



宁波屹东电子股份有限公司

NINGBO YIDONG ELECTRONIC COMPANY LIMITED*

(於中華人民共和國註冊成立之股份有限公司)
(a joint stock limited company incorporated in the People's Republic of China)

股份代號 Stock code : 8249

二零零八年 年報
ANNUAL REPORT 2008

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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

香港聯合交易所有限公司（「聯交所」） 創業板（「創業板」）的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市之市場。有意投資的人士應瞭解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其它特色表示創業板較適合專業及其它經驗豐富的投資者。

鑑於創業板上市的公司屬於新興性質，在創業板買賣的證券可能會較在聯交所主板買賣之證券承受較大市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及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任何聲明，並明確表示概不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的任何損失承擔任何責任。

本報告包括之資料乃遵照聯交所創業板證券上市規則（「創業板上市規則」）的規定而提供有關寧波屹東電子股份有限公司（「本公司」）的資料，本公司各董事（「董事」）願就本報告共同及個別承擔全部責任。董事經作出一切合理查詢後確認，就彼等所深知及確信：(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成分；(2)本報告並無遺漏任何其它事實，致使本報告所載任何內容產生誤導；及(3)本報告所表達的一切意見乃經審慎周詳考慮後作出，並建基於公平和合理的基準及假設。

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Liu Xiao Chun (appointed on 5 November 2008)
Mr. Gong Zheng Jun
Mr. Chen Zheng Tu

NON-EXECUTIVE DIRECTORS

Mr. Zheng Yi Song
Mr. Liu Feng
Mr. Wang Wei Shi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Pang Jun (appointed on 6 November 2008)
Mr. Law Hon Hing Henry (appointed on 3 September 2008)
Professor Fang Min (appointed on 27 February 2009)
Mr. Tang Zhen Ming (resigned on 27 February 2009)
Mr. Ding Gang Yi (resigned on 6 November 2008)
Mr. Ku Kin Shing (resigned on 30 April 2008)

SUPERVISORS

Ms. Wang Ying
Mr. Yang Li
Mr. Cheng Ping

MEMBERS OF THE AUDIT COMMITTEE

Mr. Pang Jun (Chairman, appointed on 6 November 2008)
Mr. Law Hon Hing Henry (appointed on 3 September 2008)
Professor Fang Min (appointed on 27 February 2009)
Mr. Ding Gang Yi (resigned on 6 November 2008)
Mr. Tang Zhen Ming (resigned on 27 February 2009)
Mr. Ku Kin Shing (resigned on 30 April 2008)

COMPLIANCE OFFICER

Mr. Liu Xiao Chun (appointed on 5 November 2008)
Mr. Liu Feng (resigned on 5 November 2008)

QUALIFIED ACCOUNTANT

Mr. Tsao Hoi Ho (appointed on 24 November 2008)

COMPANY SECRETARY

Mr. Tsao Hoi Ho (appointed on 24 November 2008)

AUTHORIZED REPRESENTATIVES

Mr. Gong Zheng Jun
Mr. Tsao Hoi Ho (appointed on 24 November 2008)

LEGAL ADVISERS TO THE COMPANY

Zhejiang Shiguang (As to PRC Law)

AUDITORS

Lo and Kwong C.P.A. Company Limited

執行董事

劉曉春先生(於二零零八年十一月五日獲委任)
宮正軍先生
陳正土先生

非執行董事

鄭毅松先生
劉豐先生
王偉時先生

獨立非執行董事

龐軍先生(於二零零八年十一月六日獲委任)
羅漢興先生(於二零零八年九月三日獲委任)
方敏博士(於二零零九年二月二十七日獲委任)
唐振明先生(於二零零九年二月二十七日辭任)
丁剛毅先生(於二零零八年十一月六日辭任)
谷建聖先生(於二零零八年四月三十日辭任)

監事

王穎女士
楊立先生
程平先生

審核委員會成員

龐軍先生(主席, 於二零零八年十一月六日獲委任)
羅漢興先生(於二零零八年九月三日獲委任)
方敏博士(於二零零九年二月二十七日獲委任)
丁剛毅先生(於二零零八年十一月六日辭任)
唐振明先生(於二零零九年二月二十七日辭任)
谷建聖先生(於二零零八年四月三十日辭任)

監察主任

劉曉春先生(於二零零八年十一月五日獲委任)
劉豐先生(於二零零八年十一月五日辭任)

合資格會計師

曹海豪先生(於二零零八年十一月二十四日獲委任)

公司秘書

曹海豪先生(於二零零八年十一月二十四日獲委任)

授權代表

宮正軍先生
曹海豪先生(於二零零八年十一月二十四日獲委任)

本公司法律顧問

浙江時光律師事務所(中國法律)

核數師

盧鄺會計師事務所有限公司

CORPORATE INFORMATION - CONTINUED

公司資料 - 續

REGISTERED OFFICE

No. 65 Siming East Road
Yuyao City
Zhejiang Province
China

註冊辦事處

中國
浙江省
余姚市
四明東路65號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 917-918 9/F
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

香港主要營業地點

香港
灣仔
港灣道6-8號
瑞安中心
9樓917-918室

COMPANY HOMEPAGE/WEBSITE

www.yidongelec.com

公司主頁／網站

www.yidongelec.com

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited

香港H股過戶登記處

卓佳雅柏勤有限公司

PRINCIPAL BANKER

Bank of China

主要往來銀行

中國銀行

GEM STOCK CODE

8249

創業板股份代號

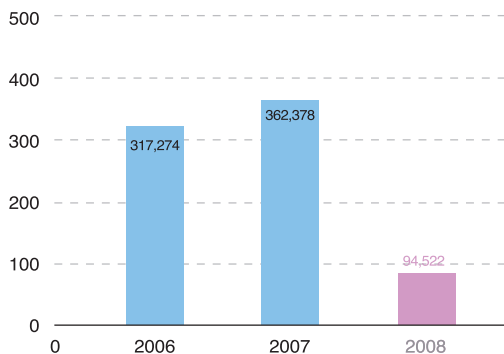
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FINANCIAL HIGHLIGHT

財務概要

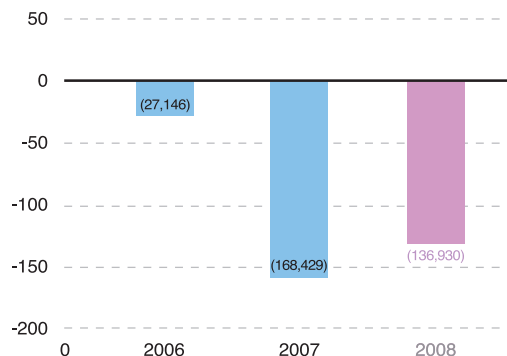
Turnover 營業額

in thousand RMB
人民幣千元



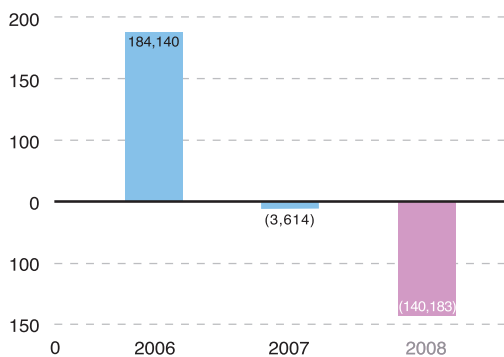
Profit (Loss) Before Tax 除稅前溢利(虧損)

in thousand RMB
人民幣千元



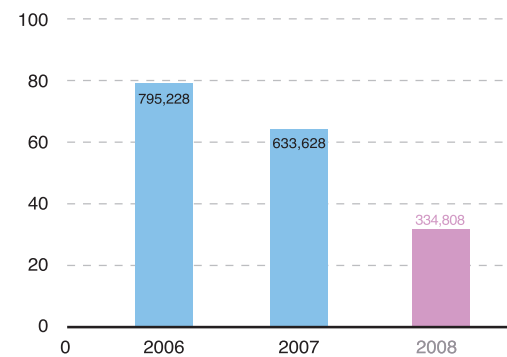
Equity attributable to equity holders of the Company 本公司股權持有人應佔權益

in thousand RMB
人民幣千元



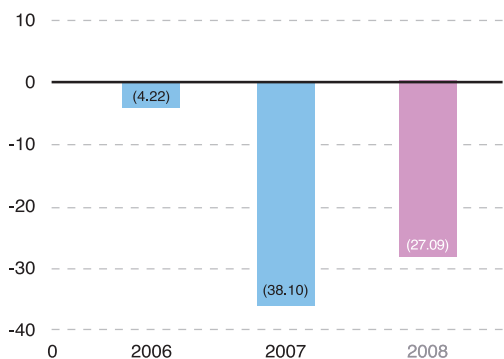
Total Assets 總資產

in thousand RMB
人民幣千元



Earnings (Loss) Per Share (Basic) 每股盈利(虧損)(基本)

RMB (in cents)
人民幣(分)



CHAIRMAN'S STATEMENT 主席報告



I would like to take the opportunity to report last year's operating condition of the Company to our shareholders on behalf of the Board of Directors.

In 2008, the Group endeavored to commence the adjustment of industrial structure under the dual pressure of the macroeconomic control and the financial crisis. The Group adopted various measures including shrinking less profitable businesses, controlling operating costs strictly, developing new products with good prospects actively and expanding new businesses. We believe that these measures effectively reduced the operating risks of the Company and established a solid foundation for the Company's next step of realizing comprehensive industrial adjustment and business transformation.

At the beginning of 2008, due to our correct pre-judgment on the definite shrinkage of overseas sale market, the Company resolutely adjusted the proportion of export business and domestic sale business, increased significantly the proportion of domestic sale orders of processing business and effectively avoided the operating risks of overseas sale orders and significant decrease in processing business. At the same time, the adverse effects arising from the decrease in traditional businesses such as processing mainboards of mobile phones has been partially offset by new businesses introduced in 2008, such as processing of videography board cards and control panels for electric vehicles. The internal control system has also been effectively improved in 2008.

Nevertheless, the operating results of the Company in 2008 were still unsatisfactory due to various factors including the significant reduction in the demand of the market arising from the serious downturn of the external economic condition and a tight budget for the Company.

本人謹代表董事會在此向各位股東匯報公司過去一年之經營狀況。

2008年，本集團在宏觀調控及金融危機雙重壓力之下，艱難地開始了產業結構的調整。我們採取了包括收縮盈利能力差的業務，嚴格控制經營成本，積極開發具有良好發展前景的新產品、拓展新業務等諸多措施。我們認為這些措施有效降低了公司的經營風險，並為公司下一部實現全面的產業調整及業務轉型奠定了堅實的基礎。

2008年初，基於對外銷市場必會萎縮的正確預判，公司調整了出口及內銷業務的比重，大幅增加加工業務內銷訂單比例，有效地規避了外銷訂單、加工業務大幅下滑的經營風險。同時，08年我們拓展的攝像板卡加工及電動車控制板加工的新業務，在一定程度上彌補了手機主板加工等傳統業務下滑所引致的不利影響。企業內控體系在08年也得到了有效的改善。

但因整個外部經濟環境極度惡化而導致的整個市場需求的大幅萎縮、公司資金緊張等多重因素的影響，2008年度公司經營業績不甚滿意。

CHAIRMAN'S STATEMENT - CONTINUED

主席報告 - 續

In the fourth quarter of 2008, after serious verification, the directors of the Company confirmed that the future principle business will be changed to the production and sale of uprated LED lighting equipment. We will actively recruit talents and introduce technology based on existing facilities and take production of universal LED lighting equipment as the breakthrough point to achieve bulk production quickly, as well as entering into the upstream LED chip seal and the downstream professional segmentation market in suitable time. We believe that this new business not only has higher profitability, but also conforms to the development direction of related industries as stated by the local government.

The Company has currently completed some work such as the early-stage discussion, team-building, technology introduction and adjustment of production lines in relation to LED project. The first batch of orders is also in the post-stage substantial negotiation. The first batch of products is expected to be launched into the market in April 2009.

In 2009, the Group shall insist upon its operating strategies of "Stability, Realistic & Result-Orientation", ensuring all resources flowing to the development of new principal businesses, and completing the adjustment of the industries in a speedy and stable manner. We will strive to obtain favorable operating results for the shareholders.

Lastly, I am thanking to the continued support of our shareholders, customers and vendors, and wish every success for everyone.

Liu Xiao Chun
Chairman
Ningbo, The PRC

28 March 2009

2008年第四季度，經公司董事會認真論證，決定將公司未來的主業調整為大功率LED照明設備的製造和銷售。我們將依托並現有設備，積極引入優秀人才和技術，以LED通用照明設備的製造為切入點，力爭快速實現量產，於將適時向上游LED芯片封裝及下游專業細分市場發展。我們認為，這項新業務不僅具有較高的盈利能力，同時又符合地方政府相關產業發展的方向。

目前公司已完成了LED項目的前期論證、團隊建設、技術引進、產線調整等項工作。首筆訂單也已進入實質性後期談判中。首批產品預期可在2009年4月進入市場。

2009年，集團仍將繼續堅持「穩健務實，注重效益」的經營策略，集中一切資源投入到新主業的發展上，以求快速、平穩、成功實現產業的調整，力爭取得良好的經營業績以回饋股東。

最後，本人感謝各位股東、客戶及供應商多年來的支持，祝願各位身體健康，事業順利！

劉曉春
主席
寧波，中國

二零零九年三月二十八日

MANAGEMENT'S DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND OPERATIONS REVIEW

Turnover

For the year ended 31 December 2008, the Group recorded revenue of approximately RMB 94,522,000 (2007: RMB362,378,000), representing an decrease of approximately 73.9% over the previous year. The decrease in the Group's revenue is due to decrease in sales of both mobile phones and controller systems during the year.

The Group's activities are divided into 2 business segments - namely sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances, and sales of controller systems for mobile phones and income from sales and assembly of mobile phones. Accordingly, analysis by business segments is provided in note 8 to the notes of the consolidated financial statements.

The Group's activities are also divided into 3 geographical segments - namely the PRC, excluding Hong Kong, Hong Kong and others. Accordingly, analysis by geographical segments is provided in note 8 to the notes of the consolidated financial statements.

業務及營運回顧

營業額

截至二零零八年十二月三十一日止年度，本集團錄得收益約人民幣94,522,000元(二零零七年：人民幣362,378,000元)，較去年上升約73.9%。本集團收益有所減少乃由於年內流動電話及控制器系統的銷售均下滑所致。

本集團之經營活動分為兩個業務分部，分別為消費電器及電子用品控制器系統之銷售及來自銷售小型電器的收入，以及流動電話控制器系統之銷售及來自流動電話控制器系統的銷售與裝嵌之收入。業務分部之相關分析載於綜合財務報表附註8。

本集團之經營活動亦分為三個地區分部，分別為中國(香港除外)、香港及其他。地區分部的相關分析載於綜合財務報表附註8。



MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

管理層討論及分析 - 續

Gross (loss) profit margin was (4.7%) (2007: 9.7%) and there is a decrease in the profit margin due to keen competition. The Group continues to procure cost control to mitigate the impact of price competition caused by intense competition in the mobile phone industry.

Other revenues mainly include gain on disposal of fixed assets and Government grants received and recorded an increase of 777.7% over the previous year. Selling expenses recorded a decrease by 78.9%, while administrative expenses recorded a decrease of 9.6% over the previous year. For the year ended 31 December 2008, finance costs amounted to RMB32,285,000 (2007: RMB31,862,000), which represented a mild increase of 1.3% over the previous year.

For the year ended 31 December 2008, loss attributable to shareholders of the Group amounted to RMB135,447,000 (2007: RMB190,476,000). Emergence of loss attributable to shareholders was principally due to the administrative expenses, comprising mainly impairment loss on receivables, and finance costs incurred during the year.

SIGNIFICANT INVESTMENT HELD AND ACQUISITION

As at 31 December 2008, save as disclosed in this report, the Group did not have any significant investment and acquisition.

CHANGES IN THE GROUP STRUCTURE

During the year, the Group disposed of its entire 65% interest of the registered capital in Shenzhen E-Source Communications Technology Company Limited to a third party and the Group also disposed of its entire 66.7% interest of the registered capital in 深圳市德諾通訊技術有限公司 to a third party. Moreover, Ningbo Million Bank Electronic Technical Company Limited had been invalidated by Administration for Industry & Commerce in the PRC.

(毛損) 毛利率為 (4.7%) (二零零七年：9.7%)，而由於競爭激烈，以致邊際利潤輕微下跌。本集團仍繼續控制採購成本，藉以減輕價格競爭的影響，作為針對流動電話業務激烈競爭的措施。

其它收益主要包括出售固定資產所得收益及已收政府補助金，較去年增加777.7%，銷售費用較去年減少78.9%，而行政費用則減少9.6%。截至二零零八年十二月三十一日止年度，融資成本為人民幣32,285,000元(二零零七年：人民幣31,862,000元)，較去年小幅上升1.3%。

截至二零零八年十二月三十一日止年度，本集團股東應佔虧損為人民幣135,447,000元(二零零七年：人民幣190,476,000元)。出現股東應佔虧損主要是由於行政費用所致，行政費用主要包括年內產生的應收賬款減值虧損及融資成本。

所持有重大投資及收購

於二零零八年十二月三十一日，除於本報告所披露者外，本集團並無任何重大投資及收購。

本集團架構變動

於本年度，本集團將其於深圳屹塑通訊技術有限公司註冊資本中的全部65%權益出售予一名第三方，本集團亦將其於深圳市德諾通訊技術有限公司註冊資本中的全部66.7%權益出售予一名第三方。此外，寧波億庫電子科技有限公司已被中國工商行政管理局吊銷。

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

管理層討論及分析 - 續

FINANCIAL REVIEW

Current assets and liabilities

As at 31 December 2008, the Group had current assets of RMB 85,448,000 (2007: RMB331,594,000), representing a decrease of 74.4% compared with last year. The decrease was mainly attributable to the reduced bank balances and cash arising from repayment of bank borrowings during the year. As at 31 December 2008, the Group had current liabilities of RMB 475,088,000 (2007: RMB630,446,000), which represented a decrease of 24.8% and was mainly due to the decrease in other payables and repayment of bank borrowings. As at 31 December 2008, the unutilised bank loan facilities and cash flow generated in the ordinary course of business were sufficient for the capital requirement of daily operations and the new facilities despite its net current liability status.

Finance and banking facilities

As at 31 December 2008, the Group had cash and bank balances of RMB13,253,000 (2007: RMB202,276,000), short-term bank borrowings of RMB124,670,000 (2007: RMB225,840,000), and net borrowings of RMB111,417,000 (2007: RMB23,564,000) respectively. The borrowings were secured by certain property, plant and equipments and bank deposits of the Group. The Group will seek to replace the existing short-term bank facilities by long-term bank loans and secure bank loans with lower costs of borrowings, so as to improve the Group's financial position and reduce financial costs.

Gearing ratio

The Group's gearing ratio as at 31 December 2008 was 37.2% (2007: 35.6%), which is expressed as a percentage of the total bank borrowings over the total assets.

Contingent liabilities and commitments

Contingent liabilities and commitments of the Group during the year are set out in notes 35 and 37 to the consolidated financial statements.

Capital structure and financial resources

As at 31 December 2008, the Group had net liabilities of approximately RMB139,569,000 (2007: net liabilities RMB1,371,000). The Group's operations and investments are financed principally by its internal resources, bank borrowings and shareholders' equity.

財務回顧

流動資產及負債

於二零零八年十二月三十一日，本集團的流動資產為人民幣85,448,000元(二零零七年：人民幣331,594,000元)，較上年度下降74.4%。流動資產下降的主要因為年內償還銀行借貸而令銀行結餘及現金減少。於二零零八年十二月三十一日，本集團的流動負債為人民幣475,088,000元(二零零七年：人民幣630,446,000元)，下降24.8%，下降主要乃由於其它應付賬款減少及償還銀行借款所致。於二零零八年十二月三十一日，雖然本集團出現淨流動負債情況，但未動用銀行信貸額度及一般日常業務產生的現金流，足夠日常營運及新建廠房資金所需。

融資及銀行信貸

於二零零八年十二月三十一日，本集團有現金及銀行結餘為人民幣13,253,000元(二零零七年：人民幣202,276,000元)，短期銀行借款為人民幣124,670,000元(二零零七年：人民幣225,840,000元)，及淨借貸人民幣111,417,000元(二零零七年：人民幣23,564,000元)，有關借貸以本集團若干物業、廠房及設備以及銀行存款作為抵押。本集團將爭取安排長期銀行貸款以取代現有短期銀行信貸，同時爭取成本較低的銀行貸款，以改善本集團的財務狀況及降低融資成本。

資本負債比率

本集團於二零零八年十二月三十一日的資本負債比率為37.2%(二零零七年：35.6%)，此乃以銀行借貸總額除資產總值的百分比列示。

或然負債及承擔

本集團年內的或然負債及承擔詳情分別載於綜合財務報表附註35及37。

資本結構及財務資源

於二零零八年十二月三十一日，本集團的淨負債約為人民幣139,569,000元(二零零七年：淨負債人民幣1,371,000元)。本集團的營運及投資主要由其內部資源、銀行借貸及股東資本撥付。

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

管理層討論及分析 - 續

Foreign exchange risk

The Group's income and expenses were denominated in RMB while certain procurement transactions were settled in US dollars. The Group regulated its outstanding foreign exchange balance by conducting sales settled in US dollars to reduce its foreign exchange exposure. Since the existing bank loans are repayable in RMB, there was no material foreign exchange risk. The Group will review and monitor foreign exchange risk from time to time and may enter into forward swap contracts to hedge such risks where appropriate.

EMPLOYEES AND REMUNERATION POLICIES

An analysis of employees of the Group by their duties for each of the three years ended 31 December 2006, 2007 and 2008 is set out below:

Functions

Sales and marketing	銷售及市場推廣
R&D	研發
Production (including quality control)	生產(包括質量控制)
Finance and administration	財務及行政
Procurement	採購

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2008, the Group had 301 employees (2007: 454 employees). Remuneration is determined by reference to market terms and the performance, qualifications and experience of individual employee. Bonuses based on individual performance will be paid to employees in recognition and reward of their contribution. Other benefits include contributions to retirement scheme.

外匯風險

本集團的收入及支出以人民幣計值，而部分採購則以美元支付。本集團透過部分以美元結算的銷售，調節及平衡外匯結餘金額，以減低外匯風險。由於現有銀行貸款均以人民幣為償還貨幣，因此並不存在重大外匯風險。本集團將不時檢討及監察外匯風險，於適當時訂立遠期調期合約，以對沖有關風險。

僱員及酬金政策

截至二零零六年、二零零七年及二零零八年十二月三十一日止三個年度各年，本集團僱員以職務分類的分析如下：

職能

Headcount for the year
ended 31 December
截至十二月三十一日止年度的人數

	2006 二零零六年	2007 二零零七年	2008 二零零八年
	42	43	23
	78	14	14
	633	329	224
	80	22	32
	38	46	8
	<u>871</u>	<u>454</u>	<u>301</u>

僱員及酬金政策

於二零零八年十二月三十一日，本集團有301名僱員(二零零七年：454名僱員)。酬金是經參考市場條款及個別僱員的表現、資格及經驗而釐定。按個別表現釐定的花紅將付予僱員，作為對其貢獻的肯定及獎勵。其它福利包括向退休計劃供款。

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

管理層討論及分析 - 續

STAFF QUARTERS

Workers and staff of the Group are provided with accommodation within the vicinity of the Group's production facilities premises at No. 65 Siming Road East, Yuyao City. The Directors confirm that, apart from the above accommodation, there was no other housing benefit provided by the Group to its staff.

RELATIONSHIP WITH EMPLOYEES

The Group has not experienced any significant labour disputes or strikes which have led to the disruption of its normal business operations. The Directors consider that the Group maintains good relationship with its employees.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical Details of Directors, Supervisors and Senior Management are set out on page 16 to page 18.

EMOLUMENTS OF DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, Supervisors and the five highest paid individuals in the Company are set out in note 12 to the consolidated financial statements.

PROSPECTS

The Group has adjusted its business direction to the production and sale of uprated LED illuminative equipment and it is estimated that mass production will commence in the second quarter of 2009. The new business will fully utilise the existing SMT and assembly equipment, as well as improving the cash flow status and profitability of the Group. At the same time, the commencement of the use of the new factory areas can expand the overall production capacity and further increase the volume of processing businesses of mobile phones, controllers and PCBA, and hence strengthening the competitive edge in the market which the Group originally possesses.

員工宿舍

本集團的工人及員工獲提供宿舍，地點在本集團位於余姚市四明東路65號的生產設施物業的鄰近地區。董事確認，除上述宿舍外，本集團並無向其員工提供其它房屋福利。

與僱員的關係

本集團概無經歷任何重大勞資糾紛或罷工，導致其日常業務運作受干擾。董事認為，本集團與其僱員的關係良好。

董事、監事及高級管理人員履歷

董事、監事及高級管理人員履歷載於第16頁至第18頁。

董事、監事及五名最高薪人士的酬金

董事、監事及本公司五名最高薪人士的酬金詳情載於綜合財務報表附註12。

前景

本集團已調整業務方向至大功率LED光源產品的生產和銷售。預計二零零九年第二季度開始量產。新業務將充分利用原有SMT及組裝設備，並可改善集團現金流狀況及盈利能力。同時，新廠區的啟用將可擴大整體產能，亦將進一步提升原有流動電話、控制器、PCBA加工的業務量。從而鞏固集團原有的市場競爭優勢。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2008, the Company had complied with the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules (the "Code") in all material aspects except that no remuneration committee had been set up as required by rule B1.1 of the Code.

BOARD OF DIRECTORS

As at 31 December 2008, the Board comprises nine members, including three executive directors, three non-executive directors and three independent non-executive directors (the "INED(s)"). Each of the members possesses sufficient experience and qualification which enable them to discharge their duties properly.

The chairman is responsible for the formulation and review of the Group's overall development strategies. The daily operation is delegated to the chief executive officer and the executive directors. None of the INEDs is interested in the business of the Group and their independence has to be confirmed upon appointment or reappointment. Currently, there is no financial, business, family or other relevant material relationship among the existing directors.

According to the articles of association of the Company, all the directors shall be elected at the general meeting of the shareholders and the term of office shall be three years, renewable upon reappointment or re-election.

Board meetings are conducted on a periodic basis and with reference to the operation needs. During the year, the board held 4 meetings and the attendance of the directors is set out on page 14.

AUDIT COMMITTEE

The principal duties of the Audit Committee are to oversee the financial reporting and internal control system of the Group. The Audit Committee comprises three independent non-executive directors, Mr. Pang Jun (Chairman of the committee), Mr. Law Hon Hing Henry and Professor Fang Min. Mr. Law is a committee member with professional accounting qualification. The audit committee held 4 meetings during the year ended 31 December 2008 and the attendance of the committee members is set out on page 14.

企業管治常規

除並無按創業板上市規則附錄15所載的企業管治常規守則(「守則」)第B1.1條的規定設立薪酬委員會外，本公司於截至二零零八年十二月三十一日止年度在各重大方面一直遵守守則的規定。

董事會

於二零零八年十二月三十一日，董事會由九名成員組成，包括三名執行董事、三位非執行董事及三名獨立非執行董事(「獨立非執行董事」)。董事會各成員均具有足夠經驗及資歷以妥善履行其職責。

主席負責製訂及檢討本集團的整體發展策略，日常營運則由行政總裁及執行董事負責。各獨立非執行董事概無於本集團業務中擁有任何權益，並於出任及留聘有關任命時確認其獨立地位。目前，現任董事間並無財務、業務、家族或其它相關重大關係。

根據本公司的公司章程細則規定，所有董事須於股東大會上選舉產生，任期三年，於任期屆滿時重選連任。

董事會定期及按業務所需舉行會議。年內，董事會舉行了四次會議，各董事出席記錄載於第14頁。

審核委員會

審核委員會的主要職責為監控本集團的財務報告程序及內部監控系統。審核委員會由三名獨立非執行董事組成，即龐軍先生(委員會主席)、羅漢興先生及方敏博士。羅先生為具有專業會計資格的委員會成員。截至二零零八年十二月三十一日止年度，審核委員會共舉行四次會議，各委員會成員的出席記錄載於第14頁。

CORPORATE GOVERNANCE REPORT - CONTINUED

企業管治報告 - 續

REMUNERATION OF DIRECTORS

Remuneration committee has not yet been set up by the Company. The remuneration policy of the directors is formulated by the Board and subject to approval by the shareholders at the general meeting. The Board takes into account of the respective duties, performance and contribution to the Company of each of the directors with reference to the market rates when deciding their remuneration.

Mr. Liu Xiao Chun was appointed as the executive director on 5 November 2008. Mr. Law Hon Hing Henry, Mr. Pang Jun and Professor Fang Min were appointed as independent non-executive directors on 3 September 2008, 6 November 2008 and 27 February 2009 respectively. In the opinion of the Board, the remuneration determination has been with a high degree of independence. Yet on the long-term basis, it believes that the establishment of the remuneration committee can enable the introduction of a reasonable and encouraging remuneration policy which is beneficial to the Group's development.

NOMINATION OF DIRECTORS

The Nomination Committee has not yet been set up by the Board. As a result, the nomination for a new member has to be considered and approved by all members of the Board. The candidate for the addition to the Board shall possess appropriate qualification and experience and shall only be duly appointed after the consideration and assessment of the Board.

During the year under review, Mr. Liu Xiao Chun was recommended as Executive Director and Mr. Law Hon Hing Henry, Mr. Pang Jun and Professor Fang Min were recommended as independent non-executive directors respectively, and their appointments to join the board were made after the detailed assessment by the Board.

董事薪酬

本公司暫未成立薪酬委員會。董事薪酬政策乃由董事會負責制訂，並由股東於股東大會上批准。於制訂各位董事薪酬時，董事會根據各董事的職務範圍、表現及對本公司所作貢獻，以及參考市場水平而制訂。

劉曉春先生於二零零八年十一月五日獲委任為執行董事，而羅漢興先生、龐軍先生及方敏博士分別於二零零八年九月三日、二零零八年十一月六日及二零零九年二月二十七日獲委任為獨立非執行董事。董事會認為，就薪酬釐定方面已具有相當獨立性，但長遠而言，董事會認為成立薪酬委員會可制訂合理及具激勵性的董事薪酬政策，對本集團的發展具有積極的意義。

董事提名

董事會目前暫未設立提名委員會，因此，提名新董事須經董事會全體董事考慮及決定。新增董事會成員必須具有適合的資歷及經驗，並通過董事會的討論及評估才正式獲委任。

於回顧年度內，劉曉春先生被推薦出任執行董事，而羅漢興先生、龐軍先生及方敏博士則分別被推薦出任獨立非執行董事，彼等加入董事會的任命乃經過董事會的詳細評估而作出。

CORPORATE GOVERNANCE REPORT - CONTINUED

企業管治報告 - 續

ATTENDANCE OF MEETINGS

As at 31 December 2008, the numbers of meetings held by the Board and the Audit Committee and the respective attendance of the directors are as follow:

		Number of meeting (attended/held) 會議次數 (出席/舉行)	The Audit Committee 審核委員會
		The Board 董事會	
<i>Executive Directors</i>			
Mr. Liu Xiao Chun (Chairman)	執行董事 劉曉春先生 (主席)	3/8	–
Mr. Gong Zheng Jun	宮正軍先生	8/8	–
Mr. Chen Zheng Tu	陳正土先生	8/8	–
<i>Non-executive Directors</i>			
Mr. Zheng Yi Song	非執行董事 鄭毅松先生	8/8	–
Mr. Liu Feng	劉豐先生	8/8	–
Mr. Wang Wei Shi	王偉時先生	8/8	–
<i>Independent Non-executive Directors</i>			
Mr. Pang Jun	獨立非執行董事 龐軍先生	3/8	1/4
Mr. Law Hon Hing Henry	羅漢興先生	2/8	1/4
Professor Fang Min	方敏博士	0/8	0/4
Mr. Tang Zhen Ming	唐振明先生	0/8	4/4
Mr. Ding Gang Yi	丁剛毅先生	0/8	3/4
Mr. Ku Kin Shing	谷建聖先生	0/8	0/4

會議出席記錄

於二零零八年十二月三十一日，董事會會議次數、審核委員會會議次數及各董事的出席記錄如下：

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealing set out in Rule 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions conducted by the Company's directors. After making specific enquires to all the board members, the Board confirmed that all the directors have complied with the relevant code of conduct and all applicable dealing standards.

董事進行證券交易

本公司已採納創業板上市規則第5.48至第5.67條所載買賣準則作為本公司董事進行證券交易的操守守則。經向全體董事會成員作出具體查詢後，董事會確認，全體董事一直遵守有關操守準則及所有適用的交易準則。

RESPONSIBILITIES OF DIRECTORS AND AUDITORS IN RESPECT OF THE FINANCIAL STATEMENTS

The respective responsibilities of the directors and the auditors towards the shareholders in respect of the financial statements and audited financial statements are set out in page 27.

董事及核數師對財務報表的責任

董事及核數師分別就財務報表及經審核財務報表對股東的責任刊載於第27頁。

CORPORATE GOVERNANCE REPORT - CONTINUED

企業管治報告 - 續

INTERNAL CONTROL

The Company regularly reviews its internal control system in order to ensure its effectiveness. Reviews on the financial, operation and risk management measures are conducted on a periodic basis so as to maintain the standard of effective management.

AUDITORS

The Audit Committee of the Company is responsible for the appointment of the external auditors, including the engagement of non-auditing tasks and fees. During the year under review, the Company has appointed Lo and Kwong C.P.A. Company Limited to audit the financial statements for the year ended 31 December 2008, the fees paid for the audit of the Group's financial statements amounted to RMB706,000.

內部監控

本公司定期審查其內部監控系統，確保其有效運作，並定期檢討財務、營運及風險管理措施以達至有效的管理水平。

核數師

本公司審核委員會負責委聘外聘核數師，包括非核數範圍的工作及費用。於回顧年度內，本公司委聘盧鄺會計師事務所有限公司審核截至二零零八年十二月三十一日止年度的財務報表，審核本集團財務報表的費用為人民幣706,000元。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理人員

Directors

The Board currently consists of 9 Directors including 3 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors.

Executive Directors

Mr. Liu Xiao Chun, aged 40, graduated from the Beijing Chemical Fibre Industrial Institute in 1987 with a Bachelor's Degree in Engineering majoring in automation of manufacturing process and obtained a Master's Degree in Business Administration from The University of Hong Kong in 2005. Mr. Liu had been an executive director of the Company since incorporation and up to 4 October 2007. Mr. Liu previously worked with Beijing Printing and Dyeing Factory and Dongguan Skyworth Electronics Co., Ltd. and he has over 15 years of experience in manufacturing and management. Mr. Liu is responsible for the implementation of the objectives, policies and strategies as well as day-to-day management and operations of the Group. Mr. Liu joined the Group on 5 November 2008.

Mr. Gong Zheng Jun, aged 46, is an executive Director and Chief Executive Officer (CEO). Mr. Gong obtained a Master's Degree in Engineering from Xibei Telecommunications and Engineering Institute in 1987, and has 10 years of technical, operation, sales and management experience in the mobile handset industry. Mr. Gong had been the Senior Vice President of SIM Technology Group Company prior to joining the company, held various managerial positions in ZTE Corporation since 1998, and was responsible for the development of phased array radar in Radar Institute of Huanghe Machinery and Electronics Factory in 1987. Mr. Gong joined the Group in November 2006.

Mr. Chen Zheng Tu, aged 57, is a founder of the Group and an executive Director. Mr. Chen had worked with Yuyao 2nd Automobile Electrical Equipment Factory and has over 24 years of experience in the manufacturing industry. He is responsible for the strategic planning and corporate promotion of the Company.

Non-executive Directors

Mr. Zheng Yi Song, aged 46, was appointed as non-executive Director of the Company on 5 October 2007. Mr. Zheng is currently an executive director of China Ruilian, and China Ruilian is a substantial shareholder of the Company. He graduated with a bachelor's degree in management from Capital University of Economics Business in the People's Republic of China in July 1986. Mr. Zheng has over 24 years of experience in corporate management and electronics business.

董事

董事會現由九名董事組成，包括三名執行董事、三名非執行董事及三名獨立非執行董事。

執行董事

劉曉春先生，40歲，彼於一九八七年畢業於北京化纖工學院，取得工程學士學位，主修生產過程自動化；於二零零五年取得香港大學工商管理碩士學位。劉先生為本公司執行董事，自本公司成立直至二零零七年十月四日止。在加入本公司前，劉先生曾任職於北京印染廠及東莞創維電子有限公司，在製造及管理方面擁有超過十五年經驗。劉先生負責推行本集團的營運目標、政策與策略，以及日常管理及營運工作。劉先生於二零零八年十一月五日加入本集團。

宮正軍先生，46歲，執行董事兼行政總裁。宮先生於一九八七年取得西北通訊工程學院工程碩士學位，於移動手機工業擁有十年技術、經營、銷售及管理經驗。於加盟本公司前，宮先生曾擔任SIM Technology Group Company高級副總裁，亦自一九九八年起任職中興通信股份有限公司多個管理職務。於一九八七年，彼加入黃河機電製造廠雷達研究所，負責開發相控陣雷達。宮先生於二零零六年十一月加盟本集團。

陳正土先生，57歲，本集團創辦人之一，並為執行董事。陳先生曾在余姚市汽車電器二廠工作，於製造業積逾二十四年經驗。彼負責本公司的策略性策劃及企業推廣。

非執行董事

鄭毅松先生，46歲，於二零零七年十月五日獲委任為本公司非執行董事。鄭先生現時亦為本公司主要股東中國瑞聯的執行董事。彼於一九八六年七月在中華人民共和國首都經濟貿易大學畢業，取得管理學學士學位。鄭先生在企業管理及電子業務方面積逾二十四年經驗。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- CONTINUED

董事、監事及高級管理人員 - 續

Mr. Liu Feng, aged 45, has been re-designated as the vice-chairman and a non-executive director of the Company from the chairman, an executive director and compliance officer of the Company with effect from 5 November 2008 in order to allocate more time for his other business interest. Mr. Liu was the executive assistant to the President of China Ruilian before joining the Group. Mr. Liu graduated from Dongbei University of Finance & Economics with a bachelor's degree of Industrial Accounting in 1986 and he has over 14 years of experience in corporate management and electronics business. Mr. Liu joined the Group on 5 October 2007.

Mr. Wang Wei Shi, aged 53, was appointed as non-executive Director of the Company on 5 October 2007. Mr. Wang graduated from Hubei Television & Radio University in the People's Republic of China in 1992 with a bachelor's degree in electro-mechanical engineering, and has over 35 years of experience in the electronic business and manufacturing of fibreglass, refrigerator, and mobile phone assembly. Mr. Wang is the brother of past director, Mr. Wang Ya Qun.

Independent non-executive Directors

Mr. Pang Jun, aged 43, is qualified as a lawyer in the People's Republic of China in 1994. Mr. Pang graduated from Xi'an Jiaotong University with a Bachelor's Degree of Electrical Engineering and Automation and a Master's Degree in Science of Economic Law. Mr. Pang previously worked with IRICO Group Corporation and he has extensive experience in legal area. Mr. Pang is currently a practicing lawyer of Beijing Anbo Law Firm. He joined the Group on 6 November 2008.

Mr. Law Hon Hing Henry, aged 40 is a Fellow Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants in England & Wales and a fellow member of Association of Chartered Certified Accountants. Mr. Law graduated from the University of Hong Kong with a Bachelor's Degree of Social Sciences. Mr. Law has extensive experience in accounting and auditing. He joined the Group on 3 September 2008.

Professor Fang Min, aged 32, graduated from Zhejiang University with a Doctorate in Computer Science and Technology Degree in 2006. He has extensive experience in computer science and information technology area. He is currently a deputy department head for the Electrical Mechanical Engineering Department of the Hangzhou Normal University Qianjiang College. Professor Fang is also a director of the Hangzhou Letu Networking Technology Co. Ltd. He joined the Group on 27 February 2009.

劉豐先生，45歲，由本公司之董事會主席、執行董事兼監察主任職務，轉職為董事會副主席兼非執行董事，以便分配更多時間於他本人其他業務需要方面，自二零零八年十一月五日起生效。在加入本集團前，劉先生是中國瑞聯之總裁行政助理。劉先生於一九八六年畢業於東北財經大學，取得工業會計學士學位，擁有超過十四年企業管理及電子業務之經驗。劉先生於二零零七年十月五日加入本集團。

王偉時先生，53歲，於二零零七年十月五日獲委任為本公司非執行董事。王先生一九九二年畢業於中華人民共和國湖北廣播電視大學，取得機電工程學士學位，於電子業務及製造玻璃纖維、電冰箱及流動電話裝嵌方面，積逾三十五年經驗。王先生為前董事王亞群先生的兄長。

獨立非執行董事

龐軍先生，43歲，彼於一九九四年通過國家律師資格考試，取得律師資格。龐先生畢業於西安交通大學，獲電力系統及自動化學士學位及經濟法碩士學位。在加入本公司前，龐先生曾任職於國有大型企業彩虹集團公司工作，在法律領域有廣泛經驗。龐先生現職為北京安博律師事務所之執業律師。彼於二零零八年十一月六日加入本集團。

羅漢興先生，40歲，香港會計師公會執業資深會計師，英格蘭及威爾士特許會計師公會會員，及特許公認會計師公會資深會員。羅先生畢業於香港大學，持有社會科學學士學位，並具有廣泛之會計及核數經驗。彼於二零零八年九月三日加入本集團。

方敏博士，32歲，彼於二零零六年畢業於浙江大學，擁有電腦科學與技術博士學位，彼在資訊技術應用領域有豐富的技術和管理經驗。彼現職為杭州師範大學錢江學院電氣機械工程系副主任，以及杭州樂圖網路技術有限公司之董事。彼於二零零九年二月二十七日加入本集團。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- CONTINUED

董事、監事及高級管理人員 - 續

Supervisors

Ms. Wang Ying, aged 49, is a Supervisor and the manager of the QC department of the Group. Please refer to the section "Senior management" below for details of her qualifications and experience.

Mr. Yang Li, aged 47, is a Supervisor and does not hold any other position in the Group. He graduated from Shanxi Television & Radio University in 1986, and is currently the vice-president of China Ruilian Holding Corp. He has over 27 years of working experience in management and administration.

Mr. Cheng Ping, aged 45, is a Supervisor and does not hold any other position in the Group. He graduated with a bachelor's degree from Anhui University of Education in 1988, and is currently the general manager of Enterprise Management Department of China Ruilian Holding Corp. He has over 18 years of working experience in management and administration.

Senior management

Ms. Wang Ying, aged 49, is the manager of QC Department. She graduated from Tai Yuan Industrial Institute in August 1982 with a bachelor's degree in engineering majoring in electronic engineering. She is a senior engineer and had worked with Liujibu Taiyuan Fenxi Machinery Factory and Hangzhou Dongbao Air Conditioner Factory. She has over 18 years of experience in R&D. Ms. Wang is responsible for overseeing the QC Department of the Group. She joined the Group in April 2001.

Qualified accountant and company secretary

Mr. Tsao Hoi Ho, aged 44, is the financial controller of the Group. He holds a Master of Business Administration degree from the University of Warwick. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and member of Institute of Chartered Accountants of New Zealand, Institute of Chartered Secretaries and Administrators, Australasian Institute of Banking & Finance plus Bankers' Institute of New Zealand. Prior to joining the Company, Mr. Tsao was the Qualified Accountant for a listed company, whose shares are listed on the Stock Exchange. Mr. Tsao joined the Group in November 2008 and has over 18 years' experience in auditing, finance and company secretary.

監事

王穎女士，49歲，監事兼本集團質量控制部經理。有關其資歷及經驗請參閱下文「高級管理層」一節。

楊立先生，47歲，監事，並無出任本集團任何其它職位。彼於一九八六年畢業於陝西廣播電視大學，現為中國瑞聯實業集團有限公司副總裁。彼在管理及行政方面擁有超過二十七年經驗。

程平先生，45歲，監事，並無出任本集團任何其它職位。彼於一九八八年畢業於安徽師範大學，取得學士學位，現為中國瑞聯實業集團有限公司的企業管理部總經理。彼在管理及行政方面擁有超過十八年經驗。

高級管理層

王穎女士，49歲，質量控制部經理。彼於一九八二年八月畢業於太原工學院，取得工程學士學位，主修電子工程。彼為高級工程師，曾任職六機部太原汾西機器廠及杭州東寶空調器廠，於研發方面擁有超過十八年經驗。王女士負責監督本集團質量控制部。彼於二零零一年四月加盟本集團。

合資格會計師及公司秘書

曹海豪先生，44歲，本集團財務總監。彼持有華威大學之工商管理碩士學位。彼為香港會計師公會之會計師，以及新西蘭特許會計師公會、特許秘書及行政人員公會、澳洲銀行公會和新西蘭銀行公會之會員。彼加入本公司前曾於一間股份在聯交所上市之公司擔任合資格會計師。曹先生於二零零八年十一月加入本集團，彼於核數、財務及公司秘書方面擁有逾十八年之經驗。

REPORT OF THE DIRECTORS 董事會報告書

The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are the design, manufacture and sale of intelligent controller systems for various consumer electrical and electronic appliances and the assembly of mobile phones. Details of the principal activities of its subsidiaries are set out in note 42 to the consolidated financial statements.

Analysis of the Group's performance for the year by business and geographic segments is set out in note 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 30.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2008.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 31 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 33. The Company has no reserve available for distribution to shareholders as at 31 December 2008.

董事呈交其截至二零零八年十二月三十一日止年度的年度報告及經審核綜合財務報表。

主要業務及按地域分析的業務

本公司的主要業務為設計、製造及銷售可用於多種消費電器及電子用品的智能控制器系統以及裝嵌流動電話。有關其附屬公司主要業務的詳情載於綜合財務報表附註42。

本集團本年度按業務及地域分類的業績分析載於綜合財務報表附註8。

業績及分派

本集團截至二零零八年十二月三十一日止年度的業績載於第30頁的綜合收益表。

董事並不建議就截至二零零八年十二月三十一日止年度派發任何股息。

物業、廠房及設備

本集團的物業、廠房及設備年內變動詳情載於綜合財務報表附註15。

股本

本公司的股本詳情載於綜合財務報表附註31。

儲備

本集團的儲備年內變動詳情載於第33頁的綜合權益變動表。本公司於二零零八年十二月三十一日並無任何可供分派予股東的儲備。

REPORT OF THE DIRECTORS- CONTINUED

董事會報告書- 續

BANK BORROWINGS

Details of bank borrowings of the Group during the year are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company and no restriction against such rights under the laws of the People's Republic of China (the "PRC"), which will oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on pages 101 to 102.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SHARE OPTIONS

As at the date of this report, no option has been granted or agreed to be granted by the Company to any of its Directors, Supervisors or employees of the Company or its subsidiaries.

DIRECTORS

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

Executive Directors

Mr. Liu Xiao Chun (appointed on 5 November 2008)
Mr. Gong Zheng Jun
Mr. Chen Zheng Tu

Non-executive Directors

Mr. Zheng Yi Song
Mr. Liu Feng
Mr. Wang Wei Shi

Independent non-executive Directors

Mr. Pang Jun (appointed on 6 November 2008)
Mr. Law Hon Hing Henry (appointed on 3 September 2008)
Professor Fang Min (appointed on 27 February 2009)
Mr. Tang Zhen Ming (resigned on 27 February 2009)
Mr. Ding Gang Yi (resigned on 6 November 2008)

銀行借貸

本集團的銀行借貸年內詳情載於綜合財務報表附註32。

優先購買權

根據本公司的公司章程細則，概無優先購買權的條文，而根據中華人民共和國（「中國」）法律，並無限制該等權利的條文而規定本公司有義務按現有股東的股權比例，提呈發售新股份。

財務資料概要

本集團最近五個財政年度的業績、資產及負債概要載於第101頁至第102頁。

購買、出售或贖回上市證券

年內，本公司概無贖回其任何股份。本公司或其任何附屬公司於年內概無購買或出售本公司任何股份。

購股權

於本報告刊發日期，本公司概無向本公司或其附屬公司任何董事、監事或僱員授出或同意授出購股權。

董事

於本年度及截至本報告刊發日期止，本公司在職董事為：

執行董事

劉曉春先生（於二零零八年十一月五日獲委任）
宮正軍先生
陳正土先生

非執行董事

鄭毅松先生
劉豐先生
王偉時先生

獨立非執行董事

龐軍先生（於二零零八年十一月六日獲委任）
羅漢興先生（於二零零八年九月三日獲委任）
方敏博士（於二零零九年二月二十七日獲委任）
唐振明先生（於二零零九年二月二十七日辭任）
丁剛毅先生（於二零零八年十一月六日辭任）

REPORT OF THE DIRECTORS- CONTINUED

董事會報告書- 續

DIRECTORS (continued)

Supervisors

Ms. Wang Ying
Mr. Yang Li
Mr. Cheng Ping

Members of the audit committee

Mr. Pang Jun (Chairman) (appointed on 6 November 2008)
Mr. Law Hon Hing Henry (appointed on 3 September 2008)
Professor Fang Min (appointed on 27 February 2009)
Mr. Tang Zhen Ming (resigned on 6 November 2008)
Mr. Ku Kin Shing (resigned on 30 April 2008)
Mr. Ding Gang Yi (resigned on 6 November 2008)

In accordance with Articles 89 and 112 of the Company's Articles of Association, the Directors and Supervisors appointed by the Board since last shareholders' annual general meeting shall be elected at the coming shareholders' general meeting for a term of three years. A director or supervisor may serve consecutive terms if re-elected upon the expiration of the terms.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biographical details of Directors, Supervisors and senior management are set out on page 16 to page 18.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a service contract with the Company for a term of three years from his/her date of appointment as a Director or, as the case may be, as a Supervisor and thereafter subject to termination by either party giving not less than one month's written notice to the other party.

Save as disclosed above, no Directors or Supervisors who are proposed for re-election at the forthcoming annual general meeting has entered into any service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

Apart from the Directors' and Supervisors' service contracts disclosed above, no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director or a Supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事 (續)

監事

王穎女士
楊立先生
程平先生

審核委員會成員

龐軍先生 (主席) (於二零零八年十一月六日獲委任)
羅漢興先生 (於二零零八年九月三日獲委任)
方敏博士 (於二零零九年二月二十七日獲委任)
唐振明先生 (於二零零八年十一月六日辭任)
谷建聖先生 (於二零零八年四月三十日辭任)
丁剛毅先生 (於二零零八年十一月六日辭任)

根據本公司的公司章程細則第89及第112條，自上屆股東週年大會以來由董事會委任的董事及監事須於來屆股東大會上接受選舉，任期三年。董事或監事可於任期屆滿時重選連任。

董事、監事及高級管理人員的履歷

董事、監事及高級管理人員的簡歷載於第16頁至第18頁。

董事及監事的服務合約

各董事及監事已分別與本公司訂立服務合約，任期由其各自獲委任為董事或 (視情況而定) 獲委任為監事之日起計為期三年，其後可由任何一方向另一方發出不少於一個月書面通知終止。

除上述所披露者外，概無擬於應屆股東週年大會重選連任的董事或監事，與本公司訂有任何不可於一年內免付賠償 (法定賠償除外) 而終止的服務合約。

董事及監事於合約的權益

除上文所披露的董事及監事的服務合約外，於本年度終結或年內任何時間，本公司或其附屬公司概無訂立對本集團業務而言屬重大及本公司董事或監事於當中直接或間接擁有重大權益的合約。

REPORT OF THE DIRECTORS- CONTINUED

董事會報告書- 續

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS IN THE SHARES OF THE COMPANY

At 31 December 2008, the interests and long positions of each Director, Chief Executive and Supervisor of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rules 5.40 to 5.58 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), were as follows:

Ordinary shares of RMB0.10 each of the Company as at 31 December 2008:

董事、主要行政人員及監事於本公司股份的權益

於二零零八年十二月三十一日，本公司各董事、主要行政人員及監事於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條規定須存置的登記冊所記錄的權益及好倉，或根據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」)第5.40至5.58條所述董事進行交易的最低標準已知會本公司及聯交所的權益及好倉如下：

於二零零八年十二月三十一日本公司每股面值人民幣0.10元的普通股：

Name of Director/ Chief Executive/ Supervisor 董事／主要行政人員／ 監事姓名	Number of Domestic Shares of RMB0.10 each (the "Domestic Shares") held 所持每股面值 人民幣0.10元 的內資股 (「內資股」)數目	Nature of interest 權益性質	Long/short position 好／淡倉	Approximate percentage of shareholding held in same class of securities 佔同類別 證券概約 持股百分比	Approximate percentage of shareholding in the registered capital 佔註冊資本 概約持股 百分比
Mr. Gong Zheng Jun 宮正軍先生	91,650,000 Domestic Shares (note 2) 91,650,000股內資股 (附註2)	Beneficial owner 實益擁有人	Long position 好倉	24.77%	18.33%
Mr. Chen Zheng Tu 陳正土先生	63,100,000 Domestic Shares (note 2) 63,100,000股內資股 (附註2)	Beneficial owner 實益擁有人	Long position 好倉	17.05%	12.62%
Mr. Yang Li 楊立先生	41,500,000 Domestic Shares (note 2) 41,500,000股內資股 (附註2)	Beneficial owner 實益擁有人	Long position 好倉	11.22%	8.30%
Mr. Zheng Yi Song 鄭毅松先生	129,500,000 Domestic Shares (note 2) 129,500,000股內資股 (附註2)	Interest of controlled corporation (note 1) 受控制公司的權益 (附註1)	Long position 好倉	35.00%	25.90%

REPORT OF THE DIRECTORS- CONTINUED

董事會報告書- 續

Notes:

- (1) Mr. Zheng Yi Song is not a registered shareholder of the Company. His indirect shareholding interest in 129,500,000 shares of the Company is held through Shenzhen Ruilian Investment Company Limited ("Shenzhen Ruilian"), which holds a 90% direct interest in China Ruilian Holding Corporation ("China Ruilian"), a registered shareholder in 129,500,000 shares of the Company.

Both Shenzhen Ruilian and China Ruilian are established and based in the PRC. Mr. Zheng Yi Song holds a direct interest of 32% in Shenzhen Ruilian.

- (2) Domestic Shares of a nominal value of RMB0.10 each, in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi.

Save as disclosed above, at no time during the year did the Directors, Chief Executives and Supervisors (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations (within the meaning of SFO).

Apart from the above, at no time during the year was the Company or its subsidiaries a party to any arrangement enabling the Directors, Chief Executives and Supervisors of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

附註：

- (1) 鄭毅松先生並非本公司登記股東。彼於本公司129,500,000股的間接股權是透過深圳瑞聯實業集團有限公司(「深圳瑞聯」)持有。深圳瑞聯擁有中國瑞聯實業集團有限公司(「中國瑞聯」)90%直接權益，而中國瑞聯為129,500,000股本公司股份的登記股東。

深圳瑞聯及中國瑞聯均為於中國成立及以中國為基地。鄭毅松先生直接持有深圳瑞聯32%權益。

- (2) 本公司註冊資本中每股面值人民幣0.10元的內資股乃以人民幣認購或入賬列作繳足。

除上文所披露者外，於本年度的任何時間，概無董事、主要行政人員及監事(包括彼等之配偶及未滿十八歲的子女)於本公司或其相聯法團(定義見證券及期貨條例)的股份擁有任何權益，或已獲授或已行使可認購該等股份的任何權利。

除上文所述者外，於本年度的任何時間，本公司或其附屬公司概無訂立任何安排，致使本公司董事、主要行政人員及監事持有本公司或其相聯法團的股份、相關股份或債券任何權益或淡倉。

REPORT OF THE DIRECTORS- CONTINUED

董事會報告書- 續

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES OF THE COMPANY

According to the register of substantial shareholders maintained under section 336 of the SFO, as at 31 December 2008, the Company had been notified the following substantial shareholders' were interested in 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors, Chief Executives and Supervisors.

主要股東於本公司股份的權益

按根據證券及期貨條例第336條規定存置的主要股東登記冊顯示，於二零零八年十二月三十一日，本公司獲知會以下主要股東擁有本公司已發行股本5%或以上權益。這些權益並無計入上文所披露有關董事、主要行政人員及監事的權益內。

Name of shareholder	Number of shares held	Nature of interest	Long/short position	Approximate percentage of shareholding in same class of securities 佔同類別證券 概約持股百分比	Approximate percentage of shareholding in the registered capital 佔註冊資本 概約持股百分比
股東姓名／名稱	所持股份數目	權益性質	好／淡倉		
China Ruilian 中國瑞聯	129,500,000 Domestic Shares (notes 1 and 2 above) 129,500,000股內資股 (上文附註1及2)	Beneficial owner 實益擁有人	Long position 好倉	35.00%	25.90%
Shenzhen Ruilian 深圳瑞聯	129,500,000 Domestic Shares (notes 1 and 2 above) 129,500,000股內資股 (上文附註1及2)	Interest of controlled corporation 受控制公司權益	Long position 好倉	35.00%	25.90%
Wang Ya Qun 王亞群	37,850,000 Domestic Shares (note 2 above) 37,850,000股內資股 (上文附註2)	Beneficial owner 實益擁有人	Long position 好倉	10.23%	7.57%
Martin Currie China Hedge Fund Limited	14,245,000 H Shares (note 1) 14,245,000股H股 (附註1)	Investment manager 投資經理	Long position 好倉	10.96%	2.85%
Martin Currie Investment Management Limited	14,245,000 H shares (note 1) 14,245,000股H股 (附註1)	Investment manager 投資經理	Long position 好倉	10.96%	2.85%

REPORT OF THE DIRECTORS- CONTINUED

董事會報告書- 續

Name of shareholder	Number of shares held	Nature of interest	Long/short position	Approximate percentage of shareholding in same class of securities 佔同類別證券 概約持股百分比	Approximate percentage of shareholding in the registered capital 佔註冊資本 概約持股百分比
股東姓名／名稱	所持股份數目	權益性質	好／淡倉		
Dai Huan	8,200,000 H shares (note 1) 8,200,000股H股 (附註1)	Beneficial owner 實益擁有人	Long position 好倉	6.31%	1.64%

Note:

(1) "H Share(s)" represent overseas listed foreign share(s) of a nominal value of RMB0.10 each in the registered capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong dollars.

附註：

(1) 「H股」為本公司註冊資本中每股面值人民幣0.10元的海外上市外資股，於創業板上市，並以港元認購及買賣。

MANAGEMENT CONTRACTS

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

管理層合約

年內概無訂立或訂有有關本公司全部或任何主要部分業務的管理及行政合約。

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

主要客戶及供應商

本年度本集團主要客戶及供應商應佔的銷售及採購百分比如下：

Sales

- the largest customer	9.50%
- five largest customers combined	41.50%

銷售

- 最大客戶	9.50%
- 五大客戶合計	41.50%

Purchases

- the largest supplier	8.50%
- five largest suppliers combined	21.90%

採購

- 最大供應商	8.50%
- 五大供應商合計	21.90%

REPORT OF THE DIRECTORS- CONTINUED

董事會報告書- 續

COMPLIANCE WITH THE CODE

The Company has complied with all the code provisions set out in Appendix 15 Code on Corporate Governance Practices of the GEM Listing Rules throughout the financial year ended 31 December 2008.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group, are set out in note 40 to the consolidated financial statements.

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business that directly or indirectly competes with the business of the Group or has any other conflicts of interest.

AUDITORS

Messrs. PKF were appointed as auditors of the Company with effect from 30 November 2007 to fill the vacancy made by Deloitte Touche Tohmatsu with effect from 28 November 2007.

Messrs. Lo and Kwong C.P.A. Company Limited were appointed as auditors at the Company with effect from 15 January 2009 to fill the vacancy made by Messrs. PKF with effect from 13 November 2008.

The financial statements for the year have been audited by Messrs. Lo and Kwong C.P.A. Company Limited, who retire and, being eligible, offer themselves for reappointment at the forthcoming Annual General Meeting of the Company.

On behalf of the Board

Liu Xiao Chun
Chairman

Ningbo, The PRC, 28 March 2009

遵守守則

於截至二零零八年十二月三十一日止財政年度，本公司一直遵守創業板上市規則附錄15企業管治常規守則所載的守則條文。

關連交易

本集團的關連交易詳情載於綜合財務報表附註40。

競爭權益

董事、本公司管理層股東及彼等各自的聯繫人士(定義見創業板上市規則)概無於直接或間接與本集團業務構成競爭的任何業務中擁有權益，亦無任何其它利益衝突。

核數師

大信梁學濂(香港)會計師事務所自二零零七年十一月三十日起獲委聘為本公司核數師，以填補德勤·關黃陳方會計師行自二零零七年十一月二十八日起所產生的空缺。

盧鄺會計師事務所有限公司自二零零九年一月十五日起獲委聘為本公司核數師，以填補大信梁學濂(香港)會計師事務所自二零零八年十一月十三日起所產生的空缺。

本年度財務報表由盧鄺會計師事務所有限公司審核，該會計師事務所將告退，並符合資格及願意於本公司應屆股東週年大會應聘連任。

代表董事會

主席
劉曉春

中國寧波，二零零九年三月二十八日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



盧鄺會計師事務所有限公司
LO AND KWONG C.P.A. COMPANY LIMITED

Audit • Tax • Business Advisory

1304, 13/F
Shanghai Industrial Investment Bldg,
60 Hennessy Road
Wanchai, Hong Kong

盧鄺會計師事務所有限公司

香港
灣仔
軒尼詩道60號
上海實業大廈13樓1304室

TO THE SHAREHOLDERS OF NINGBO YIDONG ELECTRONIC COMPANY LIMITED INCORPORATED IN PEOPLE'S REPUBLIC OF CHINA WITH LIMITED LIABILITY

We were engaged to audit the consolidated financial statements of Ningbo Yidong Electronic Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 30 to 100, which comprise the consolidated balance sheet as at 31 December 2008, 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 consolidated financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

Except for the limitation in the scope of our work as explained below, 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 consolidated financial statements are free from material misstatement.

致寧波屹東電子股份有限公司列位股東 (於中華人民共和國註冊成立的股份有限公司)

本核數師負責審核列載於第30至100頁寧波屹東電子股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零零八年十二月三十一日的綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其它說明附註。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定編製並真實而公平地呈列綜合財務報表。此責任包括設計、實施及維持與編製並真實而公平地呈列綜合財務報表有關的內部監控，以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選取並應用適當的會計政策；及按不同情況作出合理的會計估計。

核數師的責任

本核數師的責任是根據審核工作的結果，對此等綜合財務報表發表意見。本核數師的報告僅為股東(作為一個團體)而編製，除此之外不作其它用途。本核數師概不就本報告的內容對任何其它人士負責或承擔責任。

除下文所闡釋的工作範疇限制外，本核數師已按照香港會計師公會頒布的香港審核準則進行審核工作。該等準則規定本核數師遵守道德操守規範，並規劃及進行審核，以合理地確定綜合財務報表是否不存在重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT - CONTINUED

獨立核數師報告書 - 續

However, because of the matters described in the basis for disclaimer of opinion paragraph, we were not able to obtain appropriate audit evidence to provide a basis for an audit opinion.

Material fundamental uncertainty relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements made in note 2 to the consolidated financial statements concerning the basis of preparation of the consolidated financial statements made by the directors. As explained in note 2 to the consolidated financial statements, the Group is currently undertaking a number of measures to relieve the current profitability and liquidity problem of the Group.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the ongoing support of the Group's bankers and/ or the financial institutions, the undertaken financial support by a substantial shareholder, and the attainment of profitable and positive cash flow operations of the Group to meet its future working capital and financial requirements.

We consider that appropriate disclosures have been made in such consolidated financial statements concerning the relevant material uncertainty, but the inherent uncertainties surrounding the circumstances, under which the Group might successfully continue to adopt the going concern basis are so extreme, we have disclaimed our opinion on material uncertainty relating to the going concern basis.

The consolidated financial statements of the Group do not include any adjustment that would be necessary if the Group failed to operate as a going concern. Had the going concern basis not been used, adjustments would have to be made to reduce the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively.

然而，由於「不表示意見的基準」一段所述的事項，本核數師未能取得洽當的審核憑證，以作為審核意見的基礎。

有關持續經營基準的重大不明朗因素

於制訂意見時，本核數師已考慮董事於綜合財務報表附註2有關綜合財務報表編製基準所作出的披露是否足夠。誠如綜合財務報表附註2所闡釋，貴集團正進行多項措施以改善貴集團現時的盈利能力及流動資金問題。

綜合財務報表乃以持續經營基準而編製，而其是否有效乃取決於貴集團往來銀行及／或金融機構作出的持續支持、一名主要股東已承諾作出的財務支持，以及貴集團達致有利可圖及帶來正面現金流量的營運以應付其日後營運資金及財務需要。

本核數師認為該等綜合財務報表已適當地披露有關的重大不明朗因素，但貴集團能否成功繼續採用持續經營準則之內在因素極不肯定，本核數師不會就與持續經營基準相關的重大不明朗因素發表意見。

貴集團該等綜合財務報表並無包括任何因貴集團未能持續經營而可能須作出的任何調整。倘未能以持續經營基準編制綜合財務報表，則分別須作出調整以減低貴集團資產的價值至其可收回價值，為任何可能出現的未來負債撥備，以及將非流動資產及非流動負債重新各自分類為流動資產及流動負債。

INDEPENDENT AUDITOR'S REPORT - CONTINUED

獨立核數師報告書 - 續

Disclaimer of opinion: disclaimer of view given by consolidated financial statements

Because of the significance of the matters described in the basis for material fundamental uncertainty relating to going concern basis paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group at 31 December 2008 and of the loss and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

不表示意見：對綜合財務報表所作意見不表示意見

由於「有關持續經營基準的重大不明朗因素」一段所述事項的重要性，故本核數師不對綜合財務報表是否已根據香港財務報告準則真實而公平地呈列 貴集團於二零零八年十二月三十一日的事務狀況及 貴集團截至該日止年度的虧損及現金流量，以及財務報表是否已根據香港公司條例的披露規定妥為編製表示意見。

Lo and Kwong C.P.A. Company Limited
Certified Public Accountants
Lo Wah Wai
Practising Certificate Number : P02693

Hong Kong
28 March 2009

盧鄺會計師事務所有限公司
香港執業會計師
盧華威
執業證書號碼：P02693

香港
二零零九年三月二十八日

CONSOLIDATED INCOME STATEMENT

綜合收益表

		for the year ended 31 December 2008 截至二零零八年十二月三十一日止年度	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Revenue	收益	94,522	362,378
Cost of sales	銷售成本	(98,951)	(327,057)
Gross (loss) / profit	(毛虧) / 毛利	(4,429)	35,321
Other income	其它收入	54,294	6,186
Selling and distribution expenses	銷售及分銷費用	(1,024)	(4,850)
Administrative expenses	行政費用	(153,887)	(179,139)
Finance costs	融資成本	(32,285)	(31,862)
Unrealised gain on change of status from subsidiaries to available-for-sale investment	附屬公司身份變動之未變現收益	6,729	-
Gain on disposal of an associate	出售一家聯營公司的收益	1,080	-
Gain on disposal of subsidiaries	出售附屬公司的收益	-	5,915
Loss on invalidation of a subsidiary	吊銷附屬公司的虧損	(7,408)	-
Loss before tax	除稅前虧損	(136,930)	(168,429)
Income tax expenses	所得稅開支	(125)	(23,155)
Loss for the year	年內虧損	(137,055)	(191,584)
Attributable to:	應佔：		
Equity holders of the Company	本公司股權持有人	(135,447)	(190,476)
Minority interests	少數股東權益	(1,608)	(1,108)
		(137,055)	(191,584)
Dividends	股息	-	-
Loss per share	每股虧損		
Basic	基本	RMB人民幣(27.09cents分)	RMB人民幣(38.10cents分)
Diluted	攤薄	N/A不適用	N/A不適用

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		for the year ended 31 December 2008 截至二零零八年十二月三十一日止年度	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
		Notes 附註	
ASSETS AND LIABILITIES			
Non-current assets			
資產及負債			
非流動資產			
Property, plant and equipment	物業、廠房及設備	15	237,825
Prepaid lease payments	預付租賃款	16	11,584
Interests in associates	聯營公司權益	17	-
Construction deposits	工程按金		662
			<u>250,071</u>
Current assets			
流動資產			
Inventories	存貨	18	42,500
Loan receivable	應收貸款	19	-
Trade and bills receivables	應收貿易賬款及票據	20	6,949
Prepayments, deposits and other receivables	預付款項、按金及其它 應收賬款		20,592
Prepaid lease payments	預付租賃款	16	375
Amount due from a shareholder	應收一名股東款項	21	-
Amounts due from minority shareholders	應收少數股東款項	22	710
Amounts due from directors	應收董事款項	23	533
Amounts due from related companies	應收關連公司款項	24	536
Available-for-sale investments	可供出售投資	25	-
Held-for-trading investments	持作買賣投資	26	-
Pledged bank deposits	已抵押銀行存款	27	9,150
Bank balances and cash	銀行結餘及現金	27	4,103
			<u>85,448</u>
Current liabilities			
流動負債			
Trade and bills payables	應付貿易賬款及票據	28	86,084
Other payables and accruals	其它應付賬款及應計費用		82,314
Receipt in advance	預收款項		10,896
Amount due to a shareholder	應付一名股東款項	21	141,413
Amounts due to minority shareholders	應付少數股東款項	22	2,620
Amounts due to directors	應付董事款項	23	8,465
Amounts due to related companies	應付關連公司款項	24	13,186
Amount due to an associate	應付一家聯營公司款項		-
Dividends payable	應付股息		4,440
Income tax payable	應付所得稅		872
Bank borrowings	銀行借貸	29	124,670
Current portion of deferred revenue	遞延收益即期部分	30	128
			<u>475,088</u>
			<u>302,034</u>
			<u>331,594</u>
			<u>630,446</u>

CONSOLIDATED BALANCE SHEET - CONTINUED

綜合資產負債表 - 續

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Net current liabilities	流動負債淨額		(389,640)	(298,852)
Total assets less current liabilities	總資產減流動負債		(139,569)	3,182
Non-current liability Deferred revenue	非流動負債 遞延收益	30	–	(4,553)
NET LIABILITIES	負債淨額		(139,569)	(1,371)
Capital and reserves	資本及儲備			
Share capital	股本	31	50,000	50,000
Reserves	儲備		(190,183)	(53,614)
			(140,183)	(3,614)
Minority interests	少數股東權益		614	2,243
DEFICIENCY OF SHAREHOLDERS' FUNDS	股東資金虧絀		(139,569)	(1,371)

APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS ON 28 MARCH 2009.

經董事會於二零零九年三月二十八日批准及授權刊發

Liu Xiao Chun
劉曉春
Director
董事

Chen Zheng Tu
陳正土
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Share capital	Capital reserve	Statutory surplus reserve	Trans- lation reserve	Accumu- lated losses	Total	Minority interests	Total
		股本	資本儲備	法定盈餘 公積金	匯兌儲備	累計虧損	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
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note a) (附註a)	(Note b) (附註b)					
At 1 January 2007	於二零零七年一月一日	50,000	40,449	24,772	1,915	67,004	184,140	3,400	187,540
Exchange differences arising on translation of foreign operations and net income recognised directly in equity	因換算海外業務而產生的匯兌差額及直接在權益確認的收入淨額	-	-	-	2,722	-	2,722	-	2,722
Loss for the year	年內虧損	-	-	-	-	(190,476)	(190,476)	(1,108)	(191,584)
Total recognised income and expenses for the year	年內已確認收入及開支總額	-	-	-	2,722	(190,476)	(187,754)	(1,108)	(188,862)
Appropriations	分配	-	-	226	-	(226)	-	-	-
Release on disposal of a subsidiary	出售一家附屬公司時解除	-	-	-	-	-	-	(49)	(49)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日及二零零八年一月一日	50,000	40,449	24,998	4,637	(123,698)	(3,614)	2,243	(1,371)
Capital injection from Minority Interests	少數股東注資	-	-	-	-	-	-	700	700
Exchange differences arising on translation of foreign operations and net income recognised directly in equity	因換算海外業務而產生的匯兌差額及直接在權益確認的收入淨額	-	-	-	(1,122)	-	(1,122)	-	(1,122)
Loss for the year	年內虧損	-	-	-	-	(135,447)	(135,447)	(1,608)	(137,055)
Total recognised income and expenses for the year	年內已確認之收入及開支總額	-	-	-	(1,122)	(135,447)	(136,569)	(908)	(137,477)
Release on change of status from a subsidiary to available-for-sales investment	由一家附屬公司轉為可供出售投資時解除	-	-	-	-	-	-	(721)	(721)
At 31 December 2008	於二零零八年十二月三十一日	<u>50,000</u>	<u>40,449</u>	<u>24,998</u>	<u>3,515</u>	<u>(259,145)</u>	<u>(140,183)</u>	<u>614</u>	<u>(139,569)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - CONTINUED

綜合權益變動表 - 續

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

Note:

(a) Capital reserve

Capital reserve includes the share premium arising from the issue of H shares after deduction of the respective share issuance costs of the Company.

(b) Statutory surplus reserve

The Articles of Association of the Company and its subsidiaries established in the PRC require the appropriation of 10% of their profit after income tax determined under the PRC accounting standards each year to the statutory surplus reserve until the balance reaches 50% of the registered share capital. According to the provision of the Company's Articles of Association, under normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operation. For the capitalisation of statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered share capital.

附註：

(a) 資本儲備

資本儲備包括本公司發行H股產生的股份溢價(已扣除相關股份發行成本)。

(b) 法定盈餘公積金

本公司及其於中國成立的附屬公司的公司章程細則規定，每年須將根據中國會計準則計算的除所得稅後溢利的10%撥入法定盈餘公積金，直至有關結餘達到註冊股本的50%。根據本公司的公司章程細則的條文，在一般情況下，法定盈餘公積金僅可用作抵銷虧損、撥充股本及擴充本公司的生產及營運。就撥充股本而言，法定盈餘公積金的餘額不得少於註冊資本的25%。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

	Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
Loss before tax	除稅前虧損	(136,930)	(168,429)
Adjustments for:	已就下列項目調整：		
Amortisation of prepaid lease payments	攤銷預付租賃款	479	479
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,423	13,122
Finance costs	融資成本	30,957	31,862
Government grants received recognised as income	已確認為收入的已收政府補助金	(5,082)	(1,656)
Impairment loss on amount due from a related company	應收一間關連公司款項減值虧損	51,342	16,795
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	18,556	-
Impairment loss on trade receivables, deposits and other receivables	應收貿易賬款、按金及其它應收賬款的減值虧損	31,877	62,137
Bad debts written off	撇銷壞賬	564	1,434
Interest income	利息收入	(2,993)	(2,285)
Provision for liabilities	負債撥備	6,636	-
Gain on disposal of plant, equipment, property and corresponding land	出售廠房、設備、物業及相應土地的收益	(38,934)	-
Loss on invalidation of subsidiaries	吊銷附屬公司之虧損	7,408	(5,915)
Loss on disposal of held-for-trading investments	出售持作買賣投資虧損	15	-
Provision for litigation	訴訟撥備	16,175	-
Unrealised gain on change of status from subsidiaries to available-for-sales investment	由附屬公司轉為可供出售投資之身份變動之未變現收益	(6,729)	-
Impairment of inventories	存貨撇減	2,667	54,103

CONSOLIDATED CASH FLOW STATEMENT - CONTINUED

綜合現金流量表 - 續

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

	Notes 附註	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Operating cash flows before movements in working capital	營運資金變動前的營運現金流量	(10,569)	1,647
Decrease/ (increase) in inventories	存貨減少/(增加)	9,985	(489)
(Increase)/ decrease in trade and bills receivables	應收貿易賬款及票據(增加)/減少	(10,634)	33,719
(Increase)/ decrease in prepayments, deposits and other receivables	預付款項、按金及其它應收賬款(增加)/減少	(36,432)	15,096
Decrease in amount due from a shareholder	應收一名股東款項減少	7,798	21
Decrease in amount due from minority shareholders	應收少數股東款項減少	11	-
Decrease in amount due from directors	應收董事款項減少	67	912
Increase in amount due from related companies	應收關連公司款項增加	-	(50,709)
Increase in held-for-trading investments	持作買賣投資增加	-	(2)
Decrease in trade and bills payables	應付貿易賬款及票據減少	(15,198)	(151,191)
(Decrease)/ increase in other payables and accruals	其它應付賬款及應計費用(減少)/增加	(9,582)	12,740
(Decrease)/ increase in amount due to associate	應付一家聯營公司款項(減少)/增加	(19,311)	19,311
Decrease in amounts due to directors	應付董事款項減少	(1,035)	-
Increase in amounts due to related companies	應付關連公司款項增加	-	233
Increase in amounts due to minority shareholders	應付少數股東款項增加	749	1,591
(Decrease)/ increase in receipt in advance	預收款項(減少)/增加	(546)	11,442
Cash used in operations	經營業務所用現金	(84,697)	(105,679)
Income taxes paid	已付所得稅	(22)	(5,831)
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(84,719)	(111,510)
INVESTING ACTIVITIES	投資活動		
Net cash outflow on disposal of subsidiaries	出售附屬公司之現金流出淨額	-	(662)
Decrease in pledged bank deposits	已抵押銀行存款減少	87,021	5,308
Purchase of property, plant and equipment	購買物業、廠房及設備	(22,808)	(36,963)
Decrease in loan receivable	應收貸款減少	1,000	1,480
Decrease in construction deposits	工程按金減少	82	844
Net cash outflow on change of status from subsidiaries to available-for-sale investment	由附屬公司轉為可供出售投資之身份變動所產生的現金流出淨額	(242)	-
Interest received	已收利息	2,993	2,285

CONSOLIDATED CASH FLOW STATEMENT - CONTINUED

綜合現金流量表 - 續

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Capital injection from minority shareholders	少數股東注資	700	-
Receipt from disposal of held-for-trading investments	出售持作買賣投資所得款項	460	-
Received in advance	預收款項	-	80,000
NET CASH FROM INVESTING ACTIVITIES	投資活動所得現金淨額	69,206	52,292
FINANCING ACTIVITIES	融資活動		
Advanced from a director	董事墊款	-	9,500
New bank loans raised	新增銀行貸款	245,728	540,666
Repayment of bank loans	償還銀行貸款	(346,898)	(601,084)
Interest paid	已付利息	(19,696)	(31,862)
Advance from a shareholder	來自一名股東的墊款	18,389	107,291
Advance from a related company	一家關連公司墊款	17,110	17,936
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	融資活動(所用) / 所得現金淨額	(85,367)	42,447
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(100,880)	(16,771)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初的現金及現金等值項目	106,105	121,458
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	匯率變動影響淨額	(1,122)	1,418
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	年終的現金及現金等值項目， 即銀行結餘及現金	4,103	106,105

NOTES TO THE FINANCIAL STATEMENT

財務報表附註

for the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

1. GENERAL INFORMATION

The Company is a joint stock limited liability company established in the People's Republic of China (the "PRC") and its shares are listed on the Growth Enterprise Market 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 consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

The principal activities of the Group are the design, manufacture and sale of intelligent controller systems for consumer electrical and electronic appliances and the assembly of mobile phones in the PRC.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL FUNDAMENTAL UNCERTAINTIES IN RESPECT OF GOING CONCERN

Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all applicable Hong Kong Accounting Standards ("HKASs" and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. The financial statements comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules"). They have been prepared under the historical cost convention, except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in note 4.

Material fundamental uncertainties in respect of going concern

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of its net current liabilities of RMB389,640,000 as at 31 December 2008 and a net loss attributable to the shareholders of approximately RMB135,447,000 for the year ended 31 December 2008. The Group financed its capital intensive operations by short-term bank borrowings and shareholders' equity. It tends to maintain a fair level of short-term bank borrowings which are renewed on a regular basis, as the borrowing costs of such arrangement are relatively lower. The directors are of the opinion that, after taking into account the presently available banking facilities and internal

1. 一般資料

本公司為於中華人民共和國(「中國」)成立的股份有限公司，其股份在香港聯合交易所有限公司(「聯交所」)創業板上市。本公司的註冊辦事處及主要營業地點已於年報「公司資料」一節披露。

綜合財務報表以本公司功能貨幣人民幣(「人民幣」)呈列。

本集團主要在中國從事設計、製造及銷售可用於多種消費電器及電子用品的智能控制器系統以及裝嵌流動電話的業務。

2. 綜合財務報表的編製基準及有關持續經營的重大不確定因素

編製基準

此等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)(其中包括所有適用之香港會計準則(「香港會計準則」及詮釋))及香港公認會計原則而編製。財務報表符合香港公司條例及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」)的適用披露規定。此等綜合財務報表按歷史成本慣例編製，惟附註4所載之會計政策所闡釋若干按公平值計量的金融工具除外。

有關持續經營的重大不確定因素

於編製綜合財務報表時，由於本集團於二零零八年十二月三十一日錄得流動負債淨額人民幣389,640,000元及截至二零零八年十二月三十一日止年度錄得股東應佔虧損淨額約人民幣135,447,000元，故董事已審慎考慮本集團的未來流動資金狀況。本集團以短期銀行借貸及股東權益作為需要投入大量資金的業務的融資。由於短期銀行借貸成本相對較低，故此本集團傾向維持相當數量的短期銀行借貸，並且定期續期。董事認為，經考慮現時可動用的銀

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

for the year ended 31 December 2008
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financial resources, the Group has sufficient working capital for its present requirements and will be able to meet in full its liabilities as they fall due in the foreseeable future. The opinion is based on the following:

- (i) The amounts of banking facilities available to the Group granted by various banks at 31 December 2008 was RMB249,220,000 in which RMB124,670,000 was utilised as at 31 December 2008. Approximately RMB124,550,000 of the unutilised banking facilities will expire one year after the balance sheet date. The directors of the Company are in ongoing negotiations with the Group's bankers to seek their ongoing support to the Group.
 - (ii) A substantial shareholder has undertaken to provide the financial support the Group.
 - (iii) The directors of the Company continue to take action to tighten cost controls over factory overheads and various general and administrative expenses, and are actively seeking new investment and business opportunities with an aim to attain profitable and positive cash flow operations.
 - (iv) Various products with higher profit margin, such as advanced LED products, have been introduced by the Group with the aim to diversify the Group's products and improve profitability. The directors expected that LED business would become a major contributor to the Group's turnover and net profit in the future.
 - (v) Pursuant to the circular dated 31 October 2008, the Company entered into a provisional sale and purchase agreement with local government ("the Purchaser") on 20 December 2006 for the disposal of the land use right together with buildings thereon (collectively referred to "the Property") for a preliminary consideration of approximately RMB120,000,000. On 17 August 2007, a supplementary agreement was signed between the Company and the Purchaser, the aforesaid total consideration was amended to RMB80,000,000 which is subject to the valuation on market value of the Property at Sale Completion Date by independent valuers jointly appointed by the Company and the Purchaser.
- 行信貸及內部財務資源後，本集團具備充裕營運資金應付目前所需，並有能力全數償還於可預見未來到期的負債。上述意見的依據如下：
- (i) 於二零零八年十二月三十一日，本集團自多家銀行取得的可動用銀行信貸金額為人民幣249,220,000元，其中人民幣124,670,000元於二零零八年十二月三十一日已動用。未動用銀行信貸約人民幣124,550,000元，將於結算日後一年到期。本公司董事正與本集團的往來銀行進行磋商，尋求對本集團給予持續資助。
 - (ii) 一名主要股東已承諾對本集團提供財務支持。
 - (iii) 本公司董事繼續採取行動以加強有關廠房間接開支及各種一般及行政開支的成本控制，並積極物色新的投資及商機，藉以達致有利可圖及帶來正面現金流量的營運。
 - (iv) 本集團已引入先進LED產品等邊際利潤較高的不同產品，務求使本集團的產品多元化，從而提升盈利能力。董事預期，LED業務於日後將成為本集團營業額及純利的主要來源。
 - (v) 根據日期為二零零八年十月三十一日的通函，於二零零六年十二月二十日，本公司與地方政府（「買方」）就以約人民幣120,000,000元的初步代價出售土地使用權連同該土地上的建築（統稱「該物業」）訂立一項臨時買賣協議。於二零零七年八月十七日，本公司與買方簽訂一項補充協議，將上述總代價修訂為人民幣80,000,000元（須待本公司與買方共同委聘的獨立估值師於銷售完成日期對該物業的市值進行估值而釐定）。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

for the year ended 31 December 2008
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The directors of the Company are of their opinion, with the advice from a legal adviser, that the Company has completed the disposal of its existing factory premises and corresponding leasehold land for a aforesaid consideration of RMB80,000,000 in the extraordinary general meeting held on 18 December 2008 according to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules"). The remaining part of the preliminary consideration of approximately RMB40,000,000 are considered as an additional but non-determinable consideration that will be sought out from the Purchaser after the independent valuation.

Besides, according to the agreement supplemented by the supplementary agreement dated 17 August 2007, the Company had to deliver the Property Land Resources Bureau of Yuyao City on or before October 2007. According to the legal letter dated 30 November 2007 and issued by the legal representative of Land Resources Bureau of Yuyao City, Land Resources Bureau of Yuyao City claimed for compensation for breach of the contract for not delivering the Property on or before October 2007 at 0.05% per day of valuation amount of the Property. The claim as at 31 December 2007 and as at 30 June 2008 were RMB2,480,000 and RMB9,760,000 respectively.

The directors of the Company has obtained a reply letter dated 11 March 2009 from Land Resources Bureau of Yuyao City of which the captioned penalty will be waived provided that the Company had left the Property on or before 30 August 2009. The directors of the Company are of their opinion that they will fulfill the condition with no doubt and no provisional liability of the penalty has to be provided for the year ended 31 December 2008.

Due to the reasons above, the consolidated financial statements have been prepared on a going concern basis.

In the opinion of the directors, in light of the measures taken to date, together with the expected results of other measures in progress, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to return to a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis, notwithstanding the Group's financial position and liquidity position as at 31 December 2008.

根據法律顧問的意見，本公司董事認為，本公司已根據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」），以上述代價人民幣80,000,000元完成於二零零八年十二月十八日舉行的股東特別大會上通過的現有廠房及相應的租賃土地的出售。初步代價餘下部分約人民幣40,000,000元乃被視作不可釐定的額外代價，將於獨立估值後從買方獲得。

此外，根據日期為二零零七年八月十七日的補充協議，本公司不得不於二零零七年十月或之前向余姚市國土資源局交付該物業。根據余姚市國土資源局法律代表於二零零七年十一月三十日發出的律師函，余姚市國土資源局就本公司未能於二零零七年十月或之前交付該物業，而向本公司索償違約賠償金，每延遲一天，則按該物業估值額的0.05%收取。該項索償於二零零七年十二月三十一日及二零零八年六月三十日分別為人民幣2,480,000元及人民幣9,760,000元。

本公司董事已取得余姚市國土資源局於二零零九年三月十一日發出的回復函，倘本公司於二零零九年八月三十日或之前放棄該物業，則回復函中所註明的罰金可獲豁免。本公司董事認為彼等將毫無疑慮地履行該項條件，且於截至二零零八年十二月三十一日止年度無須就任何罰金所遭致的臨時性負債進行計提。

基於上述理由，綜合財務報表乃按持續經營基準編製。

董事認為，鑑於迄今所採取的行動，連同其它正進行的措施所預期的成果，本集團將擁有充裕的營運資金以應付其目前所需，並可合理預期本集團將能再次具備商業運營價值。因此，不論本集團於二零零八年十二月三十一日的財務狀況及流動資金狀況，董事信納以持續經營基準編製綜合財務報表乃屬恰當之舉。

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Should the Group be unable to implement the above measures and fail to continue in business as a going concern, adjustment would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

倘本集團未能施行上述措施且無法以持續經營業準經營業務，將須作出調整以將資產的價值重列為其可收回金額、就任何日後可能產生的負債計提撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。此等調整的影響並無於綜合財務報表中反映。

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORT STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC)Int 12	Service Concession Arrangements
HK(IFRIC)Int 14	HKAS 19 – The Limited on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendment)	Improvements to HKFRS ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedge Items ³
HKFRS 1 (Revised)	First-time Adoption of HKFRS ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²

3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)

於本年度，本集團已應用下列由香港會計師公會 (「香港會計師公會」) 頒布的修訂及詮釋 (「新香港財務報告準則」)，該等新香港財務報告準則現已生效。

香港會計準則第39號及香港財務報告準則第7號 (修訂版)	財務資產之重新分類
香港 (國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號 – 集團及庫存股份交易
香港 (國際財務報告詮釋委員會) – 詮釋第12號	服務特許權安排
香港 (國際財務報告詮釋委員會) – 詮釋第14號	香港會計準則第19號 – 界定福利資產的限制、最低資金規定及兩者的相互關係

採納新香港財務報告準則並無對現時或過往會計期間業績及財政狀況的編製與呈報方式構成重大影響，故毋須就過往期間作出調整。

本集團並無提早應用下列已頒布但尚未生效的新準則、修訂及詮釋。

香港財務報告準則 (修訂版)	香港財務報告準則之改進 ¹
香港會計準則第1號 (修訂)	財務報表的呈列 ²
香港會計準則第32號及第1號 (修訂版)	清盤產生之可沽售金融工具及責任 ²
香港會計準則第23號 (修訂)	借貸成本 ²
香港會計準則第27號 (修訂)	綜合及獨立財務報表 ³
香港會計準則第39號 (修訂版)	金融工具：確認與計量 – 合資格對沖項目 ³
香港財務報告準則第1號 (修訂)	首次採納香港財務報告準則 ³
香港財務報告準則第1號及香港會計準則第27號 (修訂版)	於附屬公司、共同控制實體或聯營公司之投資成本 ²

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HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ²	香港財務報告準則第2號(修訂版) 以股份支付之支出 – 歸屬條件及註銷 ²
HKFRS 3 (Revised)	Business Combinations ³	香港財務報告準則第3號(修訂) 業務合併 ³
HKFRS 7 (Revised)	Financial Instruments: Disclosures – Improving Disclosure about Financial Instruments ²	香港財務報告準則第7號(修訂) 金融工具：披露 – 改善有關金融工具之披露 ²
HKFRS 8	Operating Segments ²	香港財務報告準則第8號 經營分部 ²
HK(IFRIC)INT 13	Customer Loyalty Programmes ⁴	香港(國際財務報告詮釋委員會) – 客戶忠誠計劃 ⁴ 詮釋第13號
HK(IFRIC)INT 15	Agreements for the Construction of Real Estates ²	香港(國際財務報告詮釋委員會) – 有關興建房地產之協議 ² 詮釋第15號
HK(IFRIC)INT 16	Hedges of a Net Investment in a Foreign Operations ⁵	香港(國際財務報告詮釋委員會) – 對境外業務淨投資之對沖 ⁵ 詮釋第16號
HK(IFRIC)INT 17	Distribution of Non-cash Assets to Owners ³	香港(國際財務報告詮釋委員會) – 向擁有人分派非現金資產 ³ 詮釋第17號
HK(IFRIC)INT 18	Transfers of Assets from Customers ³	香港(國際財務報告詮釋委員會) – 從客戶轉讓資產 ³ 詮釋第18號

¹ Effective for annual periods beginning on or after 1 January 2009, except the amendments to HKFRS 5 which are effective for annual periods beginning on or after 1 July 2009

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

³ Effective for annual periods beginning on or after 1 July 2009.

⁴ Effective for annual periods beginning on or after 1 July 2008.

⁵ Effective for annual periods beginning on or after 1 October 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the financial position of the Group.

¹ 於二零零九年一月一日或之後開始的年度期間生效(惟於二零零九年七月一日或之後開始之年度期間生效的香港財務報告準則第5號之修訂除外)。

² 於二零零九年一月一日或之後開始的年度期間生效

³ 於二零零九年七月一日或之後開始的年度期間生效

⁴ 於二零零八年七月一日或之後開始的年度期間生效

⁵ 於二零零八年十月一日或之後開始的年度期間生效

採納香港財務報告準則第3號(修訂)可能影響收購日期為於二零零九年七月一日或之後開始的首個年度報告期間初或之後的業務合併的會計處理。香港會計準則第27號(修訂)將影響一間母公司於一間附屬公司擁有權變動的會計處理。本公司董事預期採用其他新訂或經修訂準則、修訂或詮釋不會對本集團的財務狀況構成重大影響。

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4. SIGNIFICANT ACCOUNTING POLICIES

Measurement basis

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

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

Basis of consolidation

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

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

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

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

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

4. 主要會計政策

計量基準

此等綜合財務報表按歷史成本法編製，惟下述會計政策所闡釋若干按公平值計量的金融工具除外。

此等綜合財務報表乃根據香港會計師公會頒布的香港財務報告準則而編製。此外，綜合財務報表包括香港聯合交易所有限公司創業板證券上市規則及香港公司條例的適用披露規定。

綜合基準

綜合財務報表包括本公司及由本公司控制的實體(其附屬公司)的財務報表。倘本公司有能力掌控實體的財務及經營政策以從其業務中獲利，即擁有控制權。

年內收購或出售的附屬公司的業績由其收購的生效日期起或計至出售的生效日期止(視乎情況而定)計入綜合收益表。

如有必要，本集團會調整附屬公司的財務報表，以使與本集團其它成員公司所採納的會計政策一致。

集團內公司間所有交易、結餘及收支均於綜合賬目時對銷。

少數股東所佔綜合附屬公司資產淨值與本集團的股本權益分開呈列。少數股東所佔資產淨值包括於原來業務合併日期的該等權益數額及少數股東所佔合併日期以來的權益變動。超逾少數股東所佔附屬公司權益的少數股東所佔虧損按本集團權益分配，惟少數股東具有約束力承擔，並可作出額外投資以補償虧損則除外。

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Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of net assets and operations of another entity or jointly controlled entity for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

業務合併

收購附屬公司以購入法入賬。收購成本按為換取被收購公司控制權而於交換當日所給予資產、所產生或所承擔負債以及本集團所發行股本工具的公平值，加上任何業務合併直接應佔成本的總額計量。符合香港財務報告準則第3號「業務合併」確認條件的被收購公司可識別資產、負債及或然負債均按收購日期的公平值予以確認，惟按照香港財務報告準則第5號「持作出售之非流動資產及終止經營業務」被分類持作出售之非流動資產(或出售組別)，則按公平值減出售成本確認及計量。

收購所產生的商譽確認為資產，初步按成本計量，即業務合併成本超出本集團應佔已確認可識別資產、負債及或然負債的公平淨值的差額。倘於重新評估後，本集團應佔被收購公司可識別資產、負債及或然負債的公平淨值超出業務合併成本，則有關差額即時於損益確認。

少數股東於被收購公司的權益初步按少數股東於已確認資產、負債及或然負債的公平淨值的比例計量。

商譽

二零零五年一月一日前因收購而產生的商譽

因收購另一實體或一個共同控制實體之淨資產及業務(有關協議日期於二零零五年一月一日前)而產生的商譽指收購成本超出本集團應佔相關附屬公司於收購當日的可識別資產與負債公平值的差額。

對於二零零一年一月一日後因收購而產生的先前已資本化商譽，本集團自二零零五年一月一日起終止確認攤銷，而有關商譽會每年及於有跡象顯示商譽有關的現金產生單位可能出現減值時進行減值檢測(見下述會計政策)。

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Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on an acquisition of a business or a jointly controlled entity (which is accounted for using proportionate consolidate for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business or a jointly controlled entity at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a business or jointly controlled entity is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

二零零五年一月一日或之後因收購而產生的商譽

因收購一項業務或一個共同控制實體(使用比例綜合法入賬)(有關協議日期於二零零五年一月一日或之後)而產生的商譽指收購成本超過本集團應佔相關業務或共同控制實體於收購當日的可識別資產、負債及或然負債公平值的差額。商譽乃按成本減任何累計減值虧損入賬。

因收購一項業務或共同控制實體而產生的資本化商譽在綜合資產負債表分開呈列。

進行減值檢測時，因收購而產生的商譽將分配至各個或各組預期受惠於收購的協同效益的相關現金產生單位。商譽所屬現金產生單位會每年及於有跡象顯示該單位可能出現減值時進行減值檢測。就財政年度因收購而產生的商譽而言，商譽所屬現金產生單位於該財政年度完結前進行減值檢測。倘現金產生單位的可收回金額低於其賬面值，則減值虧損首先分配至減低該單位的任何商譽賬面值，其後按單位內各資產賬面值的比例分配至該單位的其它資產。商譽的任何減值虧損將直接在綜合收益表確認入賬。商譽的減值虧損不會於其後期間撥回。

其後出售相關現金產生單位或共同控制實體時，資本化商譽的金額將計入出售時的盈虧。

於聯營公司的投資

聯營公司指投資者對其擁有重大影響力的實體，而該實體並非附屬公司或於合營企業權益。

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The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

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

Revenue from sale of goods are recognised when goods are delivered and title has passed.

Service income is recognised when services are provided.

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

聯營公司的業績、資產及負債均以權益會計法計入此等綜合財務報表。根據權益法，於聯營公司的投資按成本（已就本集團所佔聯營公司淨資產於收購後作出調整），並扣除任何已識別減值虧損計入綜合資產負債表。倘本集團所佔聯營公司的虧損相當於或超過所佔該聯營公司權益（包括實際屬於本集團於聯營公司投資淨額的任何長期權益），則本集團終止確認其分佔額外虧損。本集團僅於代表該聯營公司承擔法定或推定責任或付款時，方會就額外分佔的虧損作出撥備及確認負債。

收購成本超過本集團應佔聯營公司於收購當日的已確認可識別資產、負債及或然負債公平淨值的任何差額確認為商譽。有關商譽計入投資賬面值，並視為投資的一部分進行減值檢測。

本集團應佔可識別資產、負債及或然負債公平淨值被評定為超過收購成本的任何差額即時於損益確認。

倘集團實體與本集團聯營公司進行交易，有關溢利及虧損按本集團所佔相關聯營公司的權益對銷。

收益確認

收益按已收或應收代價的公平值計量，指於一般業務過程中就出售貨品與提供服務所應收取的金額，扣除折扣及銷售相關稅項。

貨品銷售的收益於貨品付運及所有權轉移時確認入賬。

服務收入於提供服務時確認入賬。

金融資產（不包括以公平值計入損益之金融資產）的利息收入按時間基準根據未償還本金額及適用實際利率（即將金融資產預期可使用年期的估計日後現金流量準額貼現至資產賬面淨值的比率）計算。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

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Property, plant and equipment

Property, plant and equipment, other than buildings under construction, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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

When the leasehold land and buildings are held for use in the production, or supply of goods or services, or for administrative purposes, the leasehold land element is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use.

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized in the consolidated income statement on a straight-line basis over the term of the relevant lease.

物業、廠房及設備

物業、廠房及設備(在建樓宇除外)按成本減其後累計折舊及累計減值虧損入賬。

物業、廠房及設備(在建樓宇除外)以直線法按其估計可使用年期及估計剩餘價值計算折舊，以撇銷其成本。

倘租賃土地及樓宇正持作生產、供應貨品或服務或行政用途，則租賃土地部分將分類為預付租賃款，以直線法按租期攤銷。建設期間，租賃土地的攤銷撥備將計入在建樓宇的部分成本。在建樓宇按成本減任何已識別減值虧損入賬。樓宇於可供使用時開始計算折舊。

任何物業、廠房及設備項目於出售或預期日後持續使用該資產不會取得經濟利益時終止確認。來自終止確認資產的任何收益或虧損(按出售所得款項淨額與項目賬面值的差額計算)會計入終止確認項目年度的綜合收益表。

租賃

根據相關條款將擁有權的絕大部分風險及回報轉移予承租人的租約，均列作融資租約。所有其它租約則列作經營租約。

本集團作為出租人

根據融資租賃應收承租人之款額按本集團於該等租約之投資淨額列作應收賬款。融資租賃收入分配予各會計期間，以反映本集團就該等租賃尚餘投資淨額之固定回報率。

經營租約的租金收入以直線法按有關租期於綜合收益表確認。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

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The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

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

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

本集團作為承租人

按融資租約持有之資產按租約開始時之公平值或(倘為較低者)按最低租約付款之現值確認為本集團資產。出租人之相應負債於資產負債表列作融資租約債務。租約付款按比例於融資費用及租約債務減少之間作出分配，從而使該等負債之應付餘額之息率固定。財務費用直接自損益賬扣除，除非直接計入合資格資產內，在該情況下財務費用依據本集團之一般借貸政策(見下文)撥充資本。

根據經營租約應付租金均以直線法按有關租期自損益扣除。就訂立經營租約而已收及應收的利益均以直線法按租期確認為扣除租金開支。

外幣

於編製個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)計值的交易按交易當日的匯率以功能貨幣(即該實體經營所處主要經濟體系的貨幣)入賬。於各結算日，以外幣計值的貨幣項目均按結算日的匯率重新換算。按公平值入賬並以外幣計值的非貨幣項目按釐定公平值當日的匯率重新換算。按歷史成本以外幣計值的非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目時產生的匯兌差額均於產生期間在損益確認，惟因屬於本公司海外業務投資淨額的貨幣項目而產生的匯兌差額則除外，該等匯兌差額均在綜合財務報表內的股本權益確認入賬。因重新換算按公平值入賬的非貨幣項目而產生的匯兌差額均計入期間的損益，惟因重新換算直接在股本權益確認盈虧的非貨幣項目而產生的差額則除外，該等匯兌差額亦直接在股本權益確認入賬。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or before 1 January 2005 are treated as non-monetary foreign currency items of the acquirer and reported using historical cost prevailing at the date of acquisition.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are deducted in reporting the related expense.

於呈列綜合財務報表時，本集團海外業務的資產與負債按結算日的匯率換算為本集團的呈報貨幣（即人民幣），而其收支項目則按年內的平均匯率換算，惟期內匯率大幅波動則除外，而在此情況下，則採用交易當日的匯率。匯兌差額（如有）均確認為股本權益的個別項目（匯兌儲備）。該等匯兌差額於出售海外業務的期間在損益確認入賬。

於二零零五年一月一日或之後收購外國業務所產生之商譽及所收購之可識別資產之公平值調整乃視為該海外業務之資產及負債，並按結算日之適用匯率換算。所產生之匯兌差額於匯兌儲備內確認。

於二零零五年一月一日或之前收購外國業務所產生之商譽及所收購之可識別資產之公平值調整乃視為收購人的非貨幣外匯項目，採用收購日期通行的歷史成本申報。

借貸成本

所有借貸成本於產生期間在綜合收益表確認為融資成本。

政府補助金

政府補助金於需與相關成本配對的期間確認為收入。有關應折舊資產的補助金列作遞延收入，並於資產可使用年期撥往收入。有關開支項目的補助金均於自綜合收益表扣除開支的同一期間確認入賬，並於申報相關開支時扣減。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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Retirement benefits costs

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"). The MPF Scheme is a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees make monthly contribution to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employee's contribution are subject to a cap of monthly earnings of HK\$20,000 and thereafter contributions are voluntary. As stipulated by the rules and regulations in PRC, the Group contributes to a state-sponsored retirement plans for its employees in PRC. The Group contributes to retirement plans at specified percentages of the basic salaries of its employees, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligation payable to retired employees.

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

退休福利成本

本集團已為其香港僱員安排參加強制性公積金計劃(「強積金計劃」)。強積金計劃為由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員須每月各自按僱員收入的5%(由強制性公積金條例所界定)向計劃供款。僱主及僱員的供款均以每月收入20,000港元為上限，其後的供款均屬自願性供款。而本集團亦按照中國規則及規例所規定，為其中國僱員向國家主理的退休計劃供款。本集團乃按其僱員基本薪金的特定百分比向退休計劃供款，此外概無其它支付實際退休金或退休後福利的責任。國家主理的退休計劃負責向已退休僱員支付退休金。

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項按年內應課稅溢利計算。由於應課稅溢利不包括其它年度的應課稅收入或可扣稅開支項目，亦不包括毋須課稅或不可扣稅的項目，故此有別於綜合收益表所列純利。本集團的即期稅項負債按結算日已頒布或實際頒布的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相關稅基的差額確認，並以資產負債表負債法入賬。遞延稅項負債一般按所有應課稅暫時差額確認，而遞延稅項資產則按可抵銷應課稅溢利的可扣稅暫時差額確認。倘暫時差額因商譽或初次確認(業務合併除外)交易的其它資產及負債而並不影響應課稅溢利及會計溢利，則有關資產及負債不予確認。

投資附屬公司及聯營公司及於合資公司權益產生的應課稅暫時差額須確認為遞延稅項負債，惟本集團可控制撥回暫時差額的時間及有可能在可見將來不會撥回暫時差額則除外。

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Research and development expenditures

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Financial instruments

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

遞延稅項資產的賬面值於各結算日作出檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產的情況下作出調減。

遞延稅項乃根據預期按結算日已實行或大致實行之稅率（及稅法）於負債償還或資產變現期間的適用稅率計算。遞延稅項計入收益表或自收益表扣除，惟倘遞延稅項與直接計入股本權益或自股本權益扣除的項目有關，則亦會於股本權益處理。

研究及開發開支

研究活動的開支於產生期間確認為開支。

因開發開支而產生的內部無形資產僅於預期明確項目所產生開發成本將可透過日後經濟活動收回時確認。內部產生無形資產初步確認之金額為該等無形資產首次符合確認標準當日起產生之開支總額。倘未有確認內部無形資產，則開發開支於產生期間自損益扣除。

於初次確認後，內部產生無形資產以個別購入之無形資產之相同基準按成本減累計攤銷及累計減值虧損列賬。

存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本以加權平均法計算。

金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時在資產負債表確認入賬。金融資產及金融負債初步按公平值計量。直接因收購或發行金融資產及金融負債（按公平值計入損益的金融資產及金融負債除外）而產生的交易成本於初步確認時在金融資產或金融負債的公平值入賬或扣除（視乎情況而定）。直接因收購按公平值計入損益的金融資產或金融負債而產生的交易成本即時在損益確認入賬。

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Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading. At each balance sheet date subsequent to initial recognition, held for trading financial assets are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including loan receivable, trade and bills receivables, deposits and other receivables, amounts due from a shareholder/ minority shareholders/associates/directors/ related companies and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

金融資產

本集團的金融資產分類為按公平值計入損益或(「按公平值計入損益」)的金融資產、貸款與應收賬款及可供出售金融資產。所有以正常方式買賣的金融資產按交易日基準確認及終止確認。以正常方式買賣指需要按市場規則或慣例於制訂的時限內交付資產的金融資產買賣。

實際利率法

實際利率法乃計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃將估計日後現金收入(包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他所有溢價或折價)按金融資產之預期使用年期,或較短期間(倘合適)實際折現之利率。

就指定按公平值計入損益之金融資產(其利息收入乃計入收益或虧損淨額)以外之債務工具而言,收入乃按實際利率基準確認。

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣金融資產。於初步確認後每個結算日,持作買賣金融資產均按公平值計量,而公平值變動則於產生期間直接於損益確認。於損益確認之收益及虧損淨額包括此等資產所賺取之任何利息。

貸款及應收賬款

貸款及應收賬款指在活躍市場並無報價的指定或可確定付款金額的非衍生金融資產。於初步確認後每個結算日,貸款及應收賬款(包括應收貸款、應收貿易賬款及票據、按金及其它應收賬款、應收一名股東/少數股東/聯營公司/董事/關連公司款項及銀行結餘)以實際利率法按攤銷成本減任何已識別減值虧損入賬。

可供出售財務資產

可供出售財務資產為非衍生項目,並指定為可供出售財務資產或未有劃分為按公平值計入損益賬之財務資產、貸款及應收款項及持有至到期日之投資。

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At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit and loss (see accounting policy on impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition (see accounting policy on impairment loss on financial assets below).

Impairment loss on financial assets

Financial assets, other those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

於首次確認後各結算日，可供出售財務資產按公平值計量。公平值之變動計入權益，直至該財務資產被出售或決定有所減值，屆時過往計入權益之累計收入或虧損會自權益移除，並於損益賬確認（見下文財務資產減值虧損之會計政策）。

就於活躍的市場上無市場報價的可供出售股本投資而言，其公平值難以準確計量，而是於首次確認後各結算日按成本減任何可識別的減值虧損（見下文財務資產減值虧損之會計政策）。

財務資產減值虧損

在每個結算日會評估財務資產（惟按公平值計入損益者除外）是否有任何減值跡象。倘若有任何客觀證據表明，由於一個或多個於首次確認財務資產後發生的事項，且財務資產的估計未來現金流受到影響，則財務資產會予以減值。

就可供出售股本投資而言，該投資之公平值大幅或長期低於其成本可被視為減值之客觀證據。

就所有其他財務資產而言，減值的客觀證據可能包括：

- 發行人或交易對方出現嚴重財務困難；或
- 欠繳或拖欠利息或本金付款；或
- 借款人很有可能將宣告破產或進行財務重組。

貿易及其他應收賬款等被評估為非個別減值之若干財務資產類別，其後按整體基準進行減值評估。應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾平均信貸期之次數增加，以及與應收賬款逾期有關之全國或地方經濟狀況明顯改變。

就按攤銷成本列賬之財務資產而言，減值虧損乃於有客觀證據證明資產出現減值時於損益賬內確認，並按該資產之賬面值與按原先實際利率折現之估計未來現金流量之現值間之差額計量。

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For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

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

The Group's financial liabilities comprise other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

就按成本列賬之財務資產而言，減值虧損按資產賬面值與同類財務資產按現行市場回報率折現之估計未來現金流量現值間之差額計量。該項減值虧損不會於往後期間撥回。

就所有財務資產而言，財務資產之賬面值直接按減值虧損減少，惟貿易應收賬款除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目之賬面值變動於損益賬內確認。倘貿易應收賬款被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入損益賬內。

就按攤銷成本計量之財務資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益賬撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

可供出售股本投資之減值虧損將不會於後續期間撥回損益賬。於減值虧損後之公平價值增加直接確認為股本。就可供出售債務投資而言，倘投資公平值之增加在客觀上與確認減值後發生之事件有關，則減值虧損可於後續期間撥回。

金融負債及股本權益

集團實體發行的金融負債及股本工具均按所訂立合約安排的內容及金融負債與股本工具的釋義分類。股本工具指任何可證明扣減所有負債後的本集團資產剩餘權益的合約。

本集團的金融負債包括其它金融負債。就金融負債及股本工具所採納的會計政策載於下文。

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Other financial liabilities

Other financial liabilities (including trade and bills payables, other payables, amounts due to a shareholder / minority shareholders / director/related companies / fellow subsidiary/associate, dividends payable and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derecognition

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

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

Impairment losses (other than goodwill - see the accounting policies in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

其它金融負債

其它金融負債包括應付貿易賬款及票據、其它應付賬款、應付一名股東／少數股東／董事／關連公司／同系附屬公司／聯營公司款項、應付股息及銀行借貸，其後以實際利率法按攤銷成本計量。

股本工具

本公司發行的股本工具列作已收所得款項（已扣除直接發行成本）。

終止確認

金融資產於有關自資產收取現金流量的權利屆滿或金融資產已轉讓而本集團將金融資產擁有權的絕大部分風險與回報轉讓時終止確認。終止確認金融資產時，資產賬面值與已收及應收代價及直接在股本權益確認的累計收益或虧損總和的差額在損益確認入賬。

當有關合約列明的責任解除、取消或到期時，終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價的差額在損益確認入賬。

減值虧損（商譽除外－見上文有關商譽的會計政策）

於各結算日，本集團檢討其有形及無形資產的賬面值，以確定有否跡象顯示有關資產出現減值虧損。倘資產的可收回金額估計低於其賬面值，則資產賬面值將調減至其可收回金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則該資產的賬面值將增至其經修訂的估計可收回金額，惟所增加賬面值不得超逾假設過往年度並無就該資產確認減值虧損的賬面值。減值虧損撥回即時確認為收入。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

Depreciation and amortisation

The Group's net book value of property, plant and equipment as at 31 December 2008 was approximately RMB237,825,000 (2007: RMB264,949,000). The Group depreciates the property, plant and equipment on a straight-line method over their estimated useful lives and after taking into account of their estimated residual value, at the rates of 3.33% to 20% per annum, commencing from the date the property, plant and equipment is available for intended use. The estimated useful lives and dates that the property, plant and equipment are available for intended use reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

Allowances for bad and doubtful receivables

The policy for allowance for bad and doubtful receivables of the Group is based on the evaluation of collectability and recoverable amount of the receivables 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 allowances may be required. An allowance of RMB83,219,000 (2007: RMB78,932,000) has been recognised in the current year.

Write-down of obsolete and slow-moving inventories

Management reviews an aging analysis at each balance sheet date, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. Management estimates the net realisable value for such finished goods, work in progress and raw materials primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowances for obsolete and slow-moving items. An allowance of RMB2,667,000 (2007: RMB54,103,000) has been recognised in the current year.

5. 估計不明朗因素的主要來源

大有可能導致下個財政年度的資產及負債賬面值須作重大調整的日後主要假設及其它於結算日估計不明朗因素的主要來源載於下文。

折舊及攤銷

本集團物業、廠房及設備於二零零八年十二月三十一日的賬面淨值約為人民幣237,825,000元(二零零七年:人民幣264,949,000元)。本集團自物業、廠房及設備可作擬定用途當日起,於計算估計剩餘價值後以直線法按估計可使用年期及以3.33%至20%的年率計算物業、廠房及設備的折舊。物業、廠房及設備的估計可使用年期及可作擬定用途日期反映董事估計本集團就自使用其物業、廠房及設備而取得經濟利益的期間的估計。

應收呆壞賬撥備

本集團的應收呆壞賬撥備政策乃基於應收賬款的估計可收回情況與可收回數額以及管理層判斷。評估此等應收賬款的最終變現需要作出重大判斷,包括各客戶的現時信用狀況及過往還款記錄。倘本集團客戶的財務狀況轉壞而使其無力還款,則或須作出額外撥備。本年度已確認撥備人民幣83,219,000元(二零零七年:人民幣78,932,000元)。

撇減陳舊及滯銷存貨

管理層於各結算日檢討賬齡分析,並對已識別為不再適合用作生產的陳舊及滯銷存貨項目作出撥備。管理層主要根據最近期發票價格及當時市況估計製成品、在製品及原料的可變現淨值。本集團於每個結算日檢討各項產品的存貨量,並會就陳舊及滯銷項目作出撥備。本年度確認撥備人民幣2,667,000元(二零零七年:人民幣54,103,000元)。

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6. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS

The Group's policy is to prudently manage daily operations and invest surplus funds managed by the Group in a manner which satisfy liquidity requirements, safeguard financial assets, manage risks while optimising the returns.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and market price risk). The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group manages credit risks by setting up credit control policy and periodic evaluation of credit performance of the other parties, measured by the extent of past due or default.

In respect of debtors arising from trading business, individual credit evaluations are preferred on all customers requiring credit over a certain amount. These evaluation focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors are due with 30 days from the date of billing. Normally, the Group does not obtain collateral from customers.

6. 金融工具風險的性質及範圍

本集團的政策是以滿足流動資金需要、保障金融資產及使風險受到管理之餘，同時能取得最佳投資回報的方式，審慎管理日常業務運作及投資本集團所管理的盈餘資金。

本集團的活動使其面對各種財務風險：信貸風險、流動資金風險及市場風險（包括貨幣風險及市價風險）。本集團的整體風險管理計劃是針對金融市場的難以預測性質，致力減低對本集團財務表現的潛在不利影響。

信貸風險

信貸風險是指金融工具訂約方因未能履行責任而導致本集團造成財務損失的風險。本集團藉設定信貸監控政策，並定期評估其它方的信貸履約情況（以逾期或拖欠程度衡量），以管理信貸風險。

就貿易業務產生的應收賬款而言，會對所有就若干金額要求給予信貸的客戶進行個別信貸評估。評估工作集中在客戶過往償還到期款項的記錄，以及目前的還款能力，亦考慮該客戶的特定資料及該客戶經營所在地的經濟環境。應收賬款自發票日起三十日到期。本集團一般並無向客戶取得抵押品。

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Carrying amounts of financial assets as at 31 December 2008, which represented the amounts of maximum exposure to credit risks, were as follows:

金融資產於二零零八年十二月三十一日的賬面值(相當於最大額度信貸風險的金額)如下:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Loan receivable	應收貸款	-	1,000
Trade and bills receivables	應收貿易賬款及票據	6,949	9,622
Deposits and other receivables	按金及其它應收賬款	7,173	9,803
Amount due from a shareholder	應收一名股東款項	-	7,798
Amount due from a minority shareholder	應收一名少數股東款項	710	721
Amount due from directors	應收董事款項	533	600
Amount due from related companies	應收關連公司款項	536	34,292
Held-for-trading investments	持作買賣投資	-	475
Pledges bank deposits	已抵押銀行存款	9,150	96,171
Bank balances and cash	銀行結餘及現金	4,103	106,105
		29,154	266,587

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations, measured by the debt-to-equity capital ratio.

流動資金風險

流動資金風險是指本集團在應付金融負債有關的責任時遇到困難的風險。本集團藉著定期編製現金流量及現金結餘預測，並依據債務對股權資本比率，定期評估本集團履行其財務責任的能力，監控其流動資金狀況，從而管理流動資金風險。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

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Maturities of the financial liabilities of the Group as at 31 December 2008 were as follows:

本集團的金融負債於二零零八年十二月三十一日的到期情況如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Total amounts of contractual undiscounted obligations:	訂約非折現責任總額：		
Trade and bills payables	應付貿易賬款及票據	86,084	70,507
Other payables and accruals	其它應付賬款及應計費用	82,314	160,649
Receipt in advance	預收款項	10,896	11,442
Amount due to a shareholder	應付一名股東款項	141,413	107,291
Amounts due to minority shareholders	應付少數股東款項	2,620	1,871
Amounts due to directors	應付董事款項	8,465	9,500
Amount due to related companies	應付關連公司款項	13,186	18,169
Amount due to an associate	應付一家聯營公司款項	-	19,311
Dividend payable	應付股息	4,440	4,440
Bank borrowings	銀行借貸	124,670	225,840
		<u>474,088</u>	<u>629,020</u>
Due for payment:	到期付款：		
Within one year or on demand	一年內或按要求償還	474,088	629,020
In the second to fifth years	第二至第五年內	-	-
		<u>474,088</u>	<u>629,020</u>

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Carrying amounts of financial assets and financial liabilities as at 31 December 2008 that exposed to currency risks were as follows:

貨幣風險

貨幣風險是指由於外幣匯率變動而引致金融工具的公平值或未來現金流量波動的風險。面對貨幣風險的金融資產及金融負債於二零零八年十二月三十一日的賬面值如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Financial assets denominated in foreign currencies:	以外幣計值的金融資產：		
Trade and bills receivables	應收貿易賬款及票據	4,835	901
Held-for-trading investments	持作買賣投資	-	475
Deposits and other receivables	按金及其它應收賬款	1,765	1,344
Cash and bank balances	現金及銀行結餘	1,439	4,811
		<u>8,039</u>	<u>7,531</u>
Financial liabilities denominated in foreign currencies:	以外幣計值的金融負債：		
Short-term bank loans	短期銀行貸款	-	(6,591)
Bills payables	應付票據	-	(265)
Trade payables	應付貿易賬款	(6,299)	(6,612)
Other payables	其它應付賬款	(27,156)	(7,690)
		<u>(33,455)</u>	<u>(21,158)</u>
Net financial liabilities exposed to currency risks	面對貨幣風險的金融負債淨額	<u>(25,416)</u>	<u>(13,627)</u>

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

本集團於香港及中國經營，並面對不同貨幣（主要為美元）產生的外匯風險。外匯風險乃產生自未來商業交易、已確認的資產及負債以及於海外營運的投資淨額。

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財務報表附註 - 續

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Should Renminbi at 31 December 2008 inflate/(deflate) by 10% against all foreign currencies include United States dollars and Hong Kong dollars, the carrying amount of the net financial liabilities exposed to currency risk at 31 December 2008 determined in accordance with HKAS 21 "The Effects of Changes in Foreign Exchange Rates" would be decreased/(increased), and hence the equity at 31 December 2008 would be increased / (decreased), by RMB2,542,000 / (RMB2,542,000) (2007: RMB1,363,000 / (RMB1,363,000)); and there would be no effect on the loss for the years ended 31 December 2008 and 2007.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages interest rate risks, when it is considered significant, by entering into appropriate swap contacts.

As at 31 December 2008, pledged bank deposits of RMB9,150,000 (2007: RMB96,171,000) earning fixed interests, bank loans of RMB124,670,000 (2007: RMB225,840,000) bearing fixed interests were exposed to fair value interest rate risk.

Since the pledged bank deposits and bank loans were measured at amortised cost, their carrying amounts would not be affected by changes in market interest rates.

Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument traded in the market will fluctuate because of changes in market prices. The Group manages market prices risks, when it is considered significant, by entering into appropriate derivatives contracts. The Group is exposed to equity price risk arising from equity investments classified as held-for-trading investments (note 26). The Group is not exposed to commodity price risk. All investments are subject to a maximum concentration limit predetermined by the Board.

倘人民幣於二零零八年十二月三十一日兌所有外幣(包括美元及港元)升值/(貶值)10%，則按香港會計準則第21號「外幣匯率變動的影響」釐定的面對貨幣風險的金融負債淨額於二零零八年十二月三十一日將減少/(增加)(故於二零零八年十二月三十一日的股本權益將增加/(減少))人民幣2,542,000/(人民幣2,542,000元)(二零零七年:人民幣1,363,000元/(人民幣1,363,000元));而截至二零零八年及二零零七年十二月三十一日止年度的虧損則並無影響。

利率風險

利率風險是指市場利率變動而引致金融工具的公平值或未來現金流量波動的風險。本集團透過訂立適當調期合約，以在認為利率風險重大時管理該等風險。

於二零零八年十二月三十一日，孳生定息的已抵押銀行存款人民幣9,150,000元(二零零七年:人民幣96,171,000元)、附帶定息的銀行貸款人民幣124,670,000元(二零零七年:人民幣225,840,000元)乃面對公平值利率風險。

由於已抵押銀行存款及銀行貸款乃以攤銷成本計量，故其賬面值不會受市場利率變動影響。

市價風險

市價風險是指由於市價變動而引致在市場買賣的金融工具的公平值或未來現金流量波動的風險。本集團透過訂立適當的衍生工具合約，以在認為市價風險重大時管理該等風險。本集團面對分類為持作買賣投資(附註26)的股本投資所產生的股本價格風險。本集團並無面對任何商品價格風險。所有投資均受董事會事先設定的最大風險額度所限。

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財務報表附註 - 續

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7. REVENUE AND OTHER INCOME

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes, during the year.

An analysis of the Group's revenue and other income are as follows:

7. 收益及其它收入

收益指年內本集團向外界客戶出售貨品的已收及應收金額減折扣及銷售相關稅項。

本集團的收益及其它收入分析如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Revenue	收益		
Sales of Controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances	銷售消費電器及電子用品的控制器系統以及銷售小型電器的收入	19,372	17,509
Sales of controller systems for mobile phones and income from sales and assembly of mobile phones	銷售流動電話控制器系統及銷售與裝嵌流動電話的收入	75,150	344,869
		<u>94,522</u>	<u>362,378</u>
Other Income	其它收入		
Bank Interest income	銀行利息收入	2,993	2,285
Subsidy income	津貼收入	701	153
Sales of scrap materials	銷售廢料	-	40
Government grants received recognised as income	已確認為收入的已收政府補助金	5,082	1,656
Exchange gain	匯兌收益	-	137
Gain on disposal of plant, equipment, property and corresponding land	出售廠房、設備、物業及相應土地的收益	38,934	-
Others	其它	6,584	1,915
		<u>54,294</u>	<u>6,186</u>

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions, namely, sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances, and sales of controller systems for mobile phones and income from sales and assembly of mobile phones. These divisions are the basis on which the Group reports its primary segment information.

8. 業務及地區分部

業務分部

就管理而言，本集團現時分為兩個營運部門，即銷售消費電器及電子用品的控制器系統以及銷售小型電器的收入，以及銷售流動電話控制器系統及銷售與裝嵌流動電話的收入。該等部門為本集團呈報其主要分部資料的基準。

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Segment information about these businesses is presented below:

該等業務的分部資料呈列如下：

		Sales of controller systems for consumer electrical and electronic appliances and income from sales of small electrical appliances 銷售消費電器及電子用品的控制器系統以及銷售小型電器的收入		Sales of controller systems for mobile phones and income from sales and assembly of mobile phones 銷售流動電話控制器系統及銷售與裝嵌流動電話的收入		Unallocated 未分配		Consolidated 綜合	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Revenue	收益	19,372	17,509	75,150	344,869	-	-	94,522	362,378
Segment results	分部業績	(60,140)	2,751	(99,083)	4,610	-	-	(159,223)	7,361
Unallocated revenue	未分配收益							54,294	6,186
Unallocated corporate expenses	未分配企業開支							(117)	(156,029)
Finance costs	融資成本							(32,285)	(31,862)
Gain on disposal of associates	出售聯營公司收益							1,080	-
Gain on disposal of subsidiaries	出售附屬公司收益							-	5,915
Loss on invalidation of a subsidiary	吊銷一家附屬公司之虧損							(7,408)	-
Unrealised gain on change status of subsidiaries	附屬公司身份變動之未變現收益							6,729	-
Loss before tax	除所得稅前虧損							(136,930)	(168,429)
Income tax expense	所得稅開支							(125)	(23,155)
Loss for the year	年內虧損							(137,055)	(191,584)
Assets	資產								
Consolidated total assets	綜合資產總值	91,943	37,731	154,708	187,590	88,868	408,307	335,519	633,628
Liabilities	負債								
Consolidated total liabilities	綜合負債總額	164,476	4,225	297,667	284,369	12,945	346,405	475,088	634,999
Other information	其它資料								
Capital additions	資本增加	-	-	23,270	37,425	-	-	23,270	37,425
Depreciation	折舊	5,263	632	8,160	12,463	-	27	13,423	13,122
Amortisation of prepaid lease payment	攤銷預付租賃款	220	20	259	353	-	106	479	479
Impairment loss on amount due from a related company	應收一家關連公司款項的減值虧損	-	-	-	16,795	51,342	-	51,342	16,795
Write-down of inventories and provision for obsolete stock	撇減存貨及陳舊存貨撥備	1,225	9,142	1,442	44,854	-	107	2,667	54,103
Impairment loss on trade receivables, deposits and other receivables	應收貿易賬款、按金及其它應收賬款減值虧損	4,549	-	5,355	62,137	21,973	-	31,877	62,137
Bad debts written off	撇銷壞賬	259	-	305	1,286	-	148	564	1,434

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Geographical segments

The Group's sales of controller systems for consumer electrical and electronic appliances and controller systems for mobile phones and income from sales of small electrical appliances and sales and assembly of mobile phones are located in the PRC and Hong Kong.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods or services.

The PRC, excluding Hong Kong	中國，不包括香港
Hong Kong	香港
Others	其它

An analysis of the carrying amount of segment assets, and additions to property, plant and equipment, by geographical area in which the assets are located has not been presented as they are substantially located in the PRC.

9. FINANCE COSTS

Interest on bank and other borrowings wholly repayable within one year	須於一年內悉數償還的銀行及其它借貸利息
Bank charge	銀行手續費

地區分部

本集團銷售消費電器及電子用品的控制器系統以及流動電話的控制器系統，以及銷售小型電器及銷售與裝嵌流動電話所得收入位於中國及香港。

下表載列本集團按地區市場劃分的收益分析（不論貨品或服務的來源地）。

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
24,859	50,841
51,694	310,733
17,969	804
94,522	362,378

由於分部資產以及物業、廠房及設備添置主要位於中國，故此並無按資產所在地區呈列有關賬面值的分析。

9. 融資成本

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
30,957	31,862
1,328	-
32,285	31,862

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10. LOSS BEFORE TAX

10. 除稅前虧損

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Loss before tax has been arrived at after charging/ (crediting):	除稅前虧損已扣除/ (計入):		
Staff costs, including directors' remuneration (note 12)	員工成本(包括董事酬金(附註12))		
- Salaries, wages and other benefits	- 薪金、工資及其它福利	10,206	19,458
- Retirement benefit scheme contributions	- 退休福利計劃供款	2,455	1,027
Total staff costs	總員工成本	12,661	20,485
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,423	13,122
Amortisation of prepaid lease payments	攤銷預付租賃款	941	941
Less: Amount capitalised in buildings under construction	減: 撥充在建樓宇資本的金額	(462)	(462)
Total depreciation and amortisation	折舊及攤銷總額	13,902	13,601
Auditor's remuneration	核數師酬金	706	2,010
Cost of inventories recognised as an expense	已確認為開支的存貨成本	95,658	326,355
Impairment loss on amount due from a related company	應收一家關連公司款項 減值虧損	51,342	16,795
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	18,556	-
Impairment loss on trade receivables, deposits and other receivables	應收貿易賬款、按金及其它 應收賬款減值虧損	31,877	62,137
Bad debts written off	撇銷壞賬	564	1,434
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(38,934)	-
Net foreign exchange losses/ (gain)	匯兌虧損/(收益)淨額	12,039	(137)
Research and development costs	研究及開發成本	1,985	7,261
Impairment of inventories included in cost of sales	存貨減值, 計入銷售成本	2,298	1,238
Impairment of inventories included in administrative expense	存貨減值, 計入行政開支	369	52,865
Loss on disposal of held-for-trading investments	出售持作買賣投資虧損	15	-
Minimum lease payment paid under operating lease	根據經營租約已付的最低租金	613	643

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11. INCOME TAX EXPENSES

11. 所得稅開支

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
The income tax expense/ (credit) comprises:	所得稅開支/(抵免)包括:		
Current tax	即期稅項		
- Hong Kong profit tax	- 香港利得稅	145	737
- PRC income tax	- 中國所得稅	(20)	350
- Tax recoverable written off	- 撇銷可收回稅項	-	13,526
		<u>125</u>	<u>14,613</u>
Deferred tax (note 34)	遞延稅項(附註34)	-	8,542
		<u>125</u>	<u>23,155</u>

Hong Kong profits tax is calculate at 16.5% (2007: 17.5%) on the estimated assessable profits for the year. PRC income tax is calculated at 25% (2007: 33%) of the estimated taxable profit in accordance with the income tax law in the PRC for the years. A subsidiary operating in the PRC is entitled to a tax exemption for two years commencing from its first profit-making year followed by a 50% reduction in the PRC income tax for three years. The PRC income tax for this subsidiary was 50% exempted in both year.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 issued by the Tenth National People's Congress. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Pursuant to the New Law and Implementation Regulations, the Enterprise Income Tax for both domestic and foreign-invested enterprises will be unified at 25% effective from 1 January 2008. There will be a transitional period for PRC subsidiaries that currently entitled to preferential tax treatments granted by the relevant tax authorities. PRC subsidiaries currently subject to an enterprise income tax rate lower than 25% will continue to enjoy the lower tax rate and be gradually transitioned to the new united rate of 25% within five years after 1 January 2008.

香港利得稅乃按年度估計應課稅溢利以稅率16.5%(二零零七年:17.5%)計算。中國所得稅乃根據中國所得稅法按該等年度的估計應課稅溢利以稅率25%計算(二零零七年:33%)。一家於中國經營的附屬公司於首個獲利年度起計兩年可獲豁免繳稅,而其後三年的中國所得稅則可獲減半。該附屬公司於該兩個年度獲50%中國所得稅減免。

於二零零七年三月十六日,中國根據第十屆全國人民代表大會上發出之第63號法令頒布中國企業所得稅法(「新法」)。於二零零七年十二月六日,中國國務院頒布新法實施條例。根據新法實施條例,內資及外商投資企業的企業所得稅率均劃一為25%,自二零零八年一月一日起生效。現時享有相關稅務機關所授出稅務優惠的中國附屬公司將獲得過渡期。現時按企業所得稅率低於25%繳納稅項的中國附屬公司將繼續享有較低稅率,並於二零零八年一月一日起五年內逐步過渡至新統一稅率25%。

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The income tax expense for the year can be reconciled to the loss before tax per the consolidated income statement as follows:

年內所得稅開支可與綜合收益表所列除稅前虧損的對賬如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Loss before tax	除所得稅前虧損	<u>(136,930)</u>	<u>(168,429)</u>
Tax at applicable tax rate	按適用稅率計算的稅項	(30,849)	(55,582)
Tax effect of expenses not deductible for tax purposes	就稅務用途的不可扣稅開支的稅務影響	5,959	18,278
Tax effect of recognition of deductible temporary difference recognised	確認已確認的可扣稅暫時差額的稅務影響	-	(2,256)
Tax effect of income not taxable for tax purposes	就稅務用途的毋須課稅收入的稅務影響	(24)	(2,809)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	25,008	9,623
Utilisation of tax losses previously not recognised	動用過往未確認的稅務虧損	-	(34)
Tax effect of deductible temporary differences not recognised	未確認可扣稅暫時差額的稅務影響	2	44,603
Income tax on concessionary rate	按優惠稅率計算的所得稅	-	(350)
Tax effect on different tax rate	不同稅率的稅務影響	-	827
Tax recoverable written off	撇銷可收回稅項	-	13,526
Tax loss not deductible of tax purpose	就稅務用途的不可扣稅的稅務虧損	29	-
Others	其它	-	(2,671)
Income tax expense for the year	本年度所得稅開支	<u>125</u>	<u>23,155</u>

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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12. DIRECTORS', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Directors' emoluments

The emoluments paid or payable to each of the 9 (2007: 11) directors were as follows:

	Liu Xiao Chun	Chen Zheng Tu	Gong Zheng Jun	Liu Feng	Fang Min	Zheng Yi Song	Wang Wei Shi	Pang Jun	Law Ho Hing	Total 2008		
	劉曉春	陳正士	宮正軍	劉豐	方敏	鄭毅松	王偉時	龐軍	羅漢興	總計		
2008	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
二零零八年	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		
Fees	袍金	571	180	-	336	-	-	53	-	1,140		
Other emoluments	其它酬金											
Salaries and other benefits	薪金及其它福利	-	-	-	-	-	-	-	-	-		
Retirement benefit Schemes contributions	退休福利計劃供款	8	-	-	-	-	-	-	-	8		
Total emoluments	酬金總額	579	180	-	336	-	-	53	-	1,148		
	Wang Ya Qun	Liu Xiao Chun	Chen Zheng Tu	Gong Zheng Jun	Liu Feng	Li Ming	Zheng Yi Song	Wang Wei Shi	Tang Zheng Ming	Ding Gang Yi	Ku Kin Shing	Total 2007
	王亞群	劉曉春	陳正士	宮正軍	劉豐	李明	鄭毅松	王偉時	唐振明	丁剛毅	谷建聖	總計
2007	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
二零零七年	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	人民幣千元
Fees	袍金	-	-	-	-	-	-	-	-	-	-	-
Other emoluments	其它酬金											
Salaries and other benefits	薪金及其它福利	413	253	-	297	178	258	-	-	12	12	47
Retirement benefit Schemes contributions	退休福利計劃供款	-	-	-	-	-	-	-	-	-	-	-
Total emoluments	酬金總額	413	253	-	297	178	258	-	-	12	12	47

No director waived any emoluments for years ended 31 December 2008 and 2007.

截至二零零八年及二零零七年十二月三十一日止年度並無董事放棄任何酬金。

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財務報表附註 - 續

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Supervisors' emoluments

The emoluments paid or payable to each of the 3 (2007:5) supervisors were as follows:

監事酬金

已付或應付3名(二零零七年:5名)監事的酬金如下:

		Wang Ying	Yang Li	Cheng Ping	Total 2008
		王穎	楊立	程平	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
2008					
二零零八年					
Salaries and other benefits	薪金及其它福利	120	-	-	120
Retirement benefit scheme contributions	退休福利計劃供款	-	-	-	-
Total emoluments	酬金總額	<u>120</u>	<u>-</u>	<u>-</u>	<u>120</u>

		Zhang Xing Jiang	Chen Qian	Wang Ying	Yang Li	Cheng Ping	Total 2007
		張興江	陳謙	王穎	楊立	程平	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
2007							
二零零七年							
Salaries and other benefits	薪金及其它福利	-	-	-	-	-	-
Retirement benefit scheme contributions	退休福利計劃供款	-	-	-	-	-	-
Total emoluments	酬金總額	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

No supervisor waived any emoluments for years ended 31 December 2008 and 2007.

截至二零零八年及二零零七年十二月三十一日止年度並無監事放棄任何酬金。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

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Employees' emoluments

Of the five individuals with the highest emoluments in the Group, 4 (2007: 4) were directors of the Company whose emoluments are included in the disclosures in note 12 (a) above. The emoluments of the remaining 1 (2007: 1) individuals were as follows:

Salaries and other benefits
Retirement benefit scheme contributions

薪金及其它福利
退休福利計劃供款

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
120	341
-	12
<u>120</u>	<u>353</u>

Their emoluments were within the following band:

酬金範圍如下：

Nil to HK\$1,000,000

零至港幣1,000,000元

Number of employees 僱員人數	
2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
1	1

13 DIVIDENDS

The directors of the Company have resolved not to recommend the payment of any dividend for the year ended 31 December 2008 (2007: nil).

13. 股息

本公司董事已議決就截至二零零八年十二月三十一日止年度不派付任何股息(二零零七年：人民幣零元)。

14. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to equity holders of the Company of RMB135,447,000 (2007:RMB190,476,000) and based on the weighted average number of shares in issue during the year of 500,000,000 shares (2007: 500,000,000 shares).

14. 每股虧損

每股基本虧損乃根據年內本公司股權持有人應佔虧損人民幣135,447,000元(二零零七年：人民幣190,476,000元)及根據年內已發行股份的加權平均股數500,000,000股(二零零七年：500,000,000股)而計算。

No diluted loss per share have been presented for the two years ended 31 December 2008 and 2007 as there was no dilute potential ordinary share outstanding for both years.

由於截至二零零八年及二零零七年十二月三十一日止兩個年度並無未發行之攤薄潛在普通股，因此並無呈列該兩個年度之每股攤薄虧損。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings in the PRC	Leasehold improvements	Plant and machinery	Computer and office equipment	Motor Vehicles	Buildings under construction in the PRC	Total
		中國樓宇	租賃物業 裝修	廠房及 機器	電腦及 辦公室設備	汽車	在建樓宇 中國	總計
		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
COSTS	成本							
At 1 January 2007	於二零零七年一月一日	25,644	29	109,946	6,490	4,745	147,706	294,560
Additions	添置	-	-	4,967	367	-	32,091	37,425
Reallocation	重新分配	1,143	-	(5,786)	4,643	-	-	-
Decrease due to deconsolidation	因取消綜合而減少	-	-	(1,883)	(1,075)	(321)	-	(3,279)
Exchange difference	匯兌差額	-	(2)	(6)	-	-	-	(8)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日 及二零零八年一月一日	26,787	27	107,238	10,425	4,424	179,797	328,698
Additions	添置	-	-	213	48	-	23,009	23,270
Disposal	出售	(24,671)	-	(708)	(246)	(1,104)	-	(26,729)
Reallocation	重新分配	-	-	40	(40)	-	-	-
Impairment	減值	-	-	(41,235)	(2,453)	-	-	(43,688)
Change of status from subsidiaries to available- for-sale investment	由附屬公司轉為 可供出售投資之 身份變動	-	-	-	(510)	-	-	(510)
At 31 DECEMBER 2008	於二零零八年十二月 三十一日	<u>2,116</u>	<u>27</u>	<u>65,548</u>	<u>7,224</u>	<u>3,320</u>	<u>202,806</u>	<u>281,041</u>
DEPRECIATION AND IMPAIRMENT:	折舊及減值：							
At 1 January 2007	於二零零七年一月一日	4,470	6	40,046	4,946	2,215	-	51,683
Charge for the year	本年度開支	1,904	4	9,444	1,372	398	-	13,122
Eliminated on impairment	減值時撇銷	-	-	(31)	31	-	-	-
Eliminated on disposals	出售時撇銷	-	-	(220)	(672)	(162)	-	(1,054)
At 31 December 2007 and 1 January 2008	於二零零七年十二月三十一日 及二零零八年一月一日	6,374	10	49,237	5,677	2,451	-	63,749
Charge for the year	本年度開支	1,713	5	9,807	1,134	764	-	13,423
Eliminated on disposal	出售時撇銷	(7,482)	-	(592)	(221)	(454)	-	(8,749)
Eliminated on impairment	減值時撇銷	-	-	(24,293)	(838)	-	-	(25,131)
Change of status from subsidiaries to available- for-sale investment	由附屬公司轉為 可供出售投資之 身份變動	-	-	-	(76)	-	-	(76)
At 31 December 2008	於二零零八年十二月 三十一日	<u>605</u>	<u>15</u>	<u>34,159</u>	<u>5,676</u>	<u>2,761</u>	<u>-</u>	<u>43,216</u>
CARRYING VALUES	賬面值							
At 31 DECEMBER 2008	於二零零八年十二月 三十一日	<u>1,511</u>	<u>12</u>	<u>31,389</u>	<u>1,548</u>	<u>559</u>	<u>202,806</u>	<u>237,825</u>
At 31 DECEMBER 2007	於二零零七年十二月 三十一日	<u>20,413</u>	<u>17</u>	<u>58,001</u>	<u>4,748</u>	<u>1,973</u>	<u>179,797</u>	<u>264,949</u>

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財務報表附註 - 續

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Note:

- (a) As at 31 December 2008, certain of the Group's buildings in the PRC with aggregate carrying amount of approximately RMB1,511,000 (2007: RMB20,413,000) have been pledged to secure bank borrowings granted to the Group (note 38).

The directors have carried out impairment review and have considered the carrying amount of the building in the PRC approximates its fair value.

- (b) The above items of property, plant and equipment are depreciated on a straight-line basis, at the following rates per annum:

Buildings	3.33%-10%
Leasehold improvement	20%
Plant and machinery	10%-20%
Computer and office equipment	20%
Motor vehicles	20%

During the year, the directors conducted a review of the plant and equipment of the Group and are of their opinion that RMB18,556,000 impairment loss was identified as at 31 December 2008.

附註：

- (a) 於二零零八年十二月三十一日，本集團位於中國樓宇賬面總值約人民幣1,511,000元(二零零七年：人民幣20,413,000元)之若干樓宇已抵押作為本集團獲授銀行借貸之擔保(附註38)。

董事已進行減值檢討並認為位於中國的樓宇的賬面值與其公平值相若。

- (b) 上述物業、廠房及設備以直線法按下列年率計算折舊：

樓宇	3.33%至10%
租賃物業裝修	20%
廠房及機器	10%至20%
電腦及辦公室設備	20%
汽車	20%

年內，董事就集團的廠房及設備進行檢討，並認為於二零零八年十二月三十一日的減值虧損為人民幣18,556,000元。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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16. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments are in respect of leasehold land located in the PRC held under medium-term leases.

16. 預付租賃款

本集團之預付租賃款與根據中期租約所持有的中國租賃土地有關。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
The Group's prepaid lease payments comprise:	本集團的預付租賃款包括：		
Medium-term leasehold land in the PRC	中國中期租賃土地	11,959	37,282
Analysed for reporting purpose as:	為呈報而進行的分析：		
Current asset	流動資產	375	941
Non-current asset	非流動資產	11,584	36,341
		11,959	37,282

(i) The leasehold land with a net book value of RMB11,959,000 is pledged to bank to secure general bank borrowing granted to the Company (note 38).

(i) 賬面淨值人民幣11,959,000元的租賃土地乃抵押予銀行作為本公司獲授的一般銀行借貸的擔保(附註38)。

(ii) The directors have carried out impairment review and have considered the carrying amount of the leasehold lands in PRC approximates its fair value.

(ii) 董事已進行減值檢討並認為位於中國的租賃土地的賬面值與其公平值相若。

17. INTERESTS IN ASSOCIATES

17. 聯營公司權益

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cost of investment in unlisted associates-	非上市聯營公司投資成本	1,280	1,280
Less: Disposal (note a)	減：出售(附註a)	(1,080)	-
Deregister (note b)	撤銷註冊(附註b)	(200)	-
Cost of investment in unlisted associates	非上市聯營公司投資成本	-	1,280
Accumulated impairment	累計減值	(1,280)	(1,280)
Less: reversal arising from disposal and deregister	減：出售及撤銷註冊轉回	1,280	-
Accumulated impairment	累計減值	-	(1,280)
Share of post-acquisition losses	應佔收購後虧損	-	-
		-	-

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Note:

- (a) Ningbo Bolang Electrical Appliance Company Limited ("Bolang") on 22 May 2008 for a total consideration of RMB1,080,000.
- (b) Yidong-Sola Technology Limited ("Yidong-Sola") has been deregistered on 11 January 2008.

附註：

- (a) 寧波波朗電器有限公司(「波朗」)於二零零八年五月二十二日以總代價人民幣1,080,000元。
- (b) 屹東曜天科技有限公司(「曜天」)於二零零八年一月十一日撤銷註冊。

18. INVENTORIES

Raw materials	原料
Work in progress	在製品
Finished goods	製成品

18. 存貨

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
36,159	38,075
1,853	2,219
4,488	15,605
<u>42,500</u>	<u>55,899</u>

19. LOAN RECEIVABLE

The amount is unsecured, non-interest bearing and repayable on demand.

19. 應收貸款

該筆款項為無抵押、免息，且須應要求償還。

20. TRADE AND BILLS RECEIVABLES

Trade and bills receivables	應收貿易賬款及票據
Less: Accumulated impairment losses	減：累計減值虧損

20. 應收貿易賬款及票據

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
37,923	84,501
(30,974)	(74,879)
<u>6,949</u>	<u>9,622</u>

The Group allows an average credit period of 60 to 180 days to its trade customers. The impairment losses on trade receivables charged to the income statement and set off against the trade and bills receivables during the year are approximately RMB564,000. An aged analysis of the trade and bills receivables as at the balance sheet date, based on payment due date, and net of impairment losses, is as follows:

本集團給予其貿易客戶的信貸期平均介乎60至180日。年內於收益表扣除及與應收貿易賬款抵銷的應收貿易賬款減值虧損約為人民幣564,000元。於結算日按到期付款日劃分的應收貿易賬款及票據(已扣除減值虧損)賬齡分析如下：

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		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
0 – 90 days	0至90日	5,192	5,833
91 – 180 days	91至180日	462	865
181 – 365 days	181至365日	1,287	2,805
Over 365 days	超過365日	8	119
		<u>6,949</u>	<u>9,622</u>

21. AMOUNT DUE FROM / (TO) A SHAREHOLDER

21. 應收／(應付)一名股東款項

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Amount due from China Ruilian Holding Corp. (China Ruilian)	應收中國瑞聯實業集團有限公司(中國瑞聯)款項	<u>-</u>	<u>7,798</u>

The amount is unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amount approximates its fair value.

有關款項為無抵押、免息，且須應要求償還。董事認為賬面值與其公平值相若。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Amount due to China Ruilian	應付中國瑞聯款項	<u>(141,413)</u>	<u>(107,291)</u>

The amount is unsecured, bears interest at a rate of 5.84% and 8.22% (2007: 6.57% and 7.29%) per annum and repayable on demand. The directors consider the carrying amount approximates its fair value.

有關款項無抵押，按年息率5.84厘至8.22厘計息(二零零七年：6.57厘至7.29厘)，及須應要求償還。董事認為賬面值與其公平值相若。

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22. AMOUNTS DUE FROM / (TO) MINORITY SHAREHOLDERS

The amounts are unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amounts of amounts due from/(to) minority shareholders approximate their fair values.

23. AMOUNTS DUE FROM / (TO) DIRECTORS

Amounts due from (due to) directors disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

22. 應收／(應付)少數股東款項

有關款項為無抵押、免息，且須應要求償還。董事認為應收／(應付)少數股東款項的賬面值與其公平值相若。

23. 應收／(應付)董事款項

根據香港公司條例第161B條披露的應收(應付)董事款項如下：

		Balance at 1.1.2008 於二零零八年 一月一日 的結餘 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高 未償還金額 RMB'000 人民幣千元	Balance at 31.12.2008 於二零零八年 十二月三十一日 的結餘 RMB'000 人民幣千元
Amounts due from	應收款項			
Mr. Liu Xiao Chun (note a)	劉曉春先生(附註a)	-	523	523
Mr. Liu Feng	劉豐先生	600	600	-
Mr. Wang Wei Shi	王偉時先生	-	10	10
		<u>600</u>		<u>533</u>
Amount due to	應付款項			
Mr. Gong Zheng Jun	宮正軍先生	(9,500)		(8,000)
Mr. Liu Feng	劉豐先生	-		(465)
		<u>(9,500)</u>		<u>(8,465)</u>

(a) Mr. Liu Xiao Chun has been appointed as the director of the Company on 5 November 2008.

(b) The amounts are unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amounts due from/(to) directors approximate their fair values.

(a) 劉曉春先生已於二零零八年十一月五日獲委任為本公司董事。

(b) 有關款項為無抵押、免息，且須應要求償還。董事認為應收／(應付)董事款項的賬面值與其公平值相若。

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24. AMOUNTS DUE FROM / (TO) RELATED COMPANIES

24. 應收／(應付) 關連公司款項

		Maximum amount outstanding during the year 年內最高 未償還金額 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Amounts due from related companies	應收關連公司款項			
深圳漢泰新科技有限公司 ("深圳漢泰") (note a)	深圳漢泰新科技有限公司 ("深圳漢泰") (附註a)	51,552	210	17,583
安徽億多科技有限責任公司 ("安徽億多")	安徽億多科技有限責任公司 ("安徽億多")	16,368	N/A不適用	16,368
北京屹東利華科技有限責任公司 ("屹東利華") (note b)	北京屹東利華科技有限責任 公司("屹東利華") (附註b)	341	326	341
			<u>536</u>	<u>34,292</u>
Amounts due to related companies	應付關連公司款項			
深圳市漢泰之星有限公司 ("漢泰之星") (note c)	深圳市漢泰之星有限公司 ("漢泰之星") (附註c)		(1,179)	(233)
西安瑞聯近代電子材料有限責任公司 ("西安瑞聯") (note d)	西安瑞聯近代電子材料有限責 任公司("西安瑞聯") (附註d)		(12,007)	(17,936)
			<u>(13,186)</u>	<u>(18,169)</u>

Note:

- (a) Mr. Gong Zheng Jun, a director of the Company, is also a shareholder of 深圳漢泰.

The Company holds 51% equity interest of 深圳漢泰 on behalf of Mr. Tan Zhan Yuan.

附註：

- (a) 本公司董事宮正軍先生亦為深圳漢泰的股東。

本公司代表譚展遠先生持有深圳漢泰 51%之股權。

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- | | |
|--|--|
| <p>The amount due from 深圳漢泰 is unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amount of the amount due from 深圳漢泰 approximates its fair value.</p> | <p>應收深圳漢泰款項為無抵押、免息，且須應要求償還。董事認為應收深圳漢泰款項的賬面值與其公平值相若。</p> |
| <p>(b) The Company holds 40% equity interest of 屹東利華 on behalf of Mr. Wang Ya Qun, a shareholder of the Company, who is also a director of 屹東利華.</p> | <p>(b) 本公司代表本公司股東王亞群先生持有屹東利華40%股本權益。王亞群先生亦為屹東利華的董事。</p> |
| <p>The amount due from 屹東利華 is unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amount of the amount due from 屹東利華 approximates its fair value.</p> | <p>應收屹東利華款項為無抵押、免息，且須應要求償還。董事認為應收屹東利華款項的賬面值與其公平值相若。</p> |
| <p>(c) Mr. Yang Li, a shareholder and supervisor of the Company, is also a director of 漢泰之星.</p> | <p>(c) 本公司股東兼監事楊立先生亦為漢泰之星的董事。</p> |
| <p>The amount due to 漢泰之星 is unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amount of the amount due to 漢泰之星 approximates its fair value.</p> | <p>應付漢泰之星款項為無抵押、免息，且須應要求償還。董事認為應付漢泰之星款項的賬面值與其公平值相若。</p> |
| <p>(d) The amount is unsecured, bears interest at one year's primary loan interest rate per annum announced by the People's Bank of China and repayable on demand. The directors consider the carrying amount of amount due to 西安瑞聯 approximates its fair value.</p> | <p>(d) 該筆款項為無抵押、按中國人民銀行頒布的一年貸款年利率計息，且須應要求償還。董事認為應付西安瑞聯款項的賬面值與其公平值相若。</p> |

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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25. AVAILABLE-FOR-SALE INVESTMENTS

25. 可供出售投資

		The Group 本集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted investment	非上市投資	-	-

Note:

- (a) Pursuant to a share transfer agreement signed between the Company and an independent third party dated as at 28 July 2008, the Group disposed of its entire 65% interest of the registered capital in Shenzhen E-Source Communications Technology Company Limited ("Shenzhen E-Source") to the third party for a consideration of RMB1. As at the balance sheet date, the share transfer has not yet registered in Administration for Industry & Commerce.
- (b) Pursuant to a share transfer agreement signed between the Company and an independent third party, the Group disposed of its entire 66.7% interest of the registered capital in 深圳市德諾通訊技術有限公司 ("德諾") to the third party at a total consideration of RMB1 as at 28 July 2008. As at the balance sheet date, the share transfer has not yet registered in Administration for Industry & Commerce.
- (c) The directors of the Company are of their opinion that the Group ceased to have control over Shenzhen E-Source and 德諾 since 28 July 2008 and Shenzhen E-Source and 德諾 were reclassified as an available-for-sale investments accordingly.
- (d) The disposal of the captioned available-for-sale investments will be completed once the share transfers are registered in the Administration for Industry & Commerce.

附註：

- (a) 根據本公司於二零零八年七月二十八日與獨立第三方簽訂的股份轉讓協議，本集團以代價人民幣1元向第三方出售所持深圳屹塑通訊技術有限公司（「深圳屹塑」）註冊資本中的全部65%權益。於結算日，該項股份轉讓並未於工商管理行政管理局註冊。
- (b) 根據本公司與獨立第三方簽訂的股份轉讓協議，本集團於二零零八年七月二十八日以總代價人民幣1元向第三方出售所持深圳市德諾通訊技術有限公司（「德諾」）註冊資本中的全部66.7%權益。於結算日，該項股份轉讓並未於工商管理行政管理局註冊。
- (c) 本公司董事認為，本集團自二零零八年七月二十八日起終止對深圳屹塑及德諾的控制權，故深圳屹塑及德諾相應地被重新分類為可供出售投資。
- (d) 該項股份轉讓於工商管理行政管理局註冊後，上述可供出售投資的出售隨即完成。

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26. HELD-FOR-TRADING INVESTMENTS

The amount represents an equity-linked deposit accounted for as financial asset at fair value through profit or loss, which carries variable interest that is linked to the market value of certain equity securities listed overseas and with maturity date on 12 January 2009.

The held-for-trading investment was disposed for a consideration of amounted approximately RMB460,000 on 19 September 2008 before the maturity date. A disposal loss of held-for-trading investment was recognised in the consolidated income statement.

27. PLEDGED BANK DEPOSITS AND BANK BALANCES

Pledged bank deposits represent deposits pledged to banks to secure short-term banking facilities granted to the Group and are therefore classified as current assets. The pledged deposits carry interest at fixed rates ranging from 0.36 to 0.72% (2007: 2.79% to 4.14%) per annum and will be released upon the settlement of relevant bank borrowings.

Bank balances carry interest at prevailing market rate for both years.

28. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the balance sheet date, based on payment due date, is as follows:

0 – 90 days	0至90日
91 – 180 days	91至180日
181 – 365 days	181至365日
Over 365 days	超過365日

26. 持作買賣投資

該筆款項為按公平值計入損益的金融資產入賬的股票掛鈎存款，且按若干於海外上市股本證券市值相關的不同利率計息，於二零零九年一月十二日到期。

於到期日前，持作買賣投資於二零零八年九月十九日以約人民幣460,000元的代價出售。持作買賣投資之出售虧損於綜合收益表確認。

27. 已抵押銀行存款及銀行結餘

已抵押銀行存款指抵押予銀行的存款，以作為本集團所獲短期銀行信貸的擔保，故此列作流動資產。已抵押存款按固定年利率介乎0.36厘至0.72厘（二零零七年：2.79厘至4.14厘）計息，並將於償還有關銀行借貸時解除。

銀行結餘則按該兩個年度的當時市場利率計息。

28. 應付貿易賬款及票據

於結算日按到期付款日劃分的應付貿易賬款及票據賬齡分析如下：

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
35,183	26,305
1,512	13,736
1,145	11,841
48,244	18,625
86,084	70,507

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29. BANK BORROWINGS

29. 銀行借貸

Bank borrowings
- Secured
- Unsecured

銀行借款
- 有抵押
- 無抵押

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
124,670	53,750
-	172,090
<u>124,670</u>	<u>225,840</u>

Bank borrowings of during the year bear interest at fixed rates ranging from 5.31% to 8.217% (2007: 4.185% to 8.217%) per annum.

本年度內的銀行借貸按固定年利率介乎5.31厘至8.217厘(二零零七年: 4.185厘至8.217厘)計息。

The Group's borrowings that are denominated in currency other than the functional currency of the relevant group entities are set out below:

本集團以有關集團實體功能貨幣以外的貨幣計值的借貸如下:

	Denominated in US dollars RMB'000 Equivalent 以美元計值 人民幣千元等值
At 31 December 2008	於二零零八年十二月三十一日
	-
At 31 December 2007	於二零零七年十二月三十一日
	<u>6,591</u>

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30. DEFERRED REVENUE

At 1 January	於一月一日
Transfer to consolidated income statement	轉撥至綜合收益表
At 31 December	於十二月三十一日
Analysed for reporting purpose as:	為呈報而進行的分析：
Current liability	流動負債
Non-current liability	非流動負債

- (a) Government grants for purchase of the existing premises and equipment for production

In 2003 and 2004, the Group received government grants of RMB5,600,000 and RMB2,323,000, which were designated for the cost of acquisition of the existing factory premises and certain equipment for production respectively. The grants were deferred and will be recognised as income on a straight-line basis over the expected useful lives of the related assets.

- (b) During the year, as disclosed in note 15, the Group had disposed of the captioned factory premises and the corresponding carrying amount of deferred revenue of approximately RMB4,617,000 was recognised as income.

30. 遞延收益

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
5,210	6,866
(5,082)	(1,656)
<u>128</u>	<u>5,210</u>
Analysed for reporting purpose as:	
Current liability	657
Non-current liability	4,553
<u>128</u>	<u>5,210</u>

- (a) 有關購買現有物業及生產設備的政府補助金

於二零零三年及二零零四年，本集團獲得分別指定用作收購現有廠房大樓及若干生產設備的政府補助金人民幣5,600,000元及人民幣2,323,000元。該等補助金均已遞延處理，將以直線法按有關資產的預期可使用年期確認為收入。

- (b) 年內，誠如附註15所披露，本集團已出售標題所述之廠房大樓，並且遞延收入之相關賬面值約人民幣4,617,000元已確認為收入。

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31. SHARE CAPITAL

31. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 RMB'000 人民幣千元
Issued and fully paid: At 1 January 2007, 31 December 2007 and at 31 December 2008	已發行及繳足： 於二零零七年一月一日、 二零零七年十二月三十一日及 二零零八年十二月三十一日	500,000	50,000
Domestic share	內資股	370,000	37,000
H shares	H股	130,000	13,000
		<u>500,000</u>	<u>50,000</u>

The Group's equity capital management objectives are to safeguard the Group's ability to continue as a going concern and to provide an adequate return to shareholders commensurately with the level of risk. To meet these objectives, the Group manages the equity capital structure and makes adjustments to it in the light of changes in economic conditions by paying dividends to shareholders, issuing new equity shares, and raising or repaying debts as appropriate.

The Group's equity capital management strategy, which was unchanged from the previous periods, was to maintain a reasonable proportion in total debts and equity capital. The Group monitors equity capital on the basis of the debt-to-equity capital ratio, which is calculated as net debts over equity capital. Net debts are calculated as total debts less cash and cash equivalents. Equity capital comprises all components of equity (i.e. share capital, accumulated losses and reserves). The debt-to-equity capital ratios at 31 December 2008 and at 31 December 2007 were as follows:

本集團管理權益股本的目標，乃保障本集團繼續持續經營的能力，並因應風險水平為股東提供充裕回報。為達致此等目標，本集團因應經濟環境，透過於適當時向股東派付股息、發行新股份及新造或償還債務，以管理權益股本架構及對其作出調整。

本集團的權益股本管理策略乃將債務總額與權益股本維持於合理比例，而此策略於過往期間一直維持不變。本集團按債務對權益股本比率（以債務淨額除以權益股本計算）監察權益股本。債務淨額乃按債務總額減以現金及現金等值項目計算。權益股本由所有權益項目（即股本、累計虧損及儲備）組成。於二零零八年十二月三十一日及二零零七年十二月三十一日的債務對權益股本比率如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Total debts	債務總額	474,250	629,789
Less: Cash and cash equivalents	減：現金及現金等值項目	(4,103)	(106,105)
Net debts	債務淨額	470,147	523,684
Total equity	權益總額	(139,569)	(1,371)
Debt-to-equity capital ratio	債務對權益股本比率	<u>(3.37)</u>	<u>(381.97)</u>

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32. NOTE TO CONSOLIDATED CASH FLOW STATEMENTS

Change of status from subsidiaries to available-for-sale investments

As disclosed in note 25 to the financial statements, the Group accounted for the investments in Shenzhen E-Source Communications Technology Company Limited ("Shenzhen E-Source") and 深圳市德諾通訊技術有限公司 ("德諾") as available-for-sale investments with effective from 28 July 2008. Accordingly, the Group ceased to consolidate its result, assets and liabilities since that date.

Shenzhen E-Source is inactive and the assets and liabilities are as follows:

32. 綜合現金流量表附註

由附屬公司轉為可供出售投資之身份變動

誠如財務報表附註25所披露，本集團將對深圳屹塑通訊技術有限公司（「深圳屹塑」）與深圳市德諾通訊技術有限公司（「德諾」）之投資以可供出售投資入賬，自二零零八年七月二十八日起生效。本集團於上述日期起停止合併其業績、資產及負債。

深圳屹塑暫無業務，其資產及負債如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	89
Inventories	存貨	636
Other receivables, deposits and prepayments	其它應收賬款、按金及預付款項	2,192
Cash and cash equivalents	現金及現金等值項目	30
Other payables and accruals	其它應付賬款及應計費用	(1,440)
Bank loans	銀行貸款	(6,637)
Minority interests	少數股東權益	(721)
		<hr/>
		(5,851)
Unrealised gain on change of status	身份變動之未變現收益	5,851
		<hr/>
Deemed cost as available-for-sale investments	可供出售投資之設定成本	-
		<hr/> <hr/>
Net cash outflow arising on change of status from a subsidiary to available-for-sale investment:	由附屬公司轉為可供出售投資之身份變動所產生的現金流出淨額：	
Cash consideration received	已收現金代價	-
Bank balances and cash	銀行結餘及現金	(30)
		<hr/>
		<hr/> <hr/>
		(30)

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

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德諾 is inactive and the assets and liabilities are as follows:

德諾暫無業務，而資產及負債如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	345
Inventories	存貨	111
Other receivables, deposits and prepayments	其它應收賬款、按金及預付款項	1,232
Cash and cash equivalents	現金及現金等值項目	211
Trade payables	應付貿易賬款	(518)
Other payables and accruals	其它應付賬款及應計費用	(2,259)
		(878)
Unrealised gain on change of status	身份變動之未變現收益	878
Deemed cost as available-for-sale investments	可供出售投資之設定成本	-
Net cash outflow arising on change of status from a subsidiary to available-for-sale investment:	由附屬公司轉為可供出售投資之身份變動所產生的現金流出淨額：	
Cash consideration received	已收現金代價	-
Bank balances and cash	銀行結餘及現金	(211)
		(211)

33. INVALIDATION OF A SUBSIDIARY

Ningbo Million Bank Electronic Technical Company Limited ("Million Bank"), without submission of annual register for 2 years, had been invalidated by Administration for Industry & Commerce on 28 October 2008. The directors of the Company are of their opinion, with the advice from a legal advisor, that no litigation liability should be borne by the Company after the invalidation.

Million Bank is inactive and the assets and liabilities as at the invalidation date are as follows:

33. 吊銷一家附屬公司

寧波億庫電子科技有限公司(「億庫」)由於兩年內並無提交年度註冊，故於二零零八年十月二十八日被工商行政管理局吊銷營業執照。經參考法律顧問意見後，本公司董事認為，本公司毋須就吊銷承擔任何訴訟責任。

億庫暫無業務，於吊銷日資產及負債如下：

		RMB'000 人民幣千元
Other receivables	其它應收賬款	7,850
Other payables	其它應付賬款	(442)
Net asset disposed	已出售資產淨值	7,408
Loss on disposal of a subsidiary	出售一家附屬公司之虧損	(7,408)

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

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34. DEFERRED TAX ASSETS

As at the balance sheet date, no deferred tax asset has been recognised in relation to the deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

35. CONTINGENT LIABILITIES

(a) As at 31 December 2008, the Group had entered into the guarantee contracts of RMB10,000,000 with banks to provide guarantee to secure the bank facilities granted to a third party.

(b) Pursuant to the agreement in connection with the very substantial disposal transaction as detailed in note 2(v), the daily penalty of 0.05% on the basis of total consideration has been waived provided that the Company has to fulfill the condition to leave the Property on or before 30 August 2009 according to the reply letter dated 11 March 2009 issued by Land Resources Bureau of Yuyao City.

(c) Pending cases prosecuted before 2007
As of December 31, 2008, there are 5 pending cases prosecuted before 2007 relating to Yidong Company. The details are as follows:

1. The Civil Mediation Agreement (2006) Yong Min Si Chu Zi No. 95 ((2006) 甬民四初字第95號《民事調解書》) for the case in relation to Apex Science & Engineering Corp. (台灣峯典科技開發股份有限公司) (The "Plaintiff") who took a legal action with Ningbo Intermediate People's Court on 20 April, 2006 to claim the Company (The "Defendant") to pay the payment for goods of USD1,551,000 and the interest of USD87,000. Both parties reached a mediation agreement in the court on November 8, 2007: the plaintiff agreed to settle the case if the Company pays USD525,000.

34. 遞延稅項資產

於結算日，由於不可能有可扣減暫時差額可供抵消的應課稅溢利，故並無就可扣減暫時差額確認遞延稅項資產。

35. 或然負債

(a) 於二零零八年十二月三十一日，本集團與銀行訂立兩份人民幣10,000,000元的擔保合約，以為授予第三方的銀行信貸提供擔保。

(b) 根據有關附註2(v)所詳述的非常重大出售事項的協議，按余姚市國土資源局於二零零九年三月十一日發出的回覆函件，倘本公司於二零零九年八月三十日或以前達成條件遷出物業，則可獲豁免每日支付總代價0.05%之罰款。

(c) 二零零七年以前未徹底結束案件
截至二零零八年十二月三十一日止，屹東公司尚有二零零七年以前未徹底結束的案件5宗。具體情況如下：

1. 台灣峯典案(2006)甬民四初字第95號《民事調解書》

原告台灣峯典科技開發股份有限公司，於二零零六年四月二十日向寧波市中級人民法院起訴，要求被告本公司支付貨款1,551,000美元及利息87,000美元。二零零七年十一月八月雙方在法庭達成調解：原告同意本公司支付525,000美元結案。

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The Company shall implement the repayment by the end of April in 2008. However, the Company cannot afford to pay the amount on schedule due to the financial crisis. Subsequently, the judicial persons of both companies reached an oral compromise agreement once again, i.e. the plaintiff agreed that the Company might pay RMB2,000,000 and the balance would be exempted. The Company has paid USD38,000 and RMB300,000 by installment. The aggregate amount which has been repaid would be RMB556,000 if being translated at the exchange rate issued by the bank on 31 December, 2008. The outstanding amount due from the Company to the plaintiff is equal to RMB1,444,000.

2. The Civil Mediation Agreement (2006) Yong Min Si Chu Zi No. 96 ((2006) 甬民四初字第96號《民事調解書》) for the case in relation to Apex Science & Engineering Corp. (台灣峯典科技開發股份有限公司) (The "Plaintiff") who took a legal action with Ningbo Intermediate People's Court on 20 April, 2006 to claim the Company (The "Defendant") to pay the payment for goods of USD2,009,000 and the interest of USD112,000. Both parties reached a mediation agreement in the court on 8 November, 2007: the plaintiff agreed to settle the case if the Company pays USD495,000.

The Company shall implement the repayment by the end of April in 2008. However, the Company cannot afford to pay the amount on schedule due to the financial crisis. Subsequently, the judicial persons of both companies reached an oral compromise agreement once again, i.e. the plaintiff agreed that the Company might pay RMB2,000,000 and the balance would be exempted. The Company has paid USD38,000 and RMB300,000 by installment. The aggregate amount which has been repaid would be RMB556,000 if being translated at the exchange rate issued by the bank on 19 February, 2009. The outstanding amount due from the Company to the plaintiff is equal to RMB1,444,000.

該款本公司應於二零零八年四月底前全部償還完畢。但因金融危機，使本公司無力如期支付，後雙方公司法人人口頭達成再次和解協議，原告同意本公司支付人民幣2,000,000元，其餘全部放棄。現本公司採取分批付款的方式，已經給原告支付38,000美元及人民幣300,000元。按二零零八年十二月三十一日的銀行匯率換算，共計還款人民幣556,000元。本公司尚欠原告人民幣1,444,000元未付。

2. 台灣峯典案(2006)甬民四初字第96號《民事調解書》

原告台灣峯典科技開發股份有限公司，於二零零六年四月二十日向寧波市中級人民法院起訴，要求被告本公司支付貨款2,009,000美元及利息112,000美元。二零零七年十一月八月雙方在法庭達成調解：原告同意本公司支付495,000美元結案。

該款本公司應於二零零八年四月底前全部償還完畢。但因金融危機，使本公司無力如期支付，後雙方公司法人人口頭達成再次和解協議，原告同意本公司支付人民幣2,000,000元，其餘全部放棄。現本公司採取分批付款的方式，已經給原告支付38,000美元及人民幣300,000元。按二零零九年二月十九日的銀行匯率換算，共計還款人民幣556,000元。本公司尚欠原告人民幣1,444,000元未付。

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3. The Paper of Civil Judgment (2006) Yong Min Si Chu Zi No. 218 ((2006) 甬民四初字第218號《民事判決書》) for the case in relation to ANC Holdings Company Limited (ANC控股有限公司) (The "Plaintiff") who took a legal action with Ningbo Intermediate People's Court on 30 March, 2006 to claim the Company (The "Defendant") to pay the payment for goods of USD518,000 and the interest of USD113,000. Ningbo Intermediate People's Court issued the Paper of Civil Judgment (2006) Yong Min Si Chu Zi No. 218 ((2006) 甬民四初字第218號《民事判決書》) on July 14, 2008 to judge that the Company shall pay the payment for goods of USD518,000 and the interest of USD113,000 to ANC Company (The "Plaintiff").

Since the Company still considered that the plaintiff was not qualified to take a legal action just like it mentioned during its debate in the court of first trial and required the people's court to reject the prosecution by the plaintiff pursuant to laws, the Company appealed to the Higher People's Court of Zhejiang Province on 30 July, 2008. Currently the case is still on the docket.

The directors of the Company are of their opinion, with the advice from a legal advisor, that it is quite possible that the people's court of second trial will change the judgment of first trial since the Company considered that "the fact affirmed by the court of first trial is not in compliance with this case and ANC Company (The "Plaintiff") hasn't the qualification to be a subject of litigation", and this opinion had its legal basis. ANC Company (The "Plaintiff" of this case) failed to provide the Qualification Certificate issued by the governor of BVI where ANC Company was incorporated to the court in accordance with laws and the company was not in compliance with recognition conditions of prosecution qualification required by the Supreme People's Court of China. It's quite possible that the Higher People's Court of Zhejiang Province will change the judgment of first trial.

3. ANC案(2006)甬民四初字第218號《民事判決書》

原告ANC控股有限公司，於二零零六年三月三十日向寧波市中級人民法院起訴，要求被告本公司支付貨款518,000美元及利息113,000美元。二零零八年七月十四日寧波中級人民法院(2006)甬民四初字第218號《民事判決書》判決：本公司償還原告ANC公司貨款518,000美元及利息113,000美元。

本公司仍然堅持在一審法院答辯時提出的原告沒有起訴的資格，要求人民法院依法裁定駁回原告起訴為由，於二零零八年七月三十日上訴到浙江省高級人民法院，目前該案正在審理中。

根據法律顧問的建議，本公司董事認為：二審人民法院改判一審判決的可能性比較大。因為本公司提出「一審法院認定的事實與本案不符，原告ANC公司不具備訴訟主體資格」是有法律依據的。本案原告ANC公司沒有依法向法院提供：英國政府授權的ANC公司的註冊地英屬維京群島的總督的資格認定書，不符合中國最高法院的起訴資格認定條件。所以，浙江省高級人民法院對一審判決改判的可能性比較大。

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4. (2007) Bei Min Chu Zi No. 458 ((2007)北民初字第458號) for the case in relation to Shenzhen Haishi Communication Co., Ltd. (深圳海世通信有限責任公司) (The "Plaintiff") who took a legal action with the People's Court of Shibe District in Qingdao City to require the Company (The "Defendant") to compensate for the loss on inventory of RMB650,000, the loss on transportation and maintenance of RMB840,000, the loss on goodwill of RMB500,000.

The People's Court of Shibe District in Qingdao City issued the Paper of Civil Judgment (2007) Bei Min Chu Zi No. 458 ((2007)北民初字第458號《民事判決書》) on 3 April, 2008 to judge that the Company shall compensate the plaintiff for the loss on stock of RMB510,000, the loss on transportation and maintenance of RMB840,000, the loss on goodwill of RMB500,000 and the aggregate amount is RMB1,850,000.

The Company appealed to the Intermediate People's Court of Qingdao City on 28 April, 2008 and the reasons for the appeal were as follows: The plaintiff and the Company haven't entered into any contracts, so it doesn't exist any default issues from the perspective of the Company; the facts recognised by the judgment of first trial were inaccurate and the laws applied during first trial were inappropriate. Currently the case is on the docket.

The directors of the Company are of their opinion, with the advice from a legal advisor, that the result of judgment cannot be forecasted because this case is filled with local "protectionism".

4. 深圳海世通信有限責任公司案 (2007)北民初字第458號

原告深圳海世通信有限責任公司，向青島市市北區人民法院起訴，要求被告本公司賠償庫存損失人民幣650,000元、運輸維修損失人民幣840,000元及商譽損失人民幣500,000元。

二零零八年四月三日青島市市北區人民法院(2007)北民初字第458號《民事判決書》判決：本公司賠償原告庫存損失人民幣510,000元；賠償運輸維修損失人民幣840,000元；賠償商譽損失人民幣500,000元；合計賠償人民幣1,850,000元。

本公司以「原告與本公司沒有簽訂合同，本公司不存在違約問題。一審判決認定事實有誤，適用法律不當」為由，於二零零八年四月二十八日上訴至青島市中級人民法院。目前該案正在審理中。

根據法律顧問的建議，本公司董事認為，由於此案有地方「保護主義」色彩，所以無法預測此案的判決結果。

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5. (2007) Zhong Guo Mao Zhong Hu Zi No. 3286 ((2007)中國貿仲滬字第3286號) for the case in relation to Zhejiang Metals And Materials Group Co., Ltd. (The "Plaintiff") who applied to China International Economic and Trade Arbitration Commission Shanghai Commission (中國國際經濟貿易委員會上海分會) for arbitration on 22 October, 2008 with the reason of defaulting payment for goods. It required to judge that Shenzhen Tianchuang Communication Company Limited (深圳天創通信有限公司) (the first respondent) shall pay the payment for goods of RMB4,672,000 and the interest of RMB553,000. The Company was required to be listed as the second respondent and to assume the joint liability. On 22 October, 2008, the arbitration commission issued the arbitral award which judged that the first respondent shall pay the payment for goods of RMB4,672,000 and the interest of RMB541,000 and the Company (the second respondent) shall assume the joint liability.

The Company has refused to accept above-mentioned judgment and appeal to people's court. On 15 December, 2008, the Company submitted Application for Withdrawal of the Arbitral Decision to Shanghai No.2 Intermediate People's Court to require the people's court to make judgment in accordance with laws.

- (d) Cases judged and absolutely executed as of 2008
From 1 January, 2008 to 31 December, 2008, there were totally 9 lawsuits which were in relation to the Company and have been absolutely settled. The sum involved in the lawsuits amounted to RMB2,264,000. Five people's courts have participated in trial. Currently all of the 9 cases have been settled, and the Company is judged to pay RMB2,136,000 (including the case acceptance fees) to 9 plaintiffs.

After the litigations were closed, the Company actively negotiated with the plaintiffs and settled all the amounts of the 9 cases through paying payments for goods and making payments in kind. Among the payments, the payment for goods amounted to RMB1,689,000; the value of payment in kind amounted to RMB432,000. The total value of payment for goods and payment in kind was equal to RMB2,122,000, and the amount saved was equal to RMB14,000.

5. 浙江物產案(2007)中國貿仲滬字第3286號

原告浙江物產金屬集團有限公司，以拖欠貨款為由於二零零八年十月二十二日向中國國際經濟貿易委員會上海分會申請仲裁。請求裁定第一被申請人「深圳天創通信有限公司」支付貨款人民幣4,672,000元及利息人民幣553,000元。要求把本公司列為第二被申請人，承擔連帶責任。二零零八年十月二十二日仲裁委下達仲裁委書，裁定：第一被申請人支付貨款人民幣4,672,000元及利息人民幣541,000元。裁定第二被申請人本公司承擔連帶責任。

本公司不服上述裁定，向人民法院提起訴訟。二零零八年十二月十五日，本公司向上海市第二中級人民法院提交《撤銷仲裁裁決申請書》，要求人民法院依法裁判。

- (d) 二零零八年已經判決並已全部執行完畢案
從二零零八年一月一日起至二零零八年十二月三十一日止，本公司共發生法律訴訟但已經全部結清的案件有9宗，涉案金額人民幣2,264,000元，涉及5間人民法院審理。目前9宗案件已經全部結案，判決本公司向9名原告連受案件費支付金額為人民幣2,136,000元。

結案後，本公司主動與原告協商，通過支付貨款和以物抵債方式，將9宗案子全部結清。其中，償還貨款人民幣1,689,000元；以物抵債價值人民幣432,000元。貨款加物品共計償還人民幣2,122,000元，節省費用人民幣14,000元。

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- (e) Cases judged but not absolutely executed as of 2008
From 1 January, 2008 to 31 December, 2008, there were totally 11 lawsuits which were in relation to the Company and have not been absolutely settled. The sum involved in the lawsuits amounted to RMB36,005,000. Two people's courts have participated in trial. Currently all of the 11 cases have been judged, and Yidong Company is judged to pay RMB24,299,000 (including the case acceptance fees) to 11 plaintiffs.

As of 31 December, 2008, Yidong Company have actively negotiated with the plaintiffs and paid the payment for goods of RMB11,988,000. The outstanding payment amounted to RMB12,311,000.

- (f) Pending cases in the first trial as of 2008
As of 31 December, 2008, there were 2 pending cases which were on the docket:

1. The lawsuit involved in a borrowing dispute prosecuted by Shenzhen Huaqiaocheng Branch of Bank of Communications (Shenzhen Bank of Communications for short) against Shenzhen E-Source Communication Technology Company Limited ("Shenzhen E-Source").

The cause of action: Shenzhen E-Source borrowed RMB14,000,000 from Shenzhen Bank of Communications, and the borrowing was guaranteed by Shenzhen Teltron Communication Co., Ltd. (Teltron for short), the Company and Guan Yi (關藝).

- (e) 二零零八年已經判決並未全部執行完畢案
從二零零八年一月一日起至二零零八年十二月三十一日止，本公司共發生法律訴訟但未全部結清的案件有11宗，涉案金額人民幣36,005,000元，涉及兩間人民法院審理。目前11宗案件已經全部下判，判決屹東公司向11名原告連受案件費支付金額為人民幣24,299,000元。

截至到二零零八年十二月三十一日止，屹東公司主動與原告協商，通過支付貨款方式，已償還貨款人民幣11,988,000元。尚有人民幣12,311,000元未還清。

- (f) 二零零八年未判決目前正在審理的一審案件
截至到二零零八年十二月三十一日止，本公司在審理未判決的案件有兩宗：

1. 原告交通銀行深圳華僑城支行（簡稱：深圳交行）訴深圳屹塑通訊技術有限公司（簡稱：深圳屹塑）借款糾紛一案。

案由：深圳屹塑向深圳交行借款人民幣14,000,000元，由深圳市中訊天創通信有限公司（簡稱：中訊天創）、本公司和關藝個人提供擔保。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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On 19 May, 2008, with the reason that Shenzhen E-Source must repay the outstanding principal of RMB6,637,000 and the interest of RMB555,000 (the interest was temporarily calculated up to 20 April, 2008), Shenzhen Bank of Communications initiated a proceeding in the People's Court of Nanshan District, Shenzhen City, Guangdong Province to claim Shenzhen E-Source to repay the borrowing and interest immediately and require Teltron and Guan Yi himself as well as the Company to assume the joint liability of repayment guarantee. Currently the case is on the docket.

2. On 30 July, 2008, Shenzhen Lead Communications Co., Ltd. (深圳市立德通訊器材有限公司) initiated a proceeding in the People's Court of Yuyao City with the reason that the Company default the payment for goods (a dispute in relation to purchase and sale contract), and claimed the Company to pay the payment for goods and the interest, as well as assume the litigation fee.

On 23 December, 2008, the People's Court of Yuyao City sentenced that the Company shall pay the payment for goods of RMB884,000 to Lead Company and assume the litigation fee of RMB12,000.

The Company appealed to the Intermediate People's Court of Ningbo City on 15 January, 2009, with the reason that the debt has exceeded two years' limitation of action and the plaintiff has just delivered to the Company a part of goods valued at RMB184,000 and shall deliver the remaining goods valued at RMB700,000. The Company considered that the facts recognized by the court of first trial were uncertain and evidences were insufficient and required the court of second trial to withdraw the original judgment and make a fair judgment. Currently the case is on the docket.

The directors of the Company are of their opinion, with the advice from a legal advisor, that it exists true reasons and authentic evidences for the appeal of the Company, and it is quite possible that second trial will change the original judgment.

二零零八年五月十九日，深圳交行以深圳屹塑立即償還尚欠借款本金人民幣6,637,000元及利息人民幣555,000元(利息暫計至二零零八年四月二十日)為由，向廣東深圳市南山區人民法院起訴，要求深圳屹塑立即償還借款及利息，並且要求中訊天創及關藝本人和本公司承擔連帶擔保還款責任。目前此案正在審理之中。

2. 深圳市立德通訊器材有限公司以本公司拖欠貨款未付為由，於二零零八年七月三十日向余姚市人民法院起訴(買賣合同糾紛)，請求本公司返還貨款、支付利息，並且承擔訴訟費。

二零零八年十二月二十三日，余姚市人民法院判決本公司向立德公司支付貨款人民幣884,000元，承擔本案訴訟費人民幣12,000元。

二零零九年一月十五日，本公司以債權已經超過兩年訴訟時效和原告向本公司交付貨物價值人民幣184,000元，尚欠被告價值人民幣700,000元貨物未交付為由向寧波市中級人民法院提起上訴。認為一審法院認定事實不清，證據不足，請求二審人民法院依法撤銷原判決，重新做出公平裁判。目前該案正在審理中。

根據法律顧問的建議，本公司董事認為，本公司就該案上訴理由成立且證據確鑿，二審改判的機會很大。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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- (g) Lawyer's letters received in 2008
The Company has received 11 lawyer's letters totally, with involved amount of RMB1,948,000. The Company has only filed above-mentioned lawyer's letters in Legal Department since most of the senders have not made further communication after lawyer's letters were sent.

The directors of the Company are of the opinion, that there is no other significant lawsuits in which the Company or the Group acts as defendant incurred except that set out above up to the report date. Save as disclosed above, the directors were not aware of any significant contingent liabilities of the Group as at the balance sheet date.

36. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases in respect of office premises during the year amounted to RMB613,000 (2007: RMB643,000).

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for a term of two years.

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

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

- (g) 二零零八年律師函
本公司二零零八年共接到律師函11份，涉及金額人民幣1,948,000元。因為大部分的發函單位在律師函發出後，沒有進一步的溝通。所以，本公司只將上述律師函在公司法務部備案，並無做出進一步的溝通。

經參考法律顧問意見後，本公司董事認為，截至本報告日期，除上文所載者外，本公司或本集團概無成為任何重大訴訟的被告人。除上文所披露者外，董事並不知悉本集團於結算日有任何重大或然負債。

36. 經營租約

本集團作為承租人

年內根據辦公室物業經營租約已付的最低租金為人民幣613,000元(二零零七年：人民幣643,000元)。

經營租約租金指本集團就其若干辦公室物業應付的租金。租約的協定期為兩年。

於結算日，本集團根據下列日期到期的不可撤銷經營租約的日後最低租金承擔如下：

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
499	715
-	968
499	1,683

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財務報表附註 - 續

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37. CAPITAL COMMITMENTS

Commitments in respect of acquisition of property, plant and equipment	收購物業、廠房及設備的承擔
- contracted for but not provided	- 已訂約但未撥備
- Authorised but not contracted for	- 已授權但未訂約

37. 資本承擔

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
27,066	17,377
-	-
<u>27,066</u>	<u>17,377</u>

38. PLEDGE OF ASSETS

As at 31 December 2008, certain assets of the Group were pledged to secure credit facilities granted to the Group, as follows:

- legal charges over certain of the Group's buildings with an aggregate net book value of RMB1,511,000 (2007: RMB20,413,000) (note 15);
- legal charges over certain of the Group's prepaid lease payments in respect of medium-term leasehold land with an aggregate net book value of RMB11,959,000 (2007: RMB15,757,000) (note 16);
- pledge of certain bank deposits of the Group to secure short-term banking facilities granted to the Group with aggregate value of RMB9,150,000 (2007: RMB96,171,000) (note 27).

38. 資產抵押

於二零零八年十二月三十一日，本集團將下列若干資產抵押，作為本集團所獲信貸的擔保：

- 本集團就若干賬面淨值合共人民幣1,511,000元(二零零七年：人民幣20,413,000元)的樓宇作法定抵押(附註15)；
- 本集團就若干賬面淨值合共人民幣11,959,000元(二零零七年：人民幣15,757,000元)的中期租賃土地的預付租賃款作法定抵押(附註16)；
- 抵押本集團若干銀行存款以擔保本集團所獲總價值為人民幣9,150,000元(二零零七年：人民幣96,171,000元)的短期銀行信貸(附註27)。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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39. RETIREMENT BENEFIT SCHEMES

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The Group is required to make monthly contributions to the defined contribution retirement scheme calculated at 20% of the basic salaries of the employees, and employees are required to contribute 8% of their basic salaries to the retirement scheme. The Group has no obligations for further pension payments or any post retirement benefits beyond these contributions. The retirement benefits are paid directly from the scheme assets to the retired employees and are calculated by reference to their monthly basic salaries at the date of retirement and length of periods of services rendered. The contributions are charged to the consolidated income statement as they become payable in accordance with the rules of the central pension scheme.

For the Group's subsidiary in Hong Kong, it operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the subsidiary in an independently administered fund. The employer contributions from the subsidiary vest fully with the employees when contributed into the MPF Scheme.

The total cost charged to income statement of approximately RMB327,000 (2007: RMB1,027,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

39. 退休福利計劃

本集團在中國經營的附屬公司的僱員均須參與地方市政府管理的中央退休金計劃。本集團須每月按僱員基本薪金的20%向定額供款退休計劃供款，而僱員則須按其基本薪金的8%向退休計劃供款。除此等供款外，本集團並無責任進一步支付退休金或任何退休後福利。退休福利直接由計劃資產付予退休僱員，有關金額按退休當日的基本月薪及服務年資計算。供款於根據中央退休金計劃規則應付時自綜合收益表扣除。

就本集團的香港附屬公司，其根據強制性公積金計劃條例為合資格參加強制性公積金計劃（「強積金計劃」）的僱員設立定額供款強積金計劃。供款金額按僱員的基本薪金的若干百分比計算，並於根據強積金計劃規則應付時自收益表扣除。強積金計劃的資產與該附屬公司的資產分開持有，由獨立管理基金管理。該附屬公司的僱主供款於向強積金計劃供款時全數歸僱員所有。

自收益表扣除的總成本約為人民幣327,000元（二零零七年：人民幣1,027,000元），即本集團於本會計期間須向該等計劃作出的供款。

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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40. RELATED PARTY TRANSACTIONS

Details of the balances with related parties as at balance sheet date are set out in the consolidated balance sheet and relevant notes.

- (a) Apart from the information as disclosed in notes 23 to 24 the financial statements, the Group had the following material transactions with its related companies during the year:

Bolang, an associate	聯營公司波朗
Rental income	租金收入
Electricity income	電力收入
安徽億多, a related company	關連公司安徽億多
Sales of goods	銷售貨品
深圳漢泰, a related company	關連公司深圳漢泰
Sales of goods	銷售貨品
Purchase of goods	採購貨品

- (b) Guarantee

At 31 December 2008, guarantees given by related parties for bank borrowings are as follows:

China Ruilian	中國瑞聯
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40. 關連人士交易

於結算日，與關連人士的結餘詳情載於綜合資產負債表及相關附註。

- (a) 除財務報表附註23至24所披露的資料外，本集團與其關連公司於年內有以下重大交易：

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
N/A不適用	169
N/A不適用	66
N/A不適用	16,197
6,795	7,900
1,753	-

- (b) 擔保

於二零零八年十二月三十一日，就銀行借貸由關連人士提供的擔保如下：

2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
88,000	268,000

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

for the year ended 31 December 2008
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41. BALANCE SHEET INFORMATION OF THE COMPANY

Balance sheet of the Company

41. 本公司的資產負債表資料

本公司的資產負債表

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	228,813	231,137
Prepaid lease payment	預付租賃款	11,584	36,342
Construction deposits	工程按金	662	744
Interest in associates	聯營公司權益	-	-
Interest in subsidiaries	附屬公司權益	430	49,965
		<u>241,489</u>	<u>318,188</u>
Current assets	流動資產		
Inventories	存貨	36,060	47,772
Trade and bills receivables	應收貿易賬款及票據	2,104	9,070
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	18,448	12,999
Prepaid lease payments	預付租賃款	375	941
Amount due from directors	應收董事款項	313	600
Amount due from a related company	應收一家關連公司款項	325	33,504
Amounts due from subsidiaries	應收附屬公司款項	-	48,421
Amount due from minority shareholders	應收少數股東款項	710	-
Available-for-sale investments	可供出售投資	-	-
Pledged bank deposits	已抵押銀行存款	9,150	83,712
Bank balance and cash	銀行結餘及現金	2,400	98,274
		<u>69,885</u>	<u>335,293</u>

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Current liabilities	流動負債		
Trade and bills payables	應付貿易賬款及票據	79,329	61,711
Other payables and accruals	其他應付賬款及應計費用	71,222	152,891
Receipt in advance	預收款項	7,168	9,237
Amounts due to minority shareholders	應付少數股東款項	-	-
Amounts due to directors	應付董事款項	8,465	9,500
Amount due to a related company	應付一家關連公司款項	13,186	18,169
Amount due to an associate	應付一家聯營公司款項	-	19,311
Amount due to an ultimate holding company	應付一家最終控股公司款項	141,413	107,291
Amounts due to subsidiaries	應付附屬公司款項	2,070	51,376
Dividends payable	應付股息	4,440	4,440
Bank borrowings	銀行借貸	124,670	219,250
Current portion of deferred revenue	遞延收益即期部分	128	657
		<u>452,091</u>	<u>653,833</u>
Net current liabilities	流動負債淨額	(382,206)	(318,540)
Total assets less current liabilities	總資產減流動負債	(140,717)	(352)
Non-current liabilities	非流動負債		
Deferred revenue	遞延收益	-	(4,553)
		<u>(140,717)</u>	<u>(4,905)</u>
(Net liabilities)net assets	(負債淨額) 資產淨額	(140,717)	(4,905)
Capital and reserves	資本及儲備		
Share capital	股本	50,000	50,000
Reserves	儲備	(190,717)	(54,905)
Capital deficiency	資本虧絀	(140,717)	(4,905)

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

for the year ended 31 December 2008
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42. PARTICULARS OF SUBSIDIARIES

42. 附屬公司詳情

Name of subsidiary 附屬公司名稱	Class of shares held 所持股份類別	Place of incorporation/ registration and operation/ establishment 註冊成立/註冊及營運/ 成立地點	Nominal value of paid up issued/ registered/ ordinary capital 已繳已發行/註冊/ 普通股本面值	Attributable equity interest held by the Company 本公司應佔股權		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
A-Tec Technology (HK) Limited 屹科科技(香港)有限公司	Ordinary 普通股	Hong Kong 香港	HKD 2 港幣2元	100.00%	–	Sale of controller systems for mobile phones 流動電話控制器系統銷售
Ningbo Yitai Electronic Company Limited 寧波屹泰電子有限公司	Contributed capital 實繳股本	PRC 中國	RMB 15,000,000 人民幣15,000,000元	51.00%	–	Research and development and production of controller systems for display devices 顯示設備控制器系統研究與開發及生產
Ningbo Yidong Digital Technology Co. Ltd. 寧波屹東數碼科技有限公司	Contributed capital 實繳股本	PRC 中國	RMB 5,000,000 (paid up RMB 1,500,000) 人民幣5,000,000元 (繳足 人民幣1,500,000元)	80.00%	–	Research and development of external equipments of electronic calculators, electronic components, integrated circuits, household electrical appliances, telecommunication and terminal equipments 電子計算器外部設備、電子組件、集成 電路、家用電器、移動通信及終端設備 的研發
Ningbo Yiyuan Electronic Technology Co. Ltd. 寧波屹源電子科技有限公司	Contributed capital 實繳股本	PRC 中國	RMB 2,000,000 人民幣2,000,000元	80.00%	–	Research and production and processing of telecommunication and terminal equipments, and household electrical appliances 移動通信及終端設備、家用電器的研究、 製造及加工

NOTES TO THE FINANCIAL STATEMENT - CONTINUED

財務報表附註 - 續

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Notes:

- (a) Shanghai E-Source Telecommunication Company Limited, without submission of annual register for 2 years, had been invalidated by Administration for Industry & Commerce on 14 December 2007. The directors of the Company are of their opinion, with the advice from a legal advisor, that no litigation liability should be borne by the Company after the invalidation.
- (b) Shenzhen Ossay Technology Company Limited, without submission of annual register for 2 years, had been invalidated by Administration for Industry & Commerce on 30 November 2007. The directors of the Company are of their opinion, with the advice from a legal advisor, that no litigation liability should be borne by the Company after the invalidation.
- (c) Ningbo Million Bank Electronic Technical Company Limited ("Million Bank"), without submission of annual register for 2 years, had been invalidated by Administration for Industry & Commerce on 28 October 2008. The directors of the Company are of their opinion, with the advice from a legal advisor, that no litigation liability should be borne by the Company after the invalidation (note 33).

附註：

- (a) 上海屹朔通信設備有限公司(「屹朔」)由於兩年內並無提交年度註冊，故於二零零七年十二月十四日被工商行政管理局吊銷營業執照。經參考法律顧問意見後，本公司董事認為，本公司毋須就吊銷承擔任何訴訟責任。
- (b) 深圳市奧賽科技有限公司由於兩年內並無提交年度註冊，故於二零零七年十一月三十日被工商行政管理局吊銷營業執照。經參考法律顧問意見後，本公司董事認為，本公司毋須就吊銷承擔任何訴訟責任。
- (c) 寧波億庫電子科技有限公司(「億庫」)由於兩年內並無提交年度註冊，故於二零零八年十月二十八日被工商行政管理局吊銷營業執照。經參考法律顧問意見後，本公司董事認為，本公司毋須就吊銷承擔任何訴訟責任(附註33)。

SUMMARY OF FINANCIAL INFORMATION

財務資料摘要

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				2008
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		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
Revenue	收益	494,123	446,182	317,274	362,378	94,522
Cost of sales	銷售成本	(389,494)	(400,598)	(274,311)	(327,057)	(98,951)
Gross (Loss)/ Profit	(毛虧)/ 毛利	104,629	45,584	42,963	35,321	(4,429)
Other income	其他收入	19,314	30,296	10,049	6,186	54,294
Selling and distribution costs	銷售及分銷成本	(4,280)	(4,402)	(5,625)	(4,850)	(1,024)
Administrative expenses	行政開支	(32,747)	(44,481)	(56,895)	(179,139)	(153,887)
Finance costs	融資成本	(4,567)	(10,786)	(17,638)	(31,862)	(32,285)
Share of losses of associates	應佔聯營公司虧損	(33)	(128)	-	-	-
Unrealised gain on change of status of subsidiaries	附屬公司身份變動之未變現收益	-	-	-	-	6,729
Gain on disposal of associates	出售聯營公司收益	-	-	-	-	1,080
Gain on disposal of subsidiaries	出售附屬公司收益	-	-	-	5,915	-
Loss on invalidation of a subsidiary	吊銷一家附屬公司虧損	-	-	-	-	(7,480)
(Loss)/ Profit before income tax	除所得稅前(虧損)/ 溢利	82,316	16,083	(27,146)	(168,429)	(136,930)
Income tax (expenses)/ credit	所得稅(開支)/ 抵免	(27,176)	(12,032)	3,901	(23,155)	(125)
(Loss)/ Profit for the year	年內(虧損)/ 溢利	55,140	4,051	(23,245)	(191,584)	(137,055)
Attributable to:	應佔:					
Equity holders of the company	本公司股權持有人	56,317	7,241	(21,087)	(190,476)	(135,447)
Minority interests	少數股東權益	(1,177)	(3,190)	(2,158)	(1,108)	(1,608)
(Loss)/ Profit for the year	年內(虧損)/ 溢利	55,140	4,051	(23,245)	(191,584)	(137,055)

SUMMARY OF FINANCIAL INFORMATION - CONTINUED

財務資料摘要 - 續

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		At 31 December 於十二月三十一日				2008
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	452,758	691,400	795,228	633,628	335,519
Total liabilities	負債總額	(238,934)	(480,885)	(607,688)	(634,999)	(475,088)
		<u>213,824</u>	<u>210,515</u>	<u>187,540</u>	<u>(1,371)</u>	<u>(139,569)</u>
Equity attributable to equity holders of the company	本公司股權 持有人應佔權益	205,571	203,652	184,140	(3,614)	(140,183)
Minority interests	少數股東權益	8,253	6,863	3,400	2,243	614
		<u>213,824</u>	<u>210,515</u>	<u>187,540</u>	<u>(1,371)</u>	<u>(139,569)</u>



宁波屹东电子股份有限公司
NINGBO YIDONG ELECTRONIC COMPANY LIMITED*