

中國聯盛投資集團有限公司

China Leason Investment Group Co., Limited

(於 開 曼 群 島 註 冊 成 立 之 有 限 公 司)
(Incorporated in the Cayman Islands with limited liability)

(股 份 代 號 : 8270)
(Stock Code: 8270)

2006
Annual Report
二 零 零 六 年 年 報

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

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This report, for which the directors of China Leason Investment Group Co., Limited collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange for the purpose of giving information with regard to China Leason Investment Group Co., Limited. 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」）之特色

創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他富有經驗之投資者。

由於創業板上市公司新興之性質，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要方法為在聯交所為創業板而設之互聯網網頁刊登。上市發行人毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等須閱覽創業板網頁 www.hkgem.com，以便取得創業板上市公司之最新資料。

聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表聲明，且明確表示概不會就因本報告全部或任何部分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（中國聯盛投資集團有限公司各董事願共同及個別對此負全責）乃遵照聯交所創業板證券上市規則的規定而提供有關中國聯盛投資集團有限公司的資料。本公司各董事經作出一切合理查詢後，確認就彼等所知及所信：—(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(2)並無遺漏任何事實致使本報告所載任何內容產生誤導；及(3)本報告內表達的一切意見乃經審慎周詳考慮後方作出，並以公平合理的基準和假設為依據。

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BOARD OF DIRECTORS

Executive Directors

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Shi Liang

Non-Executive Director

Mr. Chang Jian
Mr. Kwok Shun Tim
Mr. Ye Jinxing

Independent Non-Executive Directors

Mr. Luo Wei Kun
Mr. Yan Chang Ming
Ms. Pang Yuk Fong

AUDIT COMMITTEE

Mr. Luo Wei Kun
Mr. Yan Chang Ming
Ms. Pang Yuk Fong (*chairman of audit committee*)

NOMINATION COMMITTEE

Mr. Luo Wei Kun
Mr. Yan Chang Ming (*chairman of nomination committee*)
Ms. Pang Yuk Fong

REMUNERATION COMMITTEE

Mr. Luo Wei Kun
Mr. Yan Chang Ming (*chairman of remuneration committee*)
Ms. Pang Yuk Fong

QUALIFIED ACCOUNTANT & COMPANY SECRETARY

Mr. Lam Kit Sun *CPA (Practising), ACCA, ACS, ACIS*

COMPLIANCE OFFICER

Mr. Wang Zhong Sheng

AUTHORISED REPRESENTATIVES

Mr. Wang Zhong Sheng
Mr. Lam Kit Sun

董事會

執行董事

王忠勝先生 (*主席*)
施亮先生

非執行董事

常建先生
郭純恬先生
葉金興先生

獨立非執行董事

羅維崑先生
閻長明先生
彭玉芳女士

審核委員會

羅維崑先生
閻長明先生
彭玉芳女士 (*審核委員會主席*)

提名委員會

羅維崑先生
閻長明先生 (*提名委員會主席*)
彭玉芳女士

薪酬委員會

羅維崑先生
閻長明先生 (*薪酬委員會主席*)
彭玉芳女士

合資格會計師兼公司秘書

林傑新先生 *CPA(Practising), ACCA, ACS, ACIS*

監察主任

王忠勝先生

授權代表

王忠勝先生
林傑新先生

Corporate Information

公司資料

HEAD OFFICE & PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10/F., Kwong Fat Hong Building
1 Rumsey Street
Central
Hong Kong

REGISTERED OFFICE

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tengis Limited
Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Hong Kong and Shanghai Banking Corporation
CITIC Ka Wah Bank Ltd

AUDITORS

CCIF CPA Limited

STOCK CODE

8270

香港總辦事處兼主要營業地點

香港
中環
林士街1號
廣發行大廈10樓

註冊辦事處

Century Yard
Cricket Square
Hutchins Drive
P. O. Box 2681 GT
George Town
Grand Cayman
British West Indies

主要股份過戶登記處

Butterfield Bank (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

登捷時有限公司
香港
皇后大道東1號
太古廣場第三座28樓

主要往來銀行

香港上海匯豐銀行有限公司
中信嘉華銀行有限公司

核數師

陳葉馮會計師事務所有限公司

股份代號

8270

China Leason Investment Group Co., Limited (the “Company”) and its subsidiaries (collectively the “Group”) conducts business principally through its operating arm in China (the “PRC”), namely, Fujian Shine Science Company Limited and Shanghai Shine Science Company Limited. The Company was incorporated in Cayman Islands as an exempted company with limited liability in July 2002 and was listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited on 12 August 2003.

The Group is principally engaged in research and development of software solutions specially targetting the financial and securities sectors in the PRC. Headquartered in Fujian, the Group has a development and servicing network covering cities including Beijing, Shanghai, Shenzhen and Fuzhou where the national stock exchanges and majority of the financial institutions’ headquarters are based. The comprehensive spectrum of the Group’s software solutions was centrally developed in our software development centres in Fuzhou and Shanghai, and implemented, customised and supported by our local servicing teams.

Through its years of corporate developments, the Group succeeds in building up its reputation and brand prestige and has experienced phenomenal growth. The Group is currently one of the predominant, preferred solution providers of securities community in the PRC, rendering hardware, peripherals and professional services in complement to its corporate software solution offerings. The Group’s products have received high recognition especially in the domestic securities community.

As our corporate mission, the Group will work to enhance its position to be the best solution provider for the financial and securities sectors in China.

In order to diversify the Group’s business into other fields including but not limited to energy development, on 1 June 2006, the directors proposed to change the name of the Company from “Shine Software (Holdings) Limited” to “China Leason Investment Group Co., Limited”.

中國聯盛投資集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要透過其在中國(「中國」)經營之福建新意科技有限公司及上海新意新科技有限公司進行業務。本公司於二零零二年七月在開曼群島註冊成立為獲豁免有限公司，本公司股份於二零零三年八月十二日初次在香港聯合交易所有限公司創業板(「創業板」)上市。

本集團主要從事針對中國金融及證券行業的軟件解決方案研發業務。本集團之總部設於福建，而其開發及服務網絡則設於雲集國內證券交易所及大部分金融機構總部的城市，包括北京、上海、深圳以至福州等地。本集團一系列的軟件解決方案由其設於福州及上海的軟件開發中心統一開發，並由分散於各地之服務隊伍按客戶需求實施並提供相關支援服務。

經多年業務發展，本集團成功建立其卓越地位及市場品牌，且業務錄得顯著增長。現時更成為中國證券業主要解決方案供應商之一，除了提供企業軟件解決方案業務外，亦提供相關的配套硬件、週邊器材以及專業服務。本集團之產品在國內證券業享負盛名。

作為本集團的企業目標，本集團將致力提升其成為國內金融及證券行業的最佳解決方案供應商。

於二零零六年六月一日，董事會建議將本公司名稱[新意軟件(控股)有限公司]改為「中國聯盛投資集團有限公司」，以便本集團拓展其他領域之業務(包括但不限於能源開發)。

Corporate Profile

公司簡介

The special resolution on the change of the name of the Company from “Shine Software (Holdings) Limited” to “China Leason Investment Group Co., Limited” was passed by the shareholders of the Company at the extraordinary general meeting held on 29 June 2006. The change of name of the Company from “Shine Software (Holdings) Limited” to “China Leason Investment Group Co., Limited” took effect from 25 July 2006.

於二零零六年六月二十九日，本公司股東在特別股東大會上通過了將本公司名稱「新意軟件(控股)有限公司」改為「中國聯盛投資集團有限公司」之特別決議案。本公司名稱「新意軟件(控股)有限公司」改為「中國聯盛投資集團有限公司」之更改自二零零六年七月二十五日起生效。

Dear Shareholders,

I am pleased to present the audited financial results of the Group for the year ended 31 December 2006.

OPERATION REVIEW

In the past year, China's securities market revived from the continuous sluggishness over the previous few years, both the trading volume and the composite stock indices reaching new highs. This provided a favorable development opportunity for the Group's business expansion of the provision of software solutions to the finance and securities industry. However, due to the increase in development costs for research and development as well as product optimization, coupled with the increase in administrative and promotional expenditures for exploring new businesses, in the year of 2006, the Group recorded loss attributable to shareholders of RMB6,591,000. Moreover, the turnover volume decreased by 17.5% due to factors such as the transition of product cycle.

In 2006, the Group actively engaged in the research of new products and product optimization, as well as a range of promotional campaigns for our corporate image and products. In addition, in the second half of 2006, the Group opened new offices in Beijing and Tianjin, respectively, to expand our business in the northern region. It is expected that the ongoing development of China's securities market coupled with gradual paid-off of our investments on new products development and promotional campaigns for our corporate image and products, would improve the Group's profit and turnover volume.

Apart from active development, the Group also underwent corporate restructuring to lower operation costs. In 2006, the Group had disposed two subsidiaries engaged in non-core businesses. In respect of internal management, the Group continued to exercise rigorous cost control measures and streamlined and systematized our corporate management procedures in areas such as product planning, quality assurance and staff training. We believe that those measures will create a solid foundation for the Group's long-term development.

各位股東：

本人欣然呈報本集團截至二零零六年十二月三十一日止年度之經審核財務業績。

業務回顧

過去一年，中國證券市場擺脫以往數年的持續疲弱，成交額及股票綜合指數均屢創新高，為本集團的金融及證券行業的軟件解決方案研發業務的發展帶來良好的發展機會。但由於為了研發、優化產品而多增了的開發成本，以及為拓展新業務而增加的行政及宣傳費用，本集團在二零零六年錄得股東應佔虧損約人民幣6,591,000元。營業額亦因產品周期轉換等因素，因而下降了17.5%。

在二零零六年，本集團積極進行新產品及優化產品的研究，以及進行一系列企業形象及產品宣傳活動。另外在二零零六年下半年，本集團在北京、天津開設了辦公室以拓展在北方的業務。預期隨著中國證券市場持續發展，加上本集團在二零零六年在開發新產品及宣傳企業形象及產品的投資漸見成果，本集團的盈利及營業額將會改善。

在積極發展的同時，本集團亦進行企業重組以減輕營運支出。在二零零六年，本集團將2家非核心業務的子公司出售。內部管理方面，本集團繼續採取嚴緊的成本控制措施及精簡現有產品策劃、質量監控以至員工培訓等企業管理範疇。我們相信，該等措施將會為本集團的長遠發展奠下鞏固的根基。

Chairman's Statement

主席報告

CHANGE OF COMPANY NAME AND BUSINESS EXPANSION

On 1 June 2006, the directors proposed to change the Company's name from "Shine Software (Holdings) Limited 新意軟件(控股)有限公司" into "China Leason Investment Group Co., Limited 中國聯盛投資集團有限公司", in order to diversify the Group's business into other fields includes but not limited to energy development. On 29 June 2006, the special resolution for approving the name change was duly approved by the shareholders at the extraordinary general meeting of the Company. Following this change, the Group will become more active in the research and development of new businesses.

OUTLOOK

The advantage of the continuous development of China's securities market and the a launch of new clearing products, coupled with the Group's leading position in the research and development of software solutions for China's finance and securities industry, we are optimistic about the Group's outlook in the business of research and development of software solutions for China's finance and securities industry. Meanwhile, the Group is active in the research of new investment projects. It is expected that a number of promising businesses will be introduced in the near future.

Finally, on behalf of the Board, I would also like this opportunity to express our heartfelt gratitude to our shareholders, customers and business associates for their continuous support to the Group.

Wang Zhong Sheng

Chairman

28 March 2007

公司名稱更改及業務拓展

於二零零六年六月一日，董事會建議將本公司名稱「Shine Software (Holdings) Limited 新意軟件(控股)有限公司」改為「China Leason Investment Group Co., Limited 中國聯盛投資集團有限公司」，以便本集團拓展其他領域之業務(包括但不限於能源開發)。於二零零六年六月二十九日，本公司股東在特別股東大會上通過了批准名稱更改的決議案。名稱更改後，本集團將更積極研究拓展新的業務。

展望

受惠於中國金融市場的持續發展及新的結算產品推出市場的帶動下，再加上本集團在中國金融及證券行業的軟件解決方案研發行業內的領先地位，本集團在中國金融及證券行業的軟件解決方案研發業務的業務前景仍然樂觀。同時，本集團正積極研究投資新的項目，希望在不久將來能引進一些有前境的業務。

最後，本人謹代表董事會同人感謝股東、客戶及業務夥伴一直以來的鼎力支持。

王忠勝

主席

二零零七年三月二十八日

BUSINESS REVIEW

MARKET REVIEW

In this year, the Group mainly focused on the research and development of software solutions for the finance and securities industry in the People's Republic of China ("PRC"). China's securities market saw a market growth in 2006, with the composite indices for both stock markets kept soaring throughout the year. In particular, the Shanghai composite index increased from 1163.88 on 1 January 2006 (the first trading day of the year) to 2675.47 on 29 December 2006 (the last trading day of the year). During the same period, the Shenzhen index raised from 2873.53 to 6647.14. On 18 May 2006, the China Securities Regulatory Commission released the new management mechanism for Initial Public Offer ("IPO"), reactivating IPO activities. By the end of 2006, there were 15 and 55 new listing on the Shanghai Stock Exchange and Shenzhen counterpart respectively. The frequent IPOs stimulated investor's investment passion resulting in an active market which benefited business development of securities companies.

Meanwhile, the regulatory bodies has been constantly increasing its regulatory power over securities companies, and grade securities companies based on their risk prevention capability and business development, etc., so as to screen out quality companies. As a result, the competitiveness of quality securities companies will be strengthened continuously. Currently, the number of the innovative type and the regulatory type of securities companies is accounting for nearly half of the total in the PRC. Following further segmentation and optimization of securities companies' clients, the Group's competitive strength as a provider of professional information technology for the securities industry will become more prominent. This will also drive the Group's business development.

In respect of market share, the Group remains the leader of the industry that focuses on the research and development of software solutions for the finance and securities industry in the PRC. With the exception of a few giant securities companies which develop their own trading platforms, most securities companies in China are still using the Group's platform products as trading platform. Therefore, the Group would directly benefit from the rapid development of the Chinese stock market.

業務回顧

市場回顧

本年度本集團主要從事針對中華人民共和國(「中國」)金融及證券行業的軟件解決方案研發業務。二零零六年中國證券市場市況轉好，兩市綜合指數全年持續上揚，其中：滬綜指由二零零六年一月一日(本年首個交易日)的1163.88點上升至二零零六年十二月二十九日(本年最後一個交易日)的2675.47點，同期深成指由2873.53點上升至6647.14點。二零零六年五月十八日證監會發佈新股招股管理辦法，新股發行重新啟動，截至2006年底上海證券交易所發行了15只新股，深圳證券交易所發行了55只新股，新股的頻繁上市發行引發投資者的投資熱情，股市交投活躍，帶動了證券商的業務發展。

同時，隨著監管機構對證券商的監管力度持續加強，並從風險防範能力及業務發展等方面對證券商進行分級，以評審方式篩選優質證券公司，優質證券商的競爭能力將持續加強。目前，我國創新類和規範類證券公司數量已接近券商總數的一半。隨著公司面對的客戶的細分及優化，本集團作為證券行業專業的資訊科技提供商的競爭優勢將會特顯，並帶動集團業務的發展。

在市場佔有率方面，在中國金融及證券行業的軟件解決方案研發行業內，本集團仍處於領先地位。除一些少數非常大型的證券商自行開發交易平台外，大部份在中國的證券商仍是使用本集團的交易平台產品。因此，本集團最能直接受惠於中國股票市場的迅速發展。

Management Discussion and Analysis

管理層討論及分析

RESTRUCTURING

Furthermore, in order to optimize the Group's internal structure and lower operation costs, Shanghai Xingyishi Management Consulting Company Limited ("Xingyishi"), 60% interest of which was owned by the Group, has ceased its operation during the year. Xingyishi was principally engaged in the provision of computer and management consultancy services. Since its operation has gradually ceased, the Directors considered that the disposal of operations of Xingyishi will be beneficial to the Group in respect of resource consolidation and development objectives.

The Directors consider the Group has competitive advantage in areas relating to securities clearing business and capital market related-clearance, and most of the Group's clients are engaging in securities and other financial business. The Company's subsidiary, Shenzhen Yinqitong Technology Limited (Shenzhen Yinqitong"), which mainly targets large corporation as its customers showed no significant improvements after operations for more than a year. In addition, given its business was apparently different from major business of the Group, thus the Group's competitive edges and client bases could not be effectively utilized, after careful consideration by the Board, the Group disposed Shenzhen Yinqitong to an independent third party during the year. The Directors considered that the disposal of the subsidiary has no material effect to the overall business of the Group.

PRODUCT DEVELOPMENT

During the year, the Group invested approximately RMB10,404,000 in product development, which was mainly used for the existing products and the securities business platform.

During the year, the Group continued to recruit people with relevant expertise to enhance its integrated capabilities on research, development and product implementation.

In light of the ever-changing securities information technology industry, it is crucial that the Group reviews its development projects regularly. During the last year the Group actively invested in the development of products with huge potential. Among these, the Board considers that the Shine Securities Integrated Management Platform 6.0, a new generation of clearing platform, is with the greatest potential. Its development was completed on schedule and it was launched before the end of the year. The Group will continue product development and system integration in response to customer demand and the outcome of market research.

重組

另外，為優化本集團的內部結構，節省經營成本，本集團擁有60%權益之上海興意識管理諮詢有限公司（「興意識」）已於本年度結業。興意識之主營業務為提供電腦及管理顧問服務，由於其業務已逐漸停頓。董事認為將興意識出售有利本集團整合資源和發展路向。

董事認為本集團的競爭優勢在於證券結算行業及資本市場相關結算領域，本集團之客戶群體亦集中在證券行業和其他相關金融領域。本公司子公司深圳市銀企通科技有限公司（「深圳銀企通」）的主要客戶為各大企業集團公司，而該公司經過一年多的運營，業務未見大的起色，此外，鑒於其業務與本集團的主體業務區別較大，無法有效發揮本集團之競爭優勢和客戶基礎，經過董事會的審慎考慮，本集團已於本年度出售深圳銀企通予獨立第三者。董事認為，出售該附屬公司對集團整體業務並無大的影響。

產品開發

年內，本集團之產品開發投資約人民幣10,404,000元，主要用於開發新產品及證券業務平台。

年內，本集團陸續增聘更多相關專才，以加強本集團於研究、開發及產品實施等方面之綜合能力。

由於證券信息科技業務瞬息萬變，故本集團須經常就其開發項目進行檢討。年內，本集團積極投放資源開發具龐大市場潛力之產品。其中董事會認為最具潛力的新一代結算平台——新意證券綜合管理平台6.0的開發工作均按計劃進行，並已在今年底前推出市場。本集團將因應客戶的需求和市場研究結果，繼續進行產品開發和系統集成。

Management Discussion and Analysis

管理層討論及分析

To cope with the increased demand on maintenance and repair, on 29 January 2007 the Group purchased from an independent third party a system that integrates various applications (including providing network monitoring and security, collecting the network's operation data and storing the data in an integrated database, analyzing the network's operation data and generating analysis reports) at a consideration of RMB4,800,000. This system allows the Group to automate several maintenance and repair tasks, and to reduce the time technicians need to spend on clients' maintenance and repair services. The details of this transaction were set out in the circular dated 7 February 2007.

為應付修理及維護服務需求的增加，本集團於二零零七年一月二十九日向一獨立第三方購買一個綜合各種不同應用程式的系統(包括提供網絡監察及保安、收集網絡的運作數據並將數據存進嵌進數據庫內、分析網絡運作數據並呈交分析報告)，代價為人民幣4,800,000元。此系統可以促使本集團將若干修理及維護功能自動化，減少技術人員向客戶提供修理及維護服務時所耗費的時間。此交易的詳細情況已刊登於二零零七年二月七日的公司通函內。

FINANCIAL REVIEW

TURNOVER

Turnover by business operations for the two consecutive year ended 31 December 2006 was summarised as follows:

		2006 二零零六 RMB'000 人民幣千元	2005 二零零五 RMB'000 人民幣千元
Sales of software	軟件銷售	16,387	23,732
Sales of hardware	硬件銷售	764	2,341
Maintenances and other services fee	維修及其他服務收費	8,622	5,173
Total	總計	25,773	31,246

財務回顧

營業額

截至二零零六年十二月三十一日止連續兩個年度，按業務劃分之營業額概述如下：

The Group recorded a consolidated turnover of RMB25,773,000 for the year, representing a decrease of approximately 17.5% compared with last year. The decrease was mainly attributable to:

本集團於本年度錄得綜合營業額約人民幣25,773,000元，較去年減少約17.5%。減少主要是因：

- Development cycle of Products: the Group's new product, the Shine Securities Integrated Management Platform 6.0, was launched in the forth quarter of the year to replace its older version. The transitional period between new and old products resulted in a decrease of sales volume, especially the sale volume in the forth quarter;
- 產品周期性發展。本集團在本年第四季的時候在市場上推出新的產品——新意證券綜合管理平台6.0，以更替舊有的產品——新意證券綜合管理平台5.0。因處於新舊產品的交接期，因此銷售額尤其是在第四季有所下降；
- Since the Shine Securities Integrated Management Platform 6.0 was just launched in the forth quarter of 2006, most installation and testing tasks and handover were still pending following sales. Therefore, many signed sales contracts were yet to be booked.
- 由於新意證券綜合管理平台6.0在二零零六年下半年第四季才推出市場，所以很多銷售都未有完成安裝、測試及驗收。因此很多已簽訂的銷售合同還未入賬。

Management Discussion and Analysis

管理層討論及分析

Loss attributable to shareholders was approximately RMB6,591,000, compared with profit attributable to shareholders of approximately RMB938,000 for last year, mainly due to:

- gross profit margin for the year was approximately 59.7%, compared with approximately 65.6% for last year resulting from downward adjustment of selling price of the Group's products in response to competition in the securities clearing software market;
- In connection with the launch of the new product and the promotion of the Group's corporate image, there was an increase in promotional and product launch expenses;
- In order to expand new business, the Group invested part of the resources in the feasibility study of the expansion of new businesses and therefore, incurred an increase in administrative expense; and
- An increase in directors' remuneration.

OTHER REVENUES

The major revenue was the tax refund on value added tax for the sales and distribution of the Group's own software. The amount was similar to that of last year.

DISTRIBUTION EXPENSES

The cost of market promotion was the major expense. In order to promote the new product and the Group's corporate image, the implementation of a series of marketing campaigns resulted in increased distribution expenses.

GENERAL AND ADMINISTRATIVE EXPENSES

Professional and office expenditures were the major elements. These costs saw an increase compared with that of last year, mainly due to:

- In order to expand new business, the Group invested part of the resources in the feasibility study of the expansion of new businesses, and therefore, incurred additional administrative expenses;
- An increase in directors' remuneration; and
- The opening of two new offices in Beijing and Tinjian, respectively, resulted in an increase of expenditure in relation to rental and salaries, etc.

而本年度之股東應佔虧損約人民幣6,591,000元，而去年則為應佔溢利約人民幣938,000元，主要原因為：

- 本年度毛利率約59.7%，相比去年毛利率約65.6%，本集團產品之售價因要維持現在本集團在証券結算軟件的市場佔有率而向下調整；
- 隨著新產品推出市場及推廣本集團的企業形象，本集團增加了宣傳及產品推廣的費用；
- 為拓展新的業務，本集團投放了部份資源去研究拓展新業務的可行性，因此令行政開支增加；及
- 董事薪酬的增加。

其它收益

其它收益主要為分銷本集團自行開發之軟件的增值稅退稅。有關收益與去年相若。

分銷開支

分銷開支主要為市場推廣費用。為了在市場上推廣新產品及宣傳本集團的企業形象，本集團進行了一系列市場推廣活動，因而令到的分銷費用增加。

一般及行政開支

一般及行政開支主要為專業及辦公室費用。有關費用比去年增加，原因為：

- 為拓展新的業務，本集團投放了部份資源去研究拓展新業務的可行性，因此令行政開支增加；
- 董事薪酬的增加；及
- 本集團在北京及天津開辦了兩個新的辦公室，因而令到租金、工資等費用增加。

OTHER OPERATING EXPENSES

The other operating expenses were approximately RMB7,214,000 in the year, while it was approximately RMB8,683,000 in the previous year, and the decrease was mainly due to the net effect of:

- A decrease in provision for bad and doubtful debts based on ageing from approximately RMB3,700,000 in 2005 to Nil in 2006;
- A increase in impairment of intangible assets from approximately RMB483,000 in 2005 to RMB2,517,000 in 2006.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December 2006, the Group had net assets of approximately RMB42,328,000, including total cash, bank and deposits balances of approximately RMB15,009,000. The Group has implemented disciplined financial and risk managements. The Group's gearing ratio, calculated by dividing Group's total external borrowings by its shareholders fund, was zero. Further, the Group had not charged on any of its assets as at 31st December 2006.

During the year, the Group has not entered into any material transactions or significant investment which are classified as notifiable transactions as defined under Chapter 19 of the GEM Listing Rules.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's operating transactions, assets and liabilities are primarily denominated in either Renminbi or Hong Kong dollar. The Directors believes that Renminbi will remain relatively stable against Hong Kong dollar in the foreseeable future and considers the Group's present exposure to exchange risk is relatively minimal. Currently, no financial arrangements have been implemented for hedging purpose. Nevertheless, the Directors will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

SEGMENTAL INFORMATION

The segmental information of the Group was disclosed in note 13 to the financial statements.

其他營運開支

本年度之其他營運開支為約人民幣7,214,000元，去年約人民幣8,683,000元，減少主要為：

- 以保守原則，按帳齡分析計提之呆壞帳撥備從二零零五年之約人民幣3,700,000元減少至二零零六年之零元；
- 無形資產減值準備從二零零五年之約人民幣483,000元增加到至二零零六年之約人民幣2,517,000元。

流動資金及財務資源

於二零零六年十二月三十一日，本集團的資產淨值約人民幣42,328,000元，其中包括現金、銀行及存款結存約人民幣15,009,000元。本集團採取謹慎的財務及風險管理策略，故此，本集團之資本與負債比率（按本集團對外借貸總額除以其股東資金計算）為零。此外，本集團於截至二零零六年十二月三十一日並無抵押其任何資產。

於年內，本集團並無訂立任何根據創業板上市規則第19章所界定為須予披露之重要交易或重大投資事項。

外匯風險

本集團之主要業務交易、資產及負債皆是以人民幣或港元支付結算。董事相信，於可見未來人民幣兌港元之匯率仍將維持相對穩定水平；故本集團目前之外匯風險相對輕微。本集團因此目前並無採取任何對沖外匯風險的財務措施。然而，董事將不時密切監察及評估本集團的外匯風險水平，在認為需要時將訂立非投機性的對沖風險安排。

分部資料

本集團之分部資料於財務報表附註13披露。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES

As a software solution provider, people are the Group's most valuable assets. Accordingly, human resources framework is one of the Group's critical strategic policies.

The Group is a "people-oriented" and "equal opportunity" employer whereas its staff selection and promotion process will only be determined with reference to employees' own merits and their competency in relation to their responsibility. Employee remuneration includes basic salaries and benefits-in-kind such as medical and insurance coverage, retirement benefits scheme, and other discretionary incentives etc.

Employee remuneration is maintained at market competitive level and will be regularly reviewed within the general framework of the Group's human resources system. Remuneration policy is basically determined with reference to individual performance as well as financial results of the Group which will be revised from time to time when performances of staff is warranted.

As at 31 December 2006, the Group had an aggregate of 200 employees, of which 117 were research and development staff, 24 were engineering and customer service staff. Staff cost, including directors' emoluments, was approximately RMB16,603,000 (2005: RMB15,980,000) for the year ended 31 December 2006.

僱員

作為一家軟件解決方案供應商，人才是本集團最寶貴的資產。因此，本集團視其人力資源架構為最重要戰略政策之一。

本集團為實行「以人為本」及「平等機會」管理政策的僱主。本集團在考慮選拔及晉升僱員時，只會考慮僱員本身的能力及其履行職責方面時的稱職程度等因素。僱員薪酬包括基本薪金及其它實物利益，如醫療與保險計劃、退休福利計劃及其它酌情獎賞。

僱員薪酬定於具市場競爭力之水平，並按本集團人力資源體制內之既定架構定期檢討。薪酬政策主要按員工個別表現及本集團整體財務業績釐定，而報酬將於僱員有理想表現時，不時作出適當調整。

於二零零六年十二月三十一日，本集團員工總數為200人，其中研發技術人員117人，工程和客戶服務人員24人。截至二零零六年十二月三十一日止年度，員工成本（包括董事酬金）約為人民幣16,603,000元（二零零五年：人民幣15,980,000元）。

CORPORATE GOVERNANCE PRACTICES

(a) Application of Corporate Governance Principles

The Group is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making, (ii) the improvement in transparency and disclosure of information to shareholders, (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of shareholders, and (iv) the improvement in management of risk and the enhancement of performance by the Group. The Group has applied the principles set out in the Code on Corporate Governance Practices (“HKSE Code”) contained in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) with these objectives in mind.

(b) Promulgation of Company’s Corporate Governance Code

To this end, the Group has promulgated a set of Code on Corporate Governance (“Company Code”) which sets out the corporate standards and practices used by the Group to direct and manage its business affairs. It is prepared by referencing to the principles, code provisions and recommended best practices set out in the HKSE Code, which came into effect on 1 January 2005. In addition to formalizing existing corporate governance principles and practices, the Company Code also serves the purpose of assimilating existing practices with benchmarks prescribed by the HKSE Code and ultimately ensuring high transparency and accountability to the Group’s shareholders.

企業管治常規

(a) 依循企業管治原則

集團致力提高企業管治水平，宗旨在於(i)維持負責任的決策、(ii)改善對股東的透明度及向股東披露的資料、(iii)貫徹一向對股東權益的尊重及股東的合法權益的認同，及(iv)改善危機管理，提升集團表現。在此等宗旨下，集團已依循香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）附錄十五所載《企業管治常規守則》（「聯交所守則」）中的原則建立集團的管治守則。

(b) 頒佈本公司的企業管治守則

集團為此頒佈一套企業管治守則（「公司守則」），載列集團在指導及管理其商業事務時所採用的企業準則及常規。公司守則在編製時已參考由二零零五年一月一日起生效的聯交所守則內所載的原則、守則條文及建議最佳常規。除訂定現有企業管治原則及常規外，公司守則亦將現有常規及聯交所守則所規定的基準兼收並蓄，最終確保高透明度及向集團股東負責。

Corporate Governance Report

企業管治報告

(c) Compliance of Company and HKSE's Code's Provisions

The Group has complied with all provisions in the Company Code and the HKSE Code with the deviations mentioned below.

On 12 August 2005, the Company set up the following board committees and adopted the company code, being its own code on corporate governance:—

- (a) Remuneration Committee;
- (b) Nomination Committee.

The Company Code contains all the Code Provisions of the HKSE Code and other provisions.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than those as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of the directors of the Company, all directors have complied with the required standard of dealings and code of conduct regarding securities transactions by directors as set out in the code of conduct for the year 2006.

BOARD COMPOSITION

The Board of Directors ("Board") of the Company is entrusted with the overall responsibility for promoting the success of the Company by the direction and supervision of the Company's business and affairs.

The Board comprises a total of eight Directors, with two Executive Directors, namely, Mr. Wang Zhong Sheng (Chairman) and Mr. Shi Liang; three Non-executive Directors, namely Mr. Chang Jian, Mr. Kwok Shun Tim and Mr. Ye Jinxing and three Independent Non-executive Directors, namely, Mr. Luo Wei Kun, Mr. Yan Chang Ming and Ms. Pang Yuk Fong. Ms. Pang Yuk Fong has appropriate professional qualifications, accounting and financial management expertise as required under the Listing Rules.

(c) 公司及聯交所守則條文的遵行

除下文所述的偏離外，集團已遵守公司守則及聯交所守則的所有條文。

於二零零五年八月十二日，本公司設立下列董事委員會並採納公司守則，即本身之企業管治守則：

- (a) 薪酬委員會；
- (b) 提名委員會。

公司守則包括聯交所守則內之所有守則條文以及其他條文。

董事進行證券交易

本公司已採納一項守則不低於其條款於創業板上市規則第5.48條至5.67條所載條款標準之董事進行證券交易之操守守則。經向本公司董事提出具體徵詢，所有董事於截至二零零六年度內均有遵守該操守守則所列示有關董事進行證券交易之規定買賣準則及操守守則。

董事會組成

公司董事會（「董事會」）就推廣公司業務的整體責任作出領導及監控公司的業務及事務的功能。

董事會由八名董事組成，其中二名屬執行董事，包括王忠勝先生（主席）及施亮先生；三名非執行董事，包括常建先生、郭純恬先生及葉金興先生，另外三名屬獨立非執行董事，包括羅維崑先生、閻長明先生及彭玉芳女士。彭玉芳女士持有《上市規則》所要求之專業資格及具備會計及財務管理專業知識。

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

APPOINTMENT TERMS OF NON-EXECUTIVE DIRECTORS

Under Code Provision of the HKSE Code non-executive directors should be appointed for specific terms, subject to re-election. Currently, the Non-executive Directors and the Independent Non-executive Directors have no set term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's Articles of Association.

ROLES OF DIRECTORS

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for appointing and supervising senior management to ensure that the operations of the Group are conducted in accordance with the objectives of the Group. The principal roles of the Board are:

- to lay down the Group's objectives, strategies, policies and business plan;
- to monitor and control operating and financial performance through the determination of the annual budget; and
- to set appropriate policies to manage risks in pursuit of the Group's strategic objectives.

The Board is directly accountable to the shareholders and is responsible for preparing the accounts.

DELEGATION BY THE BOARD

The Board has delegated the day-to-day management responsibility to the management staff under the instruction/supervision of the Board.

各獨立非執行董事已按創業板上市規則第5.09條作出年度獨立性確認。公司認為，全部獨立非執行董事均已符合創業板上市規則第5.09條所載的獨立性指引，並根據該指引的條款屬獨立人士。

非執行董事之任期

根據聯交所守則條文之守則條文，非執行董事應有固定任期，並須接受重選。目前，非執行董事及獨立非執行董事並無固定任期，惟須根據本公司之公司組織章程細則於本公司股東週年大會輪值告退。

董事角色

董事會肩負領導及監控本公司的責任，同時集體負責委任及監督高級管理層，以確保本公司之營運符合本集團之目標。董事會的主要角色為：

- 制定本集團的目標、策略、政策及業務計劃；
- 通過釐定每年財政預算（特別是資本開支預算），監察及控制營運及財務表現；及
- 制定適當的風險管理政策，以處理集團在達致既定策略目標過程中所遇到的風險。

董事會直接向股東負責，並負責編製賬目。

董事會授權

董事會授權行政管理層在集團行政總裁及董事會不同委員會的指示／監察下，履行日常職責。

Corporate Governance Report

企業管治報告

The management staff of the Company are principally responsible for:

1. exercising all such other powers and perform all such other acts as may be exercised and performed by the Directors, save and except for those that may specifically be reserved by the Board/or the committees set up by the Board for decision and implementation; or those that may only be exercised by the Board pursuant to the memorandum and articles of association of the Company, the GEM Listing Rules and other applicable Laws and regulations.
2. formulating and implementing policies for business activities, internal controls and administration of the Company;
3. planning and deciding the Company's strategies on its business activities; and
4. keeping proper written records of its decisions taken which may be inspected by any members of the Board or the Board committees upon request.

The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

Under the Code Provision A.2.1 of the HKSE Code, the roles of chairman and CEO should be separate and should not be performed by the same individual. Currently, the Company does not comply with such Code Provision since the company does not have any person holding the title of CEO. Mr. Wang Zhong Sheng is the Chairman of the Board and is also performing the functions of CEO. The Board meets regularly to consider major matters affecting the business and operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and management and believes that this structure enables the Group to make and implement decision promptly and efficiently.

本集團之管理人員主要負責：

1. 行使董事可行使的其他所有權力及進行董事可進行的其他所有行動（指定由董事會／董事會成立的委員會負責決定及執行的事務，或根據本公司之組織大綱及組織章程、創業板上市規則及其他適用法律及法規之規定，僅可由董事會負責處理的事務則除外）；
2. 制定並執行有關本公司業務、活動、內部監控及行政的政策；
3. 計劃及決定本公司業務策略；及
4. 保留各項決定的書面紀錄，以便董事會或各董事委員會查閱。

董事會定期作出檢討以確保上述安排一直符合本集團所需。

主席及行政總裁

根據聯交所守則條文第A.2.1條，主席與行政總裁應予區分，不應由同一人士兼任。現時，本公司並無任何人士出任行政總裁。王忠勝先生為董事會主席，並同時執行行政總裁職務。董事會定期開會討論影響本集團業務及運作的主要事項。董事會認為該結構不會損害董事會與管理層的權力與職權的平衡，並相信該結構能使本集團迅速有效地作出與執行決定。

BOARD OPERATION

Regular Board meetings are held normally every three months, with additional meeting arranged, if and when required. In 2006, the Board held 17 meetings. The attendance record of each member of the Board is set out below:

董事會運作

董事會一般會每三個月會面一次，並在有需要時另外安排會面。董事會於二零零六年曾舉行十七次會議。各董事會成員的出席紀錄如下：

Executive Directors

執行董事

		Attendance 出席率
Mr. Wang Zhong Sheng (Chairman) 王忠勝先生 (主席)	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)	6/17
Mr. Shi Liang 施亮先生	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)	6/17
Mr. Ye Jinxing 葉金興先生	(redesignated as non-executive director on 16 May 2006) (於二零零六年五月十六日獲重新委派 為非執行董事)	10/17
Ms Gu Yun 顧雲女士	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)	11/17
Mr. Qiu Yixin 邱一心先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)	10/17
Mr. Chen Yunrong 陳芸榕先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)	10/17
Ms. Li Xiaoyuan 李小元女士	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)	7/17
Mr. Jiang Yulai 江育來先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)	8/17

Non-executive Director:

非執行董事

Mr. Chang Jian 常建先生	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)	2/17
Mr. Kwok Shum Tim 郭純恬先生	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)	2/17
Mr. Ye Jinxing 葉金興先生	(redesignated as non-executive director on 16 May 2006) (於二零零六年五月十六日獲重新委派 為非執行董事)	10/17
Mr. Chen Qun 陳群先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)	8/17

Independent Non-executive Directors:

獨立非執行董事

Mr. Luo Wei Kun 羅維崑先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	2/17
Mr. Yan Chang Ming 閻長明先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	2/17
Ms. Pang Yuk Fong 彭玉芳女士	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	2/17
Mr. Choy Tak Ho 蔡德河先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	8/17
Mr. Liu Bo 劉波先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	1/17
Mr. Sin Ka Man 冼家敏先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	10/17

Corporate Governance Report

企業管治報告

Directors are free to contribute alternative views at meetings and major decisions would only be taken after deliberation at Board meetings. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution. Minutes of the Board/committee meetings are kept by the Company Secretary and are open for inspection by Directors.

All Directors have access to the Company Secretary who is responsible for ensuring that the Board procedures are complied with, and advising the Board on compliance matters.

DIRECTORS' DUTIES

Every Director is kept abreast of his responsibilities as a director of the Company and of the conduct, business activities and development of the Company:

- A comprehensive director's handbook is issued to every Director, which sets out guidelines on conduct by making reference to the relevant sections of the statutes or the GEM Listing Rules, and reminds Directors of their responsibilities in making disclosure of their interests and potential conflict of interests.
- Orientation programmes are organised for providing induction to new Directors to help them familiarise with the Company's management, business and governance practices.
- Management provides appropriate and sufficient information to Directors and the committee members in a timely manner to keep them apprised of the latest development of the Group and enable them to discharge their responsibilities. Directors also have independent and unrestricted access to senior executives of the Company.

董事於會上可自由發表不同的意見，重要決定只會在董事會會議上進行討論後始作出。如董事在建議的交易或即將討論的事宜上被視為存在利益衝突或擁有重大權益，有關董事將不計入會議法定人數，並須就有關決議案放棄表決權。董事會／委員會的會議紀錄由公司秘書保存，董事可隨時查閱。

全體董事均可接觸公司秘書；公司秘書負責確保董事會程序得以遵守，並就守規事宜向董事會提供意見。

董事職責

每名董事須不時瞭解其作為本公司董事的職責，以及本公司的經營方式、業務活動及發展：

- 每名董事均獲發給資料完備的《董事手冊》。《董事手冊》透過引述法例規定或《創業板上市規則》的有關章節提供董事操守指引，及提醒董事必須履行的責任，包括適時披露權益及潛在的利益衝突。
- 為新任董事舉辦介紹公司的活動，提供就任須知協助董事熟悉香港交易所的管理、業務及管治常規。
- 管理層向董事及委員會成員適時提供恰當及充足資料，讓他們知悉集團的最新發展，以便他們履行職責。董事可就公司運作事宜獨立接觸高級行政人員。

CONDUCT ON SHARE DEALINGS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiries to its directors and supervisors, confirms that, throughout the financial year ended 31 December 2006, all directors and supervisors met the criteria laid down in the said code for securities transactions by directors.

REMUNERATION OF DIRECTORS

As mentioned above, a remuneration committee was established on 12 August 2005 for, inter alia, the following purposes:—

- (a) to make recommendations to the Board on policies and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine the remuneration packages for executive directors and senior management and to make recommendations to the board on the remuneration of non-executive directors.

The Remuneration Committee is made up of all of the Company's Independent Non-executive Directors, namely, Mr. Luo Wei Kun, Mr. Yan Chang Ming (Chairman) and Ms. Pang Yuk Fong. The duty of Remuneration Committee is to review and determine the remuneration policy and packages of the executive directors and executives.

證券交易守則

本公司已就董事進行的證券交易，採納一套不低於《創業板上市規則》第5.48至5.67條所訂交易標準的守則。本公司已向其董事及監事作出特定查詢，所有董事及監事確認已於截至二零零六年十二月三十一日止財政年度內遵守上述有關董事進行證券交易的守則的標準。

董事酬金

誠如上述，薪酬委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 就董事及高級管理層的全體薪酬政策及架構，及就設立正規而具透明度的程序制定此等薪酬政策，向董事會提出建議；
- (b) 釐定執行董事及高級管理層的酬金組合，並就非執行董事的酬金向董事會提出建議。

薪酬委員會由本公司全部獨立非執行董事組成，包括羅維崑先生、閻長明先生(主席)及彭玉芳女士。薪酬委員會之職責為檢討及釐定執行董事及行政人員之薪酬政策及待遇。

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In 2006, the Remuneration Committee held one meeting. The attendance record of each member of the Committee is set out below:

薪酬委員會於二零零六年曾舉行一次會議。各委員會成員的出席紀錄如下：

		Attendance 出席率
Mr. Luo Wei Kun 羅維崑先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	1/1
Mr. Yan Chong Ming (<i>Chairman</i>) 閻長明先生 (主席)	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	1/1
Ms. Pang Kuk Fong 彭玉芳女士	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	1/1
Mr. Sin Ka Man 冼家敏先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	0/1
Mr. Choy Tak Ho 蔡德河先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	0/1
Mr. Liu Bo 劉波先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	0/1

At the meeting, members of the Remuneration Committee reviewed the remuneration packages and overall benefits of the Directors by taking into account factors such as remuneration packages and benefits offered by comparable companies, the respective contribution of each of the Directors to the Group and the business objectives of the Group.

會上，薪酬委員會成員已根據若干因素(如同類公司所提供的薪酬待遇及福利、各董事對集團的貢獻及本集團業務目標)檢討董事的薪酬待遇及整體福利。

The Executive Directors of the Company is responsible for reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group, and proposing to the Remuneration Committee for consideration and approval, remuneration packages for the executive directors and executives.

本公司執行董事負責檢討所有有關薪酬數據及市況以及個別員工表現與本集團盈利能力，並向薪酬委員會提呈考慮及批准執行董事及行政人員之薪酬待遇。

NOMINATION OF DIRECTORS

As mentioned above, a Nomination Committee was established on 12 August 2005 for, inter alia, the following purposes:—

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- (b) to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and
- (c) to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors.

提名董事

誠如上述，提名委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 檢討董事會的架構、規模及組成(包括技能、知識及經驗)；
- (b) 物色具備適合資格成為董事會成員的人士，並向董事會提出委任董事的建議；及
- (c) 就與委任或重新委任董事及董事之接任計劃有關的事宜向董事會提出建議。

The Nomination Committee is made up of all of the Company's Independent Non-executive Directors, namely Mr. Luo Wei Kun, Mr. Yan Cheng Ming (Chairman) and Ms. Pang Yuk Fong.

提名委員會由本公司全部獨立非執行董事組成，包括羅維崑先生、閻長明先生(主席)及彭玉芳女士。

In 2006, the Nomination Committee held one meeting. The attendance record of each member of the Committee is set out below:

提名委員會於二零零六年曾舉行一次會議。各委員會成員的出席紀錄如下：

Attendance 出席率

Mr. Luo Wei Kun 羅維崑先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	1/1
Mr. Yan Chong Ming (Chairman) 閻長明先生(主席)	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	1/1
Ms. Pang Kuk Fong 彭玉芳女士	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	1/1
Mr. Sin Ka Man 冼家敏先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	0/1
Mr. Choy Tak Ho 蔡德河先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	0/1
Mr. Liu Bo 劉波先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	0/1

At the meeting, the Nomination Committee reviewed the structure, size and composition of the Company's Board of Directors, makes reference to criteria including, inter alia, reputation for integrity, accomplishment and experience in the relevant industry, professional and educational background, and commitment in respect of available time and relevant interest. The Nomination Committee was satisfied with the existing composition of the Company's Board of Directors and recommended no change in the near term.

會上，提名委員會檢討了本公司董事會的架構、規模及組成，製訂參考準則包括有關人士的誠信、其在相關行業的成就及經驗、其專業及教育背景以及其投入的程度，包括能夠付出的時間及對相關範疇的關注等。提名委員會滿意本公司董事會的現有組合，建議於短期內毋須變動。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company's Audit Committee was established on 28 July 2003 and is currently composed of all three Independent Non-executive Directors of the Company, namely, Mr. Luo Wei Kun, Mr. Yan Chang Ming and Ms. Pang Yuk Fong (Chairman). The primary duties of the Audit Committee are (a) to review the Group's annual reports, financial statements, interim reports and quarterly reports; (b) To serve as a focal point for communication between Directors, the external auditors and internal auditors; (c) To assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, and the effectiveness of the Group's internal control system; and (d) To review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditor.

In 2006, the Audit Committee held four meetings. The attendance record of each member of the Committee is set out below:

審核委員會

本公司的審核委員會於二零零三年七月二十八日成立，現任成員包括本公司全部三名獨立非執行董事羅維崑先生、閻長明先生及彭玉芳女士（主席）。審核委員會之主要職責是(a)審查集團的年報、財務報表、中期報告及季度報告；(b)作為董事、外聘核數師及內部核數師之間的一個溝通焦點；(c)透過對財務報告、集團內部管制程序的有效性提供獨立檢討及監督，協助董事會履行職責；及(d)每年檢討外聘核數師之委任以及確保續任核數師之獨立性。

審核委員會於二零零六年曾舉行四次會議。各委員會成員的出席紀錄如下：

Attendance 出席率

Mr. Luo Wei Kun 羅維崑先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	2/4
Mr. Yan Chong Ming 閻長明先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	2/4
Ms. Pang Kuk Fong (Chairman) 彭玉芳女士 (主席)	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)	2/4
Mr. Sin Ka Man 冼家敏先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	2/4
Mr. Choy Tak Ho 蔡德河先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	2/4
Mr. Liu Bo 劉波先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)	1/4

At the meetings, the Audit Committee has carefully reviewed the Company's quarterly, half-yearly and annual results and its system of internal control and has made suggestions to improve them. The Committee also carried out and discharged its other duties set out in HKSE Code. In the course of doing so, the Committee has met the company's management and qualified accountant several times during 2006. Each member of the Audit Committee has unrestricted access to the Group's external auditors and the Management.

會上，審核委員會已詳細審查集團的季度報告、中期報告及年報，以及內部管制程序，並已提出改善建議。委員會已按聯交所守則實現及履行其他職責。過程中，委員會於二零零六年曾與本公司的管理層及合資格會計師舉行多次會議。本公司並無限制各審核委員會成員與本集團外聘核數師及管理層聯絡。

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors are responsible for overseeing the preparation of the annual accounts which give a true and fair view of the Group's state of affairs of the results and cash flow for the year. In preparing the accounts for the year ended 31 December 2006, the Directors have:

- adopted suitable accounting policies and applied them consistently; and
- made judgements and estimates that are prudent and reasonable; and ensured the accounts are prepared on a going concern basis.

The company recognises that high quality corporate reporting is important in reinforcing the trust relationship between the company and the its stakeholders and aims at presenting a balanced, clear and comprehensible assessment of the Company's performance, position and prospects in all corporate communications. The annual, interim and quarterly results of the Company are announced in a timely manner within the required limits after the end of the relevant periods.

Internal Control

The Board, through the Audit Committee, has reviewed the effectiveness of the Company's system of internal control over financial, operational and compliance issues for the year 2006. The Audit Committee concluded that, in general, the Company has set up a sound control environment and installed necessary control mechanisms to monitor and correct noncompliance. The Board, through the review of the Audit Committee, is satisfied that the Group in 2006, fully complied with the code provisions on internal controls as set forth in the Code.

問責及審核

財務報告

董事負責監督年度賬目之編製，以真實公平地反映出本集團於年內之相關業績及現金流量狀況。於編製截至二零零六年十二月三十一日止年度賬目時，董事已：

- 採用適合之會計政策並貫徹應用；
- 作出審慎合理之判斷及估計，以及確保賬目乃按持續經營基準編製。

本公司認為高質素的公司報告機制對加強本公司與其權益人之間的信任非常重要，因此所有的企業傳訊均力求以平衡、清晰及全面地評估本公司的表現、狀況及前景。本公司的年度、中期及季度業績分別在有關期間完結後之規定期限內適時發表。

內部管制

董事會已通過審核委員會於二零零六年內檢討本集團內部管制系統之有效性，其中涵蓋財務、營運與合規等職能。審核委員會認為，整體而言，本集團已建立妥善之管制環境，並已採用必需之管制機制監督及改正不合規問題。通過審核委員會之檢討，董事會滿意本集團於二零零六年內完全遵守守則所轉載之內部管制守則條文。

Corporate Governance Report

企業管治報告

External Auditors

The Group's external auditors are CCIF CPA Limited. The Audit Committee is mandated to ensure continuing auditors' objectivity and safeguard independence of the auditors, and it has:

- determined the framework for the type and authorisation of non-audit services for which the external auditors may provide. In general, the engagement of the external auditors to perform non-audit services is prohibited except for tax related services; and
- agreed with the Board on the policy relating to the hiring of employees or former employees of the external auditors and monitored the applications of such policy.

During 2006, the fees paid to the Company's external auditors for audit services amounted to RMB385,000 and for non-audit related activities amounted to RMB50,000.

The Group has not employed any staff who was formerly involved in the Group's statutory audit.

Corporate Communication

The Group recognizes the importance of shareholder feedback and the need for ongoing communication with its stakeholders, including the general public, investors, and the institutional and individual shareholders. The Company published annual, interim and quarterly reports which contained detailed information about the Group. Inquiries by shareholders are directed and dealt with by senior management of the Group.

外聘核數師

本集團之外聘核數師為陳葉馮會計師事務所有限公司。審核委員會有責任確保續任核數師的客觀性及保持核數師的獨立性，委員會已：

- 釐定外聘核數師可提供之非核數服務的類別及授權的框架。一般而言，除稅項有關服務外，委員會一般禁止委任外聘核數師提供非核數服務；及
- 與董事會協定有關聘請外聘核數師現職或前僱員的政策以及如何監察此等政策的應用。

於二零零六年，本公司支付予外聘核數師之核數服務費用及非核數服務費用分別為人民幣385,000元及人民幣50,000元。

本集團從未僱用任何曾參與本集團法定核數工作的人士。

企業傳訊

本集團明白到股東的回應以及與權益人(包括公眾、投資者、機構及個人投資者)保持溝通的重要性。本公司發佈包含有關本集團之詳細資訊之年度、中期及季度報告。股東的一切查詢均有高級管理層直接處理。

Biographical Information of Directors and Senior Management 董事及高級管理層履歷資料

DIRECTOR EXECUTIVE DIRECTOR

Mr. Wang Zhong Sheng (“Mr. Wang”), aged 43, has been appointed as Chairman of the Board, an executive Director and the compliance officer of the Company since May 2006. From 9 January 2004 to 26 May 2006, Mr. Wang was an executive director of Tianjin Tianlian Public Utilities Company Limited (“Tianjin Tianlian”), a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8290), and was responsible for its business strategies. He graduated from the University of Tianjin with a bachelor degree in engineering in 1984. Mr. Wang is also a director of Tianjin Leason Investment Group Company Limited (天津市聯盛投資集團有限公司). Mr. Wang is a director of Jumbo Lane Investments Limited and is beneficially interested in 86% of the entire issued share capital of Jumbo Lane Investments Limited, a substantial shareholder of the company which holds 354,750,000 Shares, representing approximately 75% of the issued share capital of the Company as at the date of this report. Accordingly, Mr. Wang is deemed to be interested in these 354,750,000 Shares under the SFO.

Mr. Shi Liang (“Mr. Shi”), aged 38, has been appointed as an executive Director since May 2006. Mr. Shi graduated with a bachelor degree in Material Science in the Shanghai University of Science and Technology of the PRC and a master degree in management from the Business School of the People’s University in the PRC. He was a vice general manager of Tianjin Tianlian. He had worked for Jiangsu Nan Tong Electric Melter Company and Electronic Industrial Division Basic Products Department. He had also worked for Jiangsu Hua Yong Electronic Group Company as deputy manager of international cooperation department and secretary to the board of directors. He had also held various positions as a project manager, senior manager and an assistant to executive director in the investment banking of United Securities Limited, a securities company in the PRC.

董事 執行董事

王忠勝先生(「王先生」)，43歲，自二零零六年五月起獲委任為董事會主席、執行董事及監察主任。王先生曾於二零零四年一月九日至二零零六年五月二十六日期間為天津天聯公用事業股份有限公司(「天津天聯」，一家於聯交所創業板上市之公司，股份代號：8290)之執行董事，並負責其業務策略。王先生一九八四年於天津大學畢業，持有工程學學士學位。王先生亦為天津市聯盛投資集團有限公司之董事。王先生為寶連投資有限公司之董事，實際擁有寶連投資有限公司全部已發行股本之86%權益。要約人則持有354,750,000股股份，相當於本公司在本報告刊發日期之已發行股本約75%。因此，根據證券及期貨條例，王先生被視為擁有該等354,750,000股股份之權益。

施亮先生(「施先生」)，38歲，自二零零六年五月起獲委任為執行董事。施先生畢業時獲得中國上海科學技術大學材料科學學士學位及中國人民大學商學院管理學碩士學位。彼曾為天津天聯之副總經理。彼曾任職於江蘇南通電容器公司及電子工業部基礎產品公司。彼亦曾於江蘇華容電子集團公司任職國際合作部之副經理及董事會秘書。彼亦曾於一間中國證券公司聯合證券有限責任公司投資銀行部任多個職位，如項目經理、高級經理及助理執行董事。

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

NON-EXECUTIVE DIRECTOR

Mr. Ye Jinxing, aged 39, has been a director of the Company since July 2002 and was redesignated as a non-executive Director on 16 May 2006. He is a senior economist. He joined the Group in October 2000 and has been in charge of the Group's overall financial management, strategic capital planning and treasury functions of the Group. Mr. Ye previously held various managerial positions at the Quanzhou City Branch of Industrial and Commercial Bank of China in Fujian Province from 1990 to 1994 and Minfa Securities Company Limited from 1994 to 1999. Mr. Ye has over 13 years of experience and in-depth knowledge in domestic banking, capital and money markets. Mr. Ye was awarded a bachelor's degree in economics from the Jiangxi College of Finance and Economics in 1990.

Mr. Chang Jian ("Mr. Chang"), aged 42, has been appointed as a non-executive Director since May 2006. Mr Chang is currently a supervisor of Tianjin Tianlian and has been working in its corporate management department. Mr. Chang graduated from the Beijing Technical College of Economics (北京經濟學院) with concentration on Safe Engineering studies. Mr. Chang is a director of Jumbo Lane Investments Limited and owns 7% interest in Jumbo Lane Investments Limited.

Mr. Kwok Shun Tim ("Mr. Kwok"), aged 32, has been appointed as a non-executive Director since May 2006. Mr. Kwok is currently the company secretary and chief financial officer of Tianjin Tianlian. Mr. Kwok graduated from the Hong Kong University of Science and Technology and also obtained a master degree in China Business Studies from the Hong Kong Polytechnic University. Mr. Kwok has experience in the field of audit, corporate finance and financial management, Mr. Kwok is a director of Jumbo Lane Investments Limited and owns 7% interest in Jumbo Lane Investments Limited.

非執行董事

葉金興先生，39歲，自二零零二年七月起為本公司董事，並於二零零六年五月十六日獲重新委任為非執行董事。彼為高級經濟師。葉先生自二零零零年十月加入本集團以來一直負責本集團整體財務管理、策略性資本規劃及司庫職能。葉先生曾分別於一九九零年至一九九四年期間及一九九四年至一九九九年期間在中國工商銀行福建省泉州市分行及福建省閩發證券有限責任公司出任多個管理職位。葉先生對國內銀行、資本及貨幣市場有逾13年之經驗及深厚知識。葉先生於一九九零年獲江西財經學院頒授經濟學學士學位。

常建先生（「常先生」），42歲，自二零零六年五月起獲委任為非執行董事。常先生現時為天津天聯之監事，曾在其企業管理部工作。常先生畢業於北京經濟學院，主修安全工程研究。常先生為寶連投資有限公司之董事，持有寶連投資有限公司之7%權益。

郭純恬先生（「郭先生」），32歲，自二零零六年五月起獲委任為非執行董事。郭先生現時為天津天聯之公司秘書及首席財務執行官。郭先生畢業於香港科技大學，並獲得香港理工大學中國商貿管理碩士學位。郭先生擁有多年審計、企業融資及財務管理經驗。郭先生為寶連投資有限公司之董事，持有寶連投資有限公司之7%權益。

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Luo Wei Kun, aged 67, has been a director of the Company since August 2006. He graduated from the Tsinghua University with a bachelor's degree in civil engineering in 1964 and started postgraduate studies in the same year. He was awarded a postgraduate diploma in civil engineering in 1967. He acted as a technician in Wuhan Branch of the Chinese Medicine Industrial Limited during 1968 to 1969 and as a technician, deputy section chief, section chief, engineer and vice chief engineer in the State Ministry of Medicine - Hubei Medical Manufactory Branch during 1969 to 1985. He then worked as a senior engineer, section chief and assistant factory manager in Tianjin Second Coal Gas Factory during 1986 to 1992. From 1992 to 2000, he acted as a vice chief engineer in Tianjin Utility Department and at the same time, worked as a chief engineer in Tianjin City Gas Administrative Office. After his retirement in March 2000, Mr. Luo acted as a consultant of Tianjin City Gas Administrative Office and Tianjin City Gas Planning Office. Currently, he is an independent non-executive director of Tianjin Tianlian.

Mr. Yan Changming, aged 43, has been a director of the Company since August 2006. He graduated from the Tsinghua University with a bachelor's degree in chemical engineering in 1986. He also obtained a master degree in chemical engineering from the Tsinghua University and University of Ottawa in 1989 and 1994, respectively. Since 1994, he has been acting as the President of Canada Cadavisa Investment Consulting Inc. Currently, he is the vice president and secretary general of the Chamber of Commerce of Chinese Western Returned Association and the Canada Branch of Chinese Western Returned Association. He is also the vice secretary general of all Federation of Returned Oversea Chinese.

獨立非執行董事

羅維崑先生，67歲，自二零零六年八月起為本公司董事。羅先生一九六四年畢業於清華大學土木工程系，同年繼續攻讀研究生，於一九六七年獲土木工程研究生畢業文憑。其後於一九六八年至一九六九年擔任中國醫藥工業公司武漢分公司技術員，一九六九年至一九八五年先後擔任國家醫藥總局湖北製藥製劑分廠的技術員、副科長、科長、工程師和副總工程師。一九八六年至一九九二年任職天津市第二煤氣廠，期間曾任高級工程師、科長和副廠長，一九九二年至二零零零年擔任天津市公用局副總工程師，兼任天津市燃氣管理處總工程師。羅先生於二零零零年三月退休後，還曾任天津市燃氣管理處和天津市燃氣規劃辦公室顧問。羅先生目前擔任天津天聯獨立非執行董事。

閻長明先生，今年43歲，自二零零六年八月起為本公司董事。閻先生一九八六年畢業於清華大學化學工程系，其後分別於一九八九年及一九九四年於清華大學及加拿大渥太華大學取得化學工程系碩士學位。從一九九四年起，閻先生擔任加拿大加達國際商務投資諮詢公司的總裁。閻先生現任中國歐美同學會商會副會長兼秘書長、中國歐美同學會加拿大分會副會長兼秘書長及中國僑聯華商會副秘書長。

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

Ms. Pang Yuk Fong, aged 40, has been a director of the Company since August 2006. She is an experienced practicing certified public accountant in Hong Kong with over 18 years' professional experience in the accounting and auditing. She is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Pang holds a master of professional accounting degree from the Hong Kong Polytechnic University. Ms. Pang's professional career started in Deloitte Touche Tohmatsu. She has been the principal partner in Y. F. Pang & Co., Certified Public Accountants since 1990's and the managing director of AMC First Plan International Limited which is engaged in business advisory services in the Asia Pacific region. Ms. Pang was appointed by the Cuilong Copper International Holding Limited in 2006 as its independent non-executive director.

SENIOR MANAGEMENT

Ms. Gu Yun, aged 55, was the division head of software development. Ms. Gu graduated from the Xiamen University in 1985 majoring in finance in the Department of Finance and Banking. She joined the Group in December 1997 and assumes responsibility for strategic planning and business development of the Group. Before joining the Group, Ms. Gu worked in the Fujian Branch of the People's Bank of China from 1976 to 1992 and had been a vice general manager in Fujian Securities Trading Centre. Ms. Gu has good and extensive business connections and has a broad range of experiences in the domestic securities and banking industries dating back to 1980s.

Mr. Lam Kit Sun, aged 30, has been appointed as the company secretary, qualified accountant and authorized representative of the Company since May 2006. Mr. Lam is an associate member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Company Secretaries and Institute of Chartered Secretaries and Administrators. He is also a member of the Association of Chartered Certified Accountants and Institute of Internal Auditors. He graduated with a bachelor degree in accounting from Hong Kong University of Science and Technology. Prior to joining the Group, Mr. Lam has over 7 years of experience in auditing and had worked in an international accountancy firm in Hong Kong for over 4 years.

彭玉芳女士，今年40歲，自二零零六年八月起為本公司董事。彭女士是一名擁有豐富經驗的香港會計師，在會計及核數方面擁有18年的豐富經驗。彭女士是特許公認會計師公會及香港會計師公會資深會員、香港公司秘書公會及英國特許秘書暨行政管理人員學會的會員，持有香港理工大學專業會計碩士學位。彭女士於德勤會計師事務所開始她的專業生涯。自90年代開始，彭女士是香港彭玉芳會計師事務所的首席合夥人，她亦在向亞太區客戶提供商業顧問服務的聯亞專業顧問有限公司擔任董事總經理。彭女士於二零零六年獲Cuilong Copper International Holding Limited委任為其獨立非執行董事。

高級管理人員

顧雲女士，55歲，為軟件開發部之部門主管。顧女士於一九八五年在廈門大學畢業，在財務及銀行系主修金融科。自一九九七年十二月加入本集團以來一直負責本集團之策略規劃與業務發展。加入本集團前，顧女士曾於一九七六年至一九九二年期間任職中國人民銀行福建分行，並曾任福建證券交易中心副總經理。顧女士擁有良好廣泛業務聯繫，自八零年代開始已在國內證券及銀行業積累豐富經驗。

林傑新先生，30歲，自二零零六年五月起獲委任為公司秘書、合資格會計師兼授權代表。林先生為香港會計師公會、香港公司秘書公會及特許秘書及行政人員公會準會員。林先生亦為特許公認會計師公會及美國內部稽核協會會員。林先生畢業於香港科技大學，持有會計學士學位。於加入本集團前，林先生在核數方面累積7年以上經驗，並曾於香港一間國際會計師事務所工作超過4年。

The directors of China Leason Investment Group Co., Limited (the "Company") present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2006.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at an extraordinary meeting held on 29 June 2006, the name of the Company was changed from Shine Software (Holdings) Limited to China Leason Investment Group Co., Limited.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 17 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 44.

The state of affairs of the Group and the Company as at 31 December 2006 are set out in the balance sheets on pages 45 and 46 respectively. The cash flows of the Group are set out in the consolidated cash flow statement on pages 49 and 50.

The directors of the Company do not recommend the payment of a dividend.

SHARE CAPITAL AND RESERVES

Details of the movements in share capital of the Company during the year are set out in note 27 to the financial statements.

Movements in the reserves of the Group and the Company during the year are set out in note 28 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

中國聯盛投資集團有限公司(「本公司」)董事會謹此提呈本公司及其附屬公司(「本集團」)截至二零零六年十二月三十一日止年度之年報及經審核綜合財務報表。

公司名稱更改

根據於二零零六年六月二十九日舉行之特別股東大會上通過之一項特別決議案，本公司名稱從「新意軟件(控股)有限公司」改為「中國聯盛投資集團有限公司」。

主要業務

本公司為投資控股公司。其附屬公司之主要業務載於財務報表附註17。

業績及分派

本集團及本公司截至二零零六年十二月三十一日止年度之業績分別載於第44頁的綜合損益表。

本集團及本公司於二零零六年十二月三十一日之營運狀況分別載於第45及46頁之資產負債表。本集團之現金流量載於第49及50頁之綜合現金流量表。

本公司董事不建議派付股息。

股本及儲備

本公司於年內之股本變動詳情載於財務報表附註27。

本集團及本公司於年內之儲備變動載於財務報表附註28。

物業、機器及設備

有關本集團之物業、機器及設備變動詳情載於財務報表附註14。

Directors' Report

董事會報告

DIRECTORS

The directors of the Company who held office during the year were:

董事

本公司於年內之在任董事如下：

Executive Directors

執行董事

Mr. Wang Zhong Sheng (<i>Chairman</i>) 王忠勝先生 (主席)	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)
Mr. Shi Liang 施亮先生	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)
Mr. Ye Jinxing 葉金興先生	(redesignated as non-executive director on 16 May 2006) (於二零零六年五月十六日獲重新委派為非執行董事)
Ms. Gu Yun 顧雲女士	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)
Mr. Qiu Yixin 邱一心先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)
Mr. Chen Yunrong 陳芸榕先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)
Ms. Li Xiaoyuan 李小元女士	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)
Mr. Jiang Yulai 江育來先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)

Non-Executive Director

非執行董事

Mr. Chang Jian 常建先生	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)
Mr. Kwok Shun Tim 郭純恬先生	(appointed on 16 May 2006) (於二零零六年五月十六日獲委任)
Mr. Ye Jinxing 葉金興先生	(redesignated as non-executive director on 16 May 2006) (於二零零六年五月十六日獲重新委派為非執行董事)
Mr. Chen Qun 陳群先生	(resigned on 16 May 2006) (於二零零六年五月十六日辭任)

Independent Non-Executive Directors

獨立非執行董事

Mr. Luo Wei Kun 羅維崑先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)
Mr. Yan Chang Ming 閻長明先生	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)
Ms. Pang Yuk Fong 彭玉芳女士	(appointed on 15 August 2006) (於二零零六年八月十五日獲委任)
Mr. Choy Tak Ho 蔡德河先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)
Mr. Liu Bo 劉波先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)
Mr. Sin Ka Man 冼家敏先生	(resigned on 15 August 2006) (於二零零六年八月十五日辭任)

In accordance with article 87 of the Company's articles of association, Mr. Luo Wei Kun, Mr. Yan Chang Ming and Ms. Pang Yuk Fong shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Biographical information of the Directors is set out on page 27 to page 30 of this report.

CHANGES OF EXECUTIVES

The following changes of executives occurred during the year:

1. Mr. Lam Kit Sun has been appointed as company secretary, authorised representative and qualified accountant of the Company with effect from 16 May 2006; and
2. Mr. Cheung Kwok Yee, Francis has resigned as company secretary, authorised representative, qualified accountant and compliance officer of the Company with effect from 16 May 2006.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION

The directors' remuneration are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

根據公司章程第87條，羅維崑先生、閻長明先生及彭玉芳女士須要在即將到來的股東週年大會退任，並符合規定可以獲得重選。

有關該等董事之履歷資料載於本報告第27至30頁。

行政人員之變動

年內，本公司行政人員出現以下變動：

1. 林傑新先生已獲委任為本公司公司秘書、合資格會計師及授權代表，由二零零六年五月十六日起生效；及
2. 張國義先生已辭任本公司公司秘書、授權代表、合資格會計師及監察主任，由二零零六年五月十六日起生效。

董事服務合約

董事均無與本公司或其任何附屬公司訂立任何本集團不可於一年內免付補償(法定補償除外)而終止之服務合約。

董事酬金

董事酬金須由股東於股東大會批准。其他酬金由本公司董事會參考董事之職務、責任及表現以及本集團業績後釐定。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

- (i) There was no transaction which need to be disclosed as connected transactions in accordance with the requirements of Chapter 20 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules"); and
- (ii) No contract of significance in relation to the Group's business subsisted at the year-end or any time during the year to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly.

COMPETING INTERESTS

None of the directors of the Company or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Group.

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

As at 31 December 2006, the interests of the Director and chief executive of the Company and each of their respective associates (as defined under the GEM Listing Rules), in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which (a) were 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 or short positions which such Director or chief executive is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, were as follows:

董事於重大合約之權益

- (i) 本公司概無進行任何須根據聯交所創業板證券上市規則(「創業板上市規則」)第20章所規定須予披露為關連交易之交易；及
- (ii) 本公司或其任何附屬公司於年終或年內任何時間概無訂有任何本公司董事於其中佔有重大權益(不論直接或間接)且與本集團業務有關之重大合約。

競爭權益

本公司董事或管理層股東或任何彼等各自之聯繫人士(定義見創業板上市規則)概無於對或可能對本集團業務構成重大競爭之業務中擁有任何權益。

董事及主要行政人員於股份、相關股份及債券之權益或淡倉

於二零零六年十二月三十一日，本公司董事或主要行政人員或任何彼等各自之聯繫人士(定義見創業板上市規則)於本公司及其相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券持有任何(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益(包括根據證券及期貨條例該等條文董事或主要行政人員被視為持有之權益或短倉)；或(b)根據證券及期貨條例第352條規定須記錄於本公司根據該條所置存之登記冊之權益；或(c)根據創業板上市規則第5.46至5.67條須知會本公司及聯交所之權益如下：

(1) Long position in ordinary shares of the Company: (1) 於本公司普通股之好倉

Name 姓名	Capacity 身份	Nature of Interest 權益性質	Number of shares/ underlying shares 股份／相關股份數目	Approximate % of shareholdings 持股概約百分比
Mr. Wang Zhong Sheng 王忠勝先生	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	354,750,000 (Note) (附註)	75%

Note: Such shares are owned by Jumbo Lane Investments Limited.

附註：該等股份由寶連投資有限公司擁有。

Mr. Wang Zhong Sheng owns 86% interest in the issued share capital of Jumbo Lane Investments Limited and he is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

王忠勝先生擁有寶連投資有限公司已發行股本之86%權益，故根據香港法例第571章證券及期貨條例第XV部，王先生被視作於寶連投資有限公司所持之股份中擁有權益。

(2) Long position in shares of associated corporations of the Company: (2) 於相聯法團股份之好倉

Director 姓名	Name of associated corporation 相聯法團名稱	Nature of Interest 權益性質	Percentage of interests in the registered capital of the associated corporation 佔該相聯法團註冊 資本之權益百分比
Mr. Wang Zhong Sheng 王忠勝先生	Jumbo Lane Investments Limited (Note) 寶連投資有限公司 (附註)	Personal 個人	86%
Mr. Kwok Shum Tim 郭純恬先生	Jumbo Lane Investments Limited 寶連投資有限公司	Personal 個人	7%
Mr. Chang Jian 常建先生	Jumbo Lane Investments Limited 寶連投資有限公司	Personal 個人	7%

Note: Jumbo Lane Investments Limited is a holding Company of the Group, owns 75% of the shareholding of the Group. Mr. Wang Zhong Sheng owns 86% interest in the issued share capital of Jumbo Lane Investments Limited. Mr. Chang Jian and Mr. Kwok Shum Tim each own 7% in the issued share capital of Jumbo Lane Investments Limited.

附註：寶連投資有限公司為本集團之控股公司，持有本集團之75%股份。王忠勝先生擁有寶連投資有限公司已發行股本之86%權益，常建先生及郭純恬先生各擁有寶連投資有限公司已發行股本之7%權益。

Directors' Report

董事會報告

Save as disclosed above, so far as the Directors are aware, as at the 31 December 2006, none of the Directors and the chief executive of the Company and each of their respective associates (as defined under the GEM Listing Rules) had any interest or short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were 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 or short positions which the Director or chief executive is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the 31 December 2006, so far as is known to the Directors and the chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or held any option in respect of such capital:

Long positions in shares

Name 姓名	Number of Shares 股份數目	Nature of Interest 權益性質	Percentage of shareholding 持股概約百分比
Jumbo Lane Investments Limited (Note 1) 實連投資有限公司 (附註1)	354,750,000	Beneficial owner 實益擁有人	75%
Ms. Zhao Xin (Note 2) 趙馨女士 (附註2)	354,750,000	Interest of spouse 配偶之權益	75%

除上文披露者外，於二零零六年十二月三十一日，本公司董事或主要行政人員或任何彼等各自之聯繫人士(定義見創業板上市規則)概無於本公司及其相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券持有任何(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益(包括根據證券及期貨條例該等條文董事或主要行政人員被視為持有之權益或短倉)；或(b)根據證券及期貨條例第352條規定須記錄於本公司根據該條所置存之登記冊之權益；或(c)根據創業板上市規則第5.48至5.67條須知會本公司及聯交所之權益。

(3) 主要股東

於二零零六年十二月三十一日，就本公司董事及主要行政人員所知，下列人士(本公司董事或主要行政人員除外)擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上，或該等股本之購股權之權益或淡倉如下：

股份之好倉

Notes:

1. The interest was also disclosed as an interest of Mr. Wang Zhong Sheng in the paragraph headed "Directors' interests" and Chief Executive's Interests or short portions in shares, underlying shares and debentures interests above.
2. Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company which represent the same parcel of Shares held by Jumbo Lane Investments Limited pursuant to the SFO.

Save as disclosed above, there was no person known to the Directors and the chief executive of the Company, other than the Directors or the chief executive of the Company, who, as at 31 December 2006, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

SHARE OPTION SCHEME

Pursuant to a written resolution passed by the shareholders of the Company on 28 July 2003, the Company adopted a share option scheme (the "Share Option Scheme") with a life of 10 years commencing from its adoption date. The principal terms of the Share Option Scheme have been set out in the Company's 2003 Annual Report.

On 6 July 2004, a total of 20,000,000 share options were granted to certain Directors and employees of the Group under the Share Option Scheme.

As at 23 March 2006, the Company had 15,130,000 outstanding share options held by 23 optionholders entitling holders thereof to subscribe for in aggregate 15,130,000 new Shares at an exercise price of HK\$0.256 per Share at any time up to 5 July 2008.

附註：

1. 此權益於上文「董事權益」及「董事及主要行政人員股份、相關股份及債券之權益或淡倉」一段中亦披露為王忠勝先生之權益。
2. 根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)亦被視為於本公司擁有其配偶權益之權益，即由寶連投資有限公司持有之同一批股份。

除上文披露者外，就本公司董事及主要行政人員所知，於二零零六年十二月三十一日，並無其他人士(本公司董事或主要行政人員除外)擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上，或該等股本之購股權之權益或淡倉。

購股權計劃

本公司根據二零零三年七月二十八日由本公司當時之股東通過之書面決議案採納購股權計劃(「購股權計劃」)，購股權計劃由其採納當日起計為期十年。其主要條款詳載於本公司二零零三年年報內。

於二零零四年七月六日，共有20,000,000份購股權根據購股權計劃授予若干董事及本集團僱員。

於二零零六年三月二十三日，本公司有15,130,000份未行使購股權，由23名購股權持有人所持有，該等購股權賦予該等持有人權利，在直至二零零八年七月五日前任何時間，按每股股份行使價0.256港元認購合共15,130,000股新股份。

Pursuant to the “JOINT ANNOUNCEMENT of (1) Acquisition of shares in China Leason Investment Group Co., Limited (formerly known as “Shine Software (Holdings) Limited”) by Jumbo Lane Investments Limited (“Jumbo Lane”) and (2) Possible mandatory unconditional cash offers by Watterson Asia Limited (“Watterson Asia”) on behalf of Jumbo Lane Investments Limited to acquire all the issued shares and to cancel all outstanding share options of China Leason Investment Group Co., Limited” published on 30 March 2006 and the announcement of “Composite Offer and Response Document relating to Mandatory Unconditional Cash Offers by Watterson Asia Limited on behalf of Jumbo Lane Investments Limited to acquire all the issued shares and to cancel all outstanding share options of China Leason Investment Group Co., Limited” published on 25 April 2006, Watterson Asia, on behalf of the Jumbo Lane Investments Limited (“Jumbo Lane”) made an unconditional offer to pay to the optionholders a nominal consideration of HK\$0.0001 in cash in respect of every share option to which the optionholders are entitled to subscribe under the share options held by them, in consideration for the surrender to the Company by the relevant holders of all of the existing rights attaching to their share options. By accepting the option offer, optionholders will renounce and agree to the cancellation of relevant share options.

On 16 May 2006, Jumbo Lane has received valid acceptances in respect of a total of 11,890,000 Share Options out of the total 15,130,000 outstanding Share Options under the Option Offer. As the remaining 3,240,000 Share Options had not been exercised within one month from 7 April 2006, those Share Options lapsed automatically thereafter in accordance with the terms of the share option scheme of the Company.

As at 31 December 2006, the Company has no outstanding share option.

根據二零零六年三月三十日「聯合公佈 (1)寶連投資有限公司(「寶連」)收購中國聯盛投資集團有限公司(前稱「新意軟體(控股)有限公司」)之股份及(2)華德信亞洲有限公司(「華德信亞洲」)代表寶連投資有限公司提出可能強制性無條件現金要約建議以收購中國聯盛投資集團有限公司之全部已發行股份及登出全部未行使購股權」，及於二零零六年四月二十五日刊登之「與華德信亞洲有限公司代表寶連投資有限公司提出強制性無條件現金要約建議以收購中國聯盛投資集團有限公司之全部已發行股份及登出全部未行使購股權有關之綜合要約建議」之公佈，華德信亞洲代表寶連投資有限公司(「寶連」)無條件地向購股權持有人提出要約建議，就購股權持有人有權根據購股權認購持有之每份購股權支付現金0.0001港元的名義代價，作為有關持有人向本公司交回彼等之購股權附帶所有現有權利之代價。透過接納購股權要約建議，購股權持有人將放棄及同意註銷有關購股權。

於二零零六年五月十六日，寶連接獲涉及購股權要約建議項下合共15,130,000份未行使購股權中合共11,890,000份購股權之有效接納。由於從二零零六年四月七日起一個月內並未行使餘下3,240,000份購股權，故根據本公司購股權計劃之條款，改等購股權其後自動失效。

於二零零六年十二月三十一日，本公司並無任何購股權。

Movement of the Share Option scheme during the year are set out below: 年內購股權計劃的變動如下：

Participants	Date of grant	Exercise price per share	Number of share options			Company's share price at date of grant
			At 1 January 2006	Forfeited during year	At 31 December 2006	
參與者	授出日期 (Note 1)	每股行使價 (HK\$)	購股權數量 於二零零六年 一月一日	於年內失效	於二零零六年 十二月三十一日	本公司股份於授出 日期之價格 (Note 2)
	(附註1)	(港元)				(附註2)
						(港元)
Directors	6 July 2004	0.256	1,410,000	(1,410,000)	—	0.24
董事	於二零零四年七月六日					
Other employees						
其他僱員						
In aggregate	6 July 2004	0.256	16,520,000	(16,520,000)	—	0.24
合計	於二零零四年七月六日					
Total share options granted			<u>17,930,000</u>	<u>(17,930,000)</u>	<u>—</u>	
授出購股權總數						

Notes:

附註：

1. The exercise period of these share options is three years commencing from one year immediately after the date of grant and terminating three years thereafter. The share options are vested in different tranches (some of which are conditional).
1. 該等購股權之行使期為三年，由緊隨授出日期後一年起，並於其後三年終止。購股權乃分批歸屬（部份購股權為有條件）。
2. The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange's closing price on the trading day immediately prior to the date of the grant of the share options.
2. 所披露本公司股份於購股權授出日期之價格乃緊接購股權授出日期前一個交易日之聯交所收市價。

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share options disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

MAJOR CUSTOMERS AND SUPPLIERS

For the year under review, the top five customers of the Group together accounted for approximately 18.2% of the Group's total sales for the year while the single largest customers accounted for approximately 5.0% of the Group's total sales during the year.

Whereas external purchase, mainly arising from its hardware resale operations, only accounted for about 5.9% of the Group's cost of sales during the year, the top five suppliers of the Group for the year under review together accounted for approximately 92.8% of the Group's total purchases for the year and the single largest supplier accounted for approximately 73.2% of the Group's total purchases.

None of the directors, their respective associates or any shareholders of the Company who owns more than 5% of the issued share capital of the Company has any interests in the Group's five largest customers and suppliers above mentioned.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2006.

RETIREMENT BENEFITS SCHEMES

Particular of the retirement benefits schemes of the Group are set out in note 30 to the financial statements.

董事及最高行政人員購買股份或債券之權利

除上文披露之購股權外，本公司或其任何附屬公司概無於年內任何時間訂有任何安排，致使本公司董事及最高行政人員可透過購買本公司或任何其他法團之股份或債券而受惠，而董事或彼等之配偶或18歲以下子女概無擁有認購本公司證券之權利，亦無行使有關權利。

主要客戶及供應商

於回顧年內，本集團五大客戶合共佔本集團年內總銷售額約18.2%，而最大單一客戶則佔本集團年內總銷售額約5.0%。

對外採購主要源自其硬件轉售業務，僅佔本集團年內銷售成本約5.9%，而本集團五大供應商於回顧年內合共佔本集團年內總採購額約92.8%，而最大單一供應商則佔本集團總採購額約73.2%。

董事、彼等各自之聯繫人士或任何擁有本公司已發行股本5%以上之本公司股東概無於上述本集團五大客戶及供應商中擁有任何權益。

或然負債

於二零零六年十二月三十一日，本集團並無任何重大或然負債。

退休福利計劃

本集團退休福利計劃詳情載於財務報表附註30。

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, warrants or instruments carrying other similar rights as at 31 December 2006

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year ended 31 December 2006 neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed Shares.

AUDITORS

The financial statements have been audited by Messrs. CCIF CPA Limited who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

By order of the Board

Wang Zhong Sheng

Chairman

28 March 2007

可換股證券、認股權證或類似權利

於二零零六年十二月三十一日，本公司並無任何尚未行使可換股證券、認股權證或附有其他類似權利之文據。

優先購買權

本公司之公司組織章程細則或開曼群島法例並無訂有有關優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

購買、出售或贖回本公司上市股份

於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買、出售或贖回本公司任何上市股份。

核數師

財務報表已由陳葉馮會計師事務所有限公司審核，其將於本屆股東週年大會上告退，惟合資格及願應聘留任。

承董事會命

王忠勝

主席

二零零七年三月二十八日

Independent Auditor's Report

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA LEASON INVESTMENT GROUP CO., LIMITED

(Incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Leason Investment Group Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 44 to 119 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. 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 and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

致中國聯盛投資集團有限公司全體股東之獨立核數師報告

(於開曼群島註冊成立之有限公司)

本核數師已審核載於第44至119頁之中國聯盛投資集團有限公司(「貴公司」)及其附屬公司(貴集團)之綜合財務報表，包括於二零零六年十二月三十一日之綜合資產負債表及 貴公司資產負債表，截至該日止年度的綜合損益表、綜合權益變動表及綜合現金流表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製及真實而公平地列報該等財務報表，這包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部監控，以確保財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及在不同情況下作出合理之會計估算。

核數師的責任

本核數師之責任乃根據審核工作的結果，對該等綜合財務報表表達意見。並僅向全體股東報告，除此以外本報告概不可用作其他用途。本核數師概不就本報告的內容向任何其他人士承擔或負上任何責任。

本核數師已根據香港會計師公會頒佈的《香港核數準則》進行審核。該等準則規定本核數師須遵守道德規定以計劃及進行審核，以合理確定此等財務報表是否不存有重大錯誤陳述。

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 the affairs of the Company and of the Group as at 31 December 2006 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited

Certified Public Accountants
Hong Kong, 28 March 2007

Kwok Cheuk Yuen

Practising Certificate Number P02412

審核包括進行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與貴公司編製及真實而公平地列報財務報表相關的內部監控，以設計適當審核程序，但並非為對公司的內部監控之有效性發表意見。審核亦包括評價董事所採用的會計政策是否恰當及所作的會計估算是否合理，以及評價綜合財務報表的整體列報方式。

本核數師相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

本核數師認為，該等財務報表已真實而公平地反映貴公司與貴集團於二零零六年十二月三十一日之財務狀況，及貴集團截至該日止年度之虧損及現金流量，並按照香港財務報告準則及香港公司條例的披露規定妥為編製。

陳葉馮會計師事務所有限公司

執業會計師
香港，二零零七年三月二十八日

郭焯源

執業證書號碼P02412

Consolidated Income Statement

綜合損益表

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

		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	營業額	5 & 13	25,773	31,246
Cost of sales	銷售成本		(10,379)	(10,748)
Gross profit	毛利		15,394	20,498
Other revenue	其他收益	6	4,330	3,255
Other net income	其他收入淨額	6	1,518	185
Distribution costs	分銷成本		(7,741)	(4,266)
Administrative expenses	行政開支		(12,905)	(9,590)
Other operating expenses	其他經營開支		(7,214)	(8,683)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	7	(6,618)	1,399
Income tax	所得稅	8(a)	27	(461)
(Loss)/profit for the year	本年度(虧損)/溢利		(6,591)	938
Attributable to:	應佔：			
Equity holders of the Company	本公司之權益股東	11, 28(a)	(6,591)	938
Minority interests	少數股東權益	28(a)	—	—
(Loss)/profit for the year	本年度(虧損)/溢利		(6,591)	938
Dividend	股利		—	—
			RMB (cents) 人民幣(仙)	RMB (cents) 人民幣(仙)
(Loss)/earnings per share	每股(虧損)/盈利	12		
Basic	基本		(1.39)	0.20

The notes on pages 51 to 119 form part of these financial statements.
第51至119頁之附註組成財務報表其中部份。

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2006 (Expressed in Renminbi)
於二零零六年十二月三十一日(以人民幣列值)

		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 assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14(a)	3,710	4,157
Land lease prepayments	土地租賃預付款項	15	1,568	1,655
Intangible assets	無形資產	16	12,625	10,597
			17,903	16,409
Current assets	流動資產			
Trading securities	貿易證券	18	2,992	1,753
Inventories	存貨	19	120	121
Trade and other receivables	應收賬款及其他應收款項	20	20,195	8,598
Land lease prepayments	土地租賃預付款項	15	87	87
Tax recoverable	可收回稅項	21	794	1,046
Cash and cash equivalents	現金及現金等值物	22	15,009	32,018
			39,197	43,623
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	23	12,645	7,271
Deferred income	遞延收入	24	1,616	1,546
Taxation payable	應繳稅項	25	70	997
			14,331	9,814
Net current assets	流動資產淨值		24,866	33,809
Total assets less current liabilities	總資產減流動負債		42,769	50,218
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	26(a)	(441)	(837)
NET ASSETS	資產淨值		42,328	49,381
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	5,014	5,014
Reserves	儲備	28(a)	37,314	44,212
Total equity attributable to equity holders of the Company	本公司權益股東應佔總權益		42,328	49,226
Minority interests	少數股東權益		—	155
TOTAL EQUITY	總權益		42,328	49,381

Approved and authorised for issue by the board of directors on 28 March 2007.

董事會於二零零七年三月二十八日批准及授權刊發。

董事
Director

董事
Director

The notes on pages 51 to 119 form part of these financial statements.
第51至119頁之附註組成財務報表其中部份。

Balance Sheet

資產負債表

At 31 December 2006 (Expressed in Renminbi)
於二零零六年十二月三十一日 (以人民幣列值)

		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 assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14(b)	382	52
Investments in subsidiaries	於附屬公司之投資	17	6,018	19
			6,400	71
Current assets	流動資產			
Trade and other receivables	應收賬款及 其他應收款項	20	20,330	31,063
Cash and cash equivalents	現金及現金等值物	22	1,373	754
			21,703	31,817
Current liabilities	流動負債			
Trade and other payables	應付賬款及 其他應付款項	23	4,143	596
Net current assets	流動資產淨值		17,560	31,221
NET ASSETS	資產淨值		23,960	31,292
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	27	5,014	5,014
Reserves	儲備	28(b)	18,946	26,278
TOTAL EQUITY	總權益		23,960	31,292

Approved and authorised for issue by the board of directors on 28 March 2007.

董事會於二零零七年三月二十八日批准及授權刊發。

董事
Director

董事
Director

The notes on pages 51 to 119 form part of these financial statements.
第51至119頁之附註組成財務報表其中部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

		Attributable to equity holders of the Company 本公司股權持有人應佔										
		Common									Minority	Total
		Share capital	Share premium	Merger reserve	General reserve fund	welfare reserve fund	Share option reserve	Translation reserve	Retained profits	Total	interests	Total
		股本	股份溢價	合併儲備	一般儲備金	儲備基金	購股權儲備	換算儲備	保留溢利	總計	少數股東權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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
At 1 January 2005, as previously reported	於二零零五年一月一日 (按以往呈報)	5,014	34,845	(2,351)	2,171	1,055	—	—	6,786	47,520	—	47,520
Effect of retrospective adjustments upon changes in accounting policies	因改變會計政策之追溯調整影響	—	—	—	—	—	234	—	(234)	—	155	155
		5,014	34,845	(2,351)	2,171	1,055	234	—	6,552	47,520	155	47,675
Effect of prospective adjustment upon changes in accounting policies – HKFRS 3	因改變會計政策香港財務報告準則第3號之預測調整影響	—	—	—	—	—	—	—	472	472	—	472
At 1 January 2005, as restated	於二零零五年一月一日(重列)	5,014	34,845	(2,351)	2,171	1,055	234	—	7,024	47,992	155	48,147
Exchange differences on translation of financial statements of foreign entities	換算外國實體財務報表之匯兌差異	—	—	—	—	—	—	(97)	—	(97)	—	(97)
Profit for the year	本年度溢利	—	—	—	—	—	—	—	938	938	—	938
Profit appropriations	溢利分派	—	—	—	732	366	—	—	(1,098)	—	—	—
Total recognised income and expenses for the year	本年度確認收入及開支總額	—	—	—	732	366	—	(97)	(160)	841	—	841
Employee share option benefits	僱員購股權福利	—	—	—	—	—	393	—	—	393	—	393
Forfeiture of employee share options	失效之僱員購股權	—	—	—	—	—	(24)	—	24	—	—	—

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

		Attributable to equity holders of the Company 本公司股權持有人應佔										
		Common									Minority	
		Share capital	Share premium	Merger reserve	General reserve fund	welfare reserve fund	Share option reserve	Translation reserve	Retained profits	Total	interests	Total
		股本	股份溢價	合併儲備	一般儲備金	公共福利儲備基金	購股權儲備	換算儲備	保留溢利	總計	少數股東權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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
At 31 December 2005 and 1 January 2006, as previously reported	於二零零五年十二月三十一日及二零零六年一月一日，如以往呈報	5,014	34,845	(2,351)	2,903	1,421	603	(97)	6,888	49,226	155	49,381
Transfer to general reserve fund (note 28 (a))	轉到一般儲備金 (附註28(a))	—	—	—	1,421	(1,421)	—	—	—	—	—	—
At 1 January 2006, as restated	於二零零六年一月一日 (重列)	5,014	34,845	(2,351)	4,324	—	603	(97)	6,888	49,226	155	49,381
Exchange differences on translation of financial statements of foreign entities	換算外國實體財務報表之匯兌差異	—	—	—	—	—	—	(307)	—	(307)	—	(307)
Loss for the year	本年度溢利	—	—	—	—	—	—	—	(6,591)	(6,591)	—	(6,591)
Profit appropriations	溢利分派	—	—	—	106	—	—	—	(106)	—	—	—
Total recognised income and expenses for the year	本年度確認收入及開支總額	—	—	—	106	—	—	(307)	(6,697)	(6,898)	—	(6,898)
Forfeiture of employee share options	已失效之僱員購股權	—	—	—	—	—	(603)	—	603	—	—	—
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	—	—	(155)	(155)
At 31 December 2006	於二零零六年十二月三十一日	5,014	34,845	(2,351)	4,430	—	—	(404)	794	42,328	—	42,328

The notes on pages 51 to 119 form part of these financial statements.
第51至119頁之附註組成財務報表其中部份。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

	Note 附註	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
Operating activities	經營業務				
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(6,618)		1,399	
Adjustments for:	就下列各項調整:				
Depreciation	折舊	1,356		1,106	
Impairment loss for bad and doubtful debts	呆壞賬減值虧損	—		3,700	
Amortisation of land lease prepayments	攤銷土地租賃預付款項	87		87	
Amortisation of intangible assets	無形資產攤銷	5,859		5,450	
Impairment loss on intangible assets	無形資產減值虧損	2,517		483	
Employee share option benefits	僱員購股權福利	—		393	
Interest income	利息收入	(268)		(234)	
Gain on disposal of subsidiaries	出售附屬公司之盈利	(160)		—	
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	2		134	
Net realised and unrealised gains on listed equity securities carried at market value	按市值列賬之上市股本證券之已變現及未變現盈利淨額	(1,518)		(185)	
Operating profit before changes in working capital	未計營運資金變動前之經營溢利	1,257		12,333	
Decrease/(increase) in inventories	存貨減少/(增加)	1		(52)	
Increase in trade receivables, deposits and prepayments	應收賬款、按金及預付款項增加	(6,910)		(1,286)	
Increase in amount due to a director	應付一名董事款項增加	1,549		—	
Increase in creditors and accrued charges	應付賬款及應計費用增加	3,949		1,832	
Increase in deferred income	遞延收入增加	70		690	
Cash (used in)/generated from operations	經營業務(動用)/產生之現金	(84)		13,517	
Tax paid	已繳稅項				
PRC enterprise income tax paid	已繳中國企業所得稅	(1,296)		(229)	

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

	Note 附註	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
Net cash (used in)/from operating activities			(1,380)		13,288
Investing activities					
Payment for purchase of property, plant and equipment			(1,179)	(1,416)	
Proceeds from sales of property, plant and equipment			233	32	
Expenditure on development projects			(10,404)	(3,079)	
Payment for purchase of trading securities			(86,805)	(2,250)	
Proceeds from sales of trading securities			87,084	682	
Proceeds from sales of subsidiaries	34		965	-	
(Increase)/decrease in amounts due from securities broker firms			(5,485)	4,559	
Interest income received			268	234	
Net cash used in investing activities			(15,323)		(1,238)
Net (decrease)/increase in cash and cash equivalents			(16,703)		12,050
Cash and cash equivalents at 1 January			32,018		20,071
Effect of change in foreign currency translation			(306)		(103)
Cash and cash equivalents at 31 December	22		15,009		32,018

The notes on pages 51 to 119 form part of these financial statements.
第51至119頁之附註組成財務報表其中部份。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

1. CORPORATE INFORMATION

China Leason Investment Group Co., Limited (formerly known as Shine Software (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 15 July 2002 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The principal activities of the Company is investment holding and of its subsidiaries (the Company and its subsidiaries are hereafter collectively referred as the “Group”) are the development of computer software, resale of hardware, provision of system integration and maintenance.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. A summary of the significant accounting policies adopted by the Group is set out below.

1. 公司資料

中國聯盛投資集團有限公司(前稱為新意軟件(控股)有限公司)(「本公司」)於二零零二年七月十五日根據開曼群島法例第二十二章公司法(一九六一年第三冊,經統一及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司之股份均於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司註冊辦事處及主要營業地點之地址,均披露於年報「公司資料」一節。

本公司業務活動主要為投資控股,而其附屬公司(本公司及其附屬公司統稱為「本集團」)之業務活動則主要為電腦軟件開發、硬件轉售、提供系統集成及維修服務。

2. 主要會計政策

(a) 守章聲明

財務報表乃按香港財務申報準則(「香港財務申報準則」)編製。香港財務申報準則包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務申報準則、香港會計準則(「香港會計準則」)、香港普遍採納之會計準則,以及香港公司條例之披露規定,並為彼等之統稱。該等財務報表亦遵守聯交所之創業板證券上市規則之適用披露條文。本集團採納有關重要會計政策均概述於下文。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Statement of compliance (Continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of presentation of the financial statements

The financial statements are in Renminbi ("RMB"), rounded to the nearest thousand. The measurement basis used in the preparation of the financial statements is the historical cost basis, except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading securities (see note 2(d)).

The consolidated financial statements for the year ended 31 December 2006 comprise the Company and its subsidiaries.

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

2. 主要會計政策(續)

(a) 守章聲明(續)

香港會計師公會已頒佈多項新及經修訂香港財務申報準則，該等準則均已生效，或可提早於本集團及本公司當前之會計期間採用。附註3載有有關於當前及之前會計期間因初步應用其中與本集團相關之內容而產生之會計政策變動之資料，均反映於該等財務報表內。

(b) 財務報表呈報基準

財務報表均以人民幣(「人民幣」)(湊整至最接近千位)列值。除下列資產及負債以其公平值按下文解釋之會計政策入賬外，編製財務報表時所用之計量基準為歷史成本法：

- 被歸類為貿易證券之金融工具(見附註2(d))。

截至二零零六年十二月三十一日止年度之綜合財務報表包括了本公司及其附屬公司。

編製符合香港財務申報準則之財務報表時，需要管理層作出影響政策之應用及有關資產、負債、收入及開支之呈報款額之判斷、估計及假設。該等估計及相關假設乃根據歷史經驗及多項其他因素(相信於該等情況下為合理)而作出。所得結果構成管理層就目前未能從其他來源明顯得出賬面值的資產及負債作出判斷之基準。實際數字或會有別於估計數字。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of presentation of the financial statements (Continued)

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2. 主要會計政策(續)

(b) 財務報表呈報基準(續)

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

於應用香港財務申報準則時管理層所作之判斷(對財務報表構成重大影響)及估計(存在對下年作出重大調整之重大風險)均於附註4中討論。

(c) 附屬公司

附屬公司為本集團控制之實體。於本集團有權監管該實體之財務及經營決策，以自其業務獲取利益時，即存在控制。於評估控制時，將計及現時可行使之潛在投票權。

於附屬公司之投資由控制開始當日至控制終止當日在綜合財務報表中綜合計算。集團內公司間之結餘及交易以及集團內公司間交易所產生之任何未變現溢利均於編製綜合財務報表時全部撇銷。集團內公司間交易所產生之未變現虧損亦按照未變現收益之方法同樣予以撇銷，惟僅限於減值未出現之前。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries (Continued)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any future losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)(ii)).

2. 主要會計政策(續)

(c) 附屬公司(續)

少數股東權益指並非由本公司直接或間接透過附屬公司擁有之權益應佔附屬公司資產淨值部份，且本集團並未就此與該等權益之持有人訂立任何額外條款，導致本集團整體須就該等權益承擔界定為財務負債的合約責任。少數股東權益於綜合資產負債表內，與本公司權益股東應佔權益分開獨立呈列。本集團業績之少數股東權益，均於綜合收益表內呈列為於本公司少數股東權益及權益股東之間分配本年度之總溢利或虧損。

倘少數股東應佔虧損超出一間附屬公司股本權益之少數股東權益，則超出數額及少數股東應佔任何進一步虧損，於少數股東有具約束責任且能夠補償虧損之情況自本集團權益扣除。所有其後產生之附屬公司溢利分配至本集團，直至收回先前由本集團承擔之少數股東應佔虧損為止。

於附屬公司之投資於本公司資產負債表按成本減任何減值虧損(見附註2(h)(ii))列賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Other investment in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in securities held for trading are classified as current assets and are initially stated at fair value. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit and loss.

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are initially recognised in the balance sheet at fair value plus transaction costs. Subsequently, they are stated in the balance sheet at amortised cost less impairment losses (see note 2(h)(i)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 2(h)(i)).

Other investments in securities which do not fall into any of the above categories are classified as available-for-sale investments and are initially recognised at fair value plus transaction costs. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except foreign exchange gains and losses in respect of monetary items such as debt securities which are recognised directly in profit or loss. Where these investments are interest-bearing, interest calculated using the

2. 主要會計政策(續)

(d) 於債務及股本證券之其他投資

本集團及本公司對於投資於債務及股本證券(不包括投資於附屬公司、聯營公司及共同控制實體)之政策載述如下:

投資於持作交易用途之證券均歸類為流動資產, 並初步按公平值列賬。公平值於結算日重新計量, 而得出之任何盈虧則於損益賬內確認。

本集團及/或本公司有能力及擬持有至到期之定期債務證券, 均歸類為持有至到期證券。持有至到期證券均初步於資產負債表內按公平值加交易成本予以確認。其後, 彼等均按攤銷成本減減值虧損而列入資產負債表內(見附註2(h)(i))。

投資於股本證券(並無於活躍市場上上市, 且不能可靠地計量其公平值)均按成本減減值虧損於資產負債表內確認(見附註2(h)(i))。

不屬於上述類別之其他於證券之投資均歸類為可供出售證券, 並初步按公平值加交易成本予以確認。於各結算日重新計量公平值, 並於權益中直接確認所得出之盈虧, 惟債務證券等貨幣項目之外匯盈虧則直接確認為損益。倘若該等資產乃附帶利息, 則利用實際利率法計算之利息, 均於損益賬內確認。倘若不

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Other investment in debt and equity securities (Continued)

effective interest method is recognised in profit or loss. When these investments are derecognised or impaired (see note 2(h)(i)), the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Investments are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investments or they expire.

(e) Property, plant and equipment

The following items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(h)(ii)).

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 2(g)); and
- other items of plant and equipment.

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

2. 主要會計政策(續)

(d) 於債務及股本證券之其他投資(續)

再確認該等投資，或該等投資發生減值(見附註2(h)(i))，則先前直接於權益中確認之累計盈虧，於損益賬內確認。

投資項目均於本集團及/或本公司承諾購買/出售投資項目之日或彼等到期之日予以確認/不再確認。

(e) 物業、機器及設備

以下有關物業、機器及設備之項目，均按成本減累計折舊及減值虧損於損益賬內列賬(見附註2(h)(ii))。

- 位於租賃土地持有作自用之樓宇。該土地上之樓宇之公平值，可與租賃土地於租賃開始時之公平值分開計量(見附註2(g))；及
- 其他機器及設備項目。

因重估持有作自用之物業之價值而產生之變動，一般於儲備內處理，惟不包括以下各項：

- 當重估時產生虧損，則於損益賬內扣除，惟以超過緊接重估前就同一資產於儲備內所持之數額為限；及
- 當重估產生盈餘則將計入損益賬內，惟以先前已於損益賬內扣除有關同一資產之重估虧損為限。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

Depreciation is calculated to write off the cost of valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives of 20 years.
- Leasehold improvements Over the shorter of unexpired term of the leases and 20 years
- Computer equipment 3 – 5 years
- Furniture and equipment 5 years
- Motor vehicles 5 – 8 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation 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.

2. 主要會計政策(續)

(e) 物業、機器及設備(續)

棄用或出售物業、機器及設備項目產生之損益，均釐定為出售所得款項淨額與項目賬面值之差額，並於棄用或出售日期於收益表確認。任何相關重估盈餘，乃從重估儲備中轉撥至保留溢利。

計算折舊以於物業、機器及設備項目之估計可使用年內，按直線法撇銷成本或估值，減彼等之估計餘值(如有)，並載述如下：

- 位於租賃土地之樓宇，乃於租用之未屆滿年期及彼等之估計可使用年期20年(以較短者為準)予以折舊。
- 租賃裝修工程 按租約之未屆滿年期及20年(以較短者為準)
- 電腦設備 3-5年
- 傢俱及設備 5年
- 汽車 5-8年

倘若物業、機器及設備項目有部份之可使用年期不同，則該項目之成本或估值乃按合理基準分配至各部份，而各部份則獨立予以折舊。資產之可使用年期及餘值(如有)乃每年予以審核。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度(以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets (other than goodwill)

- (i) Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(h)(ii)). Other development expenditure is recognised as an expense in the period in which it is incurred.
- (ii) Amortisation of intangible assets is charged to profit or loss on a straight-line basis over the assets' estimated useful lives are indefinite. Capitalised development costs with finite useful lives are amortised from the date they are available for use and their estimated useful lives of not exceeding five years.

Both the period and method of amortisation and any conclusion that the useful life of an intangible asset is indefinite are reviewed annually.

2. 主要會計政策(續)

(f) 無形資產(商譽除外)

- (i) 研究活動開支於產生期間確認為開支。倘若產品及過程於技術及商業上均為可行，且本集團有足夠資源及擬完成開發項目，則將開發活動撥充資本。撥充資本之開支包括材料及直接勞工成本，以及間接費用適當部份。撥充資本之開發成本按成本減累計攤銷及減值虧損(見附註2h(ii))列賬。其他開發開支於產生期間確認為開支。
- (ii) 無形資產攤銷以直線法按資產之估計可使用年期自損益賬扣除。資本化之開發成本(有固定可使用年期)乃由彼等之可供使用當日起予以攤銷，而彼等之估計可使用年期不超過5年。

有關攤銷期及方法，以及作出無形資產之可使用年期為無固定之結論，均會每年予以審核。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leases

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

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(h) Impairment of assets

(i) *Impairment of investments in debt and equity securities and other receivables*

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

2. 主要會計政策(續)

(g) 租約

凡租約條款規定擁有權之絕大部份風險及回報撥歸承租人之租約均列為融資租約。所有其他租約均列為經營租約。

倘本集團根據經營租約使用資產，租約項下之付款將按租期所涵蓋之會計期間按均等分期金額自損益賬扣除，惟倘有其他方法可更清晰反映自租賃資產所得利益之情況，則當別論。已收租賃津貼於收益表確認為合共已付租賃淨額之組成部份。或然租金於產生之會計期間自收益表扣除。

收購根據經營租賃持有之土地之成本，乃於租賃期內按直線法予以攤銷。

(h) 資產減值

(i) 於債務及股本證券之投資及其他應收款項之減值

於債務及股本證券及其他現時及非現時應收款項之投資(按成本或攤銷成本列賬或歸類為可供出售證券)均於結算日予以審核，以釐定是否有減值之客觀證據。倘若有任何有關證據，則任何減值虧損均按以下釐定及確認：

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets (Continued)

(i) *Impairment of investments in debt and equity securities and other receivables (Continued)*

- For unquoted equity securities and current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the 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 current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses to equity securities are not reversed.
- For trade and other current receivables financial assets carried at amortised cost, 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 financial asset's original effective interest rate (i.e. effective interest rate computed at initial recognition of these assets), where the effect of discounting is immaterial.

2. 主要會計政策(續)

(h) 資產減值(續)

(i) 於債務及股本證券之投資及其他應收款項之減值(續)

- 就按成本列賬之非上市股本證券及現時應收款項，減值虧損乃計量為金融資產與估計未來現金流量(就類似金融資產(有重大貼現影響)按現行市場回報率貼現)之差額。倘若於其後減值虧損之數額減少，則撥回現時應收款項之減值虧損。並無撥回股本證券之減值虧損。
- 就按攤銷成本列賬之應收賬款及其他現時應收款項金融資產而言，減值虧損乃計量為資產之賬面值與估計未來現金流量(按金融資產之原本實際利率(即於初步確認該等資產時計算之實際利率)貼現，且貼現並無重大影響)之現值之差額。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets (Continued)

- (i) *Impairment of investments in debt and equity securities and other receivables (Continued)*

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on the asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

2. 主要會計政策(續)

(h) 資產減值(續)

- (i) 於債務及股本證券之投資及其他應收款項之減值(續)

倘若於其後減值虧損之數額減少，且有關減少可客觀地與於確認減值虧損後發生之事件連帶起來，則於損益賬內撥回減值虧損。撥回減值虧損不會導致資產之賬面值超過若於過去年度並無確認減值虧損時所釐定之數額。

- 就可供出售證券而言，已直接於權益中確認之累計虧損，乃從權益中撥至損益賬內確認。於損益賬內確認之累計虧損數額，乃收購成本(扣除任何本金還款及攤銷)與現時公平值之差額，減之前於損益賬內確認之資產之任何減值虧損。

就可供出售股本證券而於損益賬內確認之減值虧損，並無於損益賬內撥回。其後該等資產之公平值之增加，均直接於權益中確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets (Continued)

(i) *Impairment of investments in debt and equity securities and other receivables (Continued)*

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

(ii) *Impairment of other assets*

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- land lease prepayments classified as being held under an operating lease;
- intangible assets;
- investments in subsidiaries.

If any such indication exists, the asset's recoverable amount is estimated. In addition, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2. 主要會計政策 (續)

(h) 資產減值 (續)

(i) *於債務及股本證券之投資及其他應收款項之減值 (續)*

倘若於其後公平值增加，且可客觀地與於確認減值虧損後發生之事件連帶起來，則撥回有關可供出售債務證券之減值虧損。於該等情況下撥回之減值虧損，均於損益賬內確認。

(ii) *其他資產減值*

於各結算日審核內部及外部資料來源，以確定下列資產是否出現減值，先前確認之減值虧損是否不再存在或已經減少：

- 物業、機器及設備 (不包括按重估款額列賬之物業)；
- 租賃土地 (歸類為按經營租賃持有) 之預付款項；
- 無形資產；
- 於附屬公司之投資。

倘存在任何該等跡象，則估計資產之可收回金額。此外，就尚未可供使用之無形資產及無固定可使用年期之無形資產而言，不論有否減值跡象，均會每年估計可收回金額。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值(續)

— 計算可收回金額

資產之可收回金額指其淨銷售價及使用價值之較高者。在估定使用價值時，估計日後現金流量按反映現時市場對金額時間值及資產特定風險所評估之除稅前折讓率折讓至其現值。倘一項資產所生之現金流入在很大程度上並非獨立於其他資產所產生之現金流入，則就獨立產生現金流入之最小部份資產(即現金產生單元)釐定可收回金額。

— 確認減值虧損

當資產或其所屬現金產生單元之賬面值超過其可收回款額，則於損益賬中確認減值虧損。就現金產生單元確認之減值虧損，均首先被分配以減少分配至現金產生單元(或一組單元)之任何商譽之賬面值，然後分配以按比例減少該單元(或一組單元)之其他資產之賬面值，惟資產之賬面值將不會被減至低於其個別公平值減銷售成本或使用價值(如可予釐定)。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Reversals of impairment losses
In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

- ##### (iii) Interim financial reporting and impairment
- Under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(h)(i) and (ii)).

Impairment losses recognised in an interim period in respect of available-for-sale investments and unquoted equity securities carried at costs are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2. 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產減值(續)

- 撥回減值虧損
就商譽以外之資產而言，倘用以釐定可收回金額之估計基準出現有利變動，則撥回減值虧損。並無撥回商譽減值虧損。

減值虧損撥回以於過往年度並無確認減值虧損而原應釐定之資產賬面值為限。減值虧損撥回計入確認該等撥回之年度之收益表。

(iii) 中期財務報告及減值

根據聯交所創業板證券上市規則，本集團須按香港會計準則第34號「中期財務報告」編製有關本財政年度首六個月之中期財務報告。於中期期末，集團採用等同年底的減值測試、確認、及轉回標準(見附註2(h)(i)及(ii))。

於中期期間確認有關可供出售投資及按成本值入賬之非上市股本證券的減值損失未有於下一期轉回。假設有關於中期期間的減值評估於年底進行，就算是沒有確認損失，或損失屬輕微，皆採用以上相同處理方法。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is 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.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in 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 in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(j) 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 (see note 2(h)), 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 (see note 2(h)).

2. 主要會計政策(續)

(i) 存貨

存貨以成本及可變現淨值兩者之較低者入賬。

成本乃根據加權平均成本法計算，包括所有購買成本、加工成本及其他將存貨送抵目前地點及達致目前狀況所產生之其他成本。

可變現淨值指於日常業務中之估計售價減估計完工成本及作出銷售所需估計成本。

售出存貨後，有關存貨之賬面值將於有關收益獲確認之期間確認為開支。所有將存貨撇減至可變現淨值之數額及有關存貨之所有虧損於撇減或出現虧損期間確認為開支。倘因存貨之可變現淨值增加而撥回任何撇減，則有關數額將於出現撥回期間按已確認為開支之存貨數額減少確認。

(j) 應收賬款及其他應收款項

應收賬款及其他應收款項均於初期按公平值確認，其後按攤銷成本並就呆壞賬扣除減值虧損列賬(見附註2(h))，惟倘若可收回款項為給予有關連人士之免息貸款(並無任何固定還款期或折扣之影響並不重大)則除外。於該等情況下，可收回款項均按成本並就呆壞賬扣除減值虧損列賬(見附註2(h))。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Trade 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) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(m) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds are required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and mandatory central pension schemes organised by The People's Republic of China (the "PRC") government are recognised as an expense in the income statement as incurred.

2. 主要會計政策(續)

(k) 應付賬款及其他應付款項

應付賬款及其他應付款項均於初期按公平值確認，其後按攤銷成本列賬，惟倘若折扣之影響並不重大，則按成本列賬。

(l) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金，銀行及其他財務機構之活期存款，以及可隨時轉換為已知數額現金，並於購入時起計三個月內到期且幾乎不受價值變動風險所影響之短期高度流通投資項目。就現金流量表而言，須應要求償還且構成本集團現金管理中組成部份之銀行透支亦已作為現金及現金等值物計算在內。

(m) 僱員福利

- (i) 薪金、年度花紅、有薪年假及非貨幣福利成本，乃於僱員提供有關服務之年度計算。倘款項支付或清付遞延處理且其影響屬重大，則該等金額將以其現值列賬。
- (ii) 根據香港強制性公積金計劃條例須向強制性公積金貢獻，以及向中華人民共和國(「中國」)政府所籌辦之強制性中央退休金計劃貢獻，並於產生時在收益表內確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee benefits (Continued)

- (iii) The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. The fair value is measured at grant date using Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to the retained profits).

2. 主要會計政策(續)

(m) 僱員福利(續)

- (iii) 授予僱員之購股權之公平值，乃確認為僱員成本，並相應增加權益中之資本儲備。公平值乃於授出日期利用Black-Scholes期權定價模式計量，當中考慮到授出購股權所依據之條款及條件。倘若僱員於無條件地有權享有購股權前符合歸屬條件，則估計購股權之公平值乃於歸屬期間內分攤，當中考慮到購股權將會歸屬之可能性。

於歸屬期內，審核預期歸屬之購股權數目。於過去年度確認之累計公平值之任何調整，乃於審核年度於損益賬內扣除／計入，惟合資格確認為資產之原本僱員開支則除外，並對購股權儲備作相應調整。於歸屬日，確認為開支之款額乃予以調整，以反映歸屬購股權之實際數目（並對購股權儲備作相應調整），惟因並無達致與公司股份市值相關之歸屬條件才作出之沒收事宜除外。權益款額乃於購股權儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬）或購股權到期（直接撥入保留溢利時）。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is expected tax payable on 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 assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits,

2. 主要會計政策(續)

(n) 所得稅

本年度所得稅包括即期稅項以及遞延稅項資產及負債變動。即期稅項以及遞延稅項資產及負債變動於收益表確認，惟倘與直接於股本確認之項目有關者，則於股本中確認。

即期稅項指年內就應課稅收入，按於結算日實施或實際實施之稅率，並經就過往年度應繳稅項調整而計算之估計應繳稅項。

分別由可扣減及應課稅暫時差額產生之遞延稅項資產及負債，指就財務申報之資產及負債賬面值與其稅基之差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項進賬產生。

除若干例外情況外，倘日後應課稅溢利有可能對銷可予以使用的資產，則確認所有遞延稅項負債及遞延稅項資產。日後應課稅溢利有助確認撥回現有應課稅臨時差額之可扣減臨時差額產生之遞延稅項資產，惟該等差額須與同一稅務機構及同一應課稅實體有關，並預期會在可扣減臨時差額預期撥回之相同期間或轉回或結轉遞延稅項資產產生稅項虧損之期間撥回。於釐訂現有應課稅臨時差額是否可用以確認尚未動用的稅項虧損及進賬之遞延

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 主要會計政策(續)

(n) 所得稅(續)

稅項資產時，可採納相同的準則，即是倘差額屬同一應課稅機構及同一應課稅實體，以及預期稅項虧損或可予以動用之進賬於期內撥回，該等差額將計入賬目。

確認遞延稅項資產及負債之例外情況為自商譽產生之臨時差額不能就稅項扣減；負商譽被視作遞延收入；初步確認影響會計或應課稅溢利(惟並非業務組成部份)之資產或負債，及有關於附屬公司投資所出現臨時差額時，惟倘就應課稅差額而言，本集團可控制撥回時間及差額很可能不會於可見將來撥回或出現可扣減差額則除外，除非日後很可能會撥回。

所確認之遞延稅項金額乃按預期資產及負債賬面值之變現或交收方式，以結算日實施或實際實施之稅率計算。遞延稅項資產及負債不會折讓。

遞延稅項資產賬面值於各結算日審閱，倘可能不再有足夠應課稅溢利以容許使用有關稅項利益，則會進行扣減。倘可能會有足夠應課稅溢利，該等扣減將會撥回。

源自股息分派之額外所得稅於確認支付有關股息責任時予以確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2. 主要會計政策(續)

(n) 所得稅(續)

現有稅項結餘及遞延稅項結餘和其變動，均獨立呈列及不會予以抵銷。倘本公司或本集團有法定執行權，可以現有稅項資產抵銷現有稅項負債及達成以下額外條件時，則現有稅項資產將抵銷現有稅項負債，及遞延稅項資產將抵銷遞延稅項負債：

- 倘為現有稅項資產及負債，本公司或本集團擬按扣減基準結算或同時變現資產及清償負債；或
- 倘為遞延稅項資產及負債，由同一稅務機構徵收所得稅；
- 同一個應稅實體；或
- 不同的應稅實體。這些實體計劃在預期待有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間，按淨額實現即期稅項資產和清償即期稅項負債或在實現資產的同時清償負債。

(o) 撥備及或然負債

倘本公司或本集團因過往事件而負有可能須動用經濟利益之流出方可了結之法定或推定責任，且能作出可靠估計，則就不確定時限及金額之負債確認撥備。倘款項時間值為重大者，則撥備按預期解決債務所需開支之現值入賬。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) 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 consolidated income statement as follows:

- (i) *Sales of software and hardware*
Revenue is recognised when the Group has transferred to the customer the significant risks and rewards of ownership of the goods. Revenue excludes value added and business taxes, and is after deduction of any goods returns and trade discounts.
- (ii) *Income from provision of maintenance and other services*
Revenue from maintenance and other services is recognised at the time when the service is performed.

2. 主要會計政策(續)

(o) 撥備及或然負債(續)

倘可能毋須導致經濟利益流出或不能作出可靠估計，則將責任列作或然負債披露，除非經濟利益流出之可能性極微。僅可由發生或不發生一件或數件未來事件予以確定之可能責任，亦列作或然負債披露，除非經濟利益流出之可能性極微。

(p) 收益確認

倘經濟利益極有可能流入本集團，且收益及成本(倘適用)能可靠計算，收益將按以下方於綜合損益表確認：

- (i) *銷售軟件及硬件*
收益乃於本集團將貨品擁有權之重大風險及回報轉移予客戶時確認。收益不包括增值稅及營業稅，並於扣除任何退貨及商業折扣後列賬。
- (ii) *提供維修及其他服務之收入*
維修及其他服務之收益乃於提供服務時確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Revenue recognition (Continued)

- (iii) *Dividends*
- Dividend income from unlisted investments is recognised when the shareholders' rights to receive payment is established.
 - Dividend income from listed investments is recognised when the share price of the investments goes ex-dividend.
- (iv) *Interest income*
Interest income is recognised as it accrues using the effective interest method.
- (v) *Value added tax refunds*
Value added tax refunds is recognised when the acknowledgement of refunds from the Tax Bureau has been received.
- (vi) *Government grants*
Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in profit or loss as revenue on a systematic basis over the useful life of the asset.

2. 主要會計政策(續)

(p) 收益確認(續)

- (iii) *股息*
- 非上市投資之股息收入於股東獲派有關款項之權利確立時確認。
 - 當上市投資之股價除息後，則確認來自上市投資之股息收入。
- (iv) *利息收入*
利息收入乃於其利用實際利息法應計時確認。
- (v) *增值稅退稅*
增值稅退稅乃於確認收訖稅務局退稅時予以確認。
- (vi) *政府津貼*
當可合理確定將獲發政府津貼及本集團符合有關條件，則可於資產負債表內初步確認政府津貼為遞延收入。撥作補償本集團開支之津貼，會於開支產生之相同期間有系統地於收益表確認為收益。補償本集團資產成本之津貼，會有系統地按資產可使用年期於收益表確認為收益。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Deferred income

Warranty costs are received in advance for the whole period under warranty and are recognised in the balance sheet initially as deferred income. They will be deferred usually for one year and subsequently charged to the consolidated income statement when incurred.

(r) Translation of foreign currencies

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

Foreign currency transactions during the year are translated into RMB at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into RMB at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

2. 主要會計政策(續)

(q) 遞延收入

在保用期間，已收的保本成本將會在資產負債表內確認為遞延收入。通常已收的保本成本將會遞延一年，期後將會於綜合損益表內扣除。

(r) 外幣換算

本集團各實體之財務報表中所包括之項目，均使用有關實體業務所在之主要經濟環境之貨幣(「功能貨幣」)進行計量。綜合財務報表乃以人民幣(本集團之呈列貨幣)呈列。本公司之功能貨幣為港元及呈報貨幣為人民幣。使用人民幣作為本公司呈報貨幣之原因為本集團內大量實體之功能貨幣均為人民幣。

年內以外幣結算之交易乃按交易日之匯率換算為人民幣。以外幣換算之貨幣資產及負債，則按結算日之外幣匯率換算為人民幣。外匯收益及虧損乃於損益賬內確認。

按歷史成本計量及以外幣列值之非貨幣資產及負債，乃按於交易日期之匯率換算。以外幣為單位，並按公平值列賬之非貨幣資產及負債，均按於釐定公平值當日之匯率換算。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Translation of foreign currencies (Continued)

The results of foreign operations are translated into RMB at the exchange rates approximately the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into RMB at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(s) 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, directly 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;

2. 主要會計政策(續)

(r) 外幣換算(續)

海外業務之業績均按與於交易當日之匯率相若之匯率換算為人民幣。資產負債表項目(包括因綜合於二零零五年一月一日或之後收購之海外業務而產生之商譽)均按於結算日之匯率換算為港元。所產生之匯兌差額，均直接於獨立之權益成分中確認。因綜合於二零零五年一月一日或之後收購之海外業務而產生之商譽，乃按收購海外業務當日之匯率換算。

於出售國外企業時，有關國外企業之累計匯兌差額(於權益中確認)於計算出售損益時計入。

(s) 有關連人士

在編製本賬項時，與集團有關聯人士是指：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團的聯營公司或該人士乃合營企業而本集團為合營方；

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Related parties (Continued)

- (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 a related party of the Group.

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.

(t) 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.

2. 主要會計政策(續)

(s) 有關連人士(續)

- (iv) 該人士屬本集團主要管理人員的成員、或屬該等個人的近親家庭成員、或受該等個人人士控制、或共同控制或重大影響的實體；
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制、或共同控制或重大影響的實體；或
- (vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指預期可對該人士與實體間之買賣構成影響或會受該個人與實體間之買賣影響的家庭成員。

(t) 分部呈報

分部指本集團所提供產品或服務(業務分部)或在特定經濟環境(地域分部)提供產品或服務之可區分類別，且不同類別之風險及回報均不相同。

根據本集團內部財務申報制度，本集團之財務報表以業務分部資料為主要呈報形式，而地區分部資料則為次要呈報形式。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Segment reporting (Continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a 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 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.

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 period.

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

2. 主要會計政策(續)

(t) 分部呈報(續)

分部收益、開支、業績、資產及負債包括直接屬於某個類別之項目及可合理分配予該類別之項目。舉例而言，分部資產可包括存貨、應收賬款及固定資產。分部收益、開支、資產及負債乃在集團內公司間結餘及集團內公司間交易作為綜合賬目過程之部份而對銷前釐定，惟倘該集團內公司間結餘及交易乃於同一類別內之集團企業間進行者除外。分部內之定價乃根據可提供予其他外界人士之類以條款釐定。

分部資本開支指期內用以購入分部資產(不論有形或無形，而且預計可使用一段期間以上)所產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借款、企業及融資費用。

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3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

Note 2 summarises the significant accounting policies of the Group after the adoption of these developments to the extent that they are relevant to the Group. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 33) except for HK(IFRIC) 10, Interim financial reporting and impairment, which is effective for annual periods beginning on or after 1 November 2006.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, management has made the following judgements that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Impairment of property, plant and equipment, land lease prepayments and intangible assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows which are

3. 會計政策之變動

香港會計師公會已頒佈數項新及經修訂之香港財務報告準則，並可於本年度本集團之會計期間被提早採納或生效。

附註2為本集團採納其中與本集團相關之準則後之主要會計政策概要。採納新香港財務報告準則對本集團於本會計期間或過往會計期間之業績編製及呈列方式並無構成重大影響。故此，本集團毋須作出前期調整。

除於二零零六年十一月一日或以後開始的會計期間生效之香港(國際財務報告準則詮釋委員會)詮釋第10號外，本集團並無應用任何於本年度期間尚未生效的新訂準則或詮釋(見附註33)。

4. 關鍵會計判斷及估計不確定性之主要來源

於應用本集團之會計政策(載於附註2)過程中，管理層人員已作出以下判斷，而有關判斷對財務報表內所確認之款額均構成重大影響。有關未來之主要假設，以及於結算日估計不確定性之其他主要來源(具備會導致下個財政年度內對資產及負債賬面值作出大幅修訂之重大風險)亦於下文披露。

物業、機器及設備、土地租賃預付款項及無形資產減值

為了釐定資產是否減值或之前導致減值之事件是否不再存在，本集團須對資產減值作出判斷，特別是評估：(i) 是否已發生可能影響資產價值之事件，或影響資產價值之有關事件是否已不存在；(ii) 資產之賬面值能否得到未來現金流量之現值淨額(根

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of property, plant and equipment, land lease prepayments and intangible assets (Continued)

estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test. The Group determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of receivables

The policy for impairment on receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

4. 關鍵會計判斷及估計不確定性之主要來源(續)

物業、機器及設備、土地租賃預付款項及無形資產減值(續)

據持續使用資產或不再確認資產而作出估計)所支持;及(iii)於作出現金流量預測時所應用之恰適主要假設,包括該等現金流量預測是否採用適當利率予以貼現。管理層人員在釐定減值水平時所揀選之假設(包括現金流量預測中之貼現率或增長率假設)之變動,會嚴重影響減值測試中所使用之現值淨額。本集團至少會每年釐定資產是否出現減值,或是否存在減值跡象。這需要估計資產之使用價值。估計使用價值時,需要本集團估計資產之預期未來現金流量,並須為計算該等現金流量之現值而揀選適合之貼現率。

應收款項之減值

本集團應收款項減值之政策,乃根據評估賬目之可收回程度及賬齡分析,以及根據管理層人員之判斷而編製。於評估該等應收款項之最終變現數額時,需作出大量判斷,包括各客戶之目前信譽及過去收款歷史。倘若本集團客戶之財務狀況未如理想,減低彼等付款之能力,則可能須作額外減值。

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5. TURNOVER

The Company is an investment holding company. The principal activities of the Group are development of computer software, resale of hardware, provision of system integration and maintenance.

Turnover represents the sales value of goods supplied and services provided to customers, which excludes value-added and business taxes, and is after deduction of any goods returns and trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

		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
Sales of software	軟件銷售	16,387	23,732
Sales of hardware	硬件銷售	764	2,341
Maintenance and other services fees	維修及其他服務收費	8,622	5,173
		25,773	31,246

5. 營業額

本公司為投資控股公司。本集團之主要業務為電腦軟件開發、硬件轉售、提供系統集成及維修服務。

營業額指向客戶提供貨品及服務之銷售值，惟不包括增值稅及營業稅，並於扣除任何退貨及商業折扣後列賬。年內於營業額確認之各項重大收益類別金額如下：

6. OTHER REVENUE AND NET INCOME

Other revenue

Interest income from bank deposits
Interest income from others
Value-added tax refunds
Government grants received
Gain on disposal of subsidiaries
(note 34)
Recovery of bad and doubtful debt
Others

其他收益

銀行存款利息收入
其他利息收入
增值稅退稅
已收政府津貼
出售附屬公司之收益
(附註34)
呆壞賬之收回
其他

	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
	268	168
	—	66
	2,815	2,917
	213	84
	160	—
	557	—
	317	20
	4,330	3,255

Other net income

Net realised and unrealised gains
on trading securities

其他收入淨額

證券之已變現及
未變現盈利淨額

	1,518	185
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7. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/
(crediting):

7. 扣除所得稅前之(虧損)/溢利

扣除所得稅前之(虧損)/溢利已扣除/(計入)下列各項:

		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
(a) Staff costs	員工成本		
Retirement benefits scheme contributions	退休福利計劃供款	1,058	727
Employee share option benefits	僱員購股權福利	—	393
Salaries, wages and other benefits	薪金、工資及其他福利	15,545	14,860
		16,603	15,980
Total staff costs #	總員工成本 #	16,603	15,980
Less: Amount capitalised as development costs	減：撥作開發成本之款項	(10,404)	(3,079)
		6,199	12,901
(b) Other items	其他項目		
Cost of inventories sold and services rendered #	售出存貨及提供服務之成本 #	10,379	10,748
Amortisation of intangible assets	無形資產攤銷	5,859	5,450
Auditors' remuneration	核數師酬金	403	379
Depreciation #	折舊 #	1,356	1,361
Less: Amount capitalised as development costs	減：撥作開發成本之款項	—	(255)
		1,356	1,106
Amortisation of land lease prepayments	土地租賃預付款項攤銷	87	87
Operating lease charges in respect of land and buildings	土地及樓宇之經營租約費用	387	537
Impairment loss for bad and doubtful debts	呆壞賬減值虧損	—	3,700
Impairment loss on intangible assets	無形資產減值虧損	2,517	483
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	2	134
Research costs	研究成本	3,871	4,156

Cost of inventories sold and services rendered includes staff costs of approximately RMB2,204,000 (2005: RMB2,469,000) and depreciation expenses of approximately RMB83,000 (2005: RMB38,000) that are also included in the respective total amounts disclosed separately above for each of these types of expenses.

售出存貨及提供服務之成本，包括員工成本約人民幣2,204,000元(二零零五年：人民幣2,469,000元)及折舊開支約人民幣83,000元(二零零五年：人民幣38,000元)，已計入上述各開支類別各自另行披露之總金額內。

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8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Income tax in the consolidated income statement represents:

8. 綜合收益表之所得稅

(a) 綜合收益表之所得稅指：

		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
Current tax — Provision for the PRC enterprise income tax	現有稅項 — 中國企業所得稅撥備		
Provided for the year	本年度撥備	369	1,134
Deferred taxation	遞延稅項		
Origination and reversal of temporary differences(note 26(a))	暫時差額來源及撥回(附註26(a))	(396)	(673)
Tax (credit)/expenses	稅項(計入)/開支	(27)	461

Note:

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the years ended 31 December 2006 and 2005. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during the year.

Fujian Shine Science & Technology Limited ("Fujian Shine Science"), which is a subsidiary of the Company and obtained the approval from PRC tax authority on 26 February 2003, is exempted from PRC enterprise income tax for the two years starting from its first profit-making year after Fujian Shine Science became a wholly foreign-owned enterprise, and is entitled to a 50% relief on PRC enterprise income tax for the subsequent three years. No provision for PRC enterprise income tax has been made in the financial statements of Fujian Shine Science as Fujian Shine Science has no estimated assessable profits for the year ended 31 December 2006. For year ended 31 December 2005, Fujian Shine Science was subject to PRC enterprise income tax at a rate of 15%.

附註：

由於本集團於截至二零零六年及二零零五年十二月三十一日止年度並無估計應課稅溢利，故並無為香港利得稅作出任何撥備。根據本集團業務所在司法管轄區內之現行法例、詮釋及慣例，應課稅溢利之稅項已根據當地之現行適用稅率計算。

本公司附屬公司福建新意科技有限公司(「福建新意」)於二零零三年二月二十六日取得中國稅務機關批准，由福建新意成為全外資企業後首個獲利年度起計兩個年度獲豁免繳納中國企業所得稅，而隨後三年則可獲減免50%中國企業所得稅。由於福建新意於截至二零零六年十二月三十一日止年度並無任何估計應課稅溢利，故福建新意之財務報表並無就中國企業所得稅作出任何撥備。於截至二零零五年十二月三十一日止年度，福建新意須按稅率15%繳付中國企業所得稅。

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8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(a) Income tax in the consolidated income statement represents: (Continued)

Note: (Continued)

Shanghai Shine Science & Technology Limited ("Shanghai Shine Science"), which is a subsidiary of the Company and obtained a certificate of "Software Enterprise" on 10 April 2002, is exempted from PRC enterprise income tax for the two years starting from its first profit-making year, and is entitled to a 50% relief on PRC enterprise income tax for the subsequent three years. Accordingly, Shanghai Shine Science is subject to PRC enterprise income tax at a rate of 7.5% for the years ended 31 December 2006 and 2005.

No provision for PRC enterprise income tax has been made in the financial statements of Fuzhou Xinwangluo Network Company Limited ("Xinwangluo") and Shanghai Xingyishi Management Consulting Company Limited ("Shanghai Xingyishi"), subsidiaries of the Company, as Xinwangluo and Shanghai Xingyishi have no estimated assessable profits for the years ended 31 December 2006 and 2005. Shanghai Xingyishi has been disposed of during the year.

No provision for PRC enterprise income tax had been made in the financial statements of Shenzhen Yingqitong Technology Limited ("Shenzhen Yingqitong"), a subsidiary of the Company, as Shenzhen Yingqitong has no estimated assessable profits for the years ended 31 December 2006 and 2005. Shenzhen Yingqitong has been disposed of during the year.

8. 綜合收益表之所得稅(續)

(a) 綜合收益表之所得稅指：(續)

附註：(續)

本公司附屬公司上海新意科技有限公司(「上海新意」)於二零零二年四月十日取得「軟件企業」證書，自首個獲利年度起獲豁免繳納中國企業所得稅兩年，而後三年獲寬減50%中國企業所得稅。因此，於截至二零零六年及二零零五年十二月三十一日止年度，上海新意須按稅率7.5%繳付中國企業所得稅。

由於本公司附屬公司福州新意新網絡有限公司(「新意新網絡」)及上海興意識管理諮詢有限公司(「上海興意識」)於截至二零零六年及二零零五年十二月三十一日止年度並無估計應課稅溢利，故新意新網絡及上海興意識之財務報表均無就中國企業所得稅作出撥備。上海興意識已於年內出售。

由於本公司之附屬公司深圳市銀企通科技有限公司(「深圳市銀企通」)於截至二零零六年及二零零五年十二月三十一日止年度並無估計應課稅溢利，故深圳市銀企通之財務報表並無就中國企業所得稅作出撥備。深圳市銀企通已於年內出售。

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8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(b) Reconciliation between tax (credit)/expense and accounting (loss)/profit at applicable tax rates:

		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
(Loss)/profit before income tax	扣除所得稅前之(虧損)/溢利	(6,618)	1,399
Notional tax on (loss)/profit before income tax, calculated at the applicable rate	按適用稅率計算之扣除所得稅前之(虧損)/溢利名義稅項	(2,148)	462
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	632	595
Tax effect of non-taxable revenue	非應課稅收益之稅務影響	(518)	(831)
Tax effect of unused tax losses not recognised	未確認尚未使用稅項虧損之稅務影響	1,315	677
Tax effect of utilisation of tax loss not recognised	未確認已使用稅項虧損之稅務影響	—	(25)
Effect of different tax rates of companies of the Group	本集團成員公司不同稅率之影響	692	(417)
Actual tax (credit)/expense	實際稅項(計入)/開支	(27)	461

8. 綜合收益表之所得稅(續)

(b) 按適用稅率計算之稅項(計入)/開支與會計(虧損)/溢利之對賬:

9. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

9. 董事酬金

根據香港公司條例第161節披露之董事酬金如下:

		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
Fees	袍金	168	240
Salaries and other emoluments	薪金及其他薪酬	3,048	1,162
Bonus	花紅	33	124
Employee share option benefits	僱員購股權福利	—	51
Retirement benefit scheme contributions	退休福利計劃供款	14	18
		3,263	1,595

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9. DIRECTORS' REMUNERATION (Continued)

Details of directors' remuneration by individuals are as follows:

9. 董事酬金 (續)

個別人士之董事酬金詳情如下：

		Fees	Salaries and other benefits	Bonus	Employee share option benefits	Retirement benefit scheme contributions	Total
		袍金	薪金及其他福利	花紅	僱員購股權福利	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Wang Zhong Sheng (note 1)	王忠勝 (附註1)	—	1,024	—	—	—	1,024
Shi Liang (note 1)	施亮 (附註1)	—	819	—	—	—	819
Gu Yun (note 2)	顧雲 (附註2)	—	208	11	—	3	222
Qiu Yixin (note 2)	邱一心 (附註2)	—	233	—	—	—	233
Li Xiaoyuan (note 2)	李小元 (附註2)	—	22	2	—	1	25
Jiang Yulai (note 2)	江育來 (附註2)	—	66	3	—	3	72
Chen Yunrong (note 2)	陳芸榕 (附註2)	—	137	10	—	4	151
Non-executive directors	非執行董事						
Chang Jian (note 1)	常建 (附註1)	—	205	—	—	—	205
Kwok Shun Tim (note 1)	郭純佑 (附註1)	—	205	—	—	—	205
Chen Qun (note 2)	陳群 (附註2)	—	19	—	—	—	19
Ye Jinxing (note 5)	葉金興 (附註5)	—	110	7	—	3	120
Independent non-executive directors	獨立非執行董事						
Yan Chang Ming (note 3)	閻長明 (附註3)	18	—	—	—	—	18
Luo Wei Kun (note 3)	羅維崑 (附註3)	18	—	—	—	—	18
Pang Yuk Fong (note 3)	彭玉芳 (附註3)	18	—	—	—	—	18
Choy Tak Ho (note 4)	蔡德河 (附註4)	45	—	—	—	—	45
Liu Bo (note 4)	劉波 (附註4)	18	—	—	—	—	18
Sin Ka Man (note 4)	冼家敏 (附註4)	51	—	—	—	—	51
Total in 2006	於二零零六年之總計	168	3,048	33	—	14	3,263

Note:

- Appointed as executive director on 16 May 2006.
- Resigned as executive director on 16 May 2006.
- Appointed as independent non-executive director on 15 August 2006.
- Resigned as independent non-executive director on 15 August 2006.
- Redesignated as non-executive director from executive director on 16 May 2006.

附註：

- 於二零零六年五月十六日獲委任為執行董事。
- 於二零零六年五月十六日辭任執行董事。
- 於二零零六年八月十五日獲委任為獨立非執行董事。
- 於二零零六年八月十五日辭任獨立非執行董事。
- 於二零零六年五月十六日從執行董事退任並獲重新委派為非執行董事。

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9. DIRECTORS' REMUNERATION (Continued) 9. 董事酬金 (續)

		Fees	Salaries and other benefits	Bonus	Employee share option benefits	Retirement benefit scheme contributions	Total
		袍金	薪金及 其他福利	花紅	僱員購 股權福利	退休福利 計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Gu Yun	顧雲	—	217	37	—	3	257
Qiu Yixin	邱一心	—	304	37	—	3	344
Ye Jinxing	葉金興	—	157	23	—	3	183
Li Xiaoyuan	李小元	—	37	—	—	3	40
Jiang Yulai	江育來	—	173	27	—	3	203
Chen Yunrong	陳芸榕	—	274	—	—	3	277
Non-executive director	非執行董事						
Chen Qun	陳群	21	—	—	—	—	21
Independent non-executive directors	獨立非執行董事						
Choy Tak Ho	蔡德河	73	—	—	17	—	90
Liu Bo	劉波	73	—	—	17	—	90
Siu Ka Man	冼家敏	73	—	—	17	—	90
Total in 2005	於二零零五年之總計	240	1,162	124	51	18	1,595

Certain directors were granted options to subscribe for shares in the Company. The details of the share options granted and outstanding in respect of each director as at 31 December 2006 and 2005 are disclosed under the paragraph "Share Option Scheme" in the directors' report and note 29.

During the years ended 31 December 2006 and 2005, no directors waived any emoluments. No inducement payments to join or upon joining the Group or as compensation for loss of office was paid or payable to any director for the years ended 31 December 2006 and 2005.

Each of the executive directors entered into a service contract with the Company for a term of three years and these contracts shall continue thereafter until terminated by either party giving to the other not less than three months' notice in writing.

若干董事獲授購股權以認購本公司股份。於二零零六年及二零零五年十二月三十一日已授出及尚未行使購股權之詳情於董事會報告「購股權計劃」一段及附註29內披露。

於截至二零零六年及二零零五年十二月三十一日止年度，概無董事放棄任何酬金。於截至二零零六年及二零零五年十二月三十一日止年度，並無向任何董事支付或應付任何加入本集團或於加入本集團時之獎賞或離職補償。

各執行董事與本集團訂有服務合約，年期為三年，此等合約其後將繼續有效，直至任何一方向另一方發出不少於三個月書面通知予以終止為止。

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10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, all (2005: all) are directors whose emoluments are disclosed in note 9. However, one of the five highest paid directors of the Company resigned and remained as an employee of the Group during the year, whose emolument as director is set out in note 9 above. The emolument for the resigned director remained as an employee is as follows:

		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 and other emoluments	薪金及其他酬金	13	—
Retirement scheme contributions	退休計劃供款	3	—
		16	—

During the years ended 31 December 2006 and 2005, no emoluments were paid or payable to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office. For the year ended 31 December 2006, the emoluments of the one individual with the highest emoluments are within the following band:

		Number of individuals 人數	
		2006 二零零六年	2005 二零零五年
RMB Nil — RMB1,060,000 (equivalent to approximately HK\$ nil to HK\$1,000,000)	人民幣零元—人民幣1,060,000元(約相當於零港元至1,000,000港元)	1	—

10. 最高薪人士

五名最高薪人士中，所有(二零零五年：所有)為董事，彼等之酬金於附註9披露。然而，年內本公司五名最高薪董事之一辭任，並繼續作為本集團之僱員，彼作為董事之酬金於上述附註9披露。已辭任董事作為僱員之酬金如下：

		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
Salaries and other emoluments	薪金及其他酬金	13	—
Retirement scheme contributions	退休計劃供款	3	—
		16	—

於截至二零零六年及二零零五年十二月三十一日止年度，概無任何已付或應付包括董事及其他僱員在內之五名最高薪人士之酬金，作為招攬其加入本集團或加入本集團時之獎賞或作為離職補償。於截至二零零六年十二月三十一日止年度，一名最高薪人士之酬金介乎以下範圍：

		Number of individuals 人數	
		2006 二零零六年	2005 二零零五年
RMB Nil — RMB1,060,000 (equivalent to approximately HK\$ nil to HK\$1,000,000)	人民幣零元—人民幣1,060,000元(約相當於零港元至1,000,000港元)	1	—

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11. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated (loss)/profit attributable to equity shareholders of the Company includes a loss of approximately RMB7,732,000 (2005: RMB3,634,000) which has been dealt with in the financial statements of the Company.

12. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity holders of the Company of approximately RMB6,591,000 (2005: a profit of approximately RMB938,000) and the weighted average of 473,000,000 (2005: 473,000,000) ordinary shares in issue during the year.

(b) Diluted (loss)/earnings per share

There is no potential dilution of loss per share during the year ended 31 December 2006.

The diluted earnings per share for the year ended 31 December 2005 was the same as the basic earnings per share as the exercise price of the Company's outstanding share option was higher than the fair price per share of the Company during the year ended 31 December 2005.

13. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments. As all of the Group's revenue and results were substantially derived from the PRC, no geographical segment information is presented.

11. 本公司權益股東應佔(虧損)/溢利

本公司權益股東應佔綜合(虧損)/溢利，包括已於本公司財務報表處理之虧損約人民幣7,732,000元(二零零五年：人民幣3,634,000元)。

12. 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃按本公司權益持有人應佔虧損約人民幣6,591,000元(二零零五年：溢利約人民幣938,000元)及年內已發行普通股加權平均數473,000,000股(二零零五年：473,000,000股)計算。

(b) 每股攤薄(虧損)/盈利

截至二零零六年十二月三十一日止年度，對每股虧損並無攤薄潛力。

於截至二零零五年十二月三十一日止年度，由於本公司未行使購股權之行使價較本公司每股股份之平均市價為高，故截至二零零五年十二月三十一日止年度之每股攤薄盈利與每股基本盈利相同。

13. 分部呈報

分部資料按本集團之業務分部呈列。由於本集團之收益及業績大部分均源自中國，故並無呈列地區分部資料。

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13. SEGMENT REPORTING (Continued)

Business segments

The Group comprises the following main business segments:

Software sales	:	Sales of software relating to securities and financial industries in the PRC
Hardware sales	:	Sales of hardware
Provision of maintenance and other services	:	Provision of technical support for its customers

(i) An analysis of the Group's revenue and results by business segments is as follows:

13. 分部呈報 (續)

業務分部

本集團之主要業務分部包括：

軟件銷售	:	在中國銷售證券及金融業有關之軟件
硬件銷售	:	銷售硬件
提供維修及其他服務	:	向其客戶提供技術支援服務

(i) 本集團按業務分部劃分之收益及業績分析如下：

		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
Revenue from external customers	來自外界客戶之收益		
Software sales	軟件銷售	16,387	23,732
Hardware sales	硬件銷售	764	2,341
Provision of maintenance and other services	提供維修及其他服務	8,622	5,173
Total revenue from external customers	來自外來客戶之收益總額	25,773	31,246
Other revenue	其他收益		
Software sales	軟件銷售	2,815	2,917
Unallocated items	未分配項目	1,515	338
Total other revenue	其他收益總額	4,330	3,255
Total operating revenue	經營收益總額	30,103	34,501
Segment results	分部業績		
Software sales	軟件銷售	3,771	11,845
Hardware sales	硬件銷售	29	95
Provision of maintenance and other services	提供維修及其他服務	8,456	14,898
Unallocated operating income and expenses	未分配經營收入及開支	12,256	26,838
(Loss)/profit before income tax	扣除所得稅前之(虧損)/溢利	(18,874)	(25,439)
Income tax	所得稅	(6,618)	1,399
(Loss)/profit for the year	本年度(虧損)/溢利	27	(461)
		(6,591)	938

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13. SEGMENT REPORTING (Continued)

Business segments (Continued)

(ii) An analysis of the Group's depreciation and amortisation by business segments is as follows:

		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 and amortisation	折舊及攤銷		
Software sales	軟件銷售	6,585	6,077
Hardware sales	硬件銷售	—	—
Provision of maintenance and other services	提供維修及其他服務	65	36
Unallocated assets	未分配資產	652	785
		7,302	6,898

(iii) An analysis of the Group's assets and liabilities by business segments is as follows:

		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
Segment assets	分部資產		
Software sales	軟件銷售	22,080	17,670
Hardware sales	硬件銷售	274	1,137
Provision of maintenance and other services	提供維修及其他服務	133	147
		22,487	18,954
Unallocated assets	未分配資產	34,613	41,078
Total assets	總資產	57,100	60,032
Segment liabilities	分部負債		
Software sales	軟件銷售	6,061	3,856
Hardware sales	硬件銷售	38	78
Provision of maintenance and other services	提供維修及其他服務	1,616	1,551
		7,715	5,485
Unallocated liabilities	未分配負債	7,057	5,166
Total liabilities	總負債	14,772	10,651

13. 分部呈報(續)

業務分部(續)

(ii) 本集團按業務分部劃分之折舊及攤銷分析如下：

(iii) 本集團按業務分部劃分之資產及負債分析如下：

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13. SEGMENT REPORTING (Continued) Business segments (Continued)

(iv) An analysis of the Group's capital expenditure by business segments is as follows:

		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
Capital expenditure	資本開支		
Software sales	軟件銷售	10,749	3,588
Hardware sales	硬件銷售	—	—
Provision of maintenance and other services	提供維修及其他服務	285	55
Unallocated assets	未分配資產	549	1,107
		11,583	4,750

13. 分部呈報 (續) 業務分部 (續)

(iv) 本集團按業務分部劃分之資本及開支分析如下：

14. PROPERTY, PLANT AND EQUIPMENT (a) The Group

14. 物業、機器及設備 (a) 本集團

Cost	原值	Leasehold	Leasehold	Computer	Furniture	Motor	Total
		buildings	improvements	equipment	and equipment	vehicles	
		租賃樓宇	租賃裝修工程	電腦設備	傢俱及設備	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2005	於二零零五年一月一日	1,673	1,035	4,486	665	1,099	8,958
Additions	添置	—	957	381	78	—	1,416
Disposals	出售	—	(1,035)	(2,803)	(57)	(205)	(4,100)
Exchange adjustments	匯兌調整	—	—	—	(2)	—	(2)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	1,673	957	2,064	684	894	6,272
Additions	添置	—	—	741	108	330	1,179
Disposal of subsidiaries	出售附屬公司	—	—	(41)	—	—	(41)
Disposals	出售	—	(38)	(275)	(62)	(435)	(810)
Exchange adjustments	匯兌調整	—	—	(2)	(4)	—	(6)
31 December 2006	於二零零六年十二月三十一日	1,673	919	2,487	726	789	6,594

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14. PROPERTY, PLANT AND EQUIPMENT (Continued) (a) The Group (Continued)

14. 物業、機器及設備(續) (a) 本集團(續)

		Leasehold buildings 租賃樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修工程 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Furniture and equipment 傢俱及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Accumulated depreciation	累計折舊						
At 1 January 2005	於二零零五年一月一日	40	1,032	2,888	314	414	4,688
Charge for the year	年內支出	84	197	818	131	131	1,361
Disposals	出售	—	(1,035)	(2,659)	(46)	(194)	(3,934)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	124	194	1,047	399	351	2,115
Charge for the year	年內支出	82	397	622	139	116	1,356
Disposals of subsidiaries	出售附屬公司	—	—	(7)	—	—	(7)
Disposals	出售	—	—	(299)	(52)	(224)	(575)
Exchange adjustments	匯兌調整	—	—	(1)	(4)	—	(5)
At 31 December 2006	於二零零六年十二月三十一日	206	591	1,362	482	243	2,884
Net book value	賬面淨值						
At 31 December 2006	於二零零六年十二月三十一日	1,467	328	1,125	244	546	3,710
At 31 December 2005	於二零零五年十二月三十一日	1,549	763	1,017	285	543	4,157

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) The Company

14. 物業、機器及設備 (續)

(b) 本公司

		Computer equipment 電腦設備 RMB'000 人民幣千元	Furniture and equipment 傢俱及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	原值				
At 1 January 2005	於二零零五年一月一日	42	106	—	148
Exchange adjustment	匯兌調整	—	(2)	—	(2)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	42	104	—	146
Additions	添置	35	12	330	377
Exchange adjustment	匯兌調整	(2)	(4)	—	(6)
At 31 December 2006	於二零零六年十二月三十一日	75	112	330	517
Accumulated depreciation	累計折舊				
At 1 January 2005	於二零零五年一月一日	21	42	—	63
Charge for the year	年內支出	10	21	—	31
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	31	63	—	94
Charge for the year	年內支出	8	21	16	45
Exchange adjustment	匯兌調整	(1)	(3)	—	(4)
At 31 December 2006	於二零零六年十二月三十一日	38	81	16	135
Net book value	賬面淨值				
At 31 December 2006	於二零零六年十二月三十一日	37	31	314	382
At 31 December 2005	於二零零五年十二月三十一日	11	41	—	52

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For the year ended 31 December 2006 (Expressed in Renminbi)
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15. LAND LEASE PREPAYMENTS

15. 土地租賃預付款項

		The Group	
		本集團	
		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
Net book value at 1 January	於一月一日之賬面淨值		
— as previously reported	— 按以往所報	1,742	—
— effect of adopting HKAS 17	— 採納香港會計準則 第17號之影響	—	1,829
— as restated	— 重列	1,742	1,829
Amortisation	攤銷	(87)	(87)
Net book value at 31 December	於十二月三十一日之 賬面淨值	1,655	1,742
Current portion of non-current assets	非流動資產之即期部分	(87)	(87)
Non-current portion	非即期部分	1,568	1,655

The leasehold land is held under medium term lease and situated in the PRC. The cost of the leasehold land is RMB1,881,000 (2005: RMB1,881,000).

按中期租約持有位於中國之租賃土地。租賃土地之成本為人民幣1,881,000元(二零零五年：人民幣1,881,000元)。

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For the year ended 31 December 2006 (Expressed in Renminbi)
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16. INTANGIBLE ASSETS

16. 無形資產

		The Group 本集團 Development costs 開發成本 RMB'000 人民幣千元
Cost	原值	
At 1 January 2005	於二零零五年一月一日	15,331
Additions through internal development	透過內部開發而增添	3,334
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及 二零零六年一月一日	18,665
Additions through internal development	透過內部開發而增添	10,404
At 31 December 2006	於二零零六年十二月三十一日	29,069
Accumulated amortisation and impairment	累計攤銷及減值	
At 1 January 2005	於二零零五年一月一日	2,135
Amortisation for the year	年內攤銷	5,450
Impairment loss	減值虧損	483
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及 二零零六年一月一日	8,068
Amortisation for the year	年內攤銷	5,859
Impairment loss	減值虧損	2,517
At 31 December 2006	於二零零六年十二月三十一日	16,444
Net book value	賬面淨值	
At 31 December 2006	於二零零六年十二月三十一日	12,625
At 31 December 2005	於二零零五年十二月三十一日	10,597

Amortisation of intangible assets is recognised as an expense on a straight-line basis over their useful lives with the period of not exceeding five years.

無形資產攤銷按其不超過五年之可用年期以直線法確認為開支。

The amortisation charge for the year is included in "cost of sales" in the consolidated income statement.

年內攤銷支出於綜合收益表「銷售成本」列賬。

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16. INTANGIBLE ASSETS (Continued)

During the year ended 31 December 2006, the management of the Group assessed the recoverable amounts of the intangible assets. Based on this assessment, the carrying amount of the intangible assets was written down by approximately RMB2,517,000. The recoverable amounts have been determined on the basis of value in use calculations. Their recoverable amounts are based on certain key assumptions. All value in use calculations use cash flow projections based on the financial budgets approved by the management cover a 4-year period, and a discount rate of 15%. Cash flow projections during the budget period for the intangible assets are based on the expected gross margins during the budget period. Budgeted gross margins have been determined based on past performance and management's expectations for the market development.

17. INVESTMENTS IN SUBSIDIARIES

16. 無形資產(續)

於截至二零零六年十二月三十一日止年度內，本集團之管理層人員評估無形資產之可收回款額。根據評估，無形資產之賬面值撇減了約人民幣2,517,000元。可收回款額已根據使用價值計算方法而釐定。所有使用價值計算方法均根據管理層人員於四年期間內批准之財政預算而採用預測現金流量，以及貼現率15%而進行。於預算期間之進行有關無形資產之現金流量預測，乃根據預算期間之預期邊際毛利而進行。經預算之邊際毛利已根據過去表現及管理層人員對市場發展之預期而釐定。

17. 於附屬公司之投資

		The Company 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	非上市股份，按原值	6,018	19

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For the year ended 31 December 2006 (Expressed in Renminbi)
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17. INVESTMENTS IN SUBSIDIARIES (Continued)

As at 31 December 2006, the details of all subsidiaries of the Company were as follows:

17. 於附屬公司之投資 (續)

於二零零六年十二月三十一日，本公司所有附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and fully paid share capital/registered capital 已發行及繳足股本／註冊資本詳情	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務	
			Group's effective interest 本集團實際權益	Direct 直接		Indirect 間接
Shine Science & Technology (BVI) Company Limited ("Shine Science BVI")	British Virgin Islands ("BVI") 英屬處女群島 ([英屬處女群島])	100,000 ordinary shares of US\$0.01 each 100,000股 每股面值0.01美元之普通股	100%	100%	—	Investment holding 投資控股
Inboom Holdings* Limited ("Inboom")	BVI 英屬處女群島	50 ordinary shares of US\$1.00 each 50股 每股面值1.00美元之普通股	100%	100%	—	Not yet commenced business 尚未開始經營業務
Fujian Shine Science (福建新意科技有限公司) (note (a))	PRC 中華人民共和國 ([中國])	Registered capital RMB12,500,000 註冊資本 人民幣12,500,000元	100%	—	100%	Development of computer software, resale of hardware, provision of system integration and maintenance in the PRC 在中國開發電腦軟件、轉售硬件及提供系統集成及維修服務
Shanghai Shine Science (上海新意新科技有限公司) (note (b))	PRC 中國	Registered capital RMB5,000,000 註冊資本 人民幣5,000,000元	100%	—	100%	Development of computer software, resale of hardware, provision of system integration and maintenance in the PRC 在中國開發電腦軟件、轉售硬件及提供系統集成及維修服務

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17. INVESTMENTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之投資(續)

Name of company 公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and fully paid share capital/registered capital 已發行及繳足股本/ 註冊資本詳情	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Direct Indirect 直接 間接	
Xinwangluo (福州新意新網絡有限公司) (note (c))	PRC	Registered capital RMB1,000,000	100%	— 100%	Resale of hardware and network installation in the PRC
福州新意新網絡 有限公司(附註(c))	中國	註冊資本 人民幣1,000,000元			於中國轉售硬件及進行網絡安裝
山西陽城順泰能源發展有限公司* (note(d)) (「山西陽城」)	PRC	Registered capital RMB6,000,000	100%	100%	Provision of natural gases in the PRC
山西陽城順泰能源發展 有限公司(附註(d)) (「山西陽城」)	中國	註冊資本 人民幣6,000,000元			於中國提供天然氣
山西沁水順泰能源發展有限公司* (note(e)) (「山西沁水」)	PRC	Registered capital RMB6,000,000	100%	100%	Provision of natural gases in the PRC
山西沁水順泰能源有限公司 (附註(e)) (「山西沁水」)	中國	註冊資本 人民幣6,000,000元			於中國提供天然氣

* Incorporated and not yet commenced business during the year.

* 於年內註冊成立及尚未開始經營業務。

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截至二零零六年十二月三十一日止年度 (以人民幣列值)

17. INVESTMENTS IN SUBSIDIARIES (Continued)

Note:

- (a) Fujian Shine Science is a wholly foreign-owned enterprise established in the PRC to be operated for 24.5 years up to July 2022.
- (b) Shanghai Shine Science is an equity joint venture established in the PRC to be operated for 20 years up to February 2021. The Group nominated Ms. Gu Yun ("Ms. Gu"), the Chairperson of the Company to hold the 10% interest in trust for and on behalf of the Group.
- (c) Xinwangluo is an equity joint venture established in the PRC to be operated for 10 years up to June 2011. In January 2005, the Group acquired the remaining 33% of its interest in Xinwangluo and nominated Ms. Gu to hold the 33% interest in trust for and on behalf of the Group.
- (d) 山西陽城 is a wholly foreign-owned enterprise established in the PRC to be operated for 31 years up to November 2036.
- (e) 山西沁水 is a wholly foreign-owned enterprise established in the PRC to be operated for 31 years up to November 2036.

18. TRADING SECURITIES

17. 於附屬公司之投資 (續)

附註：

- (a) 福建新意為於中國成立之全外資企業，其經營年期為二十四年半，至二零二二年七月止。
- (b) 上海新意為於中國成立之合資合營企業，其經營年期為二十年，至二零二一年二月止。本集團提名本公司主席顧雲女士（「顧女士」）以信託方式代表本集團持有其10%權益。
- (c) 新意新網絡為於中國成立之合資合營企業，其經營年期為10年，至二零一一年六月止。於二零零五年一月，本集團收購其於新意新網絡餘下33%權益，並提名顧女士以信託方式代表本集團持有該33%權益。
- (d) 山西陽城為於中國成立之全外資企業，其經營年期為三十一年，至二零三六年十一月止。
- (e) 山西沁水為於中國成立之全外資企業，其經營年期為三十一年，至二零三六年十一月止。

18. 貿易證券

		The Group 本集團	
		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
Trading securities (at market value)	按市值列賬之貿易證券		
Listed equity securities in Hong Kong	香港之上市股本證券	1,009	753
Unlisted investment funds in PRC	中國之非上市投資基金	1,983	1,000
		2,992	1,753

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19. INVENTORIES

19. 存貨

		The Group 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
Computer hardware and accessories acquired for resale	電腦硬件及作轉售而購入之配件	120	121

All inventories were stated at cost as at 31 December 2006 and 2005.

於二零零六年及二零零五年十二月三十一日之全部存貨均以原值列賬。

20. TRADE AND OTHER RECEIVABLES

20. 應收賬款及其他應收款項

		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
Amounts due from subsidiaries (note (a))	應收附屬公司欠款 款項(附註(a))	—	—	19,138	30,907
Trade receivables (note(d))	應收賬款(附註(d))	4,280	6,351	—	—
Rental and other deposits	租金及其他按金	111	110	—	—
Advances to suppliers	墊予供應商之款項	498	453	—	—
Prepayments and other receivables	預付款項及 其他應收款項	7,440	523	868	156
Due from securities broker firms (note (b))	應收證券經紀行 款項(附註(b))	6,646	1,161	—	—
Others	其他	1,220	—	324	—
		20,195	8,598	20,330	31,063

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財務報表附註

For the year ended 31 December 2006 (Expressed in Renminbi)
截至二零零六年十二月三十一日止年度 (以人民幣列值)

20. TRADE AND OTHER RECEIVABLES (Continued)

Note:

- (a) The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.
- (b) During the year ended 31 December 2006, the Group traded equity and debt securities through securities broker firms. As at 31 December 2006, amount of approximately RMB6,646,000 (2005: RMB1,161,000) was due from securities broker firms. The amounts are unsecured, bears interest at 2.5 per cent. (2005: 2.5 per cent.) per annum and can be withdrawn by the Group at any time.
- (c) All of the trade and other receivables, apart from rental and other deposits, are expected to be recovered within one year.
- (d) Included in trade and other receivables are trade receivables (net of impairment loss for doubtful debts) with the following ageing analysis as of the balance sheet date:

20. 應收賬款及其他應收款項 (續)

附註：

- (a) 應收附屬公司欠款為無抵押、免息及無固定還款期。
- (b) 截至二零零六年十二月三十一日止年度，本集團透過一家證券經紀行買賣股本及債務證券。於二零零六年十二月三十一日，該證券經紀行之欠款約為人民幣6,646,000元（二零零五年：人民幣1,161,000元）。該筆款項為無抵押、按每年2.5厘（二零零五年：2.5厘）息率計息及可由本集團隨時提用。
- (c) 除租金及其他按金外，預期所有應收賬款及其他應收款項將於一年內收回。
- (d) 於截至結算日，計入於應收賬款及其他應收款項之應收賬款（減呆壞賬之減值虧損）賬齡分析如下：

		The Group 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
Within 1 month	1個月內	—	3,613
More than 1 month but less than 3 months	1個月後但3個月內	2,279	1,384
More than 3 months but less than 6 months	3個月後但6個月內	2,001	1,334
More than 6 months but less than 12 months	6個月後但12個月內	1,179	2,927
More than 12 months	12個月後	2,932	1,761
		8,391	11,019
Less: Impairment loss for bad and doubtful debts	減：呆壞賬之減值虧損	(4,111)	(4,668)
		4,280	6,351

The Group generally grants credit terms of 30 days to 180 days to its customers. The Group may, on a case by case basis and after evaluation of the business relationship and credit worthiness, extend the credit period upon customers' request.

本集團一般給予客戶30至180日信貸期。本集團可按每個個案基準，及於評估業務關係及信譽後，應客戶要求延長信貸期。

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21. TAX RECOVERABLE

21. 可收回稅項

		The Group 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
Value added tax refunds receivable	應收增值稅退稅	794	1,046

22. CASH AND CASH EQUIVALENTS

22. 現金及現金等值物

		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
Cash at banks	銀行現金	14,886	17,952	1,373	753
Cash on hand	手持現金	123	31	—	1
Money at call and short notice	短期通知放款	—	14,035	—	—
Cash and cash equivalents	現金及現金等值物	15,009	32,018	1,373	754

Cash at banks earns interest at floating rates based on daily bank deposit rates. Money at call and short notice for the year ended 31 December 2005 were made for various periods between one day and seven days depended on the immediate cash requirement of the Group and earned interest rate at the respective short term time deposit rate.

銀行現金乃根據每日銀行存款利率，按浮息利率賺取利息。截至二零零五年十二月三十一日止年度之短期通知放款均視乎本集團之即時現金需求而於介乎一日至七日之不同期間作出，並按各短期定期存款利率賺取利息。

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23. TRADE AND OTHER PAYABLES

23. 應付賬款及其他應付款項

		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
Trade payables	應付賬款	26	78	—	—
Amount due to a director (note (a))	應付董事款項 (附註(a))	1,549	—	—	—
Deposits received from customers	向客戶收取按金	6,111	3,861	—	—
Employees welfare payable	應付員工福利	609	603	—	—
Accrued expenses and other payables	應計開支及 其他應付款項	3,997	1,617	4,140	596
Other tax payables	其他應繳稅項	353	1,112	3	—
		12,645	7,271	4,143	596

Included in trade and other payables are trade payables with the ageing analysis as of the balance sheet date:

於結算日，包括於應付賬款及其他應付款項的應付賬款賬齡分析如下：

		The Group 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
After 1 month but less than 3 months	1個月後但3個月內	26	78

Note:

附註：

(a) The amount due to the director — Wang Zhong Sheng is unsecured, non-interest bearing and repayable on demand.

(a) 應付董事王忠勝之款項為無抵押、免息及須應要求償還。

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For the year ended 31 December 2006 (Expressed in Renminbi)
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24. DEFERRED INCOME

24. 遞延收入

		The Group 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
At 1 January	於一月一日	1,546	856
Released to the consolidated income statement	轉撥至綜合收益表	(1,546)	(856)
Income deferred during the year	年內遞延收入	1,616	1,546
At 31 December	於十二月三十一日	1,616	1,546

25. TAXATION PAYABLE

25. 應繳稅項

		The Group 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
PRC enterprise income tax	中國企業所得稅		
At 1 January	於一月一日	997	92
Provided for the year	年度撥備	369	1,134
PRC enterprise income tax paid	已繳付中國企業所得稅	(1,296)	(229)
At 31 December	於十二月三十一日	70	997

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26. DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised

The following are the major deferred tax assets/ (liabilities) recognised and movements thereon during the current year are as follows:

		The Group 本集團				
		Tax losses	Development costs	Impairment loss for bad and doubtful debt 呆壞賬 減值虧損	Impairment loss of intangible asset 無形資產 減值虧損	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2005	於二零零五年一月一日	123	(1,727)	94	—	(1,510)
Credited to the consolidated income statement (note 8(a))	於綜合收益表計入之金額(附註8(a))	(123)	260	536	—	673
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	—	(1,467)	630	—	(837)
Credited to the consolidated income statement (note 8(a))	於綜合收益表計入之金額(附註8(a))	380	(48)	(193)	257	396
At 31 December 2006	於二零零六年十二月三十一日	380	(1,515)	437	257	(441)

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為作財務申報用途的遞延稅項結餘分析：

		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
Deferred tax liabilities	遞延稅項負債	(441)	(837)

26. 遞延稅項

(a) 已確認遞延稅項資產及負債

以下為已於本年度確認之主要遞延稅項資產/(負債)及有關變動:

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26. DEFERRED TAXATION (Continued)

(b) Deferred tax assets/liabilities not recognised

The Group has not recognised deferred tax assets in respect of tax losses of approximately RMB2,095,000 (2005: RMB1,009,000) as it is not probable that taxable profit will be available against which tax losses can be utilised.

At 31 December 2006, the Group's tax losses of approximately RMB2,095,000 (2005: RMB590,000) will expire in five years from the year in which they were incurred and no tax losses that do not expire under current tax legislation (2005: RMB419,000).

The Group and the Company have no other deferred assets/(liabilities) not recognised for the year and at the balance sheet date.

26. 遞延稅項(續)

(b) 未確認遞延稅項資產/(負債)

本集團並無就稅項虧損約人民幣2,095,000元(二零零五年: 人民幣1,009,000元) 確認遞延稅項資產, 此乃由於應課稅溢利可用以抵銷稅項虧損之可能性不大。

於二零零六年十二月三十一日, 根據現行稅法, 本集團之稅項虧損約人民幣2,095,000元(二零零五年: 人民幣590,000元) 將於產生年度起計五年到期, 且並無不會到期之稅項虧損(二零零五年: 人民幣419,000元)。

於本年度及結算日, 本集團及本公司並無未確認之其他遞延稅項資產/(負債)。

27. SHARE CAPITAL

27. 股本

The Group and the Company

本集團及本公司

		2006		2005	
		二零零六年		二零零五年	
		Number of shares	Amount	Number of shares	Amount
		股份數目	款項	股份數目	款項
		'000	RMB'000	'000	RMB'000
		千股	人民幣千元	千股	人民幣千元
Authorised — Ordinary shares of HK\$0.01 (approximately equivalent to RMB0.0106) each:	法定 — 每股面值 0.01港元(約相當於人民幣0.0106元)之普通股:				
At 1 January and 31 December	於一月一日及十二月三十一日	5,000,000	53,000	5,000,000	53,000
Issued and fully paid — Ordinary shares of HK\$0.01 (approximately equivalent to RMB0.0106) each:	已發行及繳足 — 每股面值0.01港元(約相當於人民幣0.0106元)之普通股:				
At 1 January and 31 December	於一月一日及十二月三十一日	473,000	5,014	473,000	5,014

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28. RESERVES (a) The Group

28. 儲備 (a) 本集團

		Attributable to equity holders of the Company 本公司之權益股東應佔									
		Common							Minority		Total
		Share premium	Merger reserve (note (i))	General reserve fund (note (ii))	welfare reserve fund (note (iii))	Share option reserve	Translation reserve	Retained profits	Total	interests	Total
		股份溢價	合併儲備	一般儲備	公共福利	購股權儲備	換算儲備	保留溢利	總計	少數股東權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2005	於二零零五年一月一日	34,845	(2,351)	2,171	1,055	234	—	7,024	42,978	155	43,133
Exchange difference on translation financial statements of foreign entities	換算外國實體之財務報表之匯兌差額	—	—	—	—	—	(97)	—	(97)	—	(97)
Profit for the year	本年度溢利	—	—	—	—	—	—	938	938	—	938
Profit appropriations	溢利分派	—	—	732	366	—	—	(1,098)	—	—	—
Employee share option benefits	僱員購股權福利	—	—	—	—	393	—	—	393	—	393
Forfeiture of employee share options	失效之僱員購股權	—	—	—	—	(24)	—	24	—	—	—
At 31 December 2005 and 1 January 2006, as previously reported	於二零零五年十二月三十一日及二零零六年一月一日，如已往呈報	34,845	(2,351)	2,903	1,421	603	(97)	6,888	44,212	155	44,367
Transfer to general reserve fund (note (iii))	轉到一般儲備基金(附註(iii))	—	—	1,421	(1,421)	—	—	—	—	—	—
At 1 January 2006, as restated	於二零零六年一月一日(重列)	34,845	(2,351)	4,324	—	603	(97)	6,888	44,212	155	44,367
Exchange difference on translation financial statements of foreign entities	換算外國實體之財務報表之匯兌差額	—	—	—	—	—	(307)	—	(307)	—	(307)
Loss for the year	本年度虧損	—	—	—	—	—	—	(6,591)	(6,591)	—	(6,591)
Profit appropriations	溢利分派	—	—	106	—	—	—	(106)	—	—	—
Forfeiture of employee share options	已失效之僱員購股權	—	—	—	—	(603)	—	603	—	—	—
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	—	(155)	(155)
At 31 December 2006	於二零零六年十二月三十一日	34,845	(2,351)	4,430	—	—	(404)	794	37,314	—	37,314

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28. RESERVES (Continued)

(a) The Group (Continued)

Note:

- (i) Merger reserve

The merger reserve represents the amount of reserves of subsidiaries that have been capitalised as a result of the merger.

- (ii) General reserve fund

According to the relevant laws and regulations in the PRC, each of the PRC subsidiaries is required to appropriate at least 10% of after-tax profit (after offsetting prior year's losses), based on the PRC statutory financial statements prepared in accordance with the generally accepted accounting principals ("GAAP") and financial regulations applicable to the PRC enterprises, to a general reserve fund until the balance of the fund reaches 50% of the PRC subsidiary's registered capital. Thereafter, any further appropriation can be made at the directors' discretion.

The general reserve fund can be utilised to offset the prior years' losses, or be utilised to increase the capital on the condition that the general reserve fund shall be maintained at a minimum of 25% of the registered capital after such increase.

The directors of Fujian Shine Science determined not to make any appropriation to the general reserve fund as this subsidiary has sustained loss for the year ended 31 December 2006 and had proposed to transfer 10% of the profit after taxation to the general reserve fund for the year ended 31 December 2005.

The directors of Shanghai Shine Science have proposed to transfer 10% of the profit after taxation to the general reserve fund for the years ended 31 December 2006 and 2005.

The directors of Xinwangluo and Shanghai Xingyishi determined not to make any appropriation to the general reserve fund as these subsidiaries have sustained loss for the year ended 31 December 2005.

The directors of Shenzhen Yinqitong determined not to make any appropriation to the general reserve fund as the subsidiary have sustained loss for the year ended 31 December 2005.

28. 儲備 (續)

(a) 本集團 (續)

附註：

- (i) 合併儲備

合併儲備指附屬公司因合併而撥充資本之儲備金額。

- (ii) 一般儲備基金

根據中國有關法律及法規，各中國附屬公司於抵銷上年度虧損後，須自根據按普遍採納會計準則（「公認會計準則」）及中國企業適用之財務規例編製之中國法定財務報表除稅後溢利撥款最少10%，作為一般儲備基金，直至基金之結餘達到中國附屬公司之註冊資本50%為止。其後，董事可酌情決定作出任何額外撥款。

一般儲備基金可用作抵銷過往年度虧損，或用作增加資本，惟增加資本後，一般儲備基金須維持不少於註冊資本25%。

由於福建新意於截至二零零六年十二月三十一日止年度持續錄得虧損，故該附屬公司之董事決定不向一般儲備基金撥款。此外，該公司董事建議將截至二零零五年十二月三十一日止年度除稅後溢利10%轉撥至一般儲備基金。

上海新意之董事建議將截至二零零六年及二零零五年十二月三十一日止年度除稅後溢利10%轉撥至一般儲備基金。

由於新意新網絡及上海興意識於截至二零零五年十二月三十一日止年度持續錄得虧損，故該等附屬公司之董事決定不向一般儲備基金撥款。

由於深圳市銀企通於截至二零零五年十二月三十一日止年度持續錄得虧損，故其董事決定不向一般儲備基金撥款。

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28. RESERVES (Continued)

(a) The Group (Continued)

Note: (Continued)

- (iii) Common welfare reserve fund

In accordance with the relevant laws and regulations in the PRC and the articles of association of all the subsidiaries in PRC, each of the subsidiaries is required to appropriate 5% to 10% of their statutory profit after tax under PRC GAAP after offsetting prior years' losses to common welfare reserve fund. Such fund can be used for collective employees benefits, but cannot be used to pay for employees welfare expenses. However, according to the Ministry of Finance of the PRC announcement number 67 on the 15 March 2006, pursuant to the Company Law of PRC Sec 167, the reserve previously allocated to be common welfare reserve fund will be deemed to transferred to the general reserve fund on 1 January 2006. Upon the announcement, no subsequent profit distribution of the common welfare reserve fund was needed.

The directors of Fujian Shine Science had proposed to transfer 5% of the profit after taxation to the common welfare reserve fund for the year ended 31 December 2005.

The directors of Shanghai Shine Science had proposed to transfer 10% of the profit after taxation to the general reserve fund for the year ended 31 December 2005.

The directors of Xinwangluo, Shanghai Xingyishi and ShenZhen Yingitong determined not to make any appropriation to the common welfare reserve fund for the years ended 31 December 2005.

28. 儲備 (續)

(a) 本集團 (續)

附註：(續)

- (iii) 公共福利儲備金

根據有關中國法例、法規及中國所有附屬公司之公司組織章程細則，各附屬公司於抵銷過往年度虧損後，須將根據中國公認會計準則計算之法定除稅後溢利5%至10%撥作公共福利儲備金。該等基金可用於員工集體福利，但不可用作支付員工福利開支。然而，根據中國財政部於二零零六年三月十五日發佈之第67號公告，依照中國公司法第167條，之前分配至公共福利儲備金之儲備將被視為已於二零零六年一月一日轉撥入一般儲備基金。在此公告發佈後，不再需要就其後之溢利向公共福利儲備金撥款。

由於福建新意董事建議將截至二零零五年十二月三十一日止年度除稅後溢利5%轉撥至一般儲備基金。

上海新意之董事建議將截至二零零五年十二月三十一日止年度除稅後溢利10%轉撥至公共福利儲備金。

新意新網絡、上海興意識及深圳銀企通之董事決定不就截至二零零五年十二月三十一日止年度向公共福利儲備金作出任何撥款。

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28. RESERVES (Continued)

(b) The Company

28. 儲備(續)

(b) 本公司

		Share premium	Accumulated losses	Share option reserve	Total
		股份溢價	累計虧損	購股權儲備	總計
		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
At 1 January 2005	二零零五年一月一日	34,845	(5,536)	234	29,543
Employee share option benefits	僱員購股權福利	—	—	393	393
Forfeiture of employee share option	失效之僱員購股權	—	—	(24)	(24)
Loss for the year	年內虧損	—	(3,634)	—	(3,634)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	34,845	(9,170)	603	26,278
Forfeiture of employee share option	於期內失效之僱員購股權	—	603	(603)	—
Loss for the year	年內虧損	—	(7,332)	—	(7,332)
At 31 December 2006	於二零零六年十二月三十一日	34,845	(15,899)	—	18,946

Notes:

Under the Companies Law (Revised) of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

附註:

根據開曼群島公司法(修訂本), 股份溢價可分派予股東, 惟倘(i) 於分派時或其後未能償還其到期負債, 或(ii) 資產可變現價值因而少於其負債及已發行股本賬之總額, 則本公司不得宣派或派付任何股息或於股份溢價賬作出任何分派。

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28. RESERVES (Continued)

(b) The Company (Continued)

Note: (Continued)

At 31 December 2006, the aggregate amount of the Company's reserves available for distribution to shareholders was approximately RMB18,946,000 (2005: RMB25,675,000) computing in accordance with the Companies Law (Revised) of the Cayman Islands and the Company's articles of association. This includes the Company's share premium of approximately RMB34,845,000 (2005: RMB34,845,000) less accumulated losses of approximately RMB15,899,000 (2005: RMB9,170,000), which is available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

29. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 28 July 2004 for the purpose of providing incentives or rewards to eligible persons for their contributions to the Group. The Scheme will expire on 27 July 2013. Under the Scheme, the Company may grant options to any person who is a director or employee (whether full-time or part-time) of the Group or any entity in which the Group holds any equity interest, or any classes of supplier, customer, consultant, adviser, manager or officer of the Group or any entity in which the Group holds any equity interest.

The total number of shares in respect of which options may be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed ten per cent. of the total shares of the Company in issue at the date of listing of the Company. The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not in aggregate exceed thirty per cent. of the total shares of the Company in issue from time to time. The total number of shares issued and which may fall to be issued upon exercise of the options granted (including both exercised or outstanding options) to each eligible person in any 12-month period must not exceed one per cent. of the total shares of the Company in issue. Any further grant of options in excess of the individual limit must be subject to shareholders' approval.

28. 儲備(續)

(b) 本公司(續)

附註：(續)

於二零零六年十二月三十一日，本公司可供分派予股東之儲備總額約人民幣18,946,000元(二零零五年：人民幣25,675,000元)，乃根據開曼群島公司法(修訂本)及本公司之公司組織章程細則計算，當中包括本公司股份溢價約人民幣34,845,000元(二零零五年：人民幣34,845,000元)減累計虧損約人民幣15,899,000元(二零零五年：人民幣9,170,000元)，此筆款項可供分派，惟緊隨建議派付股息日期後，本公司須能夠償還其於日常業務中到期之債務。

29. 購股權計劃

本公司之購股權計劃(「該計劃」)是根據於二零零四年七月二十八日通過之決議案採納，目的是就合資格人士對本集團所作貢獻提供鼓勵及獎賞。該計劃將會於二零一三年七月二十七日屆滿。根據該計劃，本公司可向本集團或本集團持有任何股權之任何實體的董事或僱員(不論全職或兼職)，或本集團或本集團持有任何股權之任何實體的任何類別供應商、客戶、諮詢顧問、顧問、經理或主管授出購股權。

根據該計劃及本公司任何其他購股權計劃可授出之購股權相應股份總數，合共不得多於本公司上市日期當日已發行股份總數之10%。根據該計劃或本公司任何其他購股權計劃授出之所有已發行但尚未行使購股權獲行使時可予發行之股份總數，合共不得超過本公司不時已發行股份總數之30%。於任何12個月期間向各合資格人士授出購股權(包括已行使或尚未行使購股權)獲行使時已經及可能須發行之股份總數，不得超過本公司已發行股份總數1%。任何進一步授出超逾個人限額的購股權，必須先事獲得股東批准。

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29. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1 as consideration for the grant. In respect of option holders other than suppliers and customers, option may be exercised, which shall commence 1 year from the date on which that option is granted and shall expire on the earlier of the last day of (i) a 10-year period from the date of such grant and (ii) 10 years from 28 July 2003. In respect of option holders who are suppliers and customers, such period shall commence on the date of grant and expire 1 year thereafter. The subscription price is determined by the Board, but shall not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations on the date of grant of that option, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant of that option; and (c) the nominal value for the time being of each shares of the Company.

(a) Movements in share options

		Number of options 購股權數目	
		2006 二零零六年	2005 二零零五年
At 1 January	於一月一日	17,930,000	20,000,000
Forfeited during the year	於年內失效	(17,930,000)	(2,070,000)
At 31 December	於十二月三十一日	—	17,930,000
Options vested at 31 December	於十二月三十一日 歸屬之購股權	—	5,379,000

During the year ended 31 December 2005, no options were exercised or granted.

29. 購股權計劃(續)

授出購股權必須由授出日期起計21天內接納，屆時須支付1港元作為授出代價。就供應商及客戶以外的購股權持有人而言，購股權可由購股權授出日期起計一年後開始行使，直至由(i)該項授出日期起計十年內；或(ii)二零零三年七月二十八日起計10年期間(以較早者為準)之最後一日屆滿。就身為供應商及客戶之購股權持有人而言，該段期間將會由授出日期起，並於該日期後1年屆滿。認購價由董事會釐定，惟不得少於下列三項中之最高者：(a)於授出購股權日期(必須為營業日)當日聯交所每日報價表所示本公司股份之收市價；(b)於緊接授出購股權日期前五個營業日聯交所每日報價表所示本公司股份之平均收市價；及(c)本公司股份當時之每股面值。

(a) 購股權變動

於截至二零零五年十二月三十一日止年度內，並無購股權獲行使或授出。

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29. SHARE OPTION SCHEME (Continued)

(a) Movements in share options (Continued)

The following table discloses the details of the share options held by directors and employees and movements in such holdings during the years 2006 and 2005:

	Date of grant	Outstanding 1 January 2005	Lapsed during the year	Number of share options 購股權數目		Exercise price per share	
				Outstanding at 31 December 2005 and 1 January 2006 於二零零五年 十二月三十一日及 二零零六年 一月一日尚未行使	Forfeited during the year 於二零零六年 十二月三十一日 尚未行使		
	授出日期	於二零零五年一月一日 尚未行使	於年內失效	於二零零五年 十二月三十一日及 二零零六年 一月一日尚未行使	於二零零六年 十二月三十一日 尚未行使	每股行使價 HK\$ 港元	
Directors	董事 6 July 2004 於二零零四年七月六日	1,410,000	—	1,410,000	(1,410,000)	—	0.256
Employees	僱員 6 July 2004 於二零零四年七月六日	18,590,000	(2,070,000)	16,520,000	(16,520,000)	—	0.256
		20,000,000	(2,070,000)	17,930,000	(17,930,000)	—	

(b) Terms of unexpired and unexercised share options at balance sheet date

29. 購股權計劃 (續)

(a) 購股權變動 (續)

下表披露於二零零六年及二零零五年內，董事及僱員所持購股權之詳情，以及有關變動：

(b) 於結算日未屆滿及尚未行使購股權之年期

Date of grant	Exercisable period	Exercise price	Number of options 購股權數目	
			2006 二零零六年	2005 二零零五年
授出日期	行使期	行使價		
6 July 2004 二零零四年 七月六日	6 July 2005 to 5 July 2008 二零零五年七月六日至 二零零八年七月五日	HK\$0.256 0.256港元	—	5,379,000
6 July 2004 二零零四年 七月六日	6 July 2006 to 5 July 2008 二零零六年七月六日至 二零零八年七月五日	HK\$0.256 0.256港元	—	5,379,000
6 July 2004 二零零四年 七月六日	6 July 2007 to 5 July 2008 二零零七年七月六日至 二零零八年七月五日	HK\$0.256 0.256港元	—	7,172,000
			—	17,930,000

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29. SHARE OPTION SCHEME (Continued)

(c) Fair value of share options and assumptions

For the year ended 31 December 2005, the fair value of services received in return for share options granted were measured by reference to the fair value of share options granted. The estimated fair values of the options granted on 6 July 2004 were approximately RMB 1,089,000. The estimate of the fair value of the services received was measured based on Black-Scholes Option Pricing Model as follows:

Fair value of share options and assumptions

Share price on grant date	6 July 2004
Exercise price	HK\$0.256
Expected maximum volatility (expressed as weighted average volatility used in the modeling)	36%
Expected Option life (expressed as weighted average life used in the model)	2.4 years
Risk-free rate (based on the yields to maturity of Hong Kong Exchange Fund Note as at 6 July 2004)	2.22%
Expected dividend yield	0%

Expected volatility was determined by using the historical volatility of the Company's share price annualised for one year. The expected life used in the model had been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

The above calculation was based on the assumption that there was no material difference between the expected volatility over the whole life of the options and the historical volatility of the ordinary shares as set out above.

29. 購股權計劃(續)

(c) 購股權之公平值及假設

於截至二零零五年十二月三十一日止年度，就授出購股權而獲得之服務之公平值，乃參考所授出購股權之公平值而計量。於二零零四年七月六日授出購股權之估計公平值約為人民幣1,089,000元。所獲得之服務之公平值，乃按Black-Scholes期權定價模式進行估計，並載述如下：

購股權之公平值及假設

於授出日期之 股份價格	二零零四年 七月六日
行使價	0.256港元
預期最大波動 (以模式中所使用 之加權平均波動 呈列)	36%
購股權預期年期 (以模式中所使用 之加權平均年期 呈列)	2.4年
無風險利率 (根據二零零四年 七月六日香港外匯 基金債券之到期收 益率而釐定)	2.22%
預期股息率	0%

預期波動乃根據本公司股價按一年年度化之歷史波動而釐定。模式中所用之預期年期，已根據管理層人員對不可轉讓、行使限制及行為方面之考慮因素之影響所作之最佳估計而予以調整。

上述計劃乃根據以下假設而進行：購股權整段年期內預期之波動，與上述普通股之歷史波動之間並無重大差異。

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30. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the MPF Scheme vest immediately.

The Company's subsidiaries established in the PRC participates in a mandatory central pension scheme organised by the PRC government for certain of its employees, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and are charged to the consolidated income statement as they become payable, in accordance with the rules of the scheme. The employer's contributions vest fully once they are made.

Under the above schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

The aggregate amounts of employer's contributions by the Group in respect of retirement benefits scheme dealt with in the consolidated income statement for the year are disclosed in note 7(a) to these financial statements.

The Group does not have any other pension schemes for its employees in respect of the subsidiaries outside Hong Kong and PRC. In the opinion of the directors of the Company, the Group did not have any significant contingent liabilities as at 31 December 2006 and 2005 in respect of the retirement of its employees.

30. 退休福利計劃

本集團就僱用於香港僱傭條例管轄範圍之僱員，根據香港強制性公積金計劃條例設立強制性公積金計劃(「強積金計劃」)。強積金計劃指由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員須各自就僱員之有關收入向計劃作出5%供款，最高上限為每月有關收入20,000港元。強積金計劃供款將即時撥歸僱員所有。

本公司於中國成立之附屬公司為其若干僱員參與由中國政府籌辦之強制性中央退休金計劃，該計劃之資產與本集團之資產分開持有。根據該計劃規則，本集團按合資格僱員之薪金比率作出之供款於應付時計入綜合損益表。僱主供款於作出後立即全數撥歸僱員所有。

根據上述計劃，現有及退休僱員之退休福利由有關計劃管理人負責支付，本集團除每年供款外並無其他責任。

本集團就退休福利計劃作出之僱主供款總額於年內之綜合收益表中處理，並已於財務報表附註7(a)中披露。

本集團並無就香港及中國以外附屬公司僱員設立任何其他退休金計劃。本公司董事認為，於二零零六年及二零零五年十二月三十一日，本集團並無任何有關其僱員退休之重大或然負債。

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash at banks, cash on hand, money at call and short notice, trade and other receivables, trading securities, and, trade and other payables. The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, liquidity risk and price risk. The directors of the Company meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The directors review and agree policies for managing each of these risks and they are summarised as follows:

(a) Fair value and cash flow interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group believes its exposure to fair value and cash flow interest risks is normal.

(b) Foreign exchange risk

The Group's monetary assets and transactions are principally denominated in RMB. The Group believes its exposure to foreign exchange rate risk is normal. At present, the Group does not intend to seek to hedge its exposure to foreign exchange risk profile, and will consider appropriate hedging measures in future as may be necessary.

31. 財務風險管理目標及政策

本集團之主要金融工具包括銀行現金、手頭現金、通知及短期通知存款、貿易及其他應收款項、交易證券，以及貿易及其他應付款項。因本集團金融工具而產生之主要風險為利率風險、外匯風險、信貸風險、流動資金風險及價格風險。本公司董事會定期舉行會議，以分析及制定措施，處理本集團所面對之該等風險。一般而言，本集團在風險管理方面採用保守策略。由於本集團將所面對之有關風險盡量減低，故本集團並未使用任何衍生工具或其他工具作對沖用途。董事審核及協定有關管理各種風險之政策，現概述如下：

(a) 公平值及現金流量利率風險

公平值利率風險乃指金融工具之價值將因為市場利率變動而波動。現金流量利率風險則指金融工具之未來現金流量將因為市場利率變動而波動。本集團相信，面對公平值及現金流量利率風險乃屬正常。

(b) 外匯風險

本集團之貨幣資產及交易均主要以人民幣計值。目前，本集團並無意尋求對其所面對之外匯風險對沖，並將考慮於日後有需要時採取適合之對沖措施。

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk

Credit risk arises from the possibility that the counterparty to a transaction is unwilling or unable to fulfill its obligation with the results that the Group thereby suffers financial loss. In order to minimise the credit risk, the management of the Group evaluates regularly the level of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risks is significantly reduced. The Group has no significant concentrations of credit risk.

(d) Liquidity risk

The Group will consistently maintain a prudent financial policy and ensure that it maintains sufficient cash to meet its liquidity requirements.

(e) Price risk

The Group's trading securities are measured at fair value at each balance sheet date. The fair value of trading securities is based on the quoted market price as at the balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

31. 財務風險管理目標及政策(續)

(c) 信貸風險

信貸風險乃指交易之對手不願意或不能支付其債務而導致本集團蒙受財務虧損之可能性。為了盡量減低信貸風險，本集團之管理層人員定期評估信貸限額之水平、信貸批核及其他監督程序，以確保為收回逾期債項而採取跟進行動。此外，本集團定期審核各個別應收款項之可收回款額，以確保就不可收回款額作出足夠之減值虧損。為此，本公司董事認為，已大幅減低本集團之信貸風險。本集團並無嚴重集中之信貸風險。

(d) 流動資金風險

本集團將貫徹保持審慎之財務政策，以確保其維持有足夠現金應付其流動資金需求。

(e) 價格風險

本集團之貿易證券乃於各結算日，按公平值計量。貿易證券之公平值乃根據結算日所報之市價計算。因此，本集團要面對股本證券價格風險。管理層人員透過維持具有不同風險之投資組合而管理有關風險。

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32. COMMITMENTS

At the balance sheet date, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	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
Within 1 year 1年內	21	207	—	—
After 1 year but within 5 years 1年後但5年內	—	98	—	—
	21	305	—	—

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

33. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2006

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new HKFRSs, HKASs and interpretations which are not yet effective for the year ended 31 December 2006 and which have not been adopted in the financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new HKFRSs, HKASs and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

32. 承擔

於結算日，根據不可註銷經營租約應付之日後最低租賃款項總額如下：

	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
Within 1 year 1年內	21	207	—	—
After 1 year but within 5 years 1年後但5年內	—	98	—	—
	21	305	—	—

本集團按經營租約租賃若干物業。租約一般最初年期由一至兩年不等，可於重新磋商所有條款後續租。概無租約附有任何或然租金。

33. 截至二零零六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及註釋可能造成之影響

直至此等財務報表刊發之日期，香港會計師公會已頒佈若干修訂、新香港財務報告準則、香港會計準則及詮釋，惟於截至二零零六年十二月三十一日止年度尚未生效，而本財務報表並未採納該等修訂、新香港財務報告準則、香港會計準則及詮釋。

本集團正在評估該等修訂、新香港財務報告準則、香港會計準則及詮釋於首次應用時之影響。到目前為止，本集團認為，採納該等修訂、新香港財務報告準則、香港會計準則及詮釋對集團之經營業績及財務狀況構成重大影響之可能性不大。

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33. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2006 (Continued)

In addition, the following developments may result in new or amended disclosures in the financial statements:

HKAS 1 Presentation of Financial Statements:
(Amendment) Capital Disclosures¹

HKFRS 7 Financial Instruments: Disclosures¹

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

34. DISPOSAL OF SUBSIDIARIES

During the year, the Group disposed of certain subsidiaries, the net assets disposed of were as follows:-

33. 截至二零零六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及註釋可能造成之影響(續)

此外，以下發展可能引致需於財務報表內作出新訂或經修訂之披露。

香港會計準則 財務報表之
第1號(修訂) 呈報：資本披
露¹

香港財務報告 金融工具：披露¹
準則第7號

¹ 於二零零七年一月一日或其後開始之年
度期間生效

34. 出售附屬公司

年內，本集團出售若干附屬公司。已出售之資產淨值如下：

		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
Net assets disposal of:	已出售之資產淨值：		
Property, plant and equipment	物業、機器及設備	34	—
Cash and bank balance	現金及銀行結餘	690	—
Accounts receivables	應收賬款	50	—
Other receivables	其他應收款項	1,000	—
Amount due to a related company	應付一間關連公司款項	(1)	—
Employee welfare payables	應付員工福利	(52)	—
Accrued expenses	應計開支	(59)	—
Other payables	其他應付款項	(12)	—
Minority interests	少數股東權益	(155)	—
		1,495	—
Gain on disposal of subsidiaries (note 6)	出售附屬公司之收益(附註6)	160	—
		1,655	—
Total consideration	總代價	1,655	—
Satisfied by	支付方式		
Cash	現金	1,655	—
		965	—
Net cash inflow arising on disposal	出售附屬公司之現金流入淨額		
Cash consideration	現金代價	965	—

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35. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, two subsidiaries have entered into the following transactions with independent third parties as follows:

- (a) To purchase a developed software amounted to RMB 4,800,000 of which was paid before year end and classified under prepayment at the balance date. Details of the purchase refer to the announcement dated 29 January 2007.
- (b) To acquire a property amounted to RMB 6,566,120 of which certain properties were approved to be pledged for the whole payment. The deposit of RMB 650,000 has been paid before year end and classified under prepayment at the balance date. Details of the acquisition refer to the announcement dated 15 January 2007.

36. ULTIMATE CONTROLLING PARTY

At 31 December 2006, the directors consider the ultimate controlling party of the Group to be Jumbo Lane Investments Limited, which is incorporated in BVI. This entity does not produce financial statements available for public use.

35. 結算日後事項

於結算日後兩間附屬公司與獨立第三方訂立以下交易：

- (a) 購買一款已開發軟件，代價為人民幣4,800,000元，該筆款項已於年底前支付，並於結算日列賬為預付款項。有關交易詳情請參閱於二零零七年一月二十九日刊發之公佈。
- (b) 購買一項物業，代價為人民幣6,566,120元，其中若干物業經獲准用作支付全部款項之抵押。按金人民幣650,000元已於年底前支付，並於結算日列賬為預付款項。有關交易詳情請參閱於二零零七年一月十五日刊發之公佈。

36. 最終控股方

於二零零六年十二月三十一日，董事認為寶連投資有限公司，一家於英屬處女群島成立的公司為本集團最終控股方。寶連投資有限公司並沒有提供財務報表供公眾使用。

Five year financial summary

五年財務摘要

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	營業額	25,773	31,246	17,985	16,287	39,904
(Loss)/profit before income tax	除所得稅前 (虧損)/溢利	(6,618)	1,399	657	141	15,825
Income tax	所得稅	27	(461)	(753)	238	(1,180)
(Loss)/profit before minority interests	未計少數股東權益 前(虧損)/溢利	(6,591)	938	(96)	379	14,645
Minority interests	少數股東權益	-	-	95	329	(1,480)
(Loss)/profit for the year	本年度(虧損)/ 溢利	(6,591)	938	(1)	708	13,165

ASSETS AND LIABILITIES

資產及負債

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	總資產	57,100	60,032	55,583	55,904	41,150
Total liabilities	總負債	(14,772)	(10,651)	(7,908)	(6,424)	(32,308)
Minority interest	少數股東權益	-	(155)	(155)	(488)	(2,103)
Shareholders' fund	股東資金	42,328	49,226	47,520	48,992	6,739

