

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 1. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The Company is a public limited company incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2001 Second Revision) Chapter 22 of the Cayman Islands on 20 July 2006 and its shares have been listed on the Mainboard of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 21 December 2006. The address of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company acts as an investment holding company. The principal activities of the Company’s subsidiaries are set out in the note 33.

The Group’s consolidated financial statements are presented in Renminbi (“RMB”) which is also the functional currency of the Company.

Under a group reorganisation scheme to rationalise the structure of the Group in preparation for the listing of the Company’s shares (the “Group Reorganisation”) on the Stock Exchange, the Company became the holding Company of the Group on 31 July 2006.

The principal steps of the Group Reorganisation were as follows:

- (1) On 31 July 2006, the ultimate beneficial owners, namely Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng, and the Company entered into the Sale and Purchase Agreement pursuant to which Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng transferred the entire issued share capital of Great Speed Enterprises Limited (“Great Speed”), to the Company in consideration of (i) the Company allotting and issuing 33,433 shares, 14,970 shares and 1,497 shares, credited as fully paid, to Swift Joy Holdings Limited (“Swift Joy”), Right Grand Holdings Limited (“Right Grand”) and Cheer View Holdings Limited (“Cheer View”) respectively at the direction of the ultimate beneficial owners and (ii) the Company assuming the obligations of Mr. Fang Jin under the promissory note as a result of which the Company owes Great Speed US\$49,999.

### 1. 集團重組及財務報表呈列基準

本公司於二零零六年七月二十日，根據開曼群島公司法第二十二章（二零零一年第二修訂）於開曼群島註冊成立及登記為獲豁免之上市有限公司，其股份已於二零零六年十二月二十一日起，於香港聯合交易所有限公司（「聯交所」）主板上市。本公司註冊辦事處地址及主要營業地點於年報內公司資料一節有所披露。

本公司為一間投資控股公司。本公司之附屬公司主要業務載於附註33。

本集團之綜合財務報表以本公司之功能貨幣人民幣（「人民幣」）呈列。

根據就預備本公司股份於聯交所上市而進行以精簡本集團架構的一項集團重組計劃（「集團重組」），本公司於二零零六年七月三十一日成為本集團的控股公司。

集團重組的主要步驟如下：

- (1) 於二零零六年七月三十一日，最終實益擁有人方金先生、林超先生及郭泉增先生與本公司訂立買賣協議，據此，方金先生、林超先生及郭泉增先生轉讓彼等各自於宏迅企業有限公司（「宏迅」）的權益予本公司，代價為(i)按最終實益擁有人指示，本公司配發及發行33,433股、14,970股及1,497股列作繳足的股份分別予迅悅控股有限公司（「迅悅」）、正宏控股有限公司（「正宏」）及悅景控股有限公司（「悅景」）及(ii)本公司承擔方金先生根據有關本公司結欠其附屬公司宏迅 49,999美元的承兌票據項下的責任。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 1. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

(Continued)

(2) The consolidated income statements and the consolidated cash flow statements include the income statements and cash flow statements of the companies comprising the Group as if those companies had been wholly owned controlled entities of Great Speed since 1 January 2005, or since their dates of incorporation. The balance sheets as at 31 December 2005 have been prepared to present the assets and liabilities of the Group as if the current structure had been in existence.

The Group resulting from the above mentioned Group Reorganisation is regarded as a continuing entity. Accordingly, the financial statements of the Group have been prepared using the principles of merger accounting.

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new amendments and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of these new standards, amendments and interpretations had no material effect on how the results and the financial position for the current or prior periods have been prepared and presented. Accordingly, no prior year adjustment has been required.

### 1. 集團重組及財務報表呈列基準 (續)

(2) 綜合收益表及綜合現金流量表包括組成本集團的公司的收益表及現金流量表，猶如該等公司自二零零五年一月一日或其註冊成立日期起已成為由宏迅全資控制實體。於二零零五年十二月三十一日的資產負債表已為呈列本集團的資產及負債而編製，猶如現行架構一直存在。

由於上述集團重組，本集團被視為持續經營實體。因此，本集團的財務報表乃採用合併會計原則編製。

### 2. 應用新訂及經修訂國際財務報告準則／會計政策變動

本年度，本集團已首次應用多項由國際會計準則委員會（「國際會計準則委員會」）所頒佈於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效之新修訂及詮釋。採納該等新準則、修訂及詮釋對如何編製及呈列現時或過往期間之業績及財務狀況並不構成重大影響。因此，並無需要作出過往年度調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new standards, interpretations and amendments that have been issued but not yet effective. The directors of the Group anticipate that the application of these standards, interpretations or amendments will have no material impact on the financial position and results of the Group.

IAS 1 (Amendment)	Capital disclosures <sup>1</sup>
IFRS 7	Financial instruments: Disclosures <sup>1</sup>
IFRS 8	Operating segments <sup>2</sup>
IFRIC 7	Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economies <sup>3</sup>
IFRIC 8	Scope of IFRS 2 <sup>4</sup>
IFRIC 9	Reassessment of embedded derivatives <sup>5</sup>
IFRIC 10	Interim financial reporting and impairment <sup>6</sup>
IFRIC 11	IFRS 2: Group and treasury share transactions <sup>7</sup>
IFRIC 12	Service concession arrangements <sup>8</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2009.

<sup>3</sup> Effective for annual periods beginning on or after 1 March 2006.

<sup>4</sup> Effective for annual periods beginning on or after 1 May 2006.

<sup>5</sup> Effective for annual periods beginning on or after 1 June 2006.

<sup>6</sup> Effective for annual periods beginning on or after 1 November 2006.

<sup>7</sup> Effective for annual periods beginning on or after 1 March 2007.

<sup>8</sup> Effective for annual periods beginning on or after 1 January 2008.

### 2. 應用新訂及經修訂國際財務報告準則／會計政策變動(續)

本集團並無提前應用下列已頒佈但尚未生效之新準則、詮釋及修訂。本集團董事預期，應用該等準則、修訂或詮釋對本集團之業績及財務狀況並不構成重大影響。

國際會計準則 第1號(經修訂)	資本披露 <sup>1</sup>
國際財務報告 準則第7號	財務工具：披露 <sup>1</sup>
國際財務報告 準則第8號	經營分部 <sup>2</sup>
國際財務報告 詮釋委員會 第7號	惡性通貨膨脹的經 濟環境下在財務 報告根據國際會 計準則第29號 應用重列法 <sup>3</sup>
國際財務報告 詮釋委員會 第8號	國際財務報告準則 第2號的範疇 <sup>4</sup>
國際財務報告 詮釋委員會 第9號	重新評估附帶的衍 生工具 <sup>5</sup>
國際財務報告 詮釋委員會 第10號	中期財務報告及減 值 <sup>6</sup>
國際財務報告 詮釋委員會 第11號	國際財務報告準則 第2號：集團及 庫存股份交易 <sup>7</sup>
國際財務報告 詮釋委員會 第12號	服務特許權安排 <sup>8</sup>

<sup>1</sup> 於二零零七年一月一日或之後開始的年度期間生效。

<sup>2</sup> 於二零零九年一月一日或之後開始的年度期間生效。

<sup>3</sup> 於二零零六年三月一日或之後開始的年度期間生效。

<sup>4</sup> 於二零零六年五月一日或之後開始的年度期間生效。

<sup>5</sup> 於二零零六年六月一日或之後開始的年度期間生效。

<sup>6</sup> 於二零零六年十一月一日或之後開始的年度期間生效。

<sup>7</sup> 於二零零七年三月一日或之後開始的年度期間生效。

<sup>8</sup> 於二零零八年一月一日或之後開始的年度期間生效。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments which are measured at fair values and in accordance with accounting policies as set out below which confirm with IFRS. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Companies Ordinance. The principal accounting policies adopted are as follows:

#### Basis of consolidation

The consolidated financial information incorporates the financial information items 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 any entity so as to obtain benefits from its activities.

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

All significant intra-group transactions and balances have been eliminated on consolidation.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sales of goods are recognised when goods are delivered and title has passed.

Revenue from the sales of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

### 3. 重大會計政策

綜合財務資料乃根據歷史成本法編製，惟若干財務工具乃按公平值並根據下文所載與國際財務報告準則一致的會計政策計量。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定的披露事項。所採納的主要會計政策如下：

#### 綜合基準

綜合財務資料載有本公司及本公司控制實體（其附屬公司）的財務資料項目。倘本公司有權監管任何實體的財務及經營政策，以從其活動中獲益時，則可行使控制權。

於有需要時，對附屬公司的財務報表作出修訂，使其會計政策與本集團其他成員公司所採用者貫徹一致。

集團公司間的所有重大交易及結餘，乃於綜合帳目時對銷。

#### 收益確認

收益按已收或應收代價的公平值計量，收益已就估計客戶退貨、折扣及其他類似備抵作出扣減。

貨品銷售乃於貨品付運及所有權轉讓時確認。

來自貨品銷售的收益於達成以下所有條件時確認：

- 本集團已將貨品擁有權的重大風險及回報轉讓至買方；
- 本集團並無保留一般與擁有權有關的貨品持續管理權或實際控制權；
- 收益金額可以可靠量度；

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (Continued)

- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Interest revenue

Interest revenue 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 estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount.

#### Processing income

Processing income is recognised when processing services are provided.

#### Leases

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

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the relevant leases. 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.

#### Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment loss.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

### 3. 重大會計政策 (續)

#### 收益確認 (續)

- 與交易有關之經濟利益將可能流入至本集團; 及
- 就交易產生或將產生之費用能夠可靠計量。

#### 利息收入

利息收入乃以時間為基準按未償還本金及適用實際利率累計, 而實際利率為透過財務資產的預期可用年期將估計日後所得現金折讓至該資產的賬面淨值的比率。

#### 加工收入

加工收入乃於提供加工服務後確認。

#### 租賃

當租賃條款將所有權近乎全部的風險及回報轉讓予承租人時, 租賃分類為融資租賃, 所有其他租賃則分類為經營租賃。

根據經營租約應付的租金按有關租期以直線法自綜合收益表扣除。訂立經營租約已收取及應收作為獎金的福利, 按租期以直線法確認為租金開支的減項。

#### 物業、廠房及設備

除在建工程外, 物業、廠房及設備乃按成本減其後累計折舊及累計減值虧損列賬。

在建工程指處於建設過程中之生產或自用之物業、廠房及設備。在建工程按成本減任何已確認之減值虧損列賬。在建工程於完成及可供使用時分類為適當類別之物業、廠房及設備。該等資產之折舊於資產可投入原定用途時按與其他物業資產相同之基準開始提撥。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment (Continued)

An 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 on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Depreciation is provided to write off the cost of assets, other than construction in progress, over their estimated useful lives, after taking into account their estimated residual value, if any, using the straight-line method.

#### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition, and is calculated using the weighted average method. Net realisable value represents the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### Prepaid lease payments

The cost of land use rights is amortised to the consolidated income statement on a straight-line basis over the period for which the relevant land use right has been granted.

#### Intangible assets

Intangible assets are measured initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on a straight-line basis over their estimated useful lives.

### 3. 重大會計政策 (續)

#### 物業、廠房及設備 (續)

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於終止確認該資產時產生的任何收益或虧損(以出售該項資產所得款項淨額與賬面值的差額計算)乃計入於該項目終止確認的有關年度的綜合收益表內。

除在建工程外，經計及資產的估計剩餘價值後，折舊乃按資產的估計可使用年期以直線法每年撇銷資產成本提供撥備。

#### 借款成本

借款成本於產生期間確認為開支。

#### 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本包括直接物料及(如適用)直接勞工成本及將存貨達致目前位置及狀況而產生的間接成本，採用加權平均法計算。可變現淨值指估計售價減估計完成成本及市場推廣、銷售及分銷產生的成本。

#### 預付租賃款項

預付租賃款項指土地使用權，按成本減累計攤銷及任何可辨識減值虧損列賬。土地使用權的成本按有關土地使用權獲授的使用期以直線法自綜合收益表攤銷。

#### 無形資產

無形資產初步按成本計量。於初步確認後，有限定可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損記賬，並按其估計可使用年期以直線法計提攤銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Intangible assets (Continued)

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised.

#### Research and development expenditure

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 all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

#### Impairment of assets

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### 3. 重大會計政策 (續)

#### 無形資產 (續)

無形資產於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於終止確認無形資產時產生的任何收益或虧損乃按該項資產的出售所得款項淨額(如有)與賬面值之間的差額釐定,並於終止確認該項資產時在收益表內確認。

#### 研究及開發的開支

研究活動的開支乃於其產生的期間內確認為開支。

開發開支造成的內部產生無形資產僅於達成以下各項條件後確認:

- 所創造的資產乃可辨識的;
- 所創造的資產可能會產生未來經濟利益; 及
- 開發資產的成本能夠可靠地計量。

倘並無可確認的內部產生無形資產,開發開支乃於其產生的期間內確認為開支。

#### 資產減值

於各結算日,本集團會檢討其有形資產及無形資產的賬面值,以釐定是否出現任何顯示該等資產發生減值虧損的跡象。倘存在任何該等跡象,資產可收回數額的估計乃用以釐定減值虧損(如有)的程度。倘不能估計個別資產的可收回數額,則本集團會估計資產所屬現金產生單位的可收回數額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Impairment of assets (Continued)

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. 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.

### 3. 重大會計政策 (續) 資產減值 (續)

可收回數額為減去銷售成本的公平值及使用中價值兩者中的較高者。於評估使用中價值時，估計未來現金流量乃以稅前貼現率貼現至其現值，以反映市場現時所評估的金錢時值及資產特定風險。

倘資產（或現金產生單位）的可收回數額估計將少於其賬面值，則該資產（或現金產生單位）的賬面值會減至其可收回數額。減值虧損會即時確認為開支。

倘減值虧損其後撥回，則資產的賬面值會增至可收回數額的經修訂估計，惟按此所增加的賬面值不會高於假設過往年度並無就資產（或現金產生單位）的減值虧損作出確認而釐定的賬面值。所撥回的減值虧損會即時確認為收入。

#### 財務工具

財務資產及財務負債於集團實體成為該工具的合約條文的訂約方時，在綜合資產負債表確認。財務資產及財務負債初步按公平值計量。收購或發行財務資產及財務負債直接應佔之交易成本（按公平值計入損益賬之財務資產及財務負債除外）乃於初步確認時加入財務資產或財務負債之公平值，或從財務資產或財務負債之公平值扣除（倘適用）。收購按公平值計入損益賬之財務資產或財務負債直接應佔之交易成本，即時於收益表內確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial instruments (Continued)

#### Financial assets

The accounting policies adopted in respect of the Group's financial assets are set out as follows:

*Trade and notes receivables/other receivables and deposits/amounts due from related parties/bank balances/promissory notes*

Trade and notes receivables, other receivables and deposits and amounts due from related parties, bank balances and promissory note are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at initial recognition at fair value, and subsequently measured at amortised cost using the effective interest method, less any appropriate allowances for estimated irrecoverable amounts. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition. The allowance is reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the allowance was recognised, subject to a restriction that the carrying amount of the asset at the date the allowance is reversed does not exceed what the amortised cost would have been had the allowance not been recognised.

#### Financial liabilities and equity

Financial liabilities and equity instruments 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 accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

### 3. 重大會計政策 (續) 財務工具 (續)

#### 財務資產

本集團就財務資產採納的會計政策載列如下：

*應收貿易款項及應收票據/其他應收款項及按金/應收有關連人士款項/銀行結餘/承兌票據*

應收貿易款項及應收票據、其他應收款項及按金及應收有關連人士款項、銀行結餘及承兌票據，為附帶固定或可釐定付款的非衍生財務資產，而其在活躍市場上並無報價，於初步確認時按公平值計量，其後採用實際利息法按攤銷成本減去就估計可收回數額作出的任何適當備抵後計量。當有客觀證據顯示資產出現減值，在損益賬適用地確認估計不可收回數額的備抵。所確認的備抵為資產的賬面值與於初步確認時按實際利率計算貼現的估計未來現金流量現值之間的差額。當資產的可收回數額的增加部分能客觀地涉及確認備抵後所發生的事件，有關備抵將於往後期間轉回，惟轉回備抵當日資產的賬面值不得超出如無確認減值時的原應攤銷成本。

#### 財務負債及股本

財務負債及股本工具根據所訂立的合約性安排內容及對財務負債及股本工具的定義分類。股本工具乃扣除本集團所有負債後證明於其資產內的剩餘權益的任何合約。就財務負債及股本工具所採納的會計政策載列於下文。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

###### Convertible bonds

###### Convertible bonds designated as at fair value through profit and loss

Convertible bonds comprised of the host debt instrument and the embedded derivatives issued by the Group are designated as financial liabilities at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, the entire convertible bonds are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Transaction cost that are directly attributable to the issue of the convertible bonds designed as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

###### Convertible bonds with liability and equity components

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. A conversion option which will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments, is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Group, will remain in convertible bonds equity reserve until the conversion option is exercised (in which case the balance stated in convertible bonds reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds reserve will be released to the accumulated profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### 財務負債及股本 (續)

###### 可換股債券

###### 劃分為按公平值計入損益賬之可換股債券

由本集團發行的主債務工具及附帶的衍生工具組成的可換股債券，被指定作為財務負債，於初步確認時按公平值計入損益賬。於初步確認後的各個結算日，全部可換股債券是按公平值計算，公平值的變動於彼等產生的期間內直接確認為損益。

直接應佔發行可換股債券的交易成本被指定為按公平值於損益賬內入賬的財務負債，即時被確認為損益。

###### 包含負債及股權部份之可換股債券

本集團所發行包含負債及股權換股期權部份之可換股債券於首次確認時須分別歸類為其各自之項目部份。倘股權換股期權將透過以固定金額之現金或其他財務資產換取固定數目之本集團的股本工具而結算，則列作股本工具。

於初步確認時，負債部份的公平值乃按類似不可轉換債務的現行市場利率釐定。發行可換股債券的所得款項與轉往負債部份的公平值的差額，即代表可讓持有人將債券兌換為股本權益的兌換期權應列入股本（可換股債券儲備）。

於往後期間，可換股債券的負債部分乃採用實際利率法攤銷成本列賬。股本權益部分，即可將負債部分兌換為本集團普通股的期權將保留於可換股債權股本權益儲備，直至附股權換股期權獲行使為止，在此情況下，可換股債券股本權益儲備的結餘將轉移至股本權益溢價。倘期權於到期日尚未獲行使，可換股債券股本權益儲備的結餘將撥至累計盈利。期權兌換或到期時將不會於損益中確認任何盈虧。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

###### Convertible bonds (Continued)

###### Convertible bonds with liability and equity components (Continued)

For modification of terms being accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment and charged to profit and loss.

###### Other financial liabilities

Trade and notes payables, other payables, amounts due to related parties, dividend payables and bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

###### Equity instruments

Equity instruments issued by the Company are recorded at 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 or any new asset obtained and the cumulative gain or loss that had been recognised directly in equity is recognised in consolidated income statement.

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 including other liabilities assumed is recognised in consolidated income statement.

##### Taxation

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

### 3. 重大會計政策 (續)

#### 財務工具 (續)

##### 財務負債及股本 (續)

###### 可換股債券 (續)

###### 包含負債及股權部份之可換股債券 (續)

就列作取消之條款修訂方面，所產生之成本或費用確認為取消之損益部份，並從損益賬扣除。

###### 其他財務負債

應付貿易款項及票據、其他應付款項、應付有關連人士的款項、應付股息及銀行貸款初步按公平值計算，其後按攤銷成本以實際利息法計算。

###### 股本工具

本公司發行的股本工具按已收所得款項減直接發行成本入賬。

##### 終止確認

財務資產於自資產收取現金流的權利屆滿或財務資產被轉讓而本集團已轉讓財務資產擁有權的絕大部分風險及回報時終止確認。終止確認財務資產時，資產賬面值與已直接於權益中確認的已收代價或任何已獲得新資產及累計損益間的差額於綜合收益表中確認。

財務資產於相關合約指明的責任已解除、註銷或屆滿時終止確認。已終止確認的財務資產賬面值與已付代價（包括所承擔負債）間的差額於綜合收益表中確認。

##### 稅項

所得稅開支指本年度應付稅項及遞延稅項。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 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 and 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 amount of assets and liabilities in the financial statements and the corresponding tax base 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 profit 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 of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

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 asset is realised or the liability is settled. Deferred taxation is charged or credited to the consolidated income statement, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

#### Government grants

Government grants in the form of incentive payment are recognised as income and reported separately as "other income" when the government's approval of grant is unconditional.

Government grants related to new products research costs are recognised in the consolidated income statement over the period necessary to match them with the related costs and deducted in reporting the related expenses.

### 3. 重大會計政策 (續)

#### 稅項 (續)

本期應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合收益表所報的溢利不同，乃由於前者不包括其他年度的應課稅收入或可扣稅開支，亦不包括毋須課稅及不得扣稅的項目。本集團的本期稅項負債以結算日前已頒佈或實際頒佈的稅率計算。

資產及負債在財務報表的賬面值與計算應課稅溢利的相應稅基兩者間的差額，以資產負債表負債法確認為遞延稅項。遞延稅項負債一般就所有應課稅臨時差額確認，而遞延稅項資產乃就有可能將應課稅溢利扣減臨時差額而確認。倘若臨時差額來自商譽或因首次確認不影響應課稅溢利或會計溢利的交易中的其他資產與負債，則不會確認有關遞延稅項資產及負債。

遞延稅項資產的賬面值於每個結算日作檢討，並在不大可能有足夠應課稅溢利以收回全部或部分資產時作調減。

遞延稅項乃按預期於資產變現或負債清償期間適用的稅率計算。遞延稅項於綜合收益表中扣除或入賬，惟倘與遞延稅項有關的項目直接在權益中扣除或入賬，則該遞延稅項亦會在權益中處理。

#### 政府津貼

屬獎勵款項的政府津貼於取得政府批文時確認為收入，並獨立列作「其他收入」。

與新產品研究成本有關的政府津貼於必須配合相關成本及減少呈報相關開支的期間內於綜合收益表確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Retirement benefits schemes

Payments made to defined contribution retirement plans are charged as expenses as they fall due.

#### 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 the respective functional currency at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

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.

#### Share-based payment transactions

##### Equity-settled share-based payment transactions

###### Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in equity (share option reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

### 3. 重大會計政策 (續)

#### 退休福利計劃

向界定供款退休計劃支付的款項於彼等到期應付時列作開支扣除。

#### 外幣

在編製各個別集團實體的財務報表時，以該實體的功能貨幣以外貨幣（外幣）結算的交易按交易日當時的匯率以各自之功能貨幣入賬。於各結算日，以外幣結算的貨幣項目按結算日當時的匯率重新換算。按歷史成本以外幣入賬的非貨幣項目不作重新換算。

結算及換算貨幣項目所產生的匯兌差額於所產生期間計入損益賬。

#### 以股份為基礎之付款交易

##### 股本結算以股份為基礎之付款交易

###### 向本公司僱員批授購股權

參考所授出購股權於授出日期公允價值而釐定之應收服務公允價值，按歸屬期以直線基準支銷，股本（購股權儲備）則相應增加。

本集團於每個資產負債表日修訂其對預期最終授予的購股權之估計數字。若修訂對原來的估計數字產生任何影響，則於在損益賬內確認，並於購股權儲備作相應調整。

當購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後遭沒收或於屆滿日期尚未行使，先前於購股權儲備確認之金額，將轉撥至累計盈利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks. They are mainly market risk, credit risk and liquidity risk. Details of the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

##### *Fair value interest rate risk*

Interest-bearing financial assets are mainly pledged bank deposits and bank balances which are all short-term in nature and carry fixed interest rates. Interest-bearing financial liabilities are mainly bank loans and convertible bonds with fixed interest rates. Therefore, the Group is not exposed to significant fair value interest rate risk due to the short maturity of the items. The Group currently does not have an interest rate hedging policy and will consider enter into interest rate hedging should the need arise.

##### *Foreign currency risk*

Foreign currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cash flows. Although the Group has certain bank balances and bank loans denominated in USD, JPY and HKD, the proportion of these foreign currency balances to the group's total assets is insignificant. The Group has convertible bonds, denominated in USD and the terms of conversion are fixed between RMB and USD on 15 September 2006, and thus no hedging arrangement of foreign currency risk has been entered into. Furthermore, the Group carries out majority of its transactions in RMB and accordingly, the Group is not exposed to any significant foreign currency risk.

### 3. 重大會計政策 (續) 撥備

倘本集團因過往事件而承擔現有責任時，而本集團可能須履行該項責任時則會確認撥備。撥備指董事於結算日對履行有關責任所需開支之最佳估計，並於現值有重大影響時貼現至現值。

### 4. 財務風險管理目標及政策

本集團的活動會承受各類財務風險。彼等主要是市場風險、信貸風險及流動資金風險。有關減低該等風險的政策之詳情載於下文。管理層管理及監督該等風險，以確保及時並以有效方式實施適當的措施。

#### 市場風險

##### *公平值利率風險*

附息財務資產主要是短期性質的已抵押銀行存款及銀行結餘，並按固定利率計息。附息財務負債主要為按固定利率計息的銀行貸款及可換股債券。因此，本集團因若干項目的到期日短，故此並不須承受重大的公平值利率風險。本集團現時並無任何利率對沖政策及將考慮於有需要時訂立利率對沖。

##### *外匯風險*

外匯風險指外幣匯率變動將影響本集團的財務業績及其現金流量的風險。儘管本集團擁有若干以美元、日圓及港元為單位的銀行結餘及短期銀行貸款，然而，該等外幣的結餘佔本集團的資產比例並不重大。本集團擁有以美元為單位的可換股債券，並於二零零六年九月十五日釐定人民幣與美元的轉換條款，管理層認為人民幣與美元的匯率波動不大，故並無作出對沖外匯風險的安排。此外，本集團以人民幣進行其大多數交易，因此，本集團並無承受任何重大的外幣風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Credit risk

The Group's credit risk primarily relates to the Group's bank balances and cash, trade and notes receivables, and other receivables. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheet. At 31 December 2006, approximately 49% (2005: 44%) of the total trade receivables was due from the Group's ten largest customers. In order to minimise the risk, management of the Group closely monitors overdue debts. The recoverable amount of each individual debt is reviewed at each balance sheet date and adequate allowance for doubtful debts has been made for irrecoverable amounts. In this regard, the directors of the Group consider that credit risk associated with the Group's trade and notes receivable, and other receivables is significantly reduced.

The credit risk on bank balances is minimal because the counterparties are banks with high credit-rating.

The Group's concentration of credit risk by geographical location is mainly in the PRC.

#### Liquidity risk

The Group is exposed to minimal liquidity risk as the Group closely monitors its cash flow position.

### 4. 財務風險管理目標及政策 (續)

#### 信貸風險

本集團的信貸風險主要與本集團的銀行結餘及現金、應收貿易款項及應收票據、以及其他應收款項有關。倘對手方於財政年度底未能履行彼等就各類已確認財務資產的責任，信貸風險的最高風險為資產負債表所述該等資產的賬面值。於二零零六年十二月三十一日，總應收貿易款項中約49%（二零零五年：44%）為應收本集團十名最大客戶的款項。為了盡量減低風險，本集團的管理層密切監察任何逾期債項。各獨立債項的可收回數額於各個結算日審閱，並已就不可收回的數額作出足夠的呆賬準備。就此而言，本集團的董事認為，與本集團的應收貿易款項及應收票據以及其他應收款項有關的信貸風險已大幅減少。

由於對手方是高信貸評級的銀行，故此銀行結餘的信貸風險不大。

本集團按地區劃分的信貸風險集中主要位於中國。

#### 流動資金風險

由於本集團密切監控其現金流量狀況，故此本集團承受的流動資金風險不大。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

#### Business segments

The Group is currently engaged in providing its products to two classes of customers, namely, own-brand name products business and original equipment manufacturer (“OEM”) business. The Directors of the Company regard these segments as the primary source of the Group’s risks and returns.

Segment information about these businesses is presented as follows:

Year ended 31 December 2006

### 5. 業務及地區分類

#### 業務分類

本集團現正從事向兩種客戶提供其產品，客戶名稱為：自有品牌產品業務及原設備製造商（「OEM」）業務。本公司的董事認為該等分類為本集團的風險及收益之主要來源。

有關該等業務的分類資料呈列如下：

截至二零零六年十二月三十一日止年度

		Own-brand name products business 自有品牌 產品業務 RMB'000 人民幣千元	OEM business OEM業務 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Turnover	營業額	620,132	316,173	936,305
Segment results	分類業績	174,188	66,292	240,480
Unallocated income	未分配收入			24,535
Unallocated expenses	未分配開支			(70,891)
Change in fair value of convertible bonds designated as at fair value through profit or loss	按公平值計入 損益帳之 可換股債券 公平值變動			(8,495)
Convertible bonds issue expenses	可換股債券 發行開支			(2,240)
Finance costs	融資成本			(8,487)
Profit before taxation	除稅前溢利			174,902
Income tax expense	所得稅開支			(14,711)
Profit for the year	年度溢利			160,191



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Year ended 31 December 2006 (Continued)

#### Balance sheet

		Own-brand	OEM	Consolidated
		name products	business	
		business	business	
		自有品牌	OEM業務	綜合
		產品業務	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
<b>Assets and liabilities</b>	<b>資產及負債</b>			
Segment assets	分類資產	144,943	149,467	294,410
Unallocated corporate assets	未分配公司資產			862,429
Consolidated total assets	綜合資產總值			1,156,839
Unallocated corporate liabilities	未分配公司負債			321,116

### 5. 業務及地區分類 (續)

業務分類 (續)

截至二零零六年十二月三十一日止年度 (續)

#### 資產負債表

		Own-brand	OEM	Assets in	Consolidated
		name products	business	common	
		business	business	use	
		自有品牌	OEM業務	共用資產	綜合
		產品業務	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
<b>Other information</b>	<b>其他資料</b>				
Capital addition	增加資本	3,591	5,961	28,936	38,488
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,105	2,662	8,502	14,269
Allowance for trade and other receivables	應收貿易款項及其他應收款項備抵	650	-	-	650
Write-off of receivables	應收款項撇銷	-	1,995	-	1,995
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	156	370	-	526
Amortisation of intangible assets	無形資產攤銷	-	-	179	179

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

#### Business segments (Continued)

Year ended 31 December 2005

### 5. 業務及地區分類 (續)

#### 業務分類 (續)

截至二零零五年十二月三十一日止年度

		Own-brand name products business 自有品牌 產品業務 RMB'000 人民幣千元	OEM business OEM業務 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Turnover	營業額	468,935	238,057	706,992
Segment results	分類業績	101,325	44,036	145,361
Unallocated income	未分配收入			4,419
Unallocated expenses	未分配開支			(33,626)
Finance costs	融資成本			(4,490)
Profit before taxation	除稅前溢利			111,664
Income tax expense	所得稅開支			(8,344)
Profit for the year	本年度溢利			103,320

		Own-brand name products business 自有品牌 產品業務 RMB'000 人民幣千元	OEM business OEM業務 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
<b>Assets and liabilities</b>	<b>資產及負債</b>			
Segment assets	分類資產	107,115	128,844	235,959
Unallocated corporate assets	未分配公司資產			116,134
Consolidated total assets	綜合資產總值			352,093
Unallocated corporate liabilities	未分配公司負債			149,889

P.75

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

#### Business segments (Continued)

Year ended 31 December 2005 (Continued)

	Own-brand name products business 自有品牌 產品業務 RMB'000 人民幣千元	OEM business OEM業務 RMB'000 人民幣千元	Assets in common use 共用資產 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
<b>Other information</b>	<b>其他資料</b>			
Capital addition	11,894	4,636	11,736	28,266
Depreciation of property, plant and equipment	1,933	1,413	5,640	8,986
Allowance (reversal of allowance) on trade and other receivables	(597)	2,005	436	1,844
Impairment loss on property, plant and equipment	392	118	–	510
Loss on disposal of property, plant and equipment	–	–	9	9
Amortisation of intangible assets	–	–	115	115

Note: The nature of the products, the production processes and the method used to distribute the products to these two classes of customers are similar. The Group's production facilities and inventories are located in the People's Republic of China (the "PRC"). These two classes of customers utilise the Group's resources in a similar manner. Accordingly, the only separable assets are certain items of property, plant and equipment, inventories and trade and notes receivables for these customers.

#### Geographical segments

Analysis of the Group's turnover and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment and intangibles by geographical market have not been presented as they are substantially generated from or situated in the PRC.

### 5. 業務及地區分類 (續)

#### 業務分類 (續)

截至二零零五年十二月三十一日止年  
度 (續)

附註：產品性質、生產工序及用作分銷產品予該兩種客戶的方法相同。本集團的生產設施及存貨位於中華人民共和國（「中國」）。該兩種客戶以相同方式運用本集團的資源。因此，該等客戶的唯一可分開資產為物業、廠房及設備、存貨及應收貿易款項及票據的若干項目。

#### 地區分類

本集團營業額及業績分析，以及集團分類資產的帳面值，以及添置物業、廠房及設備及無形資產的分析尚未按地區市場劃分呈列，原因是彼等大部分均來自或位於中國。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 6. OTHER INCOME

#### 6. 其他收入

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Interest income	利息收入	12,078	244
Exchange gain	匯兌收益	3,596	-
Sale of scrap material	銷售剩餘物料	2,048	811
Processing income	加工收入	4,559	2,326
Others	其他	2,254	1,038
		<b>24,535</b>	4,419

#### 7. FINANCE COSTS

#### 7. 融資成本

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Interest on bank borrowings	銀行借款利息	3,733	4,362
Interest on discounted notes receivables (without recourse)	折現應收票據利息 (並無追溯權)	94	128
Effective interest on convertible bonds	可換股債券之實際利息	4,660	-
		<b>8,487</b>	4,490

#### 8. INCOME TAX EXPENSE

#### 8. 所得稅開支

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
The charge comprises:	支出包括:		
- PRC enterprise income tax	- 中國企業所得稅	15,052	8,697
- Underprovision in prior year	- 上一年度撥備不足	58	-
		<b>15,110</b>	8,697
- Deferred tax (note 16)	- 遞延稅項 (附註16)	<b>(399)</b>	(353)
		<b>14,711</b>	8,344

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 8. INCOME TAX EXPENSE (Continued)

Scud Electronics and Scud Battery are foreign investment enterprises located in Mawei District, Fuzhou, Fujian Province, PRC. Scud Shenzhen is a foreign investment enterprise located in Shenzhen, PRC. Mawei District and Shenzhen are designated as an Economic Development Zone. Accordingly, Scud Electronics, Scud Battery and Scud Shenzhen are subject to an income tax rate of 15%.

Pursuant to PRC Law of Income Tax of Foreign Investment Enterprises and Foreign Enterprises, Detailed Rules and Regulations for the Implementation of PRC Law of Income Tax of Foreign Investment Enterprise and Foreign Enterprises and the approval document 榕開國稅政 [2003] 72號 issued by Fuzhou Tax Bureau Branch on 15 May 2003, Scud Electronics is entitled to exemption from PRC enterprise income tax for two years commencing from its first profit-making year of operation to a 50% relief from PRC enterprise income tax for the next three years. Scud Electronics started to enjoy the tax exemption from 2002 and the tax relief period from 2004. A reduced enterprise income tax rate of 7.5% therefore applies from 2004 to 2006. No provision for enterprise income tax has been made for Scud Battery and Scud Shenzhen as Scud Battery and Scud Shenzhen did not have assessable profits since their respective dates of establishment.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's profits were neither arisen in nor derived from Hong Kong during both years, and Scud Group (Hong Kong) Company Limited incurred a tax loss during the year.

### 8. 所得稅開支 (續)

飛毛腿電子及飛毛腿電池是位於中國福建省福州市馬尾區的外資企業。深圳飛毛腿是位於中國深圳的外資企業，馬尾區及深圳獲指定為經濟開發區。因此，飛毛腿電子、飛毛腿電池及深圳飛毛腿須按15%的所得稅率繳稅。

根據中國外資企業及國外企業的所得稅法、實施中國外資企業及國外企業的所得稅法的詳細規則及規例，以及福州稅務分局於二零零三年五月十五日發出的審批文件榕開國稅政[2003]72號，飛毛腿電子有權由其首個經營獲利年度起計的兩年內獲豁免繳納中國企業所得稅，以至於未來三年享有50%的中國企業所得稅寬減。飛毛腿電子於二零零二年起享有豁免繳稅期，並自二零零四年起享有寬減期，因此於二零零四年至二零零六年採用削減的企業所得稅率7.5%。由於飛毛腿電池及深圳飛毛腿自成立以來並無應課稅溢利，故此並無就飛毛腿電池及深圳飛毛腿的企業所得稅作出撥備。

由於本集團的溢利於兩個年度內既無於香港產生，亦非來自香港，而飛毛腿集團(香港)有限公司於年內錄得稅項虧損，故此並無就香港利得稅作出撥備。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 8. INCOME TAX EXPENSE (Continued)

Income tax expense for the year is reconciled to the profit before taxation per the consolidated income statement as follows:

#### 8. 所得稅開支 (續)

於綜合收益表內，年內所得稅開支與除稅前溢利的對帳如下：

		<b>2006</b> 二零零六年 <b>RMB'000</b> 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	<b>174,902</b>	111,664
Tax at income tax rate of 15%	按所得稅率15%計算稅項	<b>26,235</b>	16,750
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	<b>5,338</b>	352
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	<b>(2,155)</b>	-
Underprovision in prior year	上一年度撥備不足	<b>58</b>	-
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	<b>97</b>	20
Effect of concessionary rate granted to the PRC subsidiaries	中國附屬公司獲授稅率優惠的影響	<b>(14,862)</b>	(8,778)
Income tax expense for the year	本年度所得稅開支	<b>14,711</b>	8,344

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 9. PROFIT FOR THE YEAR

### 9. 本年度溢利

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Profit for the year has been arrived at after charging:	年內溢利已扣除下列各項：		
Directors' remuneration (note 10)	董事酬金 (附註10)	736	394
Other staff costs	其他員工成本	42,672	28,684
Other staff retirement benefits scheme contributions	其他員工的退休福利計劃供款	1,455	637
Less: Staff costs included in research and development costs	減：計入研發成本的員工成本	(3,487)	(3,068)
		<b>41,376</b>	26,647
Auditors' remuneration	核數師酬金	1,750	1,150
Depreciation	折舊	14,269	8,986
Less: Depreciation included in research and development costs	減：計入研發成本的折舊	(2,598)	(1,667)
		<b>11,671</b>	7,319
Amortisation of intangible assets (included in administrative expenses)	無形資產攤銷 (計入行政開支)	179	115
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	-	9
Research and development cost (net of government grant of RMB1,273,000 (2005: RMB999,000))	研發成本 (扣除政府補助人民幣1,273,000元 (二零零五年：人民幣999,000元))	12,635	6,697
Release of prepaid lease payments	解除預付租賃款項	146	-
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租金	4,161	2,502
Allowance for trade and other receivables	應收貿易款項及其他應收款項備抵	650	1,844
Write-off of receivables	應收款項撇賬	1,995	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	526	510
Write-off of intangible assets	無形資產撇賬	284	-
Net exchange loss	匯兌虧損淨額	-	283
Cost of inventories recognised as an expense	確認為開支的存貨成本	695,825	559,713
Listing expense	上市開支	7,699	-
and after crediting:	並經計入：		
Interest income	利息收入	12,078	244
Net exchange gain	匯兌收益淨額	3,596	-

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 10. DIRECTORS AND EMPLOYEES EMOLUMENTS

Details of emoluments paid by the Group to the Directors are as follows:

		Fang Jin	Lin Chao	Guo Quan Zeng	Li Hui Qiu	Heng Kwoo Seng	Wang Jing Zhong	Wang Jian Zhang	Ho Man	Total 2006
		方金	林超	郭泉增	李會秋	邢詒春	王敬忠	王建章	何敏	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Fees	袍金	-	-	14	6	4	5	5	-	34
Other emoluments	其他酬金									
Salaries and other benefits	薪金及其他福利	159	139	260	139	-	-	-	-	697
Retirement benefits schemes contributions	退休福利計劃供款	2	1	1	1	-	-	-	-	5
Total emoluments	總酬金	161	140	275	146	4	5	5	-	736

		Fang Jin	Lin Chao	Guo Quan Zeng	Chen Guo He	Total 2005
		方金	林超	郭泉增	陳國和	總計
		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
Fees	袍金	-	-	-	-	-
Other emoluments	其他酬金					
Salaries and other benefits	薪金及其他福利	133	117	117	22	389
Retirement benefits schemes contributions	退休福利計劃供款	2	1	1	1	5
Total emoluments	總酬金	135	118	118	23	394

P.81



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 10. DIRECTORS AND EMPLOYEES EMOLUMENTS

(Continued)

The five highest paid individuals included two Directors (2005: three) for the year ended 31 December 2006, details of whose emoluments are included above. The emoluments of the remaining three (2005: two) individuals for the year ended 31 December 2006 are as follows:

Employees	僱員
- salaries and other benefits	- 薪金及其他福利
- retirement benefits scheme contributions	- 退休福利計劃供款

### 10. 董事及僱員薪酬 (續)

截至二零零六年十二月三十一日止年度，五名最高薪人士包括兩名（二零零五年：三名）董事，彼等之酬金詳情載於上文。截至二零零六年十二月三十一日止年度，其餘三名（二零零五年：兩名）人士的酬金如下：

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Employees		
- salaries and other benefits	1,350	676
- retirement benefits scheme contributions	5	2
	1,355	678

The emolument of each individual during both years was less than RMB1,000,000.

During both years, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during both years.

於兩個年度內，各名人士的酬金均少於人民幣1,000,000元。

於兩個年度內，本集團概無向五名最高薪人士（包括董事及僱員）支付任何酬金，作為吸引加入本集團或加入本集團時的獎勵，或失去職位的補償。於兩個年度內，概無董事放棄任何酬金。

### 11. DIVIDENDS

No dividends has been paid or declared by the Company since its incorporation. However, for the year ended 31 December 2006, dividends of RMB30,744,000 were declared and paid to the then shareholders prior to the Group Reorganisation (2005: nil).

### 11. 股息

本公司自其註冊成立以來，並無派付或宣派任何股息。然而，於截至二零零六年十二月三十一日止年度內，已向其集團重組前之當時股東宣派及派付股息人民幣30,744,000元（二零零五年：無）。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
<b>Earnings</b>	<b>盈利</b>		
Earnings for the purposes of basic earnings per share (profit for the year attributable to the equity holders of the Company)	計算每股基本盈利的盈利 (本公司權益持有人應佔溢利)	<b>160,191</b>	86,336
Effect of dilutive potential ordinary shares:	具潛在攤薄效應的普通股的影響:		
Effective interest on convertible bonds	可換股債券的實際利息	<b>4,660</b>	-
Change in fair value of convertible bonds designated as at fair value through profit or loss	按公平值計入損益帳的 可換股債券公平值變動	<b>8,495</b>	-
		<b>173,346</b>	86,336

		2006 二零零六年 '000 以千計	2005 二零零五年 '000 以千計
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利的普通股 加權平均數	<b>607,835</b>	600,000
Effect of dilutive potential ordinary shares:	具潛在攤薄效應的普通股的影響:		
Convertible bonds	可換股債券	<b>87,395</b>	N/A
Share options	購股權	<b>167</b>	N/A
Weighted average number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄盈利的普通股 加權平均數	<b>695,397</b>	600,000

For both 2005 and 2006, the calculations of basic earnings per share are based on 600,000,000 shares in issue on the assumption that the issue of such shares of the Company upon the Group Reorganisation had been completed on 1 January 2005.

#### 12. 每股盈利

本公司權益持有人應佔每股基本及攤薄盈利根據以下數據計算:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
<b>Earnings</b>	<b>盈利</b>		
Earnings for the purposes of basic earnings per share (profit for the year attributable to the equity holders of the Company)	計算每股基本盈利的盈利 (本公司權益持有人應佔溢利)	<b>160,191</b>	86,336
Effect of dilutive potential ordinary shares:	具潛在攤薄效應的普通股的影響:		
Effective interest on convertible bonds	可換股債券的實際利息	<b>4,660</b>	-
Change in fair value of convertible bonds designated as at fair value through profit or loss	按公平值計入損益帳的 可換股債券公平值變動	<b>8,495</b>	-
		<b>173,346</b>	86,336

		2006 二零零六年 '000 以千計	2005 二零零五年 '000 以千計
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利的普通股 加權平均數	<b>607,835</b>	600,000
Effect of dilutive potential ordinary shares:	具潛在攤薄效應的普通股的影響:		
Convertible bonds	可換股債券	<b>87,395</b>	N/A
Share options	購股權	<b>167</b>	N/A
Weighted average number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄盈利的普通股 加權平均數	<b>695,397</b>	600,000

就二零零五年及二零零六年，每股基本盈利乃假設集團重組後本公司已於二零零五年一月一日完成發行該等股份的600,000,000股股份計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Electronic equipment, furniture and fixtures 電子設備、 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Moulds 模具 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>						
At 1 January 2005	於二零零五年一月 一日	22,431	1,940	11,397	—	11,959	47,727
Additions	添置	5,349	125	1,286	15,102	6,364	28,226
Transfer	轉撥	11,027	—	932	—	(11,959)	—
Disposals	出售	(50)	—	—	—	—	(50)
At 31 December 2005	於二零零五年十二月 三十一日	38,757	2,065	13,615	15,102	6,364	75,903
Additions	添置	1,276	4,079	23,395	3,482	4,602	36,834
Transfer	轉撥	406	—	8,060	1,500	(9,966)	—
At 31 December 2006	於二零零六年十二月 三十一日	40,439	6,144	45,070	20,084	1,000	112,737
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>						
At 1 January 2005	於二零零五年一月 一日	3,729	1,012	4,219	—	—	8,960
Provided for the year	本年度撥備	5,709	251	1,238	1,788	—	8,986
Impairment loss recognised	已確認減值虧損	—	—	—	510	—	510
Eliminated on disposals	於出售時對銷	(1)	—	—	—	—	(1)
At 31 December 2005	於二零零五年十二月 三十一日	9,437	1,263	5,457	2,298	—	18,455
Provided for the year	本年度撥備	7,287	549	3,065	3,368	—	14,269
Impairment loss recognised	已確認減值虧損	—	—	—	526	—	526
At 31 December 2006	於二零零六年十二月 三十一日	16,724	1,812	8,522	6,192	—	33,250
<b>CARRYING AMOUNT</b>	<b>賬面值</b>						
At 31 December, 2005	於二零零五年十二月 三十一日	29,320	802	8,158	12,804	6,364	57,448
At 31 December 2006	於二零零六年十二月 三十一日	23,715	4,332	36,548	13,892	1,000	79,487

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 13. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Electronic equipment, furniture and fixtures	20%
Motor vehicles	20%
Plant and machinery	10%
Moulds	20% – 33.33%

During both years, the Group reviewed the carrying amounts of property, plant and equipment and identified that certain of those property, plant and equipment are either idle or have no economic value to the Group. Accordingly, the carrying amounts of those identified property, plant and equipment are reduced to their net realisable values.

The impairment losses have been included in the administrative expenses in the consolidated income statement.

### 13. 物業、廠房及設備 (續)

上述物業、廠房及設備項目以直線法每年按以下利率折舊。

電子設備、傢俬及裝置	20%
汽車	20%
廠房及機器	10%
模具	20% – 33.33%

於兩個年度內，本集團已審閱物業、廠房及設備的帳面值，並辨識屬閒置或對本集團而言並無經濟價值的若干該等物業、廠房及設備。因此，該等已辨識物業、廠房及設備的帳面值已被削減至其可變現淨值。

減值虧損已於綜合收益表內計入行政開支內。

### 14. INTANGIBLE ASSETS

### 14. 無形資產

Software  
軟件  
RMB'000  
人民幣千元

<b>COST</b>	<b>成本</b>	
At 1 January 2005	於二零零五年一月一日	725
Additions	增加	40
At 31 December 2005	於二零零五年十二月三十一日	765
Additions	增加	1,654
Disposals	出售	(349)
At 31 December 2006	於二零零六年十二月三十一日	2,070
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1 January 2005	於二零零五年一月一日	34
Charge for the year	本年度開支	115
At 31 December 2005	於二零零五年十二月三十一日	149
Charge for the year	本年度開支	179
Elimination from Disposal	出售時對銷	(65)
At 31 December 2006	於二零零六年十二月三十一日	263
<b>CARRYING AMOUNT</b>	<b>賬面值</b>	
At 31 December 2005	於二零零五年十二月三十一日	616
At 31 December 2006	於二零零六年十二月三十一日	1,807

Software is amortised on a straight-line basis over its estimated useful lives of five years.

軟件以直線法按五年估計使用年期攤銷。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 15. PREPAID LEASE PAYMENTS

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Current portion	即期部分	251	-
Non-current portion	非即期部分	12,131	-
		<b>12,382</b>	-

The leasehold land of the Group are held under medium term leases outside Hong Kong and the release of prepaid lease payment is charged to the consolidated income statement over the terms of the leases of 50 years.

本集團根據中期租約持有香港以外的租賃土地及解除的預付租賃款項按租期50年在綜合收益表扣除。

The Directors consider that the carrying amount of prepaid lease payments approximates to their fair values.

董事認為預付租賃款項的帳面值與其公平值相若。

#### 16. DEFERRED TAX ASSETS

The following are the deferred tax assets recognised by the Group:

#### 16. 遞延稅項資產

以下為本集團確認的遞延稅項資產：

		Impairment loss on property, plant and equipment 物業、廠房及 設備減值虧損 RMB'000 人民幣千元	Impairment loss on trade and other receivables 應收貿易款項 及其他應收 款項減值虧損 RMB'000 人民幣千元	Accelerated accounting depreciation 加速合計折舊 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2005	於二零零五年一月一日	-	923	-	923
Credit to consolidated income statement for the year	計入本年度綜合收益表	77	276	-	353
At 31 December 2005	於二零零五年 十二月三十一日	77	1,199	-	1,276
Credit to consolidated income statement for the year	計入本年度綜合收益表	79	98	222	399
At 31 December 2006	於二零零六年十二月三十一日	156	1,297	222	1,675

The Group has unused tax losses of RMB778,000 (2005: RMB132,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

本集團之未動用稅項虧損為人民幣778,000元(二零零五年:人民幣132,000元),可用於抵銷未來溢利,並可無限期結轉。因未能預見未來溢利,故並未就稅項虧損確認遞延稅項資產。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 17. INVENTORIES

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Raw materials	原材料	94,908	49,252
Finished goods	製成品	-	13,999
		<b>94,908</b>	63,251

#### 17. 存貨

#### 18. TRADE AND NOTES RECEIVABLES

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Notes receivables	應收票據	26,319	27,437
Trade receivables	應收貿易款項	207,237	146,903
Less: Allowance for doubtful debts	減: 呆帳備抵	<b>(5,983)</b>	(7,241)
		<b>227,573</b>	167,099

#### 18. 應收貿易款項及應收票據

The average credit period granted on sales of goods ranged from 60 to 90 days. As at 31 December 2005, certain notes receivables are pledged to the banks to secure banking facilities granted to the Group, details of which are set out in note 27.

給予銷售貨品的平均除帳期為介乎60日至90日，於二零零五年十二月三十一日，若干應收票據已抵押予銀行，以換取給予本集團銀行融資額，其詳情載於附註27。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 18. TRADE AND NOTES RECEIVABLES (Continued)

The following is an aged analysis of trade and notes receivables at the balance sheet date:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
<b>Age</b>	<b>帳齡</b>		
0 to 60 days	0至60天	<b>168,524</b>	135,469
61 to 180 days	61至180天	<b>55,103</b>	31,630
181 to 365 days	181至365天	<b>3,808</b>	–
1–2 years	一至兩年	<b>138</b>	–
		<b>227,573</b>	167,099

The Directors consider that the carrying amount of trade and notes receivables approximates to their fair values.

#### 18. 應收貿易款項及應收票據 (續)

以下為於結算日應收貿易款項及應收票據的帳齡分析：

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
<b>Age</b>	<b>帳齡</b>		
0 to 60 days	0至60天	<b>168,524</b>	135,469
61 to 180 days	61至180天	<b>55,103</b>	31,630
181 to 365 days	181至365天	<b>3,808</b>	–
1–2 years	一至兩年	<b>138</b>	–
		<b>227,573</b>	167,099

董事認為應收貿易款項及應收票據的帳面值與其公平值相若。

#### 19. PROMISSORY NOTES

Pursuant to the Group Reorganisation, Mr. Fang Jin, a director of the Company issued promissory notes with principal amount of US\$49,999 (equivalent to approximately RMB406,000) to Great Speed on 15 November 2005 in respect of the subscription of 49,999 shares of Great Speed at US\$1.00 each. It is unsecured, non-interest bearing and repayable on demand. During the year ended 31 December 2006, the promissory notes were fully settled.

The Directors consider that the carrying amount of promissory notes approximate to their fair values.

#### 19. 承兌票據

根據集團重組，本公司董事方金先生已就認購宏迅的49,999股每股面值1.00美元的股份，於二零零五年十一月十五日向宏迅發行本金額49,999美元（相當於約人民幣406,000元）的承兌票據。承兌票據為無抵押、不附利息及須於要求時償還。於截至二零零六年十二月三十一日止年度，承兌票據已償付。

董事認為承兌票據的帳面值與其公平值相若。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 20. OTHER FINANCIAL ASSETS

##### Pledged bank deposits

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	<b>124,045</b>	2,878

The deposits carry fixed interest rate at 4.17% (2005: 1.71%) for the year. The pledged bank deposits will be released upon the settlement of the notes payables and bank borrowings. The Directors consider that the carrying amount of bank deposits approximates to their fair values.

##### Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The short-term bank deposits carry fixed interest rate at 0.72% (2005: 0.72%). The Directors consider that the carrying amount of these assets approximates to their fair values.

##### Other receivables and deposits

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Advance to suppliers	向供應商墊款	<b>74,334</b>	38,919
Advance to a related company	向有關連公司墊款	<b>4,972</b>	2,281
Refundable deposits	可退回按金	<b>1,493</b>	2,430
Others	其他	<b>48,274</b>	1,429
Less: Allowance for doubtful debts	減:呆帳備抵	<b>(2,665)</b>	(757)
		<b>126,408</b>	44,302

#### 20. 其他財務資產

##### 已抵押銀行存款

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	<b>124,045</b>	2,878

年內存款按4.17厘(二零零五年:1.71厘)的固定利率計息。已抵押銀行存款將於償付應付票據及銀行借款後予以解除。董事認為銀行存款的帳面值與其公平值相若。

##### 銀行結餘及現金

銀行結餘及現金包括本集團持有的現金及原到期日為三個月或以下的短期銀行存款。短期銀行存款按固定利率0.72厘(二零零五年:0.72厘)計息。董事認為該等資產的帳面值與其公平值相若。

##### 其他應收款項及按金

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Advance to suppliers	向供應商墊款	<b>74,334</b>	38,919
Advance to a related company	向有關連公司墊款	<b>4,972</b>	2,281
Refundable deposits	可退回按金	<b>1,493</b>	2,430
Others	其他	<b>48,274</b>	1,429
Less: Allowance for doubtful debts	減:呆帳備抵	<b>(2,665)</b>	(757)
		<b>126,408</b>	44,302



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 20. OTHER FINANCIAL ASSETS (Continued)

#### Other receivables and deposits (Continued)

The Directors consider that the carrying amount of other receivables and deposits approximates to their fair values.

The advance to a related company in which one of the Company's director has control, was trade in nature, unsecured, non-interest bearing and repayable on normal commercial terms (see note 32(c)).

### 20. 其他財務資產 (續)

#### 其他應收款項及按金 (續)

董事認為其他應收款項及按金的帳面值與其公平值相若。

向本公司其中一名董事控制的有關連公司墊付的款項屬貿易性質、無抵押、免息及須按正常商業條款支付(見附註32(c))。

### 21. SHARE CAPITAL/PAID-IN CAPITAL

### 21. 股本／實繳股本

		Number of shares 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元
Ordinary shares of HK\$0.10 each	每股面值0.10港元的普通股		
Authorised:	法定:		
On the date of incorporation (note a)	於註冊成立日期 (附註a)	3,800	382
Increase during the year (note c)	年內增加 (附註c)	4,996,200	501,968
Balance at 31 December 2006	於二零零六年十二月三十一日 的結餘	5,000,000	502,350
Issued and fully paid:	已發行及繳足:		
Allotted and issued on the date of incorporation (note a)	於註冊成立日期配發及發行 (附註a)	-	-
Issue of shares on Group Reorganisation (note b)	集團重組時發行股份 (附註b)	50	5
Issue of 49,950,000 shares pursuant to first capitalisation issue (note c)	根據第一次資本化發行發行 49,950,000股股份 (附註c)	49,950	5,018
Issue of 550,000,000 shares pursuant to second capitalisation issue (note d)	根據第二次資本化發行發行 550,000,000股股份 (附註d)	550,000	55,259
Issue of shares by placing and public offering (note e)	以配發及公開發售方式發行 股份 (附註e)	260,000	26,122
Balance at 31 December 2006	於二零零六年十二月三十一日 的結餘	860,000	86,404

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 21. SHARE CAPITAL/PAID-IN CAPITAL (Continued)

Notes:

- (a) The Company was incorporated on 20 July 2006 with an authorised share capital of HK\$380,000 (equivalent to RMB382,000) divided into 3,800,000 shares of HK\$0.10 each. 1 share of HK\$0.1 in the Company was allotted and issued to the initial subscriber for cash at par and was then transferred to Swift Joy for cash at par. On the same date, 100 shares of HK\$0.10 each in the Company were allotted and issued to Swift Joy (67 shares), Right Grand (30 shares) and Cheer View (3 shares).
- (b) On 31 July 2006, 33,433 shares, 14,970 shares and 1,497 shares are allotted and issued to Swift Joy, Right Grand and Cheer View respectively and credited as fully paid up at par as consideration for the acquisition by the Company of the entire issued share capital of Great Speed.
- (c) Pursuant to the written resolutions of the shareholders of the Company passed on 3 December 2006:
- (i) the authorised share capital of the Company has been increased from HK\$380,000 divided into 3,800,000 shares to HK\$500,000,000 divided into 5,000,000,000 shares by the creation of an additional 4,996,200,000 shares to rank *pari passu* in all respects with the shares then in issue.
- (ii) 33,466,500 shares, 14,985,000 shares and 1,498,500 shares have been allotted and issued to Swift Joy, Right Grand and Cheer View respectively (being a total of 49,950,000 shares) credited as fully paid up at par, such shares ranking *pari passu* in all respects with the then existing shares by capitalising HK\$4,995,000 from the Company's share premium account.
- (d) On 21 December 2006, conditional on the share premium account of the Company being credited as a result of the issue of the Offer Shares pursuant to the International Offering, an amount of HK\$55,000,000 (then standing to the credit of the share premium account of the Company) has been capitalised and applied to pay up in full at par a total of 550,000,000 shares for allotment and issued to the existing shareholders *pro rata* to their then holdings of shares.
- (e) On 21 December 2006, the Company issued and allotted 260,000,000 shares of HK\$0.10 each upon listing of the shares on the Stock Exchange at a price of HK\$2.02 per share, respectively. These shares rank *pari passu* with the then existing shares.

### 21. 股本／實繳股本 (續)

附註：

- (a) 本公司於二零零六年七月二十日註冊成立，其法定股本為380,000港元（相當於人民幣382,000元），分為3,800,000股每股面值0.10港元的股份。本公司向最初認購人按面值配發及發行1股0.1港元的股份以換取現金，並於其後按面值轉讓予迅悅以換取現金。同日，本公司分別向迅悅（67股股份）、正宏（30股股份）及悅景（3股股份）配發及發行100股每股面值0.10港元的股份。
- (b) 於二零零六年七月三十一日，本公司分別向迅悅、正宏及悅景按面值配發和發行33,433股、14,970股及1,497股入帳列為繳足股份，作為本公司收購宏迅全部已發行股本的代價。
- (c) 根據本公司股東於二零零六年十二月三日通過的書面決議案：
- (i) 藉增設4,996,200,000股股份，本公司的法定股本由380,000港元（分為3,800,000股股份）增至500,000,000港元（分為5,000,000,000股股份），該等新股份在各方面均與現有股份享有同等權益。
- (ii) 藉將本公司股份溢價帳中的4,995,000港元資本化，分別向迅悅、正宏及悅景按面值配發和發行33,466,500股、14,985,000股及1,498,500股（合共49,950,000股）入帳列為繳足股份，該等股份在各方面均與當時的現有股份享有同等權益。
- (d) 於二零零六年十二月二十一日，待本公司的股份溢價帳因根據國際發售發行發售股份而取得進帳後，將本公司股份溢價帳中的55,000,000港元（當時本公司股份溢價帳中的進帳）資本化，並動用該筆款項作為按面值繳足合共550,000,000股股份的資金，藉此按當時股東的持股比例向彼等配發和發行該等股份。
- (e) 於二零零六年十二月二十一日，本公司於股份在聯交所上市後按每股2.02港元的價格分別發行及配發260,000,000股每股面值0.10港元的股份，該等該等股份均與當時的現有股份享有同等權益。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 21. SHARE CAPITAL/PAID-IN CAPITAL (Continued)

Movement subsequent to the balance sheet date is set out in note 34.

The share capital of RMB406,000 shown on the consolidated balance sheet as at 31 December 2005 represented the issued and fully paid capital of Great Speed.

#### 21. 股本／實繳股本（續）

結算日後的變動載於附註34。

於二零零五年十二月三十一日的綜合資產負債表所示股本人民幣406,000元代表宏迅的已發行及繳足股本。

#### 22. TRADE AND NOTES PAYABLES AND OTHER PAYABLES

#### 22. 應付貿易款項及應付票據及其他應付款項

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Trade payables	應付貿易款項	69,473	15,409
Notes payables	應付票據	25,328	20,789
		<b>94,801</b>	36,198

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases ranged from 30 to 60 days.

Included above are payable to related parties amounted to RMB2,354,000 (2005: RMB1,626,000) (see note 32(f)).

The following is an aged analysis of trade and notes payables at the balance sheet date:

應付貿易款項主要包括貿易購貨及持續成本的未支付款項。貿易購貨的信貸期平均介乎30日至60日。

上述包括應付有關連人士款項人民幣2,354,000元（二零零五年：人民幣1,626,000元）（見附註32(f)）。

以下為於結算日應付貿易款項及應付票據的帳齡分析：

Age	帳齡	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
0 to 60 days	0至60日	86,790	22,033
61 to 180 days	61日至180日	6,589	14,039
181 to 365 days	181日至365日	1,229	23
1–2 years	一至兩年	146	103
Over 3 years	三年以上	47	–
		<b>94,801</b>	36,198

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 22. TRADE AND NOTES PAYABLES AND OTHER PAYABLES (Continued)

##### Other payables

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Deposits from customers	客戶按金	3,686	17,856
Payroll and welfare payables	應付薪酬及福利	3,392	4,807
Accrued expenses	應計開支	35,883	1,673
Other tax liabilities	其他稅項負債	-	3,118
Purchase of property, plant and machinery	購置物業、廠房及設備	18,349	789
Advance from suppliers	來自供應商的墊款	-	500
Others	其他	928	512
		<b>62,238</b>	29,255

The Directors consider that the carrying amount of the Group's trade and notes payables and other payables approximates to their fair values.

董事認為本集團的應付貿易款項及應付票據及其他應付款項的帳面值與其公平值相若。

#### 23. PROVISION FOR WARRANTY

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
At 1 January	於一月一日	1,606	-
Additional provision recognised	已確認額外撥備	966	1,606
At 31 December	於十二月三十一日	<b>2,572</b>	1,606

The provision for warranty claims represents management's best estimate of the Group's liability under a half-year warranty program granted on the own-brand name battery, based on prior experience and industry averages for defective products.

產品保修索償準備金指管理層根據過往經驗及業內次貨平均數目，就本集團授出的自有品牌電池半年保養計劃的負債作出的最佳估計。

The Directors consider that the carrying amount of provision for warranty approximates to their fair values.

董事認為產品保修準備金的帳面值與其公平值相若。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 24. BANK LOANS

#### 24. 銀行貸款

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Secured bank loans	已抵押銀行貸款	56,850	9,480
Unsecured bank loans	無抵押銀行貸款	20,918	69,000
Total bank loans	銀行貸款總額	77,768	78,480
Less: Amounts due for settlement within 12 months (shown under current liabilities)	減：須於12個月內清償的 款項（於流動負債 項下呈列）	(76,362)	(78,480)
Amounts due for settlement after 12 months	須於12個月後清償的款項	1,406	-

As at 31 December 2006, bank loans of RMB56,850,000 are secured by the Group's plant and machinery with an aggregate carrying amount of RMB3,290,000 and the Group's bank deposits of RMB124,045,000. Total bank loans of RMB77,768,000 are guaranteed for repayment jointly by Scud Battery and Great Speed.

於二零零六年十二月三十一日，為數人民幣56,850,000元的銀行貸款以本集團帳面值合共人民幣3,290,000元的廠房及機器及本集團人民幣124,045,000元的銀行存款作為抵押。合共人民幣77,768,000元的銀行貸款由飛毛腿電池及宏迅共同提供還款擔保。

As at 31 December 2005, bank loans included RMB75,480,000 guaranteed for repayment jointly by Scud Stock (Fujian) Co., Ltd. ("Scud Stock"), Fujian Digital China Technology Co., Ltd., Cai Hong Group (Hong Kong) Company Limited, Mr. Fang Jin, Mr. Lin Chao and Mr. Chen Guo Ping. Secured bank loans of RMB9,480,000 were secured by the Group's plant and machinery with an aggregate carrying amount of RMB19,063,000, bank deposits of RMB2,878,000 and notes receivables of RMB18,341,000.

於二零零五年十二月三十一日，包括在銀行貸款的為數人民幣75,480,000元由福建飛毛腿股份有限公司（「飛毛腿股份」）、福建神州數碼科技有限公司、彩弘集團（香港）有限公司、方金先生、林超先生及陳國平先生共同提供還款擔保。為數人民幣9,480,000元的有抵押銀行貸款則以本集團帳面值合共人民幣19,063,000元的廠房及機器、人民幣2,878,000元的銀行存款及人民幣18,341,000元的應收票據作為抵押。

The fair value of the above bank loans is estimated by discounting their future cash flows at the prevailing market borrowing rates at the balance sheet date. The Directors consider that the carrying amount of bank loans at 31 December 2006 approximates to their fair values.

上述銀行貸款的公平值按結算日市場借貸利率貼現其日後現金流量估計所得。董事認為於二零零六年十二月三十一日的銀行借貸的帳面值與其公平值相若。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 24. BANK LOANS (Continued)

The average effective interest rates per annum (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

		2006 二零零六年	2005 二零零五年
<b>Average effective interest rate</b>	<b>平均實際利率</b>		
Fixed-rate borrowings	固定借款	<b>5.65%</b>	5.12%

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant subsidiaries are set out below:

#### 24. 銀行貸款(續)

本集團的借款的平均實際年息(亦相當於合約利率)如下:

本集團以有關附屬公司的功能貨幣以外的貨幣為單位的借款載於下文:

		USD'000 千美元	JPY'000 千日元	HKD'000 千港元
At 31 December 2006	於二零零六年十二月三十一日	118	Nil	Nil
At 31 December 2005	於二零零五年十二月三十一日	739	39,356	793

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#### 25. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group was committed to make the following future minimum lease payments in respect of land and buildings rented under non-cancellable operating leases which fall due as follows:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Within one year	一年內	<b>2,146</b>	3,045
In the second to fifth year inclusive	兩至五年(首尾兩年包括在內)	<b>250</b>	1,261
		<b>2,396</b>	4,306

Operating lease payments include a balance of RMB1,228,000 (2005: RMB3,685,000) represent rentals payable by the Group to Scud Stock, a company with which Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng are common directors and shareholders, for premises, which are fixed for three years.

#### 25. 經營租約承擔

於結算日,本集團根據不可撤銷經營租約就租賃土地及樓宇的未來最低租賃款項將於以下期間到期:

經營租賃款項包括結餘人民幣1,228,000元(二零零五年:人民幣3,685,000),指本集團應付飛毛腿股份(方金先生、林超先生及郭泉增先生為共同董事及股東的公司)的三年定期物業租金。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 26. CAPITAL COMMITMENTS

#### 26. 資本承擔

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment	已就購置物業、廠房及設備訂約但未在財務報表內就此計提撥備	6,473	1,691

#### 27. PLEDGE OF ASSETS

At the balance sheet dates, the following assets have been pledged to the banks to secure general banking facilities granted to the Group.

#### 27. 資產抵押

於結算日，本集團已將以下資產抵押予銀行，作為批授一般銀行信貸的擔保：

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Bank deposits	銀行存款	124,045	2,878
Notes receivables	應收票據	-	18,341
Plant and machinery	廠房及機器	3,290	19,063
		127,335	40,282

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 28. CONTINGENT LIABILITIES

#### 28. 或然負債

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Guarantees given to the banks in respect of bank facilities utilised by:	就以下人士動用銀行信貸向銀行作出擔保：		
Related parties (note 32)	有關連人士 (附註32)	-	23,632
Third parties	第三方	-	17,000
		-	40,632
Guarantees given to the banks in respect of notes payables utilised by:	就以下人士動用應付票據向銀行作出擔保：		
Related parties (note 32)	有關連人士 (附註32)	-	18,776
Third parties	第三方	-	10,132
		-	28,908

In the opinion of the Directors of the Company, the fair value of the financial guarantees granted by the Group is immaterial.

本公司董事認為，本集團授出的財務擔保的公平值並不重大。

#### 29. RETIREMENT BENEFITS SCHEMES

The Group's qualifying employees in Hong Kong participate the Mandatory Provident Fund (the "MPF") in Hong Kong. The assets of the MPF are held separately from those of the Group in funds under the control of trustee. The Group and each of the employees make monthly mandatory contributions to the MPF schemes.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiaries are required to contribute approximately 18% of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

#### 29. 退休福利計劃

本集團在香港的合資格僱員參與香港的強制性公積金（「強積金」）。強積金的資產與本集團在受託人控制下的基金獨立持有。本集團及各名僱員每月向強積金計劃作出強制性供款。

受僱於中國附屬公司的僱員是中國政府經營的國家管理退休福利計劃成員。中國附屬公司須向退休福利計劃作出彼等酬金約18%，以為福利提供資金。本集團對退休福利計劃唯一的責任是根據計劃作出所需供款。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 30. CONVERTIBLE BONDS

Great Speed, a wholly owned subsidiary of the Group, issued US\$10,000,000 (equivalent to approximately RMB78,161,000) convertible bonds on 23 January 2006 with a coupon rate of 2.5% per annum and redemption premium of 12% per annum, and with maturity date on 22 January 2010 (the "Convertible Bonds"). The Convertible Bonds holder has the right at any time before maturity date to convert all or a portion of the Convertible Bonds into the Company's ordinary shares. Conversion notice shall be deemed to be served and all Convertible Bonds then outstanding shall be cancelled upon the issue of shares issuable upon conversion of such bonds in full on the date falling on the expiry of 6 months from the date of completion of listing of the Company. The conversion price per convertible bond was US\$1,269 and will be subject to adjustments upon the occurrence of dilutive events.

However, none of the Convertible Bonds may be redeemed by Great Speed before the maturity date without the prior written consent of all the holders of the Convertible Bonds.

The conversion will not result in settlement by the exchange of a fixed amount for a fixed number of equity instruments. Therefore, the entire Convertible Bonds were designated as "financial liabilities at fair value through profit or loss" which requires the Convertible Bonds to be carried at fair value at the balance sheet date and the changes in fair values are recognised in the consolidated income statement. During the year ended 31 December 2006, a loss on change in its fair value of approximately RMB8,495,000 is recognised in the consolidated income statement.

On 15 September 2006, a supplemental agreement to the issue of Convertible Bonds was signed between the Group and the holder of Convertible Bonds to modify the terms of the Convertible Bonds. Key changes of terms to the original agreement include (i) reduction of redemption premium from 12% to 7.875% and (ii) fixing of the foreign exchange rates of US\$ and HK\$ against RMB. With effect of these new terms that significantly modifies the cash flows that otherwise would be required under the supplemental agreement, management carried out a re-assessment of the Convertible Bonds. Such modification is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

### 30. 可換股債券

本集團全資附屬公司宏迅於二零零六年一月二十三日發行10,000,000美元(相當於約人民幣78,161,000元)的可換股債券,每年票息率為2.5厘,贖回溢價每年12厘,到期日為二零一零年一月二十二日(「可換股債券」)。可換股債券持有人有權於到期日前任何時間轉換所有或部分可換股債券為本公司的普通股。倘於本公司上市完成日期起計滿六個月當日全數轉換有關債券時可予發行的股份均獲發行後,則轉換通知將被視為已發出,而所有當時尚未行使的所有可換股債券將被視為已註銷。每份可換股債券的轉換價為1,269美元,並將於出現攤薄事件時予以調整。

然而,宏迅於到期日前在無取得所有可換股債券持有人的事先書面同意下,不得贖回可換股債券。

轉換將不會導致以將某項固定金額交換作固定數目的股本工具償付。因此,全部可換股債券被指定作為「於損益帳內按公平值入帳的財務負債」,規定可換股債券須於結算日按公平值入帳,而公平值的變動則直接於綜合收益表內確認。於截至二零零六年十二月三十一日止年度內,其公平值變動的虧損約人民幣8,495,000元已於綜合收益表內確認。

於二零零六年九月十五日,本集團與可換股債券持有人簽訂發行可換股債券的補充協議,以修訂可換股債券的條款。原有協議條款的重要變動包括(i)將贖回溢價由12%減少至7.875%及(ii)固定美元及港元兌人民幣的匯率。隨著該等新條款生效後,管理層已為可換股債券進行重新評估。有關修訂列作消除原財務負債,並承認新可換股債券。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 30. CONVERTIBLE BONDS (Continued)

The fair value of the Convertible Bonds on 15 September 2006 was calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

Stock price	US\$1,163 (RMB9,250)
Exercise price	US\$1,270 (RMB10,040)
Expected volatility	36.42%
Stock borrowing cost	6.90%
Expected dividend yield	3.48%
Market yield	14.96%

Upon the reassessment, the convertible bonds contain two components, liability and equity elements. The equity element is presented in equity heading "convertible bonds reserve". The effective interest rate of the liability component is 15.49%.

The movement of the liability component of the Convertible Bonds for the period between 16 September 2006 and the year end is set out below:

		RMB'000 人民幣千元
On issue date	於發行日期	78,161
Change in fair value	公平值變動	8,495
Liability as at 16 September 2006	於二零零六年九月十六日的負債	86,656
Equity component	權益部份	(11,015)
Liability component at date of issue	於發行日期的負債部份	75,641
Effective interest charge	實際利息支出	4,660
Interest paid	已付利息	(1,891)
Liability component at 31 December 2006	於二零零六年十二月三十一日的負債部份	78,410

#### 30. 可換股債券 (續)

於二零零六年九月十五日，可換股債券的公平值乃採用「柏力克-舒爾斯」期權定價模式計算。有關模式輸入數據如下：

股價	1,163美元 (人民幣9,250元)
行使價	1,270美元 (人民幣10,140元)
預計波幅	36.42%
借股成本	6.90%
預計股息收益	3.48%
市場收益	14.96%

於重新評估後，可換股債券包括負債及權益兩個部份，權益部份以「可換股債券儲備」項下以權益呈列，而負債部份的實際利率為15.49%。

二零零六年九月十六日至年終期間的可換股債券負債部份變動如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 31. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme:

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 3 December 2006 for the primary purpose of providing incentives to directors and eligible employees. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. The Scheme was adopted for a period of 10 years and the Company by ordinary resolution in general meeting or the Board of Directors of the Company may at anytime terminate the Scheme without prejudice to the options granted during the life of the Scheme and which remain unexpired immediately prior to such termination.

At 31 December 2006, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 24,970,000 (2005: N/A), representing 2.9% (2005: N/A) of the shares of the Company in issue at that time. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of share issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to a substantial shareholder or an Independent Non-executive Director or any of their respective associates representing in aggregate over 0.1% the Company's share capital on the date of such grant or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by resolution of the Company's shareholders (voting by way of poll).

### 31. 以股份為基礎之付款交易

股權結算購股權：

本公司之購股權計劃（「該計劃」）為根據二零零六年十二月三日就主要目的是為董事及僱員提供獎勵而通過之決議採納。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司董事）授出可認購本公司股份之購股權。該計劃採納年期為十年，在毋損該計劃年期內所授出購股權及於緊隨終止後尚未屆滿購股權之權益下，本公司可藉股東大會上之普通決議案或本公司董事會可於任何時間終止該計劃。

於二零零六年十二月三十一日，有關該計劃所授出且尚未行使購股權之股份數目為24,970,000股（二零零五年：不適用），佔本公司當時已發行股份2.9%（二零零五年：不適用）。未獲本公司股東事先批准前，有關根據該計劃可能授出購股權之股份總數不得超過本公司不時已發行股份之10%。有關向一名主要股東或一名獨立非執行董事或彼等各自之聯繫人士所授出或可能授出購股權之已發行及將予發行股份總數目佔本公司於授出日期股本0.1%以上或總值超出5,000,000港元者，必須事先取得本公司股東決議案批准（按股數投票形式表決）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 31. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

A consideration of HK\$1.0 is payable on the grant of an option.  
Options will be vested in the following manner:

#### Period of exercise of the relevant percentage of option

行使購股權相關百分比之期限

From the expiry of the first anniversary of the Listing Date to the last date of the second anniversary of the Listing Date (both days inclusive)  
由上市日期起計滿一週年日起至上市日期起計滿兩週年之最後日期止(包括首尾兩天)

From the expiry of the second anniversary of the Listing Date to the last date of the third anniversary of the Listing Date (both days inclusive)  
由上市日期起計滿兩週年日起至上市日期起計滿三週年之最後日期止(包括首尾兩天)

From the expiry of the third anniversary of the Listing Date to the last date of the fourth anniversary of the Listing Date (both days inclusive)  
由上市日期起計滿三週年日起至上市日期起計滿四週年之最後日期止(包括首尾兩天)

The exercise price is determined by the Directors of the Company and is fixed at HK\$2.02 per share.

### 31. 以股份為基礎之付款交易 (續)

代價1.0港元須於授出購股權時支付。  
購股權將以以下列方式歸屬：

#### Maximum percentage of options exercisable

可行使購股權之最高百分比

30% of the total number of Options granted

已授出購股權總數之30%

30% of the total number of Options granted

已授出購股權總數之30%

40% of the total number of Options granted

已授出購股權總數之40%

行使價由本公司董事釐定，而所釐定之行使價為每股2.02港元。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 31. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Details of specific category of options are as follows:

Option type	Date of grant	Proportion	Exercise period	Exercise price	Fair value at grant date
購股權類別	授出日期	比例	行使期	行使價	於授出日期之公平值
				HK\$	HK\$
				港元	港元
2006	21.12.2006	30%	21.12.2007 to 21.12.2008	2.02	0.37
		30%	21.12.2008 to 21.12.2009	2.02	0.47
		40%	21.12.2009 to 21.12.2010	2.02	0.54

### 31. 以股份為基礎之付款交易 (續)

特定類別購股權之詳情載列如下:

The following table discloses movements of the Company's share options held by employees and Directors during the year:

下表披露僱員及董事於年內所持有本公司購股權之變動:

Employees	Option type	Outstanding at 1.1.2006	Granted during the year	Outstanding at 31.12.2006
僱員	購股權類別	於二零零六年一月一日尚未行使	年內已授出	於二零零六年十二月三十一日尚未行使
	2006	-	9,670,000	9,670,000

Directors	Option type	Outstanding at 1.1.2006	Granted during the year	Outstanding at 31.12.2006
董事	購股權類別	於二零零六年一月一日尚未行使	年內已授出	於二零零六年十二月三十一日尚未行使
	2006	-	15,300,000	15,300,000

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 31. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

During the year ended 31 December 2006, options were granted on 21 December and the estimated fair value of the options granted is approximately HK\$11,713,000 (equivalent RMB11,768,000).

This fair value was calculated using The Black-Scholes pricing model. The inputs into the model were as follows:

Weighted average share price	加權平均股價
Exercise price	行使價
Expected volatility	預計波幅
Expected life	預計年期
Risk-free rate	無風險利率
Option A	購股權A
Option B	購股權B
Option C	購股權C
Expected dividend yield	預計股息率

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expense of RMB175,000 for the year ended 31 December 2006 (2005: N/A) in relation to share options granted by the Company.

The fair value of the share options granted during the financial year is HK\$0.3716 (2005: N/A). Options were priced through the application of Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the current average annualised standard deviations of the continuously compounded rates of return on the share prices of other comparable with similar business operations listed in the Stock Exchange.

### 31. 以股份為基礎之付款交易 (續)

截至二零零六年十二月三十一日止年度期間，購股權已於十二月二十一日授出，所授出購股權之估計公平值約為11,713,000港元（相等於人民幣11,768,000元）。

此公平值乃按柏力克－舒爾斯期權定價模式計算。就此模式所計入的項目如下：

2006 二零零六年
HK\$ 2.88港元
HK\$ 2.02港元
38.15%
1.5–3.5 years年
3.58%
3.61%
3.69%
2.54%

該模式所使用的預計年期已根據管理層就不可轉讓性、行使限制及行為考慮因素的影響作出的最佳估計而予以調整。

本集團於截至二零零六年十二月三十一日止年度（二零零五年：不適用）就本公司所授出購股權認開支總額為人民幣175,000元。

本財政年度所授出購股權之公平值為0.3716港元（二零零五年：不適用）。購股權是透過應用柏力克－舒爾斯期權定價模式定價。如相關者，該模式所使用的預計年期已根據管理層就不可轉讓性、行使限制（包括購股權附帶符合市況之盈利能力）及行為考慮因素的影響作出的最佳估計而予以調整。預計波動乃根據於聯交所上市之類似營運業務之其他可資比較股份之持續複合年收益率當期之平均年度標準差異釐定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 32. RELATED PARTY TRANSACTIONS

(a) Name of and relationship with related companies are as follows:

#### Name of related parties

有關連人士名稱

Cai Hong Group (Hong Kong) Co., Ltd. (“Cai Hong”)  
(Formerly known as Scud Group (Hong Kong)  
Company Limited”)

彩弘集團(香港)有限公司(「彩弘」)(前稱「飛毛腿集團  
(香港)有限公司」)

Fujian Youtong Co., Ltd. (“Fujian Youtong”)  
(Formerly known as Scud (Fujian) Precision Mould  
Co., Ltd.)

福建友通實業有限公司(「福建友通」)(前稱「福建飛毛腿  
精密制模有限公司」)

Fujian Junpeng Hardware Co., Ltd. (“Junpeng Hardware”)  
(Formerly known as Scud (Fujian) Precision Hardware  
Co., Ltd.)

福建駿鵬五金有限公司(「駿鵬五金」)(前稱「福建飛毛腿  
精密五金有限公司」)

Scud Stock (Fujian) Co., Ltd. (“Scud Stock”)  
福建飛毛腿股份有限公司(「飛毛腿股份」)

Fang Jin  
方金

Lin Chao  
林超

Guo Quan Zeng  
郭泉增

### 32. 有關連人士交易

(a) 有關連公司名稱及與其關係如下:

#### Relationship

關係

A company with Mr. Fang Jin,  
Mr. Lin Chao and Mr. Guo Quan Zeng  
being common directors and  
shareholders

方金先生、林超先生及郭泉增先生為  
共同董事及股東的公司

A company with Mr. Fang Jin,  
Mr. Lin Chao and Mr. Guo Quan Zeng  
being common directors and  
shareholders

方金先生及林超先生及郭泉增先生為  
共同董事及股東的公司

A company with Mr. Lin Chao being a  
common director and shareholder  
林超先生為共同董事及股東的公司

A company with Mr. Fang Jin,  
Mr. Lin Chao and Mr. Guo Quan Zeng  
being common directors and  
shareholders  
方金先生、林超先生及郭泉增先生為共同  
董事及股東的公司

Director  
董事

Director  
董事

Director  
董事

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 32. RELATED PARTY TRANSACTIONS (Continued)

##### (b) Related party transaction

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
<b>Purchase of raw materials</b>			
	<b>購買原材料</b>		
Fujian Youtong	福建友通	<b>16,458</b>	13,213
Scud Stock	飛毛腿股份	-	1,299
Cai Hong	彩弘	-	51
Junpeng Hardware	駿鵬五金	<b>1,972</b>	659
		<b>18,430</b>	15,222
<b>Purchase of moulds</b>			
	<b>購買模具</b>		
Fujian Yontong	福建友通	<b>1,145</b>	1,348
Junpeng Hardware	駿鵬五金	<b>300</b>	124
		<b>1,445</b>	1,472
<b>Rental expenses</b>			
	<b>租金開支</b>		
Scud Stock	飛毛腿股份	<b>2,472</b>	2,492

##### *Transfer of trademarks*

Pursuant to a trademarks transfer agreement dated 15 December 2005 between Scud Stock and Scud Battery, certain trademarks had been transferred from Scud Stock to Scud Battery at nil consideration. Up to 31 December 2006, Scud Battery is still in the progress to apply for the transfer of the trademarks certificates.

##### *商標轉讓*

根據飛毛腿股份與飛毛腿電池於二零零五年十二月十五日訂立的商標轉讓協議，若干商標已由飛毛腿股份以零代價轉讓予飛毛腿電池。直至二零零六年十二月三十一日為止，飛毛腿電池仍在申請轉讓商標證書。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 32. RELATED PARTY TRANSACTIONS (Continued)

##### (c) Other receivables and deposits

Included in other receivables and deposits are certain balances with related parties as follows:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Fujian Youtong	福建友通	4,972	1,017
Junpeng Hardware	駿鵬五金	-	1,264
		4,972	2,281

These balances comprise amounts outstanding for trade purposes.

##### (d) Trade payables

Included in trade and notes payables are certain balances with related parties as follows:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Scud Stock	飛毛腿股份	600	1,520
Cai Hong	彩弘	-	51
		600	1,571

#### 32. 有關連人士交易 (續)

##### (c) 其他應收款項及按金

其他應收款項及按金包括與有關連人士的若干結餘:

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
	4,972	1,017
	-	1,264
	4,972	2,281

此等結餘包括未付交易金額。

##### (d) 應付貿易款項

應付貿易款項及票據包括與有關連人士的若干結餘:

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
	600	1,520
	-	51
	600	1,571

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 32. RELATED PARTY TRANSACTIONS (Continued)

##### (e) Amounts due from related parties

				Maximum balance outstanding 最高未付結餘	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Scud Stock	飛毛腿股份	960	-	1,265	5,642
Chen Guo He	陳國和	-	-	-	4,086
		<b>960</b>	-	<b>1,265</b>	9,728

The amounts due from related parties were unsecured, non-interest bearing and repayable on demand.

The Directors considered that these amounts approximate to their fair values.

應收有關連人士的金額屬無抵押、免息及須於要求時償還。

董事認為該等金額與其公平值相若。

##### (f) Amounts due to related parties

		二零零六年 RMB'000 人民幣千元	二零零五年 RMB'000 人民幣千元
Fang Jin	方金	-	406
Lin Chao	林超	-	1,198
Cai Hong	彩弘	2,129	22
Scud Stock	飛毛腿股份	225	-
		<b>2,354</b>	1,626

The amounts due to related parties were of non-trade nature, unsecured, interest-free and repayable on demand.

The Directors considered that these amounts approximate to their fair values.

應付有關連人士的金額屬非貿易性質、無抵押、免息及須於要求時償還。

董事認為該等金額與其公平值相若。

##### (g) Guarantees received from the related parties

At 31 December 2006, the bank loan amounting to RMB77,768,000 (2005: RMB75,480,000) were guaranteed by related parties, details of which are set out in note 24.

##### (g) 應收有關連人士的擔保

於二零零六年十二月三十一日，銀行貸款人民幣77,768,000元（二零零五年：人民幣75,480,000元）由有關連人士擔保，其詳情載於附註24。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

#### 32. RELATED PARTY TRANSACTIONS (Continued)

- (h) Guarantees given to banks in respect of banking facilities utilised by:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Scud Stock	飛毛腿股份	-	4,000
Fujian Youtong	福建友通	-	16,000
Junpeng Hardware	駿鵬五金	-	3,632
		-	23,632

- (i) Guarantees given to banks in respect of notes payables utilised by:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Junpeng Hardware	駿鵬五金	-	8,976
Fujian Youtong	福建友通	-	9,800
		-	18,776

- (j) Key management remuneration:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Salaries	薪金	2,273	745
Bonus	花紅	-	319
Retirement benefits scheme contributions	退休福利計劃供款	14	6
Other benefits	其他福利	4	1
		2,291	1,071

#### 32. 有關連人士交易 (續)

- (h) 就以下人士動用銀行信貸向銀行作出擔保:

- (i) 就以下人士動用應付票據向銀行作出擔保:

- (j) 主要管理人員薪酬:

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 33. DETAILS OF SUBSIDIARIES

Details of the Company's subsidiaries, all of which are wholly-owned by the Company at 31 December 2006 are as follows:

### 33. 附屬公司詳情

於二零零六年十二月三十一日由本公司全資擁有的本公司附屬公司詳情如下：

Name of subsidiaries	Country of establishment/ operations	Issued share capital/ paid-in capital 已發行股本/ 實繳股本	Principal activities
附屬公司名稱	成立/經營國家		主要業務
Great Speed Enterprises Limited (宏迅企業有限公司)	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	Investment holding 投資控股
Scud (Fujian) Electronics Co. Ltd. (飛毛腿(福建)電子有限公司) (note a) (附註a)	PRC 中國	US\$20,000,000 20,000,000美元	Manufacture and sales of rechargeable battery packs, chargers and related for mobile phones, accessories notebook computers, digital cameras and other electrical appliances 製造及銷售應用於移動電話、筆記本電腦、數碼相機及其他電子配件的二次充電電池組、充電器及其他有關配件
Scud (Fujian) Battery Co. Ltd. (飛毛腿(福建)電池有限公司) (note b) (附註b)	PRC 中國	US\$30,000,000 30,000,000美元	Manufacture and sales of rechargeable battery packs, chargers and related accessories for mobile phones, notebook computers, digital cameras and other electrical appliances 製造及銷售應用於移動電話、筆記本電腦、數碼相機及其他電子配件的二次充電電池組、充電器及其他有關配件

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006  
截至二零零六年十二月三十一日止年度

### 33. DETAILS OF SUBSIDIARIES (Continued)

### 33. 附屬公司詳情 (續)

Name of subsidiaries	Country of establishment/ operations	Issued share capital/ paid-in capital 已發行股本/ 實繳股本	Principal activities
附屬公司名稱	成立/經營國家		主要業務
Scud Electronics (Shenzhen) Co. Ltd. (飛毛腿電子(深圳)有限公司) (note c) (附註c)	PRC 中國	US\$3,000,000 3,000,000美元	Manufacture and sales of rechargeable battery and related accessories for mobile phones, notebook computers, digital cameras and other electrical appliances 製造及銷售應用於移動電話、電子配件的二次充電電池組、充電器及其他有關配件
Scud Group (Hong Kong) Company Limited (飛毛腿集團(香港)有限公司)	Hong Kong 香港	HK\$1,000 1,000港元	Provision of corporate management services 提供公司管理服務

Notes:

- (a) Wholly owned foreign enterprise for a term of 50 years commencing 31 October 1997.
- (b) Wholly owned foreign enterprise for a term of 50 years commencing 6 December 2005.
- (c) Wholly owned foreign enterprise for a term of 50 years commencing 26 October 2006.

附註:

- (a) 外商獨資企業，一九九七年十月三十一日起計為期五十年。
- (b) 外商獨資企業，二零零五年十二月六日起計為期五十年。
- (c) 外商獨資企業，二零零六年十月二十六日起計為期五十年。

### 34. SUBSEQUENT EVENT

On 8 January 2007, the Company issued and allotted 39,000,000 shares of HK\$0.10 each at HK\$2.02 each upon the exercise of the over-allotment option pursuant to the Company's Prospectus dated 11 December 2006 for a total consideration of approximately HK\$78,780,000.

On 7 February 2007, Neng Liang Limited, the holder of the Convertible Bonds, has exercised its right to convert all the Convertible Bonds (US\$10,000,000) into an aggregate of 93,001,246 shares of HK\$0.1 each of the Company.

### 34. 結算日後事項

於二零零七年一月八日，根據本公司日期為二零零六年十二月十一日之招股章程行使超額配股權，本公司按每股2.02港元發行及配發39,000,000股每股面值0.10港元的股份，總代價約為78,780,000港元。

於二零零七年二月七日，可換股債券持有人Neng Liang Limited已行使其權利兌換所有可換股債券(10,000,000美元)為合共93,001,246股每股面值0.1港元之本公司股份。