主要股東或控股股東並無任何關係。待本通告上文所載第5條之決議通過後，李先生將出任本公司之執行董事，為期三年，並將與本公司簽署董事服務合同。

Non-executive Director:

Mr. Lo Chih-Hsien

Mr. Lo Chih-Hsien (羅智先), aged 50, 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. Upon the approval of the aforesaid resolution no. 5, Mr. Lo will enter into a director service contract with the Company.

Independent non-executive Directors:

Mr. Wu Jian Hui

Mr. Wu Jian Hui (鄔建輝), aged 36, 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. Upon the approval of the aforesaid resolution no. 5, Mr. Wu will enter into a director service contract with the Company.

非執行董事：

羅智先先生

羅智先先生，50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附屬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。待上文第5條之決議通過後，羅先生將與本公司簽署董事服務合同。

獨立非執行董事：

鄔建輝先生

鄔建輝先生，36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。待上文第5條之決議通過後，鄔先生將與本公司簽署董事服務合同。

Appendix 1

附錄一

Mdm. Qu Wen

Mdm. Qu Wen (曲雯), aged 39, a second grade solicitor, an arbitrator of Yantai Arbitration Committee, a member of the CPPCC in 10th Session and a supervisor of Yantai People's Procuratorate. Mdm. Qu graduated from the Beijing University, and obtained her Bachelor Degree in Law in 1989. From 1989 to 1992, Mdm. Qu worked for the Legal Advisory Office of Muping, Yantai, Shandong Province and Bureau of Justice of Muping, Yantai. From 1992 to 2002, Mdm. Qu was the solicitor and the supervisor of Economic Division of the Shandong Qianwei Law Firm. Since October 2002, she has been the solicitor and the executive officer of the Shandong Yanshiming Law Firm.

Mdm. Qu did not hold any directorship in other listed public companies and any title in the Company and its subsidiaries in the last three years. According to the definition of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mdm. Qu did not have interests in the shares or underlying shares of the Company, and did not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Upon the approval of the aforesaid resolution no. 5, Mdm. Qu will be the independent non-executive director of the Company for a term of three years, and will enter into a director service contract with the Company.

Mdm. Yu Shou Neng

Mdm. Yu Shou Neng (俞守能), aged 52, 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 Shandong 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. Upon the approval of the aforesaid resolution no. 5, Mdm. Yu will enter into a director service contract with the Company.

曲雯女士

曲雯女士，39歲，二級律師，烟台仲裁委員會仲裁員，烟台政協第十屆常委，烟台市人民檢察院人民監督員。曲女士畢業於北京大學，並於一九八九年獲得法學學士學位。一九八九年至一九九二年，曲女士曾在山東省烟台市牟平區法律顧問處及烟台市牟平區司法局工作，一九九二年至二零零二年，曲女士為山東前衛律師事務所律師並任經濟部主任之職。二零零二年十月起為山東鑫士銘律師事務所律師並擔任執行主任之職。

曲女士於過去三年並無在其它上市公眾公司擔任董事職務，或在本公司及其附屬公司出任任何職位。按照香港法例第571章《證券及期貨條例》第XV部所界定，曲女士並無持有本公司之任何股份或相關股份之權益，另與本公司之任何董事、高級管理層、主要股東或控股股東並無任何關係。待本通告上文所載第5條之決議通過後，曲女士將出任本公司之獨立非執行董事，為期三年，並將與本公司簽署董事服務合同。

俞守能女士

俞守能女士，52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。待上文第5條之決議通過後，俞女士將與本公司簽署董事服務合同。

Supervisor:

Mr. Wang Chun Tang

Mr. Wang Chun Tang (王春堂), aged 53. Mr. Wang has university academic qualification. Mr. Wang was the officer of the Communications Bureau of Muping, Yantai, Shandong Province from May 1973 to December 1987. He studied the economic and management profession in the Chinese Communist Party School and Shandong Province Party School from 1991 to 1996. From January 1988 to January 2006, Mr. Wang was the supervisor, deputy chief, managing deputy chief of Publishing Office of Muping, Yantai, Shandong Province. Since January 2006 up till now, Mr. Wang is the member of the Executive Committee of the Yantai Muping National People's Congress.

Mr. Wang did not hold any directorship in other listed public companies and any title in the Company and its subsidiaries in the last three years. According to the definition of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Wang did not have interests in the shares or underlying shares of the Company, and did not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Within three years following the approval of the aforesaid resolution no. 6(b), Mr. Wang will be the supervisor of the Company.

監事：

王春堂先生

王春堂先生，53歲。王先生為大學學歷。王先生一九七三年五月至一九八七年十二月曾在山東省烟台市牟平區交通局工作，擔任辦公室主任等職。一九九一至一九九六先後在中央黨校和山東省委黨校學習經濟管理專業。一九八八年一月至二零零六年一月，王先生在山東省烟台市牟平區委宣傳部工作，先後擔任科長、副部長、常務副部長等職。二零零六年一月至今，王先生任烟台市牟平區人大常委。

王先生於過去三年並無在其它上市公眾公司擔任董事職務，或在本公司及其附屬公司出任任何職位。按照香港法例第571章《證券及期貨條例》第XV部所界定，王先生並無持有本公司之任何股份或相關股份之權益，另與本公司之任何董事、高級管理層、主要股東或控股股東並無任何關係。待本通告上文所載第6(b)條之決議通過後三年內，王先生將出任本公司之監事。

Appendix 2

附錄二

Mr. Chen Ke Lin has tendered his resignation as a supervisor of the Company due to his new job arrangement.

The Board and Mr. Chen confirm that:

- (i) there has been no dispute between Mr. Chen, the supervisory committee, the Board and the Company; and
- (ii) in relation to his resignation, there are no matters that need to be brought to the attention of the shareholders of the Company.

基於陳克林先生工作變動的原因，陳先生已呈辭監事職務。

董事會及陳先生確認：

- (i) 陳先生、監事會、董事會與本公司之間並無任何糾紛；及
- (ii) 並無有關其辭任而須知會本公司股東之事宜。

