

SCUD GROUP LIMITED

飛毛腿集團有限公司\*

*(incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 1399)

# Merging the Power

結合能量 為未來充電 **Charging the Future**

2007 Annual Report 年報



# Compelling Market Leadership With Continuing Growth

## 領先市場地位 業務不斷成長

Over 超過

35,000

points of sales across the PRC  
銷售網點覆蓋中國

Distribution and marketing of  
More than 分銷及推廣逾

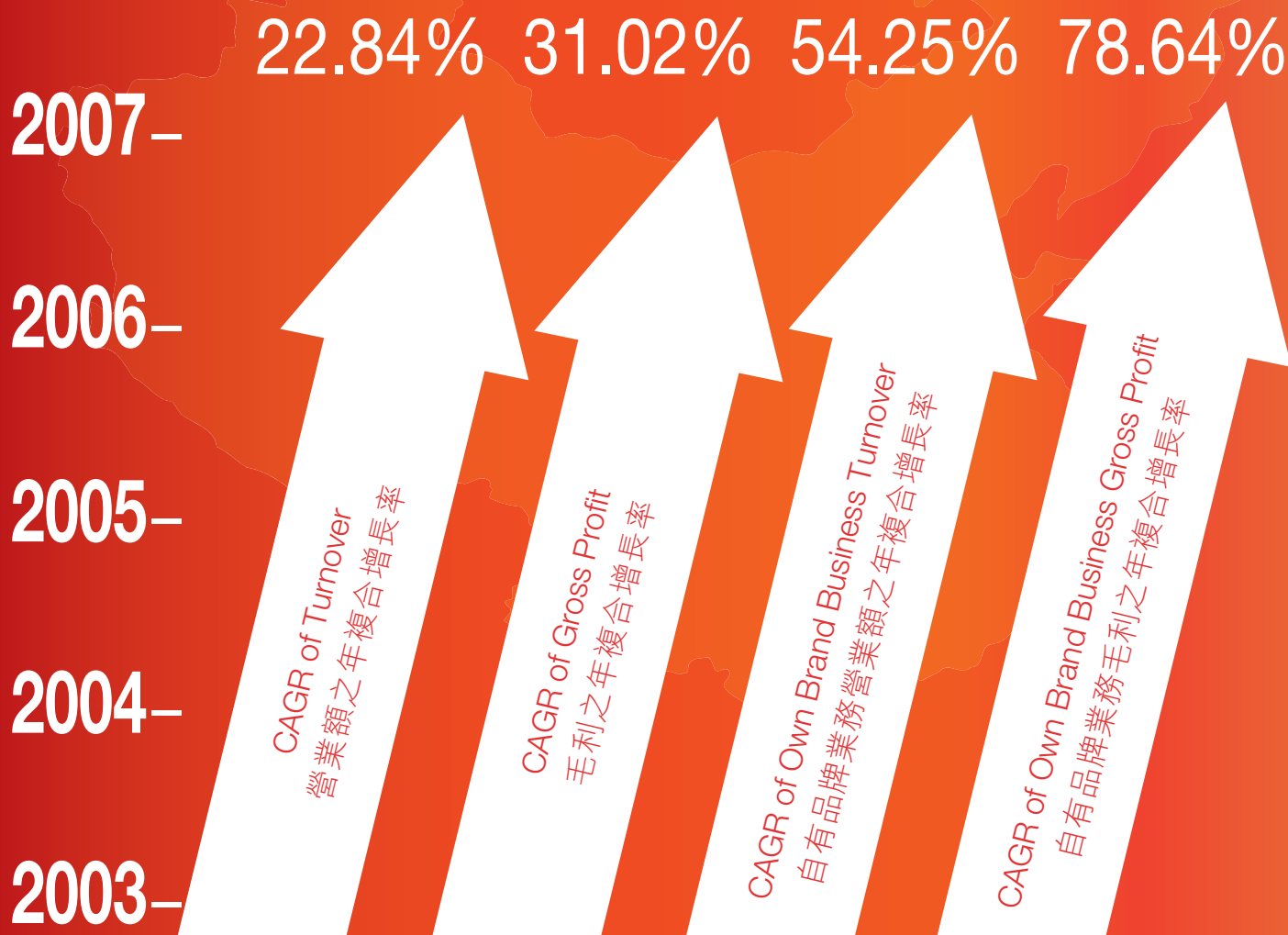
2,800

models of mobile phone  
rechargeable battery packs  
種不同型號的移動電話  
二次充電電池組

Market share approximately  
市場佔有率約佔

19%

immediately after acquiring "Chaoliton"  
緊隨完成收購『超力通』



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# Corporate Profile

## 公司簡介

The Group is a market leader in the distribution and marketing of rechargeable battery packs for mobile phones in the People's Republic of China ("PRC") under its own brand name of "SCUD 飛毛腿". The Group has also further broadened its product range and developed compatible rechargeable battery packs for other 3C products, including notebook computers, digital cameras and other portable electronic devices in order to enlarge the Group's revenue sources and enhance its market competitiveness.

The Group has been developing its brand name of "SCUD 飛毛腿" since 1997. As at 31 December 2007, the Group's own "SCUD 飛毛腿" brand products comprised approximately 2,800 models of rechargeable mobile phone battery packs which are compatible with approximately 3,100 mobile phone models. During the year, the number of first tier distributors of the Group has exceeded 360, at least over 180 are exclusive distributors, with over 35,000 points of sales. Fundamentally, the first and second tier cities in the PRC with high consumption power have been covered and a stable and extensive sales network has been established.

The Group's own brand business uses "SCUD 飛毛腿" as its sales brand name and is well known in the PRC. Since the Group launched its "SCUD 飛毛腿" products, four major product series, namely "Business Series 商務系列", "Gold Series 金品系列", "Standard Series 標準系列" and "Economy Series 經濟系列", have been developed to cater for the needs of different consumers. In the past five years, the sales of the Group's own brand rechargeable battery packs grew significantly with approximately 25 million pieces sold in 2007, which is 6.6 times of the figures in 2003 (approximately 3.8 million pieces) and reflected rapid growth of the Group as the brand has gained extensive popularity in the market. In addition, the Group also engaged in original equipment manufacturing (OEM) business, supplying original rechargeable battery for renowned mobile phone manufacturers such as Lenovo, Huawei, ZTE, UT Starcom, Sangfei, Hisense, Haier and etc.

To further develop the Group's market segments, the Group entered into an agreement to acquire the principal operating assets of one of its largest competitors "Chaoliton 超力通" in December 2007. "Chaoliton 超力通" has strong retail networks in rural areas, second tier and third tier cities and could complement the Group's networks in first and second tier cities. The Group believes that the different advantages from the two brands will be beneficial for reducing the cost and market competition risks in the Group's rural market expansion and increasing the productivity, lowering integrated costs and enhancing efficiency of the Group. With the inclusion of "Chaoliton 超力通" after the acquisition, the Group's points of sales will reach 50,000, forming an extensive network with national market coverage.

本集團是一家在中華人民共和國(「中國」)主要從事其自有「SCUD 飛毛腿」品牌移動電話二次充電電池組分銷和推廣的市場領先者，本集團亦已進一步增加產品類別並開發兼容其他3C產品(包括筆記本電腦、數碼相機和其他便攜式電子產品)的二次充電電池組，以增加本集團收入來源並提升其市場競爭力。

本集團自一九九七年以來一直不斷發展其「SCUD 飛毛腿」品牌。於二零零七年十二月三十一日，集團自有品牌「SCUD 飛毛腿」的產品包括約2,800款型號的移動電話二次充電電池組，可兼容約3,100款型號的移動電話。年內，本集團的一級分銷商數目已經超過360家，當中至少超過180家為獨家分銷商，銷售點超過35,000個，基本上已覆蓋全國具高消費力的一、二線城市，建立穩固而龐大的銷售網絡。

本集團的自有品牌業務以「SCUD 飛毛腿」為銷售品牌，在國內享負盛名。本集團自推出「SCUD 飛毛腿」產品以來，已發展出四個主要產品系列，包括「商務系列」、「金品系列」、「標準系列」及「經濟系列」，迎合不同消費者的需要。在過去五年，本集團自有品牌二次充電電池組的銷量激增，二零零七年銷售量高達約2,500萬顆，是二零零三年(約380萬顆)的6.6倍，反映集團高速成長，及成為市場廣泛歡迎的品牌。另外，本集團亦從事原廠專業代工業務(OEM)，為聯想、華為、中興、UT斯達康、桑達·菲利浦、海信以及海爾等知名移動電話製造商供應原裝二次充電電池。

為了進一步拓展本集團的市場層面，於二零零七年十二月，本集團訂立協議收購最大競爭對手之一的「超力通」的主要營運資產。「超力通」在農村地區及二、三線城市擁有強大的零售網絡，能夠與本集團現有的一、二線城市網絡互補不足。本集團相信，憑藉兩個品牌不同的優勢，將有利於降低本集團於農村市場擴張之成本和市場競爭風險，及提高本集團產能、降低綜合成本和提升效率。連同「超力通」在內，完成收購後，本集團的銷售網點將達50,000個，形成覆蓋全國市場的龐大網絡。

# Financial Highlights

## 財務概要

FOR THE YEAR ENDED 31 DECEMBER 2007

(RMB million except where otherwise stated)

截至二零零七年十二月三十一日止年度

(除另有註明外，以百萬人民幣列示)

		2007 二零零七年	2006 二零零六年	% Change 變動百分比
Total Production Capacity of Rechargeable Battery Packs (million piece)	充電電池組總產能 (百萬件)	48.0	40.0	20.0
Turnover	營業額	960.9	936.3	2.6
Profit from Operations	經營溢利	183.0	183.4	(0.2)
Profit Attributable to Equity Holders of the Company	本公司權益持有人 應佔溢利	15.5	160.2	(90.3)
Total Assets	資產總值	1,153.1	1,156.8	(0.3)
Capital Expenditure	資本開支	121.5	38.5	215.6
EBITDA	未計利息、稅項、折舊及 攤銷前之盈利	40.3	198.0	(79.6)
Basic Earnings Per Share (RMB cents)	每股基本盈利(人民幣仙)	1.58	26.35	(94.0)
Diluted Earnings Per Share (RMB cents)	每股攤薄盈利(人民幣仙)	1.58	24.93	(93.7)
Current Ratio (Times)	流動比率(倍)	5.4	3.3	63.6
Quick Ratio (Times)	速動比率(倍)	4.6	3.0	53.3
Total Debt to Equity Ratio (%)	債務總額相對權益之比率(%)	1.5	18.7	(17.2pts/百分點)
Cash Position	現金狀況	497.9	611.0	(18.5)
Proposed Final Dividend Per Share (HKD cents)	擬派每股末期息(港仙)	2.0	—	N/A 不適用

# Corporate Information

## 公司資料

### REGISTERED OFFICE

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
Grand Cayman KY1-1111  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 39, Kuaian Technology Zone  
Mawei Economic and Technology Development Zone  
Mawei District, Fuzhou  
Fujian Province, PRC

### PLACE OF BUSINESS IN HONG KONG

Room 5505, 55/F Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

### BOARD OF DIRECTORS

#### Executive Directors

Fang Jin (Chairman)  
Lin Chao (Vice Chairman)  
Guo Quan Zeng (Chief Executive Officer)  
Li Hui Qiu

#### Non-Executive Directors

Heng Kwoo Seng\*  
Wang Jing Zhong\*  
Wang Jian Zhang\*  
Ho Man

\* Independent Non-Executive Director

### COMPANY SECRETARY

Yeung Mun Tai (FCCA, CPA)

### QUALIFIED ACCOUNTANT

Yeung Mun Tai (FCCA, CPA)

### AUTHORIZED REPRESENTATIVES

Fang Jin  
Yeung Mun Tai

### 註冊辦事處

Codan Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
Grand Cayman KY1-1111  
Cayman Islands

### 中國主要營業地點

中國福建省  
福州市馬尾區  
馬尾經濟技術開發區  
快安科技園區第39號

### 香港營業地點

香港灣仔  
港灣道18號  
中環廣場55樓5505室

### 董事會

#### 執行董事

方金(主席)  
林超(副主席)  
郭泉增(行政總裁)  
李會秋

#### 非執行董事

邢詒春\*  
王敬忠\*  
王建章\*  
何敏

\* 獨立非執行董事

### 公司秘書

楊滿泰(FCCA, CPA)

### 合資格會計師

楊滿泰(FCCA, CPA)

### 獲授權代表

方金  
楊滿泰

# Corporate Information

## 公司資料

### COMPLIANCE ADVISER

Cazenove Asia Limited

### LEGAL ADVISER

Richards Butler  
in association with Reed Smith LLP

### AUDITORS

Moore Stephens Certified Public Accountants

### AUDIT COMMITTEE

Heng Kwoo Seng (Chairman)  
Wang Jing Zhong  
Wang Jian Zhang  
Ho Man

### REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Fang Jin (Chairman)  
Heng Kwoo Seng  
Wang Jing Zhong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
26/F Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

### PRINCIPAL BANKERS

Xiamen International Bank  
Fuzhou City Commercial Bank  
China Merchants Bank

### WEBSITE

<http://www.scudcn.com>

### 合規顧問

嘉誠亞洲有限公司

### 法律顧問

齊伯禮律師行  
禮德律師行聯營行

### 核數師

馬施雲會計師事務所

### 審核委員會

邢詒春(主席)  
王敬忠  
王建章  
何敏

### 薪酬委員會及提名委員會

方金(主席)  
邢詒春  
王敬忠

### 股份過戶登記總處

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

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 主要往來銀行

廈門國際銀行  
福州市商業銀行  
招商銀行

### 網站

<http://www.scudcn.com>

# A Strong Brand With Upgraded Image

提升門店形象 鞏固品牌地位





# Chairman's Statement

## 主席報告書



**Fang Jin** *Chairman*  
方金 主席

Dear shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual results of SCUD Group Limited (the "Company" and together with its subsidiaries, the "Group") for the year ended 31 December 2007.

### Business Review

The year 2007 brought both challenges and opportunities to the Group. In May last year, a serious fire occurred in our production plant in Fuzhou and destroyed a majority of the Group's inventory and unavoidably affected our production. However, with the solidarity between the management and the staff, remedial works were quickly carried out. Meanwhile, major distributors, OEM customers and suppliers which have developed long-term cooperative relationship with the Group offered their support and understanding, contributing to a quick and full resumption of production and operation within half year. The Group was successful in turning the loss to profit within the second half of 2007. I would like to express my immense gratitude again to each colleague and business partner.

致各位股東：

本人謹代表董事會欣然提呈飛毛腿集團有限公司(「本公司」或連同其附屬公司為「本集團」)截至二零零七年十二月三十一日止年度的全年業績。

### 業務回顧

二零零七年對本集團而言，既是挑戰也不失機遇。去年五月底，本集團位於福州的生產廠房發生嚴重火災，令大部份存貨被銷毀及無可避免的對生產構成影響。然而，憑藉管理層及員工上下一心，迅速進行補救工作。同時，與本集團已建立長期合作關係的主要分銷商、OEM客戶及供應商等給予體諒和支持，令受影響的生產及營運工作能夠在短短半年間全面恢復過來，業務迅速重上軌道，成功令二零零七年下半年業績轉虧為盈。本人謹在此再次向各全人及業務夥伴致以萬分感謝。

# Chairman's Statement

## 主席報告書

In the face of challenges, the Group still focused on the expansion of its own brand business. Last December, the Group entered into an agreement to acquire the principal operating assets of Chaoliton Electronics Company Limited (“Chaoliton 超力通”), one of the largest competitors in the industry, for a total consideration up to RMB245,000,000. The Group believes that upon completion of the acquisition, the Company is expected to benefit in terms of its expanded sales network, production capacity increase, product variety increase and R&D capability enhancement, so as to strengthen the leader position of “SCUD 飛毛腿” as the largest producer of mobile phone rechargeable battery packs in the PRC market.

### Results Performance

The fire in last year led to a loss of RMB125,257,000 incurred in the results of Group for the first half of the year. However, after endeavour and effective measures, the Group was successful in turning the loss into profit in the second half of the year. As at 31 December 2007, the profit attributable to equity holders for the year amounted to approximately RMB15,513,000 and the earnings per share was RMB1.58 cents. Net profit for the year included the loss due to the fire of approximately RMB164,581,000 (net of insurance compensation).

With its market leader position in the sales and marketing of its own “SCUD 飛毛腿” brand mobile phone rechargeable battery packs, the Group will focus on strengthening its brand equity and the expansion of sales network in the future. Meanwhile, the Group will continue to look for profitable opportunities of merger and acquisition to accelerate its business growth. As the Chinese economy continues to develop, the demand for 3C products will increase, leading to an increase in the demand for rechargeable battery packs as an energy supply to those devices. Leveraging on the diversified product mix of the Group, it will be benefited from the opportunities in the 3C market.

### Brand Equity

The Group's business comprises two segments, namely own brand business and OEM business. In addition to the OEM production of mobile phone rechargeable batteries and chargers for major customers such as Lenovo, Huawei, ZTE, UT Starcom, Sangfei, Hisense and Haier, the Group recognizes the importance of brand equity and channel development in the enhancement of its market competitiveness. Accordingly, in recent years the Group has been actively expanding its own brand business through the “SCUD 飛毛腿” brand name and strengthening its own sales network.

本集團在面對挑戰的同時，仍然專注自有品牌業務擴展。去年十二月訂立協議以應付代價總額最多人民幣245,000,000元，收購行內最大競爭對手之一的超力通電子有限公司（「超力通」）之主要營運資產。本集團相信，於完成收購後，本公司預期可受惠於可擴展的銷售網絡、產能提升、產品多元化及研發能力提升等範疇，鞏固「SCUD 飛毛腿」作為中國移動電話二次充電電池組市場最具規模的領導者地位。

### 業績表現

去年發生的火災意外令本集團上半年業績錄得約人民幣125,257,000元虧損，但經過本集團努力及採取有效的措施後，成功令下半年業績扭虧為盈。截至二零零七年十二月三十一日止，錄得全年權益持有人應佔溢利約人民幣15,513,000元，每股盈利人民幣1.58仙。全年淨利潤當中已包括火災意外扣除保險賠償後的淨損失約人民幣164,581,000元。

本集團既已成為一家在中國主要從事自有「SCUD 飛毛腿」品牌移動電話二次充電電池組銷售和營銷的市場領先者，今後的業務方針將會集中在強化品牌價值和拓展銷售網絡兩方面。同時，本集團亦會繼續物色具效益的併購機會，以把握加快本集團業務發展的市場機遇。隨著中國國內經濟不斷發展，3C產品的需求將會增加，帶動作用有關裝置電源的二次充電電池組的需求上升。憑藉本集團多元化的產品組合，將受惠於3C產品市場所帶來的商機。

### 品牌價值

本集團業務由兩個業務板塊組成，分別為自有品牌業務及原廠專業代工（OEM）業務。除了為聯想、華為、中興、UT斯達康、桑達·菲利浦以及海信、海爾等主要客戶生產移動電話二次充電電池及充電器外，本集團更加明確品牌價值和渠道建設對提升市場競爭力的重要性，因此，近年積極透過旗下的「SCUD 飛毛腿」品牌拓展自有品牌業務和強化完善自身的營銷網絡。

# Chairman's Statement

## 主席報告書

In the 2007 financial year, the Group's own brand business accounted 64.1% of the total turnover, a substantial increase from 25.8% in 2003. It is exciting that the "SCUD 飛毛腿" brand name has received a number of outstanding awards. In December last year, the "SCUD 飛毛腿" brand's Li-ion battery was awarded Certificate of Exemption from Government Inspection ("國家免檢產品") by the General Administration of Quality Supervision, Inspection and Quarantine of the People Republic of China ("AQSIQ"). The Group is the first and only domestic producer of Li-ion rechargeable battery that has been awarded such Certificate of Exemption, proving that the products of the Group have passed the stringent requirements on quality and safety set by relevant government authorities. In a market of uneven quality of mobile phone rechargeable batteries, the confirmation on the "SCUD 飛毛腿" brand by the AQSIQ further manifests the competitiveness of the Group's products in the aspects of quality, safety and brand value, and strengthens the confidence of consumers in the "SCUD 飛毛腿" brand. Meanwhile, the Group was awarded Certificate of National Laboratory Accreditation ("國家實驗室認可證書") by China National Accreditation Services for Conformity Assessment, proving that the standard of the Group's rechargeable battery products reaches national level.

In January 2008, the Chinese edition of Forbes Magazine announced the "List of Potential Enterprises in the PRC 2008". The Group was ranked 28th amongst the 200 enterprises on the list. The Group's attainment of such a high ranking by the magazine of international prestige within one year after its listing on the Main Board of the Stock Exchange of Hong Kong in December 2006 further proved the success of the operation and brand strategy of the Group in driving its continuous fast growth. The Group will continue to maximize its brand equity on the platform of its core competitiveness.

The products of the Group are renowned in the domestic market and have received a number of awards, including the award of "China Top Brand" twice in 2004 and 2007 for "SCUD 飛毛腿" brand's Li-ion batteries, the award of "China Famous Trademark" in 2006 for the "SCUD 飛毛腿" brand' and accredited as one of "PRC's 500 Most Valuable Brands" by World Brand Lab for three consecutive years.

回顧二零零七年財政年度，自有品牌業務帶來的貢獻佔集團營業額之比例已由二零零三年的25.8%，大幅增加至64.1%。令人感到振奮的是，「SCUD 飛毛腿」品牌屢獲殊榮。去年十二月，「SCUD 飛毛腿」品牌鋰離子電池產品獲得國家質量監督檢驗檢疫總局（「國家質檢總局」）頒授「國家免檢產品」證書，是國內首家及目前唯一鋰離子二次充電電池生產企業獲得免檢證書，證明本集團產品通過了國家部門對品質及安全性的嚴格要求。在中國良莠不齊的移動電話二次充電電池市場環境下，國家質檢總局對「SCUD 飛毛腿」品牌的肯定，進一步凸顯本集團在產品質量、安全性及品牌價值等方面的競爭優勢，加強消費者對「SCUD 飛毛腿」品牌產品的信賴。同時，本集獲中國合格評定國家認可委員會頒發國家實驗室認可證書，證明本集團的二次充電電池產品達國家級安全標準，具備品質保證。

二零零八年一月，中文版《福布斯》公佈「2008中國潛力企業榜」，在200家上榜企業中，本集團取得了第28位的高排名。本集團於二零零六年十二月於香港聯合交易所主板上市，在一年時間內即取得了國際權威雜誌排行榜的高排名，再一次引證了本集團的業務模式及品牌策略，成功地帶動了集團的持續高速成長。本集團將繼續以核心競爭優勢為平台，致力於品牌價值的最大化。

本集團產品在國內享負盛名，多次獲市場肯定，其中，「SCUD 飛毛腿」品牌鋰離子電池產品於二零零四及二零零七年兩度被評為「中國名牌」產品；「SCUD 飛毛腿」品牌於二零零六年被認定為「中國馳名商標」，以及連續三年獲「世界品牌實驗室」評為「中國500最具價值品牌」。

# Chairman's Statement

## 主席報告書

### Sales Network

The extensive sales network of the Group serves well as a complement to its brand recognition, both constituting the core competitiveness of the “SCUD 飛毛腿” brand. The sales network of the Group mainly comprises distributors and terminal points of sales, forming an extensive coverage. As at 31 December 2007, the Group had more than 360 first tier distributors (at least over 180 of which were exclusive distributors) and more than 35,000 points of sale, basically covering first tier and second tier cities with high consumption power. In 2007 the Group made effort to explore points of sales in Guangdong, Hubei and Henan and attained satisfactory performance.

While expanding the sales network, the Group has carried out enhancement to its network since last year to build a unified and more outstanding brand image. As at 31 December 2007, the renovation of more than 2,000 display counters had been completed, further strengthening the brand image of the Group.

### Acquisition of “Chaolitong 超力通”

While focusing on organic growth, the Group also actively sought opportunities of merger and acquisition which could provide a synergy with the business of the Group. Last December, the Group had entered into an agreement to acquire the principal operating assets of “Chaolitong 超力通”, one of the largest competitors in the industry, for a total consideration up to RMB245,000,000. The Group believes that by virtue of the different advantages of two brands, the acquisition can create significant synergy amongst the following aspects:

#### — Expansion of Sales Network

“Chaolitong 超力通” possesses a strong sales network, covering second tier and third tier cities, towns and villages in the PRC, which complements the insufficiency of the Group in such regions and allows the two brands of “SCUD 飛毛腿” and “Chaolitong 超力通” to permeate quickly into markets within minimum time and costs, thus increasing the coverage of both brand names and their market shares.

### 銷售網絡

強大的銷售網絡，與本集團的品牌知名度相輔相成，兩者構成了「SCUD 飛毛腿」的核心競爭優勢之一。本集團在銷售網絡方面主要由分銷商和終端銷售點兩個層面組成，覆蓋廣泛。截至二零零七年十二月三十一日止，本集團的一級分銷商數目已經超過360家，當中至少超過180家為獨家分銷商，銷售點超過35,000個，基本上已覆蓋全國具消費力的一線及二線城市。二零零七年，本集團著力拓展廣東、湖北、河南等地的銷售點，並錄得理想的業務表現。

在擴展銷售網絡的同時，本集團於去年開始對網絡進行優化，以統一及為集團建立更鮮明的品牌形象。截至二零零七年十二月三十一日止，合共已完成2,000多家專區專櫃店面的裝修工作，進一步強化本集團的品牌形象。

### 收購「超力通」

在專注內部增長的同時，本集團亦積極物色與本集團業務具協同效益的併購機會。去年十二月，本集團訂立協議以應付代價總額最多人民幣245,000,000元，收購行內最大競爭對手之一的「超力通」的主要營運資產。本集團相信憑藉兩個品牌不同的優勢，是項收購能夠在下列方面為業務發展帶來顯著的協同效益：

#### — 擴大銷售網絡

「超力通」擁有穩固的銷售網絡，遍佈於中國之二、三線城市、鄉鎮及農村，可彌補本集團於該等銷售區域之不足，同時可於最短時間及最低的成本代價以「SCUD 飛毛腿」及「超力通」兩種品牌迅速滲透到市場，提升兩個品牌的覆蓋率，增加市場份額。

# Chairman's Statement

## 主席報告書

### – Strengthen R&D and Enhance Product Variety

The mobile phone models and functions are ever-changing, it is critical to launch latest models of mobile phone rechargeable battery packs in short period of time. It is also one of the reasons why “SCUD 飛毛腿” enjoys brand loyalty and leadership among its competitors. After the completion of acquisition, the Group will further integrate with the resources of research and development of “Chaolitong 超力通” and implement division of labour in order to avoid duplication and waste of resources. The development and production of medium and high end series rechargeable batteries with large sales volumes will be centralized in Fuzhou, while the development and production of low end series rechargeable batteries will be centralized in Shenzhen, together with “Chaolitong 超力通” brand products, in order to enhance the variety the products of the Group to cover more mobile phone models and to facilitate the exploration of other related products and markets by the Group.

### – Increase Production Capacity and Lower Cost

Upon the completion of the acquisition, the market share of the Group will be substantially increased. In response to increase in demand for similar products, centralized production will facilitate production efficiency. With the enhancement in capacity, the Group can enjoy higher bargaining power in price determination. It is expected that the costs of production and raw materials will be lowered and hence the risk of rising costs will be further mitigated.

### – Reduce Market Risk

As the “Chaolitong 超力通” brand is one of the largest competitors of the “SCUD 飛毛腿” brand, the integration of the two largest producers of mobile phone rechargeable batteries packs in the PRC not only diminishes competition within the industry, but also stabilize market prices of rechargeable battery packs and increase the overall profitability of the Group.

Upon completion of the acquisition, the points of sales of the Group in the PRC will be increased from approximately 35,000 at the end of 2007 to approximately 50,000. Meanwhile, it is expected that the Group can also substantially increase its market share of mobile phone rechargeable battery packs in the PRC from approximately 12% currently to approximately 19% and further strengthen its market leader position among its competitors.

### – 增強研發和產品多樣性

隨著移動電話款式和功能日新月異，在短時間內推出新型號移動電話二次充電電池組，至為關鍵，這也是「SCUD 飛毛腿」享有品牌忠誠度及領先其它競爭對手的因素之一。收購完成後，本集團將進一步整合「超力通」的研發資源，進行分工開發，避免重複浪費資源，中高端及銷量大的二次充電電池系列計劃集中在福州開發和生產，低端二次充電電池系列計劃與「超力通」品牌產品在深圳集中開發和生產，致力令本集團之產品多樣性得以擴大，涵蓋更多型號的移動電話，並有助於本集團開拓其它相關產品及市場。

### – 提升產能及降低成本

隨著收購完成，本集團之市場佔有率將得以大幅度提高，同種產品的需求增加，集中生產將有助提升生產效率，隨著產能的提升集團將可享有更高的議價能力，預計生產及採購原料之成本將得以降低，從而進一步降低成本上漲的風險。

### – 降低市場風險

由於「超力通」品牌為「SCUD 飛毛腿」品牌之最大競爭對手之一，通過整合兩家中國最大移動電話二次充電電池組製造商，不但會降低市場上之同業競爭，更能穩定二次充電電池組的市場價格，增加本集團之總體利潤。

收購完成後，本集團在中國的銷售網點將會由約二零零七年的35,000個增加至約50,000個。同時，本集團亦得以搶佔中國移動電話二次充電電池組的市場佔有率，估計有關份額將由目前的約12%大幅提升至約19%，進一步拋離其它競爭對手。

# Chairman's Statement

## 主席報告書

### Prospects and Outlook

According to the "Statistics Report on the Development of the Telecommunication Industry in the PRC in 2007" published by the Ministry of Information Industry, mobile phone users in the PRC reached approximately 540 million at the end of 2007, an increase of approximately 20% from approximately 460 million last year. The PRC continues to be the largest mobile phone market in the world. Based on the total population of 1.3 billion in the PRC, the percentage of mobile phone users in the PRC is relatively low and vast room for expansion exists in the market. In addition, the continuous improvement in the multi-media functions of mobile phones increased power consumption and demand for spare rechargeable batteries substantially.

The telecommunication fees in 2007 fell by 13.6% compared with 2006, according to the Ministry of Information Industry. In February 2008, the Ministry of Information Industry and the National Development and Reform Commission jointly announced a price cut on mobile roaming service charges from 54% to 73% depending on locality. The new policy will stimulate mobile phone usage and the demand for rechargeable batteries, and hence expanding the room of growth for the Group.

Meanwhile, with the implementation of the "Communication Projects in Rural Areas" as promoted by the Chinese government, it is expected that the demand for mobile phones in second and third tier cities and rural areas will greatly increase and will continue to drive the demand for mobile phone rechargeable batteries. By virtue of its foresight and by the acquisition of competitor, the Group will expand its market shares in these regions and will facilitate the Group's expansion of its businesses.

A major task of the Group in 2008 is the integration of "Chaolitong 超力通" to maximize the synergy between the two brands.

### 前景及展望

根據信息產業部發表的《2007年全國通信業發展統計公報》顯示，國內移動電話用戶量於二零零七年底達到約5.4億，較去年的約4.6億上升約20%，中國繼續成為全球最大的移動電話市場。以全國人口13億計算，反映中國的移動電話普及率偏低，市場仍存在相當龐大的增長空間。另外，隨著移動電話的多媒體功能不斷改進，耗電量亦大幅增加，移動電話用戶對額外備用二次充電電池存在更大需求。

根據中國信息產業部資料，二零零七年的通話費用較二零零六年減少了13.6%。中國信息產業部與國家發展改革委員會在今年二月初共同宣佈減低移動電話漫遊費，視乎不同地區，減幅由54%至73%不等。新措施將提高通話量，刺激消費者對二次充電電池的更大需求，進一步擴大本集團的增長空間。

同時，在中國政府大力推行「村通工程」下，預計二、三線城市及農村地區對移動電話的需求將會快速增長，繼續帶動市場對移動電話二次充電電池的需求。本集團早著先機，透過收購同業競爭對手，搶佔該等地區的市場份額，此舉將加快本集團拓展業務版圖的步伐。

本集團在二零零八年的其中一項重點工作，將會是對「超力通」的整合，以最大發揮兩個品牌的協同效益。

# Chairman's Statement

## 主席報告書

### Sales and Brand Strategy

In the aspect of sales network, “SCUD 飛毛腿” and “Chaoliton 超力通” will carry out division of labour according to their respective market segmentation and pricing strategies. “SCUD 飛毛腿” has already established its nation-wide brand recognition among the business and higher consumption class and will continue to focus on first tier and second tier cities. It will further improve on its distributors and terminal points of sales to enhance sales efficiency and introduce systemic management. Meanwhile, with the target on particular high consumption cities, the Group will further increase points of sales. In addition to the increase in market share in Guangdong, Hubei and Henan, the Group will also explore the markets in the rim of Shanghai. “Chaoliton 超力通”, as a popular brand, has also obtained the general recognition of consumers. It has established an extensive and effective sales network among rural areas and second tier and third tier cities, and will continue to focus on such sector for further development. “SCUD 飛毛腿” and “Chaoliton 超力通” together have established the most extensive sales network of own brand mobile phone rechargeable battery pack in the PRC through the 50,000 points of sales across the country. The Group will implement a strategy of brand and price segmentation to set up a strong market barrier to consolidate the dominating market share and scale of the Group.

### Expansion of Production Capacity

With the full resumption of production of the Group at the end of 2007, the Group also continues to pursue the enhancement of capacity and plans to further expand its leased plant areas by 1,700 square metres in 2008. The Group plans to increase its annual production capacity of rechargeable batteries from 48,000,000 units to 65,000,000 units to meet the ever-increasing market demand.

The acquisition of the operating assets of “Chaoliton 超力通” also contributes to the increase in production capacity. The annual production capacity of rechargeable batteries of “Chaoliton 超力通” in 2008 was 25,000,000 units, together with the Group itself, the total annual production capacity in the middle of 2008 is expected to be 90,000,000 units. The Group plans to improve the production facilities and workflow of “Chaoliton 超力通” and enhance its production efficiency, as an intermediate initiative to increase the production capacity of the Group.

According to the latest plan, the first self-owned plant is expected to be completed by the end of 2008 where the production lines of the Group in Fuzhou will be concentrated. The total annual production capacity of the Group is expected to be increased to 100 million units by the end of 2008. According to the market forecast by the Group, it will meet production requirement in 2009, 2010 and 2011.

### 銷售及品牌策略

在銷售網絡上，「SCUD 飛毛腿」與「超力通」將配合各自的市場定位及定價策略，進行合理分工。「SCUD 飛毛腿」已經在商務及較高消費力的階層建立了全國的品牌知名度，將繼續以全國一、二線城市為業務重點，進一步對分銷商和終端銷售點進行優化，提升銷售效率及引進系統化管理，同時針對個別高消費的城市，進一步增加銷售點，除了在廣東、湖北、河南等地擴充市場份額外，亦會開拓上海周邊地區的市場。「超力通」作為大眾化品牌亦已經得到消費者的認同，在農村社區及二、三線城市建立了廣泛而有效的銷售覆蓋面，今後亦將集中在該市場層面發展。「SCUD 飛毛腿」與「超力通」在全國達50,000個銷售點已經建立了國內移動電話二次充電電池組自有品牌最具規模的銷售網絡。本集團將實施「SCUD 飛毛腿」與「超力通」的品牌及價格差異化的策略，以建立強而有力的市場門檻，以鞏固本集團領先的市場佔有率及規模優勢。

### 擴大產能

隨著本集團的生產活動於二零零七年底全面恢復，本集團亦繼續積極進行提升產能的計劃，擴大租用額外1,700平方米的廠房，按計劃將二零零八年年產能由48,000,000顆二次充電電池增加至65,000,000顆，以滿足日增的市場需求。

本集團收購「超力通」的營運資產，亦對產能提升帶來貢獻。「超力通」二零零八年的年產能為25,000,000顆二次充電電池，連同本集團本身，二零零八年年產能合共為90,000,000顆。本集團計劃對「超力通」的生產設施及流程加以優化及提升生產效率，將成為擴大本集團產能中期措施。

根據最新計劃，首間自有廠房預計最快於二零零八年底落成投入使用，將集中本集團位於福州的生產線，屆時本集團的總年產能將可達到1億顆，按照集團對市場發展的預測，將可滿足二零零九年、二零一零年及二零一一年每年生產需要。

# Chairman's Statement

## 主席報告書

In order to prepare for the expansion of the Group's operations and market share, the Group moved into its newly rented administrative headquarter building in December last year. The Group continues to base its headquarter in Fuzhou, and production and research and development will be based in Fuzhou and Shenzhen. The advantages of the greater region will be integrated for the development of the national market.

### Merger and Acquisition, Accelerate Development

In addition to the acquisition and integration of "Chaolitong 超力通", the Group will continue to look for other suitable acquisition targets for the extension of the existing value chain of the Group, the effective generation of synergy and the utilization of the advantages of the "SCUD 飛毛腿" brand. Besides the Group will also study possible modes of operation and cooperation, in order to maximize the value of the "SCUD 飛毛腿" brand and sales network.

In addition to the principal development of the business of mobile phone rechargeable batteries, the Group will also develop rechargeable batteries for other digital products and batteries for notebook computers and telecommunication devices to diversify the product mix and broaden its revenue bases.

The Group resumed its expansion in half year after the challenges of 2007 with its market position unshaken. I would like to express my gratitude to the staff of the Group for their solidarity and loyalty, and to our customers, suppliers and distributors for their incessant support and encouragement. "SCUD 飛毛腿" has attained the highest honour in the industry, proves the intrinsic value of the brand and obtains recognition from general consumers. The year 2008 is particularly meaningful for the Group. We are fully confident in the market prospect and business development of the mobile phone rechargeable battery packs and are well prepared to capitalize on the available opportunities in the market to attain new record high results for "SCUD 飛毛腿" and to maximize the benefits and value to the shareholders.

**Fang Jin**  
Chairman

Fuzhou, PRC  
17 March 2008

為了對業務及市場擴展做好準備，本集團已於去年十二月搬入新租用的集團行政總部大樓。本集團仍將以福州為據點，同時以福州及深圳為生產研發基地，結合各大區域的優勢，發展全國市場。

### 併購合作，加快發展

在收購整合「超力通」的基礎上，本集團仍將繼續尋求合適的對象，收購能延伸本集團現有價值鏈，有效發揮協同效益及「SCUD 飛毛腿」品牌平台優勢的企業或項目。此外，本集團亦將研究可行的業務及合作模式，把「SCUD 飛毛腿」的品牌及銷售網絡價值最大化，積極發揮品牌槓桿效應，創造更大收益。

除了繼續專注發展移動電話二次充電電池業務，本集團亦會致力開發其他數碼產品的二次充電電池以及筆記本電腦電池和通訊用動力電池產品，令產品組合更多元化，擴闊盈利基礎。

經歷二零零七年的挑戰，本集團能夠在半年時間內重拾升軌，市場地位未受動搖，端賴乎本集團全人上下一心，緊守崗位，同時也要感謝廣大客戶、供應商及分銷商對集團的始終支持和鼓勵。「SCUD 飛毛腿」持續取得行業最高殊榮，更加引證了品牌的內在價值，已經取得廣大消費者的深刻認同。二零零八年是對本集團尤具意義的一年，我們對移動電話二次充電電池組市場前景及業務發展充滿信心，並已蓄勢待發，把握市場給我們的機遇，攜手把「SCUD 飛毛腿」推向更高峰，為各股東創造最大的利益和價值。

**方金**  
主席

中國·福州  
二零零八年三月十七日



# Management Discussion and Analysis

## 管理層討論及分析

### Market Review

In 2007, PRC's economy continued its fast development and led to an increase in per capita income. This brought unlimited opportunities and potentials to telecommunication and electronic products related industry. The number of mobile phone users in the PRC also continued to increase. According to the "Statistics Report on the Development of the Telecommunication Industry in the PRC in 2007" published by the Ministry of Information Industry, the number of mobile phone users reached approximately 540,000,000 at the end of 2007, an increase of approximately 20% from approximately 460,000,000 last year. The coverage increased from approximately 35.3 mobile phones per 100 persons to approximately 41.6 mobile phones per 100 persons. With the increase in personal consumption and the continuous rise of living standard, the demand for new models and models with multi-media functions also increased. These factors greatly stimulated the demand for high quality, high safety and high capacity batteries by mobile phone users in the PRC and created vast opportunities in the rechargeable battery market. It is believed that the development of medium and high end rechargeable branded batteries will be facilitated. It is also expected that more mobile phone users in the PRC will buy spare rechargeable batteries. According to the Report on the Current State and Trend of Mobile Phone Battery Industry in the PRC from 2006 to 2007 published by FPDdisplay Research Centre, it was estimated that in 2007 the demand for replacement batteries amounted to 210,000,000, an increase of 12% from 180,000,000 in 2006.

During the year, the Group actively maintained its market leader position. Its market share in the market of branded mobile phone rechargeable batteries was approximately 12%. Driven by the fast development of the Chinese economy, the implementation of "Communication Projects in Rural Areas" as promoted by the Chinese government and the expectation of the grant of 3G mobile phone licenses by the Chinese government in the near future, it is believed that the coverage of mobile phone users will be further increased. Suppliers of rechargeable batteries with competitiveness will be provided with more room for development. It is expected that the popularity of mobile phones will greatly increase the demand for medium to low end branded rechargeable batteries and mobile phone accessories in second tier and third tier cities, towns and rural areas.

### 市場回顧

二零零七年中國經濟持續迅速發展，帶動人均收入上升，為通訊及電子產品等相關行業提供了無限商機及發展潛力。國內移動電話的用戶量亦持續增長，根據信息產業部發表的《2007年全國通信業發展統計公報》顯示，中國移動電話的用戶量於二零零七年年底達到5.4億，較去年的4.6億上升約20%，普及率由每一百人擁有35.3部移動電話上升至41.6部。而隨著個人消費力的增長及生活水平持續改善和提升，亦相對提高了市場對新款型號及具備多媒體功能移動電話的追求，這些因素都大大刺激了國內移動電話用戶對高品質及大容量電池的需求，為二次充電電池市場締造了龐大的商機，相信會更有利於中高端系列的牌電池的發展，並預計國內移動電話用戶將更多會選擇購買第二類備用二次充電電池。根據FPDdisplay研究中心發佈的《二零零六年至二零零七年中國大陸流動電話電池產業發展現狀及趨勢》報告顯示，估計二零零七年中國對更換電池需求為2.1億顆，較二零零六年的1.8億顆有12%的增長。

期內集團積極保持其市場領導地位，於品牌移動電話二次充電電池市場佔有率約為12%。隨著中國經濟的快速發展、中國政府提倡的《村通工程》得到進一步推行與深化，以及市場憧憬政府快將發放3G電話牌照的正面因素所帶動下，相信將有利提高移動電話的普及率，為具備市場競爭力的二次充電電池供應商提供更廣闊的增長空間。預計移動電話的普及化，將會大大增加中國二、三線城市、鄉鎮及農村市場對中低端系列牌電池二次充電及移動電話配件的需求。

# Management Discussion and Analysis

## 管理層討論及分析



# Brand History

## 品牌歷程



Chargers  
充電器

Peripheral products  
週邊產品



1997



Business series of batteries  
商務電池系列

Battery packs for  
electronic products  
電子產品電池組



2004

Standard series of batteries  
標準電池系列



1999

2005

Economy series of  
batteries  
經濟電池系列



Gold series of batteries  
金品電池系列



2006

2007

Acquisition of  
"Chaolitong超力通" brand  
收購品牌「超力通」



# Management Discussion and Analysis

## 管理層討論及分析

### Business Review

Management of the Group was been responding to the opportunities and challenges arised in the market positively, striving to maintain its market leader position dedicated to maximizing the benefits and value to shareholders.

The serious fire at the Fuzhou plant in May 2007 destroyed a majority of the Group's inventory and affected the turnover and net profit of the Group in the first half of 2007. In the first half of 2007, the Group for the first time recorded a loss of approximately RMB125.3 million as a result of the fire. Nevertheless, the Group worked very hard to recover from the loss and turnaround successfully in the second half of 2007. The Group's turnover, gross profit and profit attributable to equity holders of the Company for the year were RMB960.9 million, RMB243.5 million and RMB15.5 million respectively. The turnover and gross profit increased 2.6% and 1.3% respectively from the previous year, while the profit attributable to equity holders of the Company decreased 90.3%. Profit attributable to equity holders of the Company for the year included net loss due to the fire of approximately RMB164.6 million (net of insurance compensation of approximately RMB52.5 million). Gross profit margin for the year was not materially affected by the fire and was maintained at 25.3% (2006: 25.7%), while net profit margin decreased 15.5% to 1.6%.

### 業務回顧

本集團的管理層一直以積極正面的態度面對市場各項機遇與挑戰，致力保持其市場領導地位，並矢志為股東創造最大的利益和價值。

由於二零零七年五月福州廠房的嚴重火災令大部分存貨被銷毀，故此影響集團二零零七年上半年的營業額及淨利，上半年集團因火災首次錄得約人民幣125,300,000元的虧損。然而，集團上下一心努力善後，成功令下半年業績轉虧為盈。集團全年的營業額、毛利及本公司權益持有人應佔溢利分別為人民幣960,900,000元、人民幣243,500,000元及人民幣15,500,000元，營業額及毛利均較去年同期分別微升2.6%和1.3%，本公司權益持有人應佔溢利則下跌90.3%，全年本公司權益持有人應佔溢利當中已包括火災意外扣除保險賠償約人民幣52,500,000元後的淨損失約人民幣164,600,000元。全年毛利率則未受火災影響，維持於25.3%（二零零六年：25.7%），而淨利潤率為1.6%，下跌15.5%。

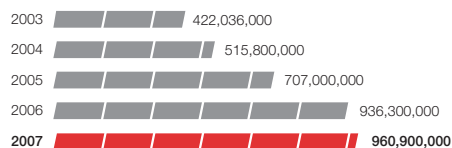
### STRONG FINANCIAL PERFORMANCE

#### 強勁財務表現

Turnover 營業額

## 22.84%

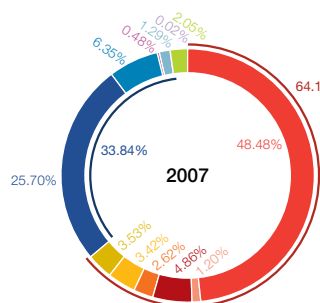
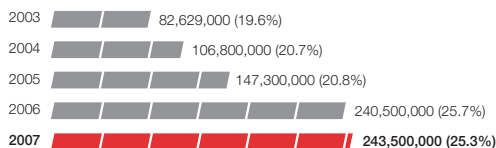
CAGR年複合增長率



Gross Profit 毛利

## 31.02%

CAGR年複合增長率



#### Own brand business 自有品牌業務

- Mobile phone battery packs 移動電話電池組
- Notebook computer battery packs 筆記本電腦電池組
- Digital product battery packs 數碼產品電池組
- Chargers 充電器
- Gift packs 禮包
- Other mobile phone peripherals 其他移動電話週邊產品
- Percentage of own brand business over total turnover 自有品牌業務佔總營業額百分比

#### OEM business OEM業務

- Mobile phone battery packs 移動電話電池組
- Notebook computer battery packs 筆記本電腦電池組
- Chargers 充電器
- Gift packs 禮包
- Other mobile phone peripherals 其他移動電話週邊產品
- Percentage of OEM business over total turnover OEM業務佔總營業額百分比

■ Others 其他

# Management Discussion and Analysis

## 管理層討論及分析

Business of the Group mainly include the self-owned “SCUD 飛毛腿” brand and OEM business. During the year, the two business segments represented 64.1% and 33.8% of the turnover of the Group respectively, which approximate the proportion in the previous year. The gross profit margin from own brand business and OEM business of the Group was 28.1% and 21.5% respectively, mainly due to the effective implementation of key performance indicators evaluation system in the year to further control purchase and production costs to enable overall production efficiency and economy of scale to rise continuously. In addition, in 2007 the sales volume of the more profitable medium and high end branded rechargeable batteries increased substantially from 2006 and led to an increase in the gross profit of the branded business. The acquisition and integration of a major competitor also served to stabilize the market prices of rechargeable batteries in the PRC. The Group will continue to focus on the expansion of its own brand business and strengthen its OEM business.

In January 2008, the Group ranked 28th out of 200 as the Forbes Most Potential Enterprises in China. This reflected the affirmation and recognition of the operation capability, increase in earnings and operation mode of the Group in the market.

### Own Brand Business

The “SCUD 飛毛腿” brand is well-known and popularly recognized by the consumers in the PRC. In 2007, the Group accounted for approximately 12% of the branded mobile phone rechargeable batteries market share in the PRC. Approximately 64.1% of the Group’s products were sold in the PRC market under the “SCUD 飛毛腿” brand. The turnover and gross profit for the year ended 31 December 2007 were approximately RMB616.0 million and approximately RMB173.0 million respectively. In 2007, the sales volume of medium and high end branded batteries (including the Business series (商務系列) and the Gold series (金品系列)) of the Group increased 28.3% from 2006. During the past five years, the sales volume of the Group’s own brand rechargeable batteries achieved substantial increase. The sales volume in 2007 was approximately 25,000,000 units which is about 6.6 times of the 2003 figure (approximately 3,800,000 units), reflecting the rapid growth of the Group and the popularity of its brand.

本集團的業務主要包括自有品牌「SCUD 飛毛腿」及原廠專業代工(OEM)，期內兩項業務板塊分別佔集團營業額的64.1%及33.8%，比例與去年相約。集團自有品牌業務及OEM業務的毛利率分別為28.1%及21.5%，主要由於本年度集團有效利用績效指標考核進一步加強控制採購及生產成本，使整體生產效率及規模效益得以持續上升。此外，二零零七年利潤較高之中高端系列品牌二次充電電池之銷售量相比二零零六年大幅增加，帶動品牌業務毛利上升。集團對主要競爭對手所進行之併購整合，亦對國內二次充電電池行業起了穩定市場價格之作用，集團未來將繼續致力拓展自有品牌業務及鞏固OEM業務。

二零零八年一月，集團更首次登上中文版《福布斯》的「2008中國潛力企業榜」，在200家上榜企業中排名第28位，由此可反映市場對本集團經營實力、盈利增長及業務模式的肯定及認同。

### 自有品牌業務

「SCUD 飛毛腿」品牌在國內享負盛名，深受客戶歡迎及認同，集團二零零七年穩佔國內品牌流動電話二次充電電池市場約12%的市場份額。集團約64.1%的產品以自有品牌「SCUD 飛毛腿」在中國市場出售，去年錄得營業額約人民幣616,000,000元及毛利約人民幣173,000,000元。二零零七年中高端系列品牌電池(包括商務系列及金品系列)之銷售量，相比二零零六年躍升28.3%。在過去五年，本集團自有品牌二次充電電池的銷量連年激增，二零零七年高達約2,500萬顆，是二零零三年(約380萬顆)的6.6倍，反映集團高速成長，及受到市場廣泛歡迎的品牌。

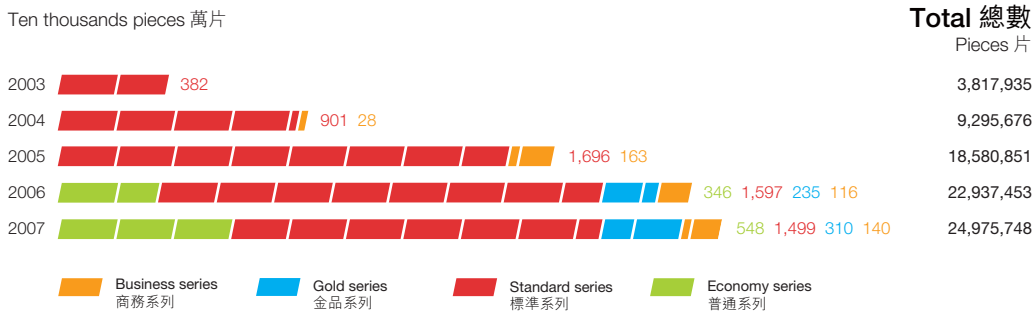
# Management Discussion and Analysis

## 管理層討論及分析

The “SCUD 飛毛腿” brand is a valuable asset of the Group and is well-known and recognized in the PRC market. The brand received a number of awards. For example, the “SCUD 飛毛腿” brand’s Li-ion battery was named twice in 2004 and 2007 as “China Top Brand”; the “SCUD 飛毛腿” brand received the award of “China Famous Trademark” in 2006 and was awarded one of “PRC’s 500 Most Valuable Brands” by World Brand Lab for three consecutive years.

「SCUD 飛毛腿」品牌為集團寶貴的資產，在國內深受客戶歡迎及認同，且屢獲殊榮，其中「SCUD 飛毛腿」品牌鋰離子電池產品於二零零四及二零零七年兩度被評為「中國名牌」產品；「SCUD 飛毛腿」品牌於二零零六年被認定為「中國馳名商標」，以及連續三年獲「世界品牌實驗室」評為「中國500最具價值品牌」。

### Annual sales volumes of “SCUD 飛毛腿” brand rechargeable batteries 「SCUD 飛毛腿」品牌二次充電電池歷年銷售數量



Quality and brand name are two of the main factors contributing to the success of the Group. The Group will continue to devote resources to strengthen and enhance its brand awareness across the country and innovate on marketing, mode of sales and packaging to meet with the demand in the market.

質量和品牌是本集團賴以成功的其中兩個主要因素。本集團將繼續投放資源，鞏固並提升品牌的全國知名度，在市場推廣、銷售形式、產品包裝等方面推陳出新，緊貼市場需要。

The quality of mobile phone batteries in the PRC vary greatly. However, since the establishment of the Group, it has placed safety and quality as the top priority and set strict standards in areas such as raw materials purchase, production workflow and quality control. In December last year, the “SCUD 飛毛腿” brand’s Li-ion battery was awarded a Certificate of Exemption from Government Inspection (“國家免檢產品”) by the General Administration of Quality Supervision, Inspection and Quarantine of PRC (“AQSIQ”). The Group is the first and only domestic producer of Li-ion batteries that has been awarded such Certificate of Exemption. The confirmation on the “SCUD 飛毛腿” brand by the AQSIQ further manifests the competitiveness of the Group’s products in the aspects of quality, safety and brand value, and strengthens the confidence of consumers in the “SCUD 飛毛腿” brand. Stringent quality control and brand awareness, both inter-related, form one of the core competitive advantages of the Group.

中國移動電話電池市場目前仍基本處於莠莠不齊的環境，而本集團自成立之始，即把產品安全和質量放在首位，從原料採購、生產流程和質量檢查等方面，設下嚴格的標準。去年十二月，「SCUD 飛毛腿」品牌鋰離子電池產品獲得國家質量監督檢驗檢疫總局（「國家質檢總局」）頒授「國家免檢產品」證書，是國內首家及目前唯一鋰離子電池生產企業獲得免檢證書。國家質檢總局對「SCUD 飛毛腿」品牌的肯定，進一步凸顯本集團在產品質量、安全性及品牌價值等方面的競爭優勢，加強消費者對「SCUD 飛毛腿」品牌的信心。質量嚴謹和知名品牌，兩者互相緊扣，形成了本集團的核心競爭優勢之一。

The Group possesses strong research and development capabilities which enable it to cater for the demand from the ever-changing mobile phone models in the market and to maintain its market competitiveness. During the year, the Group invested approximately RMB12.5 million in research and development with the focus on new moulds development

集團擁有強大的研發能力，可迅速滿足市場日新月異的移動電話型號需求，保持市場競爭力。期內，集團投資了約人民幣12,500,000元於研究及發展方面，重點用於開發新模具及檢驗檢測工作，全年研發費用

# Management Discussion and Analysis

## 管理層討論及分析

and quality inspection. The research and development expenses accounted for approximately 1.3% of total turnover in 2007. As at 31 December 2007, the products of the own “SCUD 飛毛腿” brand of the Group include approximately 2,800 models of mobile phone rechargeable batteries which are compatible to 3,100 models of mobile phones. The Group will continue to follow closely the market demand and develop more product types and models to satisfy the needs of various customers. Furthermore, the Group will endeavour to develop the medium and high end market with higher gross profit margin, aiming to increase the overall profitability of the Group.

With technologies ever-changing, various types of portable electronic products are invented. In order to capitalize on such vast opportunities, the Group, in addition to mobile phone rechargeable battery packs, also supplied small quantities of battery packs for digital products, chargers and other peripherals which accounted for approximately RMB58.2 million, RMB25.2 million and RMB33.9 million of the Group's total turnover respectively. As at the date of this announcement, the Group has developed approximately 250 models of rechargeable battery packs compatible to major popular models of digital cameras and camcorders and approximately 300 models of chargers, aiming at the provision of more diversified product types to increase sources of income. In the future, the Group expects to strengthen its research and development capabilities to provide rechargeable battery packs which will be compatible to more portable electronic products and gradually increase their sales proportion in accordance with the progress of market development.

### Sales Network

The sales network of the Group mainly comprises distributors and terminal points of sales, forming an extensive coverage. As at 31 December 2007, the number of first tier distributors of the Group has exceeded 360, at least over 180 of which were exclusive distributors. The number of points of sales exceeded 35,000, basically covering first tier and second tier cities with high consumption power. During the year, in addition to the existing network, the Group made effort to explore points of sales in Guangdong, Hubei and Hunan and attained satisfactory performance.

In order to further enhance the brand image, the Group has carried out enhancement to the network and renovation of its display counters since last year to build a unified and more outstanding brand image. As at 31 December 2007, the renovation of more than 2,000 display counters had been completed. The Group plans to complete the renovation of approximately 4,000 display counters in phases in 2008 and 2009.

佔整體營業額約 1.3%。至二零零七年十二月三十一日，集團自有品牌「SCUD 飛毛腿」的產品包括約 2,800 種型號的移動電話二次充電電池組，可相容約 3,100 款移動電話型號。集團將繼續緊貼市場，開發更多產品種類及型號，以滿足不同客戶需要。此外，集團將致力拓展毛利率較高之中高端市場，以提升集團整體盈利。

因應社會科技日新月異，各式各樣便攜式電子產品應運而生，集團亦看准此龐大商機，除了移動電話二次充電電池組外，亦供應少量包括數碼產品電池組、充電器及其他週邊產品等產品，期內分別佔總營業額約人民幣 58,200,000 元、人民幣 25,200,000 元及人民幣 33,900,000 元。截至本公佈日期，集團已開發約 250 種與中國主要流行型號數碼相機及攝像機相互兼容的二次充電電池組及約 300 種充電器，致力提供更多元化的產品種類，以增加收入來源，未來亦會加大研發力度，提供可應用於更多便攜式電子產品的二次充電電池組，並根據市場開發進度逐提高產品銷售比例。

### 銷售網絡

本集團的銷售網絡主要由分銷商和終端銷售點兩個層面組成，覆蓋廣泛。截至二零零七年十二月三十一日止，本集團的一級分銷商數目已經超過 360 家，當中至少超過 180 家為獨家分銷商。銷售點超過 35,000 個，基本上已覆蓋全國具高消費力的一、二線城市。於期內，集團在現有的基礎上著力拓展廣東、湖北、河南等地的銷售點，並錄得理想的業務表現。

為進一步優化本集團的品牌形象，本集團於去年開始對網絡進行優化與提升，為轄下專櫃店進行裝修，以統一及為集團建立更鮮明的品牌形象。截至二零零七年十二月三十一日止，已完成合共 2,000 多家專區專櫃店面的裝修工作，集團計劃將在二零零八及二零零九年分階段完成約 4,000 家的專櫃店的裝修工作。

# Management Discussion and Analysis

## 管理層討論及分析

### The Acquisition of “Chaoliton 超力通”

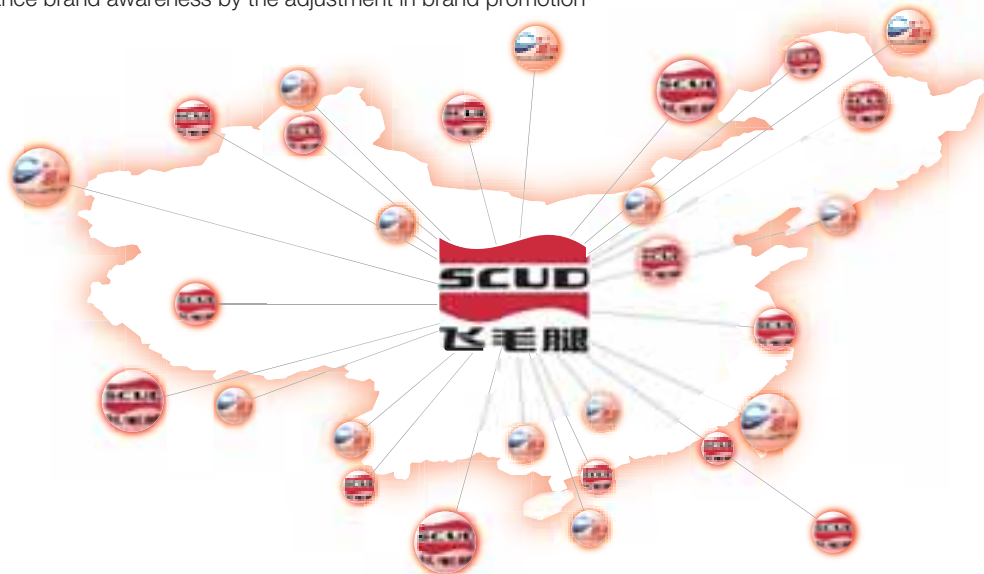
The Group has been striving to expand its business and to enhance its market share through various channels. Last December, the Group had entered into an agreement to acquire the principal operating assets relating to the “Chaoliton 超力通” brand, one of the largest competitors of the Group in the PRC, for a total consideration not more than RMB245.0 million. The Group believes that by virtue of the different advantages of the two brands, the acquisition can create synergy and facilitate the Group to lower the cost of expansion in the rural market and the risk of market competition. The acquisition can also enhance the production capacity, reduce composite costs and raise efficiency of the Group. The strength of the “SCUD 飛毛腿” brand lies in its research and development capabilities, quality assurance and brand advantage, while the “Chaoliton 超力通” brand established its market share in rural areas and second tier and third tier cities by virtue of its low costs. The Group can extend its sales network into such markets with lower costs after the acquisition.

The majority of the sales and turnover of the Group’s “SCUD 飛毛腿” brand concentrate on regions along the eastern coast of China, while “Chaoliton 超力通” possesses a strong sales network in second tier and third tier cities, towns and village in the PRC which readily offsets the insufficiency of the Group’s sales network in such regions and enable the Group to increase its market share and coverage with minimum costs in short periods of time and quickly explore markets where coverage was originally relatively low. After the completion of the acquisition, the products of the Group will continue to be sold in the respective “SCUD 飛毛腿” brand and “Chaoliton 超力通” brand. “SCUD 飛毛腿” will focus on medium and high end markets, while “Chaoliton 超力通” will concentrate on the lower end market, each complementing the other. This will facilitate the permeation of the Group’s products into each market segment and the expansion of the market share to cover more mobile phone models, establish more outstanding brand images for the Group’s brands and further enhance brand awareness by the adjustment in brand promotion strategies.

### 收購「超力通」

集團一直致力擴大業務，並積極通過不同渠道提升市場佔有率。去年十二月，本集團以應付代價總額最多人民幣245,000,000元，訂立協議收購本集團於中國最大競爭對手之一的「超力通」的主要營運資產。本集團相信，憑藉兩間公司不同的優勢，是項收購能產生協同效益，有利於降低本集團於農村市場擴張之成本和市場競爭風險及提高集團產能、降低綜合成本和提升效率。「SCUD 飛毛腿」品牌的強項在於其研發能力、質量保證及品牌優勢，「超力通」品牌則挾著其低成本優勢，迅速爭佔了農村地區及二、三線城市的市場份額，令本集團於收購完成後能夠以較低成本拓展該等市場的銷售網絡。

集團「SCUD 飛毛腿」品牌的銷售及營業額大部分均集中在國內東部沿海地區，而「超力通」品牌在中國二、三線城市、鄉鎮及農村擁有穩固的銷售網絡，可迅速彌補集團於該等銷售區域之不足，同時，可於短期內以最低成本增加集團之市場份額及覆蓋率，快速開拓集團以往滲透率較低的市場。完成收購後，集團產品將繼續以自有品牌「SCUD 飛毛腿」及「超力通」品牌於市場出售。「SCUD 飛毛腿」將專注於中、高檔市場；而「超力通」則集中於較低檔次的市場，兩者相輔相成。此舉有利集團產品滲透各市場層面，擴大市場份額以涵蓋更多移動電話型號，亦可為旗下品牌建立更鮮明的品牌形象，透過調整品牌推廣策略以進一步提升品牌知名度。





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Furthermore, through the integration of two of the largest mobile phone rechargeable battery producers in the PRC, the Group can increase its product variety and accelerate the research and development of products. Through further integration of resources of research and development, the duplication of resources can be avoided on product development. Meanwhile, bulk purchase can help reduce the costs of production and purchase of raw materials. As the production capacity increases, the Group can enjoy more bargaining power in price negotiation and in the stabilization of market prices of battery product, which facilitate the long-term growth of the Group.

### OEM Business

Apart from own brand business, the Group's quality products also attract domestic and foreign manufacturers of quality brand mobile phones. The Group sells original rechargeable batteries to mobile phone manufacturers in OEM form which provides stable operating income and technological upgrades to the Group. As at 31 December 2007, the turnover from OEM business amounted to approximately RMB325.2 million, representing approximately 33.8% of the total turnover. Major customers include Lenovo, Huawei, ZTE, UT Starcom, Sangfei, Hisense and Haier. The Group has established long-term stable relationships with its customers. The periods of cooperation with the majority of customers generally exceed 4 years.

### Report on the Fire

A serious fire occurred in the Group's production plant at Fuzhou in the afternoon of 31 May last year due to short circuit in battery. The management on site immediately arranged to put out the fire and informed the authorities. As the fire spread quickly to part of the production facilities, raw materials and products, direct loss of approximately RMB218.1 million was incurred, including inventory of approximately RMB199.4 million. However, fortunately no human loss or injury resulted. Afterwards, the Group immediately activated the contingency plan to direct the resumption of production and the recovery. Within two weeks of the incident the supply of goods to the market gradually resumed and the supply of goods for the OEM business also fully resumed within a short period.

此外，通過整合兩間中國最大之一的移動電話電池製造商，本集團可擴大及將增加產品的多樣性，以及加快產品研發速度；透過進一步整合兩個品牌的研發資源，在產品型號的開發上進行分工可避免資源重複。同時，通過集中採購有助降低集團生產及採購原料之成本，而隨著產能的提升，集團將可享有更高的議價能力及更能穩定市場價格，有利集團整體的長遠增長。

### OEM 業務

隨自有品牌業務外，本集團優質的產品亦獲得不少國內、外優質品牌移動電話生產商的青睞，集團以 OEM 形式將原裝二次充電電池出售予移動電話製造商，為集團提供了穩定的營業收益和技術提升。截至二零零七年十二月三十一日，OEM 業務的營業額達人民幣 325,200,000 元，約佔總營業額的 33.8%。主要客戶包括聯想、華為、中興、UT 斯達康、桑達·菲利浦以及海信、海爾等。集團與客戶建立長期穩定和良好的合作關係，與大部分客戶的合作年期均超過 4 年。

### 火災意外報告

集團位於福州的生產廠房在去年五月三十一日下午因電池短路而引發嚴重火災，現場管理人員已立即安排撲救工作及報警，由於火勢蔓延迅速，波及部分生產設備、原材料和產品，導致造成直接經濟損失約人民幣 218,100,000 元，當中包括約人民幣 199,400,000 元的存貨。然而，集團慶幸此場火警並無造成任何人命傷亡。事後集團馬上啟動緊急事故處理程序，以指揮恢復生產和處理善後事宜，在事發兩周內已陸續恢復向市場供貨，而 OEM 業務的供貨在短期內亦完全恢復正常。

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The production capacity was fully restored and resumed normal operations by the end of 2007. China Pacific Insurance (Group) Co., Ltd., the insurer of the Group completed the evaluation report on the accident in November 2007 and an agreement on the amount of the insurance claim was reached. China Pacific Insurance (Group) Co., Ltd. had paid the Group compensation amounting to approximately RMB52.5 million. Hence, the net loss resulting from the fire was approximately RMB164.6 million. In order to prevent the occurrence of similar events in the future, the Group has actively taken a number of measures. A portion of the compensation will be utilized to increase the number of fire extinguishing equipments at the plant, carry out patrol and inspection to maintain clear passageways and sufficient water supply for fire fighting, organize regular safety education and training for staff, including the provision of training to staff for handling and safekeeping inflammable goods, conduct safety fire drills, increase in investment on fire safety in the new plant to ensure sufficiency of fire fighting facilities. The Group believes that the relevant measures can effectively lower the risk of fire. The remaining portion of the compensation will be utilized to purchase supplies and to extend insurance coverage for the Group. The Group has subsequently made a more comprehensive insurance plan for the period from January 2008 to January 2009.

### Prospects and Outlook

Management believes that due to the continuous growth of the PRC economy and particularly the series of incentive policies for the development of rural economy formulated, the demand for 3C products will increase rapidly. This will also lead to an increase in the demand for rechargeable battery packs as power source for relevant devices. The Group not only benefited from the increase in mobile phones in the PRC, but also from the advancement in multi-media functions of mobile phones and the substantial increase in energy consumption. Moreover, as 3G technology gradually matures in foreign markets. China will also accelerate its development of 3G networks and accordingly it is expected that the introduction of 3G networks in the near future will also bring unlimited opportunities to the Group. In order to capitalize on the market, the Group has formulated development strategies for further strengthening of its market leadership and the expansion of its operation scale by utilising its internal financial resources and the proceeds from initial public offering.

The telecommunication fees in 2007 fell by 13.6% compared with 2006, according to the Ministry of Information Industry. In February 2008, the Ministry of Information Industry and the National Development and Reform Commission jointly announced a price cut on mobile roaming service charges from 54% to 73% depending on locality. The new policy will stimulate the use of mobile phone and the demand for rechargeable batteries, and hence expand the room of growth for the Group.

本集團受損的生產設施已於二零零七年年底全面恢復，並已正常運作。而本集團的保險代理中國太平洋保險公司於二零零七年十一月已完成是次意外的評估報告，並就保險索賠金達成協議，中國太平洋保險公司已賠付集團約人民幣52,500,000元。因此，火災意外的淨損失約為人民幣164,600,000元。為預防將來再次發生同類事故的風險，集團已積極採取多項措施，部份賠金將用於增加廠房消防設備的數量和加強巡迴檢查，以確保通道暢通和儲備充足消防用水、定期進行員工安全知識的教育和培訓，包括加強向員工灌輸對管理及存放易燃物品的知識、舉行安全消防演習，並加大對新廠房的安全防火投資力度，確保防火設施齊備。本集團相信有關項措施能有效降低發生火災的風險。賠金其餘部份會用於採購物資以及為集團投保更全面保障之保險計劃。本集團其後已就由二零零八年一月至二零零九年一月期間購買更能全面保障的保險計劃。

### 前景及展望

管理層相信，隨著中國國內經濟的不斷發展，加上一系列大力發展農村經濟的鼓勵政策，3C產品的需求將會快速增加，這亦將帶動用作有關裝置電源的二次充電電池組的需求上升。本集團不單受惠於中國移動電話的數量增長，亦同時因移動電話多媒體功能更為先進和耗電量大幅增加的趨勢而得益。此外，3G技術在海外市場已日趨成熟，中國亦將會加快推進3G網絡的發展步伐，因此預期在不久將來即將開通的中國3G網絡亦會為本集團帶來無限的商機。為緊握市場湧現的商機，本集團已制定發展策略，藉運用其內部財政資源及首次公開發售所得款項，務求進一步鞏固集團的市場領導地位和壯大業務規模。

根據信息產業部提供的資料，於二零零七年，電訊收費較二零零六年下降13.6%。於二零零八年二月，信息產業部及國家發展和改革委員會聯合宣佈降低移動電話漫遊服務收費介乎54%至73%（視乎區域而定）。新政策將刺激移動電話使用量及對二次充電電池的需求，因而擴大本集團的增長空間。

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In the aspect of distribution network, according to its plan the Group provide financial support to approximately 2,000 major terminal points of sales in 2007, thereby enhancing the image of display counters and bringing higher returns to the Group. In 2007 the renovation of more than 2,000 display counters had been completed and the effect of brand influence was very significant. The Group plans to continue its gradual control of the number of distributors to maintain the quality of distributors and enhance loyalty and reliability. Meanwhile, leveraging on a strong and stable sales network, the Group will develop or source certain products and accessories suitable for its sales network to enrich the product variety for sales. This will maximize the advantages of fast permeation and low-cost operation and aiming to enhance the profitability of individual outlet. The Group, through its regional office, will strengthen management and training of those display counters with renovation completed but pending approval, aiming to enhance the performance and management of the distributors. Furthermore, the Group is actively exploring other cities with development potentials such as the south-west and north-west regions, and is in the process of strengthening the training of quality distributors, in an effort to expand the coverage of product distribution.

The Group has gradually carried out renovation and image enhancement to the display counters since 2007. Hence, no additional resources are required in the aspect of hardware for the sale of mobile phones and other products. Meanwhile, the Group will provide training to the front staff of selected points of sales to enhance the level of customer services. During the first stage, the Group will select approximately 300 points of sales located in regions of higher consumption power such as Fujian, and southern and eastern China for the trial sale of PRC brands of mobile phones with the target on the middle-class customers. The Group will regularly review on the sales status and adjust its strategy readily according to market response and changes in order to maximize the genuine value of the brand.

分銷網絡方面，集團按原計劃於二零零七年內為約2,000個主要的終端銷售點提供財政支持，藉此提升陳列專櫃形像，為本集團帶來更高的經濟效益。於本年度年完成專區專櫃裝修的店面已有2,000多家，在品牌影響力上效果非常明顯。集團計劃繼續逐步控制分銷商增加數目，以保持分銷商質素，提高忠誠度和依賴度。同時，本集團還將利用強大的、穩固的營銷網絡集中開發生產或採購一些適合於該網絡的產品和配件，豐富網絡產品類別，發揮渠道快速滲透和低成本運作的優勢，幫助分銷商提升單店盈利能力。對已完成裝修和等待審批的專區專櫃，通過各大區域辦事處，加強管理和培訓，提升分銷商的業績能力和管理水平。此外，集團繼續積極擴大其它具發展潛力的城市，例如西南和西北地區，透過增加市場覆蓋率以加強培育優質分銷商，擴大產品分銷的覆蓋範圍。

本集團自二零零七年起逐步推行專區專櫃的裝修及形像提升工程，因此在硬件上毋須投入額外資源，即可銷售移動電話及其它產品。同時，本集團將對於選定銷售網點的前線員工提供培訓工作，提高客戶服務水準。在第一階段，本集團將選擇大約300個銷售點，位於福建、華南及華東等具較高消費力的地區，針對中端客戶層，試點銷售內地品牌移動電話。本集團將定期檢討銷售情況，根據市場反應及變化，隨時調整策略，以在最大程度發揮品牌的真正價值。

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## 管理層討論及分析

In respect of products, the Group will continue to focus on the maintenance of its market leadership of its own brand mobile phone rechargeable batteries. Meanwhile, more resources will be devoted to capitalize on the increased demand on other portable electronic devices such as rechargeable batteries for notebook computers, digital cameras and other personal electronic products, standard rechargers and stationed backup batteries, in order to broaden the Group's income base and enhance its market competitiveness. In order to provide consumers with more choices of products to meet their different needs, the Group will keep abreast of the changes in the preferences of consumers and the market trend, and will launch new series of rechargeable battery products designed for various portable electronic devices on a timely basis.

In respect of research and development, the Group will further integrate the resources with "Chaoliton 超力通" brand and implement division of labour in order to avoid duplication and wastage of resources. The development of medium and high end series rechargeable batteries with large sales volume will be concentrated in Fuzhou, while the development and production of low end series rechargeable batteries will be concentrated in Shenzhen together with the "Chaoliton 超力通" brand products. The objective is to increase the investment of the research and development of mobile phone rechargeable batteries and accelerate the research and development of products in order to supply rechargeable batteries to the non-mainstream models of mobile phone in the market. Meanwhile, the Group will strive to commence new research and development projects upon the introduction of new mobile phones so that the Group will be able to launch its new products as early as possible. The Group has developed a number of mobile phone battery rechargers of unified standard, and expects to achieve results growth in 2008. The Group will devote substantial research and development efforts in notebook computer batteries and motive batteries to maintain its technology leadership and lay the foundation for the exploration of new businesses of the Group.

產品方面，本集團將繼續專注保持其自有品牌移動電話二次充電電池產品的市場領導地位，同時投入更多資源以把握中國其它便攜電子裝置需求增長的機遇，包括筆記本電腦、數碼相機和其它個人電子產品的二次充電電池、標準充電器以及基站備用動力電池，以擴闊本集團收入基礎並提升其市場競爭力。集團亦將密切關注最終客戶不斷轉變的喜好和市場趨勢，及時推出供多種便攜電子裝置使用的新系列二次充電電池產品，以向客戶提供更多產品選擇，滿足其不同需要。

本集團在研發方面，將進一步整合與「超力通」品牌的研發資源，在產品型號上進行分工開發，避免重複浪費資源，中高端及銷量大的型號集中在福州開發，中端和低端產品計劃與「超力通」品牌在深圳集中開發和生產，重點加大移動電話二次充電電池的研發投入，提升產品研發速度，儘快補齊非主流品牌移動電話電池市場所需的品種。同時，集團力爭在新產品剛上市就開始研發，推出自身的新產品上市。集團已開發多款統一標準的移動電話電池充電器產品，預期在二零零八年取得一定的業績增長。集團還將在筆記本電腦電池和多節動力電池方面投入更大的研發力量，保持其在該領域的技術領先優勢，不斷創新，為集團新業務的拓展奠定基礎。

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## 管理層討論及分析

### Expansion of Production Capacity

The Group entered into an agreement in December 2007 for the acquisition of the principal operating assets of “Chaoliton 超力通” and succeeded in the integration of the biggest competitor in the market. In the aspect of the strategy of business development, the Group will seek adjustment accordingly to utilize the new resources and brand advantages to the largest extent. In respect of production facilities, the Group continues to implement the production capacity expansion plans and is expected to increase 5,000 sq.m. of rented plant areas in Fuzhou in March 2008 with an increased annual production capacity of rechargeable batteries by 8 million units. The Group also plans to restore the workshop destroyed in the fire by July 2008 and that will add 5,000 sq.m. of its production area with an additional annual production capacity of 7 million units. In the production base in Shenzhen, the Group also plans to lease another floor in March 2008 with a production area of approximately 1,700 sq.m. to bring an additional annual production capacity of 2 million units. After the completion of the above capacity expansion plans, the total annual production capacity of the Group will be increased by 17 million units. Together with the current production capacity (as at the end of February 2008) of 48 million units and the annual production capacity from the principal operating assets of “Chaoliton 超力通” to be acquired at 25 million units per year, it is expected that by mid-2008, the Group's production capacity will be increased to 90 million units per year, which is 1.9 times of the production capacity at the end of 2007 (48 million units per year).

### 拓展產能計劃

本集團於二零零七年十二月訂立協議收購「超力通」的主要營運資產，成功地整合了最大的市場競爭對手，開創了新的市場局面，在業務發展戰略上，本集團亦將因應予以調整，以在最大程度上發揮新的資源和品牌優勢。在生產方面，本集團繼續執行產能提升計劃，在二零零八年三月在福州將增加租用5,000平方米的廠房，新增產能800萬顆二次充電電池，並且計劃於二零零八年七月起重新使用在火災中損毀的車間，屆時將再新增5,000平方米的廠房，產能再額外增加700萬顆。在深圳的生產基地方面，本集團亦計劃在二零零八年三月增加租用一層廠房，面積約1,700平方米，讓本集團可額外新增產能200萬顆。以上的產能拓展計劃完成後，將可合共為集團新增產能1,700萬顆，連同本集團目前產能（截至二零零八年二月底）4,800萬顆，以及「超力通」的主要營運資產的年產能2,500顆，預期至二零零八年中，本集團產能將可提升至9,000萬顆，為二零零七年底（年產能4,800萬顆）的1.9倍。

Date 日期	Plant 廠房	Annual Production Capacity (unit) 年產能 (顆)
End of 2007 二零零七年底	Fuzhou plant and Shenzhen plant 福州廠房及深圳廠房	48,000,000
Mar 2008 二零零八年三月	Additional rental of 5,000 m <sup>2</sup> in Fuzhou 額外於福州租賃5,000平方米 Additional rental of 1,700 m <sup>2</sup> in Shenzhen 額外於深圳租賃1,700平方米	8,000,000 ↑ 2,000,000 ↑
Mid of 2008 二零零八年中	Chaoliton 超力通	25,000,000 ↑
Jul 2008 二零零八年七月	Resume the use of plant damaged during the fire 受火災影響的廠房恢復運作	7,000,000 ↑
End of 2008 二零零八年底	Additional capacity upon the completion of new plant in Fuzhou (by centralize all production lines in Fuzhou) 福州新建廠房竣工後的新增產能(集中所有福州生產線)	10,000,000 ↑

Annual production capacity (end of 2008) : **100 million** units

年產能達 (二零零八年底) : **1億** 顆

# Management Discussion and Analysis

## 管理層討論及分析

The Group keeps increasing in rented plant areas to ensure the effective expansion of production capacity. Meanwhile, the construction of our own SCUD production plant in Fuzhou will continue and will be adjusted to match the overall business development strategy of the Group. According to the latest plan, the first self-owned plant is expected to be completed by the end of 2008 where the production lines of the Group in Fuzhou will be concentrated. The total annual production capacity of the Group will be increased to 100 million units by the end of 2008. According to the market forecast by the Group, it will meet the production requirement in 2009, 2010 and 2011. Furthermore, after the completion of the new plant, the Group still retains a piece of land of approximately 42,000 sq.m.

The Group believes that the integration with “Chaoliton 超力通” will quickly increase its market share and its market coverage in rural areas and greatly shorten the time for the extension of the sales network to the rural areas and reduce expenses. It is expected that the effect will be significant within two years. The Group will continue to seek integration opportunities within the industry in 2008. Meanwhile, as a result of acquisition and merger and the enhancement of own results, the demand for core materials will substantially increase and the pace of development has to be further enhanced to strengthen the production efficiency and competitiveness. Accordingly, the Group will consider integration and development opportunities when opportunities arise.

The Group has formulated important initiatives for its internal management during the year. Firstly, the full implementation of key performance indicators evaluation system has been commenced since July 2007. Comprehensive budget management was implemented with strict enforcement of the examination of monthly and quarterly operation and monthly, quarterly and half-yearly conclusion on the operation of the subsidiaries. Remedies are carried out once problems are identified. Internal control is strengthened to prevent risks. In addition, designation of positions and responsibilities for the internal management of the companies under the Group, trimming management expenses, lowering costs and enhancing management effectiveness, have also been implemented. Preliminary results are seen in the second half of 2007 and it is expected that the effect will be more significant in the following year.

Looking ahead, with the advent of the 3G mobile phone era, the market leadership of the Group and its influence on the market and the enormous business opportunities presented in the market of the rechargeable batteries for 3C products in the PRC, the Group will continue to look for merger and acquisition opportunities and further expand its business. Meanwhile, the Group possesses leading position in the mobile phone rechargeable battery industry in the PRC with its nation-wide distribution network, the management of the Group firmly believes that, through implementing the strategies, the Group is in a favorable position to develop into the most preferred rechargeable battery brand for 3C products in the PRC and generate fruitful returns for its shareholders.

本集團持續增加租用廠房，以保證產能可以得到有效提升。同時本集團在福州飛毛腿工業園的自有廠房建設工程仍將繼續進行，並且配合集團整體業務發展戰略而予以調整。根據最新計劃，新建自有廠房預計最快於二零零八年底落成投入使用，將集中本集團位於福州的生產線，屆時本集團的總產能將可達到1億顆，按照集團對市場發展的預測，將可滿足二零零九年、二零一零年及二零一一年度的每年生產需要。此外，新建廠房落成後，本集團於工業園內仍保留有一幅面積約42,000平方米的土地。

本集團相信與「超力通」的整合將會迅速提升了市場佔有率和農村地區的市場覆蓋率，形成優勢互補，大大縮短了農村銷售網點部署時間和減少了費用開支，預計未來兩年內效果將充分得以體現出來。二零零八年將會在行業內繼續尋求整合機會。同時，由於兼併和自身業績提升帶來的核心材料的數量需求將會大幅增大，開發速度亦必須進一步提升以強化生產效能及競爭力，因此，集團會在適當的時機考慮產業鏈上的整合及發展機會。

集團本年度在內部管理上實行了多項重大的舉措。首先，於二零零七年七月份已全面開始推行主要績效指標(key performance indicator)考核，實施全面預算管理，並嚴格執行月、季度經營例會考核制度，分月、季和半年度對各子公司的經營運行情況做總結。發現問題及時整改，加強內控管理，杜絕風險發生；此外，各公司內部管理人員實行定崗定編，壓縮管理開支，降低成本，提升管理效率，二零零七年下半年已初具成效，預計在未來的年度內效果會更加顯現。

展望未來，隨著3G移動電話年代的來臨，憑藉我們的市場領導地位、對市場的影響力、加上中國3C產品二次充電電池市場的龐大商機，我們將會繼續物色收購商機，進一步壯大本集團的業務。同時，本集團在中國移動電話二次充電電池行業擁有領導地位、加上遍佈全國的分銷網絡，管理層有信心透過本集團制定的發展策略，將能使飛毛腿集團在市場中佔據有利位置，成為中國3C產品二次充電電池最受歡迎的品牌，為股東帶來更佳的回報。

# Management Discussion and Analysis

## 管理層討論及分析

### Financial Review

#### Turnover

During the year under review, the overall demand of rechargeable battery packs and the peripherals for mobile phones and other portable electronic devices in the PRC market continued to experience steady growth, the market share of branded rechargeable battery packs held by SCUD brands maintained at around 12% and SCUD continued to maintain and strengthen its market leader position and competitiveness in the distribution and marketing of rechargeable battery packs for mobile phones in the PRC. The key factors driving for the demand growth of our branded products included the strong demand brought about by improved living standard and increased purchasing power in PRC and the enhancement and development of mobile phones and portable devices technology. The consolidated turnover of the Group for the year ended 31 December 2007 was approximately RMB960.9 million, representing an increase by 2.6% as compared to the amount of approximately RMB936.3 million for the year ended 31 December 2006. Presently, mobile phone rechargeable batteries remain the major revenue driver and profit contributor of the Group, accounted for approximately 74.2% of the Group's turnover (2006: 73.9%).

#### Segment Results

For the Group's own brand business, owing to the serious fire at its production plant in Fuzhou on 31 May 2007, the Group's production had been significantly disrupted and the sales of its own brand products were also materially affected in the second half of 2007. Hence the turnover attributable to the Group's own brand business slightly decreased by 0.7% to approximately RMB616.0 million from approximately RMB620.1 million. The Group's own brand business as a percentage of the Group's turnover was maintained at approximately 64.1% in 2007 and approximately 66.2% in 2006 respectively.

For the Group's OEM business, the turnover attributable to the Group's OEM business maintained an increase of 2.9% from approximately RMB316.2 million to approximately RMB325.2 million as the fire has had limited impact on the OEM business. The supply of products was resumed fully within a short period of time. The Group's OEM business as a percentage of the Group's turnover was maintained at approximately 33.8% in 2007 (2006: 33.8%).

### 財務回顧

#### 營業額

於回顧年度，中國市場對二次充電電池組及移動電話週邊產品以及其他便攜式電子產品的需求繼續穩定增長，飛毛腿品牌的二次充電電池組在中國的市場佔有率維持約12%，飛毛腿繼續保持及強化其市場領導地位以及分銷及推廣移動電話二次充電電池組的競爭力。已提升的生活質素及中國市場已增長的購買力以及移動電話及便攜式產品科技的提升及發展為本集團產品需求增長的主要推動力。本集團截至二零零七年十二月三十一日止年度的綜合營業額約為人民幣960,900,000元，較截至二零零六十二月止年度之約人民幣936,300,000元上升2.6%。目前，本集團收益及溢利仍主要源自移動電話二次充電電池業務，佔本集團營業額約74.2%（二零零六年：73.9%）。

#### 分部業績

就本集團的自有品牌業務而言，由於本集團位於福州的生產廠房於二零零七年五月三十一日發生大火，本集團生產遭受重大中斷，而自有品牌產品的銷售於二零零七年下半年亦受到嚴重影響。因此，本集團自有產品應佔營業額由約人民幣620,100,000元輕微下降0.7%至人民幣約616,000,000元。於二零零七年，本集團自有品牌業務所佔本集團營業額的百分比維持約64.1%，相比二零零六年則約為66.2%。

本集團OEM業務應佔營業額維持2.9%增長，由去年的約人民幣316,200,000元上升至約人民幣325,200,000元。大火對OEM業務的影響有限，產品供應於短時間內完全恢復。於二零零七年，本集團OEM業務所佔本集團營業額的百分比維持約33.8%（二零零六年：33.8%）。

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## 管理層討論及分析

### Cost of Sales

The Group's cost of sales amounted to approximately RMB717.4 million in 2007, representing an increase of 3.1% as compared to last year. Direct materials, direct labour and other production cost accounted for approximately 89.3%, 3.5% and 7.2% of the Group's cost of sales. By leveraging the competitive advantages in the PRC market and cost-effective competitive strengths, as a percentage of the Group's turnover, the Group's cost of sales maintained at approximately 74.7% (2006: approximately 74.3%).

### Gross Profit and Gross Profit Margin

The Group's gross profit increased 1.2% from approximately RMB240.5 million for the year 2006 to approximately RMB243.5 million for 2007, which was primarily due to the Group's strategy to continue its focus on developing high end products with higher profit margins and enhancement of production efficiency. For the Group's own brand business, gross profit amounted to approximately RMB173.0 million was recorded in 2007, slightly decreased by 0.7% from approximately RMB174.2 million in 2006 as the production in the second half of 2007 was disrupted by the fire. For the Group's OEM business, the gross profit increased by 5.6% from approximately RMB66.3 million in 2006 to approximately RMB70.0 million in 2007.

The gross profit margin of the Group maintained at around 25.3% in 2007 (2006: 25.7%). Since the fire was an exceptional event, the gross profit margin of the Group's own brand business was not materially affected and had recorded a gross profit margin of 28.1% for 2007 (2006: 28.1%). The gross profit margin can be maintained at a high level was primarily the result of its strong brand advantages as well as the shift of product mix towards higher margin own brand products during the year. For the OEM business, the gross profit margin further improved from 21.0% to 21.5% over the year compared resulting from more stringent cost control measures implemented throughout the year.

### Profit for the Year

Due to the serious fire at Fuzhou Plant in May 2007, the Group recorded a reduced net profit for the year of approximately RMB15.5 million, representing a decrease of 90.3% as compared to 2006. Profit from operation was approximately RMB183.0 million, representing a slight decrease of 0.2% as compared to 2006. During the year under review, the Group recorded losses from the fire of approximately RMB164.6 million which mainly represented the net amount of the exceptional losses as a result of the fire in the Group's production plant in Fuzhou on 31 May 2007 and the insurance compensation on the fire losses. Most of the Group's inventory had been destroyed and the Group's production was materially disrupted. The losses from the fire incident comprised

### 銷售成本

本集團於二零零七年的銷售成本約人民幣717,400,000元，較去年上升3.1%。直接材料、直接人工及其他生產成本分別佔銷售成本約89.3%、3.5%及7.2%。憑藉中國市場的競爭優勢及成本效益競爭強項，本集團的銷售成本維持約74.7%（二零零六年：約74.3%）。

### 毛利及毛利率

本集團的毛利由去年的約人民幣240,500,000元增加1.2%至二零零七年的約人民幣243,500,000元，主要由於本集團繼續專注發展高利潤的高端產品及提高生產效率的策略。在本集團的自有品牌業務方面，毛利由二零零六年的約人民幣174,200,000元輕微減少約0.7%至二零零七年的約人民幣173,000,000元。由於發生嚴重火災，本集團生產於二零零七年下半年受到重大影響。在本集團的OEM業務方面，毛利由二零零六年的約人民幣66,300,000元增加5.6%至二零零七年的約人民幣70,000,000元。

本集團的全年毛利率維持25.3%（二零零六年：25.7%）。由於大火為個別事件，本集團自有品牌業務的毛利率並無受到重大影響，於二零零七年錄得毛利率28.1%（二零零六年：28.1%）。主要由本集團的強力品牌優勢以及內年將產品組合轉為較高利潤的自有品牌所致。就OEM業務而言，由於年內一直實施更嚴格的成本控制措施，年內毛利率由21.0%進一步提升至21.5%。

### 本年度溢利

由於福州廠房於二零零七年五月發生大火，本集團錄得本年度溢利淨額約人民幣15,500,000元較二零零六年下降90.3%。經營溢利約為人民幣183,000,000元較二零零六年輕微下降0.2%。於回顧年內，本集團因大火錄得虧損約人民幣164,600,000元，主要為於二零零七年五月三十一日發生的本集團福州生產廠房大火引致的異常虧損。本集團的大部分存貨被損毀，而本集團的生產遭嚴重中斷。大火造成的虧損包括存貨虧損約人民幣199,400,000元、物業損毀約人民幣



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approximately RMB199.4 million for inventory loss, approximately RMB10.5 million for loss on property, plant and equipment and approximately RMB8.3 million estimated costs for reconstruction of the rented premises being damaged in the fire. The coverage of the Group's insurance plan was primarily for loss of inventory and products from fire and not subsequent business disruption or other losses. The loss adjusters has completed the investigation and has concluded that the compensation amount to be approximately RMB52.5 million and the Group received the compensation from the insurers in November 2007. The Group had subsequently made a more comprehensive insurance plan for the period from January 2008 to January 2009.

During the year, the Group recorded total operating expenses of approximately RMB89.2 million, mainly comprising approximately RMB29.1 million for selling and distribution expenses and approximately RMB59.7 million for administrative expenses. Selling and distribution expenses comprised approximately RMB13.2 million for advertising and promotion expenses, approximately RMB5.8 million for salaries and allowances, and approximately RMB2.7 million for transportation fee. The selling and distribution expenses amounted to 3.0% of the Group's turnover, compared with 1.7% of the same in 2006. A higher selling and distribution expenses was incurred for the current period as we increased our advertising coverage for our branded products and further brand building by way of upgrading our distribution network.

During 2007, the Group recorded administrative expenses of approximately RMB59.7 million, comprising approximately RMB14.3 million for research and development expenses and approximately RMB10.5 million for salaries and allowances. Research and development expenses accounted for approximately 1.5% of the total turnover in 2007 (2006: 1.5%). The Group's administrative expenses accounted for approximately 6.2% of total turnover in 2007, a growth of approximately RMB4.4 million from 2006.

Other revenue amounted to approximately RMB28.7 million which mainly represented interest income on bank deposits.

For the year ended 31 December 2007, the Group recorded profit attributable to equity holders of approximately RMB15.5 million, representing a turnaround from loss attributable to equity holders of approximately RMB125.3 million for the six months ended 30 June 2007. The full year profit attributable to equity holders for 2007 is reduced by approximately RMB144.7 million as compared with the profit attributable to equity holders of approximately RMB160.2 million for 2006. The reduction recorded in current year was mainly the result of recognition of the fire losses. Basic earnings per share for 2007 was approximately RMB1.58 cents (2006: RMB26.35 cents).

10,500,000元及設備損毀約人民幣8,300,000元。本集團的有關保險主要保障大火造成的存貨及產品虧損，而並不涵蓋其後的業務中斷或其他損失。損失理算人已完成調查，並總結賠償金額約為人民幣52,500,000元。於二零零七年十一月，本集團收到保險公司的有關賠償。本集團其後已就由二零零八年一月至二零零九年一月期間購買更能全面保障的保險計劃。

年內，本集團錄得總經營開支約人民幣89,200,000元，主要包括分銷成本約人民幣29,100,000元及行政開支約人民幣59,700,000元。分銷成本包括廣告及宣傳開支約人民幣13,200,000元、薪金及津貼約人民幣5,800,000元及交通費約人民幣2,700,000元。分銷成本佔營業額的3.0%，而於二零零六年則佔1.7%。銷售及分銷成本上漲乃由於本集團在期內加強自有品牌產品的廣告宣傳以及藉提升分銷網絡進一步進行品牌建立。

於二零零七年，本集團錄得行政開支約人民幣59,700,000元，包括研究及開發開支約人民幣14,300,000元及薪金及津貼約人民幣10,500,000元。研究及開發開支約佔二零零七年總營業額約1.5%（二零零六年：1.5%）。本集團的行政開支佔二零零七年總營業額約6.2%，較二零零六年增加約人民幣4,400,000元。

其他收入約人民幣28,700,000元，主要為銀行存款的利息收入。

於截至二零零七年十二月三十一日止年度，本集團錄得權益持有人應佔溢利約人民幣15,500,000元，扭轉截至二零零七年六月三十日止六個月的權益持有人應佔虧損約人民幣125,300,000元。二零零七年全年權益持有人應佔溢利較二零零六年的約人民幣160,200,000元減少約人民幣144,700,000元。降低主要由確認大火損失所致。二零零七年的每股盈利為人民幣1.58仙（二零零六年：人民幣26.35仙）。

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An interim dividend of HK\$0.02 per share for the six months ended 30 June 2007 was declared and paid. A final dividend for the year ended 31 December 2007 of HK\$0.02 per share, amounting to a total dividend of approximately RMB18,578,000 is to be proposed for the approval of shareholders at the forthcoming annual general meeting of the Company.

### Significant Investments and Acquisitions

On 12 December 2007, the Company entered into the Agreement with Mr. Ma Yuk Sang (the "Vendor"), the 30% shareholder of a 70% indirect subsidiary (the "Purchaser") of the Company that the Vendor agreed to procure the sale of entire equity interest ("Sale Interest") in Chaoliton Technology Company Limited ("CLTT") to the Purchaser and the sale of the production equipment, inventory and intellectual property rights ("Sale Assets") of Chaoliton Electronics Company Limited ("CLTE") to CLTT. The Sale Assets, related senior management and employees who are expected to join CLTT as from the CLTT completion date, the date on which all the conditions to the Agreement are fulfilled (or waived, as the case may be) and the acquisition of the Sale Interest and Sale Assets are completed, have previously been responsible for managing the manufacture and sale of rechargeable battery packs for mobile phones under the "Chaoliton 超力通" brand in China. The "Chaoliton 超力通" brand is one of the largest competitors of the "SCUD" brand rechargeable battery packs for mobile phones in China.

The total consideration for the acquisition of Sale Interest and Sale Assets is up to RMB245 million, whereby RMB37 million will be paid for the purchase of the Sale Interest and the Sale Assets and the balance of up to RMB208 million to the Vendor. The RMB208 million consist of RMB91 million in cash and up to RMB117 million to be satisfied by the issue of at least 30 million and no more than 60 million Consideration Shares at HK\$2.05 if the net profit after tax targets are met or exceeded for the financial years ending 31 December 2008, 2009 and 2010.

In addition to the above, the Group is also actively exploring opportunities including potential business alliances, acquisition of businesses, technology platforms or projects adjacent to existing value chain.

就截至二零零七年六月三十日止六個月已宣派及派付中期股息每股0.02港元。截至二零零七年十二月三十一日止年度的末期股息每股0.02港元總額約人民幣18,578,000元將於本公司應屆股東週年大會上提呈予股東批准。

### 重大投資及收購事項

於二零零七年十二月十二日，本公司與馬旭生先生（「賣方」，於本公司持有70%權益的間接附屬公司（「買方」）中持有30%權益的股東）訂立協議，賣方同意促使出售於深圳市超力通科技有限公司（「超力通科技」）的全部股本權益（「銷售權益」）予買方以及銷售深圳市超力通電子有限公司（「超力通電子」）的生產設備、存貨及知識產權（「銷售資產」）予超力通科技。銷售資產、預期於超力通科技交易完成日期（協議的所有條件獲達成（或豁免（視情況而定））及銷售權益及銷售資產的收購事項完成的日期）起加入超力通科技的有關高級管理層及僱員先前曾負責管理在中國以「超力通」品牌製造及銷售移動電話二次充電電池組。「超力通」品牌為「飛毛腿」品牌移動電話二次充電電池組在中國的其中一個最大競爭對手。

銷售權益及銷售資產收購事項的總代價高達人民幣245,000,000元，當中人民幣37,000,000元將支付以收購銷售權益及銷售資產，而高達人民幣208,000,000元的餘額則支付予賣方。該人民幣208,000,000元的款項包括現金人民幣91,000,000元，而倘於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度能達到或超出除稅後溢利淨額目標，則高達人民幣117,000,000元將以按2.05港元的價格發行最少30,000,000股及不多於60,000,000股代價股份支付。

除上述披露者外，本集團正積極開拓商機，包括潛在業務聯盟、收購業務、科技平台或與現有價值鏈相近的項目。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Financial Resources

The Group generated a net cash inflow from operating activities of approximately RMB18.5 million for the year ended 31 December 2007, compared with approximately RMB50.6 million for the year ended 31 December 2006. The Group maintained a sound financial position in terms of high assets liquidity and low debt burden. The Group's cash and bank balances and pledged bank deposits as at 31 December 2007 amounted to approximately RMB497.9 million (31 December 2006: approximately RMB611.0 million). The Group's bank borrowings outstanding as at 31 December 2007 amounted to RMB14.4 million were all carried at fixed interest rate and there was no particular seasonality of the Group's borrowings. The Group monitored capital using a gearing ratio, which is total debt divided by total equity of the Group. Total debt to equity ratio of the Group expressed as a percentage of interest bearing loans and other borrowings over the total equity of approximately RMB972.3 million (31 December 2006: approximately RMB835.7million) was 1.5% as at 31 December 2007 (at 31 December 2006: 18.7%). In addition, the Group has restricted short term bank deposits of approximately RMB29.4 million (31 December 2006: approximately RMB124.0 million).

As at 31 December 2007, the Group's current ratio was 5.4 times (31 December 2006: 3.3 times) based on current assets of approximately RMB967.8 million (31 December 2006: RMB1,061.0 million) and current liabilities of approximately RMB179.8 million (31 December 2006: RMB319.7 million).

Accounts receivable turnover days were approximately 79.6 days for the year ended 31 December 2007 as compared to approximately 76.9 days for the year ended 31 December 2006. Inventory turnover days were approximately 62.1 days for the year ended 31 December 2007 as compared to approximately 41.5 days for the year ended 31 December 2006. Accounts payable turnover days were approximately 42.8 days for the year ended 31 December 2007 as compared to approximately 34.9 days for the year ended 31 December 2006.

### 流動資金及財務資源

於截至二零零七年十二月三十一日止年度，本集團產生經營現金流入淨額約人民幣18,500,000元，而於截至二零零六年十二月三十一日止年度則約為人民幣50,600,000元。本集團在高資產流動性及低債項負擔方面能保持穩健財務狀況。於二零零七年十二月三十一日，本集團的現金及銀行結餘及已質押銀行存款為數約人民幣497,900,000元（二零零六年十二月三十一日：約人民幣611,000,000元）。於二零零七年十二月三十一日，本集團的未償還銀行借貸為數人民幣14,400,000元，全部均按固定利率計息，本集團的借貸並無季節性。本集團採用資本負債比率監控資金，計算方式為本集團總負債除以總股本。本集團的總債項對股本比率按計息貸款及其他借貸除以總股本約人民幣972,300,000元（二零零六年十二月三十一日：約人民幣835,700,000元）計算，於二零零七年十二月三十一日的比率為1.5%（二零零六年十二月三十一日：18.7%）。此外，本集團的有限制短期銀行存款約為人民幣29,400,000元（二零零六年十二月三十一日：約人民幣124,000,000元）。

於二零零七年十二月三十一日，本集團流動比率為5.4倍（二零零六年十二月三十一日：3.3倍）（根據流動資產約人民幣967,800,000元（二零零六年十二月三十一日：人民幣1,061,000,000元）及流動負債約人民幣179,800,000元（二零零六年十二月三十一日：人民幣319,700,000元）計算）。

於截至二零零七年十二月三十一日止年度，應收帳款週轉天數約為79.6日，而於截至二零零六年十二月三十一日止年度則約為76.9日。於截至二零零七年十二月三十一日止年度，存貨週轉天數約為62.1日，而於截至二零零六年十二月三十一日止年度則約為41.5日。於截至二零零七年十二月三十一日止年度，應付帳款週轉天數約為42.8日，而於截至二零零六年十二月三十一日止年度則約為34.9日。

# Management Discussion and Analysis

## 管理層討論及分析

### Net Current Assets and Net Assets

The Group's net current assets as at 31 December 2007 was approximately RMB788.0 million, an increase of 6.3% from the balance of approximately RMB741.4 million recorded as at 31 December 2006. Net assets rose to approximately RMB972.3 million, representing an increase of approximately RMB136.6 million or 16.3% over the balance as at 31 December 2006.

### Pledge of Assets

At 31 December 2007, bank loans of approximately RMB1.4 million were secured by the Group's motor vehicles with a carrying amount of approximately RMB3.0 million.

At 31 December 2006, bank loans of approximately RMB56.9 million were secured by the Group's motor vehicles with a carrying amount of approximately RMB3.3 million and the Group's bank deposits of approximately RMB124.0 million.

### Commitments

During the year, the Group was committed to the expansion of the Group's existing production facilities to enhance its production capacity. The Group's capital commitments outstanding as at 31 December 2007 amounting to approximately RMB139.8 million (2006: approximately RMB6.5 million) was mainly associated to the expansion of existing capacity and the construction of the new production plant in Fuzhou. As at 31 December 2007, the Group has not provided any form of guarantee for any company outside the Group and has not been involved in any material legal proceedings for which provision for contingent liabilities was required.

### Contingent Liabilities

As at 31 December 2007, the Group had no contingent liabilities. (2006: Nil)

### Capital Structure

During the year, 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 for a total consideration of approximately HK\$78.8 million. In addition, the Company issued 93,001,246 shares of HK\$0.10 each as a result of the conversion of the convertible bonds in the aggregate principal amount of US\$10 million. Consequent to the aforesaid events, the issued share capital of the Company was increased by approximately HK\$13.1 million (represented by 132,001,246 ordinary shares) to approximately HK\$99.5 million (represented by 992,001,246 ordinary shares).

### 流動資產淨值及資產淨值

本集團於二零零七年十二月三十一日的流動資產淨值約為人民幣788,000,000元，較二零零六年十二月三十一日錄得的餘額約人民幣741,400,000元增加6.3%。資產淨值增至約人民幣972,300,000元，較二零零六年十二月三十一日的餘額增加約人民幣136,600,000元或16.3%。

### 資產抵押

於二零零七年十二月三十一日，為數約人民幣1,400,000元的銀行貸款乃以本集團帳面值為約人民幣3,000,000元的汽車作抵押。

於二零零六年十二月三十一日，為數約人民幣56,900,000元的銀行貸款乃以本集團帳面值為約人民幣3,300,000元的汽車及本集團為數約人民幣124,000,000元的銀行存款作抵押。

### 承擔

本集團承擔擴展現有生產設施以提升其生產規模。於二零零七年十二月三十一日，本集團尚有資本承擔約人民幣139,800,000元（二零零六年：約人民幣6,500,000元），主要有關擴展現有規模及在福州興建新生產廠房。於二零零七年十二月三十一日，本集團並無為本集團以外任何公司提供任何形式的擔保，亦並無涉及需作出或然負債撥備的任何重大法律訴訟。

### 或然負債

於二零零七年十二月三十日，本集團並無或然負債。（二零零六年：無）

### 資本架構

年內，於行使總代價約78,800,000港元的超額配股權後，本公司按每股2.02港元的價格發行及配發每股面值0.10港元的39,000,000股股份。此外，由於兌換總本金額為10,000,000美元的可換股債券，本公司發行93,001,246股每股面值0.10港元的股份。由於上述事項，本公司的已發行股本增加約13,100,000港元（即132,001,246股普通股）至約99,500,000港元（即992,001,246股普通股）。

# Management Discussion and Analysis

## 管理層討論及分析

### Foreign Exchange Exposure

For the year 2007, the Group conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchanges rates. Although the Group has certain bank balances denominated in USD, JPY and HKD, their proportion to the Group's total assets is insignificant. The directors consider no hedging of exchange risk is required and there were no financial instruments being used for hedging purposes during the year. Nevertheless, the management will continue to monitor the foreign exchange exposure and will take prudent measures as and when it is appropriate.

### Employee, Remuneration Policies and Share Option Scheme

As at 31 December 2007, the Group had 2,380 full-time employees (2006: 2,349). The salaries of the Group's employees were determined by the personal performance, professional qualification, industry experience of the employee and relevant market trends. The Group ensures all levels of employees are paid competitively within the standard in the market and employees are rewarded on a performance-related basis within the framework of the Group's salary, incentives and bonus scheme. The management reviews the remuneration policy of the Group on a regular basis and evaluates the working performance of the employees. The remuneration of the employees includes salaries, allowances, year-end bonus and social insurance etc. According to the relevant prevailing laws and regulations of the PRC, the Group has participated in the social insurance plans set up by the related local government authorities, including pension funds, medical insurance (including maternity insurance), unemployment insurance and work-related injury insurance. The Group has also participated in the mandatory provident fund scheme for its Hong Kong employees in accordance with the Mandatory Provident Fund Scheme Ordinance.

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.

### 外匯風險

於二零零七年，本集團主要以人民幣進行其業務交易。本集團並無因匯率波動而導致任何重大困難或對其營運產生重大負面影響。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，然而，佔本集團的總資產比例並不重大。董事認為無需對沖外匯風險，年內並無運用財務工具作對沖用途。然而，管理層將繼續監控外匯風險，並在適當時採取審慎措施。

### 僱員、薪酬政策及購股權計劃

於二零零七年十二月三十一日，本集團有 2,380 名全職僱員（二零零六年：2,349 名）。本集團僱員的薪酬乃按有關僱員的個人表現、專業資格、行內經驗及相關市場趨勢釐定。本集團確保所有職級僱員的薪酬均符合市場水平，而根據本集團的薪金、獎勵及花紅計劃，本集團會因應僱員的表現而回饋僱員。管理層定期檢討本集團的薪酬政策，並評估僱員的工作表現。僱員薪酬包括薪金、津貼、年終花紅及社會保障等。根據中國現行相關法律及法規，本集團已參與本地有關政府機關設立的社會保障計劃，包括退休金、醫療保險（包括分娩保險）、失業保險及工作相關損傷保險。本集團亦按照強制性公積金計劃條例為香港僱員參與強制性公積金計劃。

本公司已根據於二零零六年十二月三日通過的決議案採納購股權計劃（「計劃」），主要為向董事及合資格僱員提供獎勵。根據計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司的董事）授出購股權，以認購本公司的股份。計劃按十年年期採納，本公司可以股東大會上的普通決議案或由本公司董事會於任何時間終止計劃，惟必須以無損計劃終止前行使於計劃生效期間授出而仍然尚未到期的購股權為限。

# Management Discussion and Analysis

## 管理層討論及分析

As at 31 December 2007, the number of shares in respect of which options had been granted under the pre-IPO share option scheme (the "Scheme") adopted by the Company prior to its listing and remained outstanding under the Scheme was 23,830,000 shares (2006: 24,970,000 shares), representing approximately 2.4% (2006: approximately 2.9%) of the shares of the Company in issue at that time. Since the adoption of the Scheme and as at 31 December 2007, no share option has been granted or exercised under such Scheme and 1,140,000 share options had lapsed as a result of certain employees having left our employment during the year.

### Use of Proceeds

The Company raised an aggregate proceeds of HK\$604.0 million as a result of its initial public offering and net proceeds of approximately HK\$568.3 million was received after the deduction of relevant IPO fees and commission incurred. Up to 31 December 2007, the Group has utilized approximately RMB68.2 million (equivalent to approximately HK\$72.8 million) on expansion of production capacity and plant construction, approximately RMB10.9 million (equivalent to approximately HK\$11.6 million) on brand promotion and improve distribution network, approximately RMB55.0 million (equivalent to approximately HK\$58.7 million) on repayment of bank borrowings. Remaining net proceeds of approximately RMB398.2 million (equivalent to approximately HK\$425.2 million) were mainly used as daily working capital and held as deposits with commercial banks.

In 2008, approximately RMB128.0 million (equivalent to approximately HK\$136.7 million) is expected to be reserved for the acquisition of the Sale Interest and the Sale Assets and up to approximately RMB117.0 million (equivalent to approximately HK\$124.9 million) to be satisfied by the issue of at least 30 million and no more than 60 million consideration shares, further details of which are set out note 34 to the financial statements.

於二零零七年十二月三十一日，該等根據本公司於上市前採納的首次公開發售前購股權計劃（「計劃」）授出及尚未行使的購股權所涉及的股份數目為23,830,000股（二零零六年：24,970,000股），約佔本公司當時已發行股份的2.4%（二零零六年：約2.9%）。自採納計劃以來及截至二零零七年十二月三十一日，並無購股權根據計劃授出或行使，而年內因有關僱員離任，1,140,000股購股權已失效。

### 所得款項用途

本公司因首次公開發售而籌集的所得款項總額為604,000,000港元，並於扣除有關首次公開發售費用及佣金後收取所得款項淨額約568,300,000港元。截至二零零七年十二月三十一日，本集團已動用約人民幣68,200,000元（相等於約72,800,000港元）於提高產能及建築新廠房、約人民幣10,900,000元（相等於約11,600,000港元）於品牌宣傳及改善分銷網絡及約人民幣55,000,000元（相等於約58,700,000港元）以償還銀行借貸，餘下的所得款項淨額約人民幣398,200,000元（相等於約425,200,000港元）主要作為日常營運資金，並於香港的商業銀行持作存款。

於二零零八年，本集團預期預留約人民幣128,000,000元（相等於約136,700,000港元）供收購銷售權益及銷售資產用途，而最多約人民幣117,000,000元（相等於約124,900,000港元）將以發行最少30,000,000股而不多於60,000,000股代價股份支付，詳情載於財務報表附註34。

# Directors and Senior Management

## 董事和高級管理層

### DIRECTORS

The Group's Board of Directors consists of 8 Directors, 3 of whom are Independent Non-executive Directors.

### Executive Directors

**Fang Jin**, aged 49, is an Executive Director and the Chairman of the Group, and is a senior economist. He is also a co-founder of the Group. Mr. Fang is mainly responsible for the Group's developmental planning, operational and corporate investment decision-making and brand strategy. Mr. Fang has been leading the Board for collective decision-making for years and has set a very clear direction for SCUD product management and brand construction. He commenced his career at the age of 18, and has accumulated over twenty years of experience in the mobile phone accessories industry and related operation management. He has very keen discernment and vision on the exploration of brand market and the marketability of new products. Prior to the establishment of Scud (Fujian) Electronics Co. Ltd. ("Scud Electronics") in 1997, Mr. Fang was engaged, as a sole proprietor, in the sale of communication products and accessories in the PRC. In December 1996, he found Cai Hong Group (Hong Kong) Co. Ltd. ("Cai Hong") in conjunction with partners including Mr. Lin Chao (and established Scud Electronics in October 1997). Mr. Fang has received several awards including:

2003	National Advanced Individual On Projects of End Users' Satisfaction
2004	Excellent Runners of Technological Private Enterprises in China
2004	Fujian Top Ten Venture Heroes in the Commercial Sector
2005	China Top Ten Excellent Entrepreneurs in Brand Construction
2005	The Mudell's World Executive Awards for Achievement in Business and Economy
2006	Annual Excellent Persons in Fujian Economy
2006	National Excellent Managers of Users' Satisfaction

Mr. Fang is the Vice Chairman of the Joint Industrial and Commercial Association of Mawei District in Fuzhou City Economic and Technological Development Region, Vice Chairman of the First Committee of the Productivity Enhancement Association in Fujian, the First Honorary Chairman of the Fuzhou Chamber of Commerce in Shenzhen, a member of the 5th Standing Committee of the Association of the Battery Industry in China and a member of China Association of Quality Inspection.

### 董事

本集團董事會由8名董事組成，其中3名為獨立非執行董事。

### 執行董事

**方金**，49歲，執行董事，為本集團主要創辦人兼主席，高級經濟師。方先生主要負責本集團發展規劃、經營決策、公司投資決策及品牌戰略決策。多年來，方先生領導董事會進行集體決策，為飛毛腿的產業定位和品牌建設確定了非常明確的方向。方先生十八歲開始創業並在移動電話附件行業和經營管理領域中累積二十多年經驗，對品牌市場的拓展和新產品市場前景有非常敏銳的判斷力和遠見。飛毛腿(福建)電子有限公司(「飛毛腿電子」)於一九九七年成立前，方先生作為個體經營者在中國從事通信產品和配件的銷售，隨後於一九九六年十二月與林超先生等合夥人共同成立彩弘集團(香港)有限公司(「彩弘」)(隨後於一九九七年十月成立飛毛腿電子)。方先生榮獲多項獎項，包括：

二零零三年	全國實施用戶滿意工程先進個人
二零零四年	中國優秀民營科技企業家
二零零四年	福建商界十大創業英雄
二零零五年	中國品牌建設十大傑出企業家
二零零五年	蒙代爾世界經理人成就獎
二零零六年	福建經濟年度傑出人物
二零零六年	全國用戶滿意傑出管理者

方先生現為福州經濟技術開發區、馬尾區工商業聯合會副會長、福建省生產力促進協會第一屆理事會副理事長、深圳市福州商會首屆名譽會長、中國電池工業協會第五屆理事會常務理事、中國質量檢驗協會會員。

# Directors and Senior Management

## 董事和高級管理層

Mr. Fang is the sole director and shareholder of Swift Joy Holdings Limited, which is a substantial shareholder of the Company. As at 31 December 2007, Mr. Fang is interested in 402,000,000 shares, representing approximately 40.52% of the issued share capital of the Company, and options which were granted under the Company's pre-listing share option scheme in respect of 5,000,000 shares, representing approximately 0.51% of the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

**Lin Chao**, aged 42, is an Executive Director and the Vice Chairman of the Group. He is also a co-founder of the Group and an economist. Mr. Lin is mainly responsible for assisting Mr. Fang to formulate the Group's development and operations, investments and brand strategies. Mr. Lin had excellent performance in aspects of OEM business development, purchasing cost control and customer relationship. In 1997, in conjunction with Mr. Fang Jin as a partner, he established Cai Hong (and established Scud Electronics in October 1997). Mr. Lin had been a director, vice general manager, general manager and chief executive of Scud Electronics and possessed 20 years' experience in business development and inventory control in the electronics industry. Mr. Lin was originally a staff member of a State-owned enterprise, and entered the commercial sector in 1986. He was engaged, as a sole proprietor, in the distribution and retail sale of telecommunication products such as telephones, walkie-talkies and long-distance cordless phones in Fuzhou, the main accessories of which include mobile phone batteries and chargers. He also set up repair workshops to provide after-sale maintenance services. Mr. Lin is a member of China Association of Quality Inspection, a member of the standing council of Fuzhou Foreign Investment Association and a member of the 11th Committee of the Chinese People's Political Consultative Conference of Fuzhou City.

Mr. Lin is the sole director and shareholder of Right Grand Holdings Limited, which is a substantial shareholder of the Company. As at 31 December 2007, Mr. Lin is interested in 180,000,000 shares, representing approximately 18.15% of the issued share capital of the Company, and options which were granted under the Company's pre-listing share option scheme in respect of 4,000,000 shares, representing approximately 0.4% of the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

方先生為本公司主要股東迅悅控股有限公司的唯一董事及股東。於二零零七年十二月三十一日，根據證券及期貨條例第XV分部，方先生擁有402,000,000股股份之權益，佔本公司已發行股本約40.52%，以及根據本公司上市前購股權計劃授出涉及5,000,000股股份的購股權，有關股份佔本公司已發行股本約0.51%。

**林超**，42歲，執行董事，為本集團創辦人之一兼副董事長，經濟師。林先生主要負責協助方金董事長制定本集團發展規劃、經營決策、戰略投資決策及品牌戰略決策。林先生在OEM業務拓展、採購成本控制、客戶關係處理等方面有過很突出的表現。一九九七年，連同方金先生作為合夥人共同成立彩弘（隨後於一九九七年十月成立飛毛腿電子）。林先生曾先後擔任過飛毛腿電子董事兼副總經理及總經理、總裁職務，林先生有二十年電子行業業務拓展和存貨管理經驗。林先生原為國有企業職工，一九八六年涉足商業界，在福州市以個體經營方式從事電話機、對講機、長距離無繩電話等通訊產品配件批發和零售業務，其主要配件就包括移動電話電池、充電器產品，並設產品維修站，提供售後維修服務。林先生現為中國質量協會會員、福州市外商投資協會常務理事、中國政治協商福州委員會第十一屆委員。

林先生為本公司主要股東正宏控股有限公司的唯一董事及股東。於二零零七年十二月三十一日，根據證券及期貨條例第XV分部，林先生擁有180,000,000股股份之權益，佔本公司已發行股本約18.15%，以及根據本公司上市前購股權計劃授出涉及4,000,000股股份的購股權，有關股份佔本公司已發行股本約0.4%。



# Directors and Senior Management

## 董事和高級管理層

**Guo Quan Zeng**, aged 47, is an Executive Director and President of the Group, and is an engineer. He is responsible for the management of the Group's daily operations. He joined the Group in July 1997. He had been the managers of the research and development department, sales department, planning department, production department and quality control departments of Scud Electronics, and had been director, vice general manager and vice president. He has abundant experience in junior level management in OEM business development, brand promotion, product research and development and quality control. Prior to joining the Group, Mr. Guo was a lieutenant commander engineer of the PRC navy mainly responsible for establishing and maintaining wireless telecommunication systems. Mr. Guo has over 24 years of experience in the research and development and quality management in electronic products. Mr. Guo graduated from the Navy Senior Electronic Engineering School with a bachelor's degree in radio telecommunication engineering in 1983.

Mr. Guo is the sole director and shareholder of Cheer View Holdings Limited, which is a substantial shareholder of the Company. As at 31 December 2007, Mr. Guo is interested in 18,000,000 shares, representing approximately 1.81% of the issued share capital of the Company, and options which were granted under the Company's pre-listing share option scheme in respect of 3,500,000 shares, representing approximately 0.35% of the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

**Li Hui Qiu**, aged 42, is an Executive Director and Vice President of the Group, and is a senior economist. Mr. Li assists the President in managing the Group's internal management, information system, external administrative affairs and investments. Mr. Li joined the Group in January 2003 and had excellent achievement in the setting up of the Group's information system and the implementation of brand strategy. Mr. Li was the Director and Executive Deputy General Manager of Fujian Yutek Electronics Company Limited, a company held by Furi Stock Company Limited, Deputy Head of the enterprise management division of Liaoning Investment Group, Director of Shenyang Jinjian Short Fiber Composite Material Company Limited, a company held by Liaoning Investment Group, Director of Liaoning Jianye Technology Development Co. Ltd. and production factory head of No.35 Factory of Shenyang Aircraft Industry Group. Mr. Li has accumulated nearly 20 years of experience in manufacturing industry management. Mr. Li graduated from the Nanjing Aeronautic University in 1988 with a Bachelor's degree in engineering. In 1998, he graduated from Beijing Aeronautic University with a Master's degree in engineering.

**郭泉增**，47歲，執行董事，為本集團總裁，工程師。主要負責本集團整體經營管理。郭先生於一九九七年七月加入本集團，先後擔任過飛毛腿電子開發部經理、業務部經理、策劃部經理、生產部及質控部經理、董事、副總經理、常務副總裁職務，在OEM業務開發、品牌推廣、產品研發和質量控制方面有非常豐富的基層管理經驗。加入本集團前，郭先生一九九七年由中國海軍少校工程師，主要負責無線通訊系統的建立和維護，郭先生有二十四年的電子產品開發和質量管理工作經驗。郭先生一九八三年畢業於海軍高級電子工程學校無線電通信工程專業，學士學位。

郭先生為本公司主要股東悅景控股有限公司的唯一董事及股東。於二零零七年十二月三十一日，根據證券及期貨條例第XV分部，郭先生擁有18,000,000股股份之權益，佔本公司已發行股本約1.81%，以及根據本公司上市前購股權計劃授出涉及3,500,000股股份的購股權，有關股份佔本公司已發行股本約0.35%。

**李會秋**，42歲，執行董事，為本集團副總裁，高級經濟師。李先生協助總裁管理本集團內部管理體系、信息化建設、外部行政事務和投資管理。李先生二零零三年一月加入本集團，在公司信息化管理建設和品牌戰略實施上有著非常的貢獻。李先生曾先後出任過福日股份有限公司福建優泰電子有限公司董事／常務副總經理、遼寧省投資集團企業管理處副處長、遼寧省投資集團控股公司瀋陽金建短纖維複合材料有限公司董事、遼寧建業科技發展有限公司董事、瀋陽飛機工業集團公司35分廠生產廠長。李先生積累近二十年的製造業工作經驗。李先生後於一九八八年畢業於南京航空航天大學工學學士學位、一九九八年畢業於北京航天大學工學碩士學位。

# Directors and Senior Management

## 董事和高級管理層

### Non-Executive Director

**Ho Man**, aged 38, is a non-executive Director. He holds a Master of Science degree in Finance from the London Business School, and is a Chartered Financial Analyst and Certified Public Accountant. Mr. Ho is the Managing Director and Head of China Growth and Expansion Capital of CLSA Capital Partners (HK) Ltd. He joined the CLSA Group in 1997. Mr. Ho has over 10 years of experience in private equity and he has been responsible for deal sourcing, evaluation and structuring, negotiation, post investment monitoring and realization, with particular emphasis on Hong Kong and the PRC. Mr. Ho was appointed a non-executive Director of the Company on 3 December 2006.

### Independent Non-executive Directors

**Heng Kwoo Seng**, aged 60, is an independent non-executive Director. He is a partner of Morison Heng, Certified Public Accountants in Hong Kong. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He has worked with a number of companies listed on the Stock Exchange either in the capacity of company secretary or as an independent non-executive director. In the last three years, he was also an independent non-executive director of The Thai-Asia Fund Limited (until 13 March 2006), The Thai Asset Fund Limited (until 27 January 2006), Winfair Investment Company Limited (until 1 April 2007) and Tack Fat Group International Limited (until 31 August 2007). He is currently an independent non-executive director of China Fire Safety Enterprise Group Holdings Limited, Lee & Man Holding Limited, Lee & Man Paper Manufacturing Limited, Minth Group Limited, Soundwill Holdings Limited, SIM Technology Group Limited, The United Laboratories International Holdings Limited, GCL-Poly Energy Holdings Limited and Zhong An Real Estate Limited, and a company secretary of AEON Stores (Hong Kong) Co., Limited and China Life Insurance Company Limited, all of which are companies listed on the Stock Exchange. He joined the Company as an independent non-executive Director on 3 December 2006.

**Wang Jing Zhong**, aged 52, is an independent non-executive Director of the Company and a senior engineer. He graduated from East China University of Science & Technology with a Bachelor's degree in chemistry. He has nearly 11 years of experience in the management of the battery industry. He had served as the engineer-in-charge of the household products division in the Ministry of Light Industries, as deputy department head of the campus department of the Education Bureau and as the deputy officer-in-charge of the Household Products Office. He is currently the Executive Vice-president and Secretary General of China Battery Industry Association. Mr. Wang joined the Company as an independent non-executive Director on 3 December 2006.

### 非執行董事

**何敏**，38歲，為非執行董事。何先生持有倫敦商學院金融學碩士學位，同時為特許財務分析師和執業會計師。何先生現任里昂證券亞太恒富資本(香港)有限公司的中國增長及發展基金的中國區主管兼董事總經理。何先生於一九九七年加入里昂證券。何先生在私人股權投資領域中擁有10年以上經驗並一直負責項目發掘、評估和重組、代表談判、投資後監督和實現價值，並專注於香港和中國內地。何先生於二零零六年十二月三日獲委任為本公司非執行董事。

### 獨立非執行董事

**邢詒春**，60歲，為獨立非執行董事。邢先生為香港執業會計師華利信會計師事務所合夥人。邢先生為英格蘭及威爾士特許會計師公會資深會員和香港會計師公會會員。邢先生已在聯交所上市的多家公司中擔任公司秘書或獨立非執行董事。於過去三年，邢先生亦曾出任 The Thai-Asia Fund Limited (至二零零六年三月十三日止)、The Thai Asset Fund Limited (至二零零六年一月二十七日止)、永發置業有限公司(至二零零七年四月一日止)及德發集團國際有限公司(至二零零七年八月三十一日止)的獨立非執行董事。邢先生目前分別出任中國消防企業集團控股有限公司、理文集團有限公司、理文造紙有限公司、敏實集團有限公司、金朝陽集團有限公司、晨訊科技集團有限公司、聯邦制藥國際控股有限公司、保利協鑫能源控股有限公司及眾安房產有限公司的獨立非執行董事，同時亦為永旺(香港)百貨有限公司和中國人壽保險股份有限公司的公司秘書，所有公司均為聯交所上市公司。邢先生於二零零六年十二月三日加入本公司擔任獨立非執行董事。

**王敬忠**，52歲，為本公司獨立非執行董事，高級工程師。王先生畢業於上海華東理工大學精細化專業，具有近11年電池行業管理經驗。曾先後擔任國家輕工部日化局主管工程師、教育司院校處副處長、日化辦副主任，現任中國電池工業協會常務副理事長兼秘書長。王先生於二零零六年十二月三日加入本公司擔任獨立非執行董事。

# Directors and Senior Management

## 董事和高級管理層

**Wang Jian Zhang**, aged 62, is an independent non-executive Director of the Company and is a senior engineer. Mr. Wang graduated from Xian Military Institute of Telecommunication Engineering. He has 21 years of experience in electronic technology and management. Prior to joining the Group, Mr. Wang had served as deputy director of the Promotion Division of Comprehensive Planning Department under Ministry of Electronics Industry, director of the Comprehensive Planning and the Investment Division under Ministry of Mechanical and Electrical Industry, director-general of the Comprehensive Planning Department under Ministry of Electronics, and director-general of the Comprehensive Planning Department under the Ministry of Information Industry. Mr. Wang joined the Company on 3 December 2006 as an independent non-executive Director.

### Senior Management

**Pan Liang Chun**, aged 34, is currently the general manager of Scud Electronics (Shenzhen) Co., Ltd. ("Scud Shenzhen") He is responsible for the entire operations of Scud Shenzhen. The main operation of the Scud Shenzhen was originally commercial premiums and OEM products and has now been completely directed to the production of SCUD brand products. Mr. Pan joined the Group in December 2001 and had served as the director of the operation of the north-western, central and Guangdong Regions of the Scud Electronics and the general manager of the Own Brand Affairs Department. He had superior judgment and wisdom in brand market development and planning. Prior to joining the Group, Mr. Pan was the head of the manufacturing division of Fuqing Dayi Electronic Company Limited, general manager Fuzhou Weitong Leatherware Company Limited and general manager of Gansu Wanling Telecom Equipment Company Limited. Mr. Pan has nearly ten years of experience in the sales of telecommunication products. Since he joined the Group, he has been mainly responsible for the development of sales distribution, brand construction and marketing management. Mr. Pan graduated from Fujian Broadcasting University in 1997 with a Bachelor's degree in business administration.

**王建章**，62歲，為本公司獨立非執行董事，高級工程師。王先生畢業於中國人民解放軍通訊工程學院。王先生在電子技術和管理領域擁有21年經驗。加入本集團之前，王先生擔任電子行業部綜合規劃司推廣部副主任、機電部綜合規劃投資部主任、電子部綜合規劃司司長和信息產業部綜合規劃司司長。王先生於二零零六年十二月三日加入本公司擔任獨立非執行董事。

### 高級管理人員

**潘良春**，34歲，現為飛毛腿電子(深圳)有限公司(「飛毛腿深圳」)總經理，負責飛毛腿深圳總體經營管理，飛毛腿深圳主要業務原為禮包和OEM產品，現全部調整為飛毛腿品牌產品業務。潘先生於二零零一年十二月加入本集團，曾任飛毛腿電子自有品牌業務西北區、華中區以及廣東區業務總監、品牌事業部總經理等職務，其在品牌市場拓展和策劃方面有非常的膽識和智慧謀略。潘先生，投身本集團之前曾任福清大億電子有限公司製造課課長、福建衛通皮具有限公司總經理、甘肅萬靈電訊器材有限公司總經理。潘先生有近十年通訊產品營銷經驗，服務本集團後主要致力於分銷渠道的開發、品牌建立和營銷管理。潘先生一九九七年畢業於福建省廣播電視大學工商管理專業。

# Directors and Senior Management

## 董事和高級管理層

**Qiu Jun Ming**, age 61, is the general manager of Scud Electronics. He is responsible for the entire operations of Scud Electronics. The main responsible business is the production of OEM products, including mobile phone batteries and chargers and notebook computer batteries. Mr. Qiu joined the Group in April 2004 and had been the general manager of the notebook business department and the vice president of Scud Electronics. Prior to joining the Group, Mr. Qiu had served as consultant at Perfect Source Tech (PST) Co., Ltd., as director and vice president of the Solomon Group, as general manager of Chen-Hsong Machinery Co., Ltd., as general manager of Jimmy Hi-Tech Co., Ltd. and as staff manager of Radio Corporation of America. He has nearly 36 years of experience in the electronics manufacturing industry. Mr. Qiu graduated from the Mechanical Engineering Faculty of the Taipei Institute of Industry in Taiwan Province in 1967 and from Chung Yuan Christian University with a Master's degree in information technology in 1987.

**Huang Yan**, aged 29, is the Executive Deputy General Manager of SCUD (Fujian) Battery Co. Ltd ("Scud Battery"), and is responsible for the overall operation management of Scud Battery. The main business of Scud Battery is SCUD own brand products. Ms. Huang joined the Group in February 2001 and has served as the manager of the own brand business division of Scud Electronics. She has strong knowledge in the management of brand business, production planning and team building. Prior to joining the Group, Ms. Huang had served as an assistant to the General Manager of 長盛無線電信息公司在 Fujian. Ms. Huang has nearly 7 year's experience in the business of telecommunication products. Her service in the Group mainly involves the management of distribution channels, the development of brand products and team building. Ms. Huang graduated from Fujian Cadet Academy of Economic Management in 1999 in the speciality of trading.

**Yeung Mun Tai** (FCCA, CPA), aged 31, is the Qualified Accountant and Company Secretary of the Company. He is the Chief Financial Officer of the Group and is responsible for the overall financial and accounting affairs. He is a member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Yeung worked as an auditor in an international accounting firm. He has more than 9 years of experience in the accounting field. He has a Bachelor's degree in Business Administration and Accounting. Mr. Yeung joined the Group in September 2005.

**邱俊明**，61歲，為飛毛腿電子總經理，負責飛毛腿電子總體經營管理。主要負責業務為OEM原廠配套，包括移動電話電池和充電器、筆記本電池、動力電池等。邱先生二零零四年四月加入本集團，曾任筆記本事業部總經理、飛毛腿電子副總裁職務。在投身本集團前，邱先生曾出任不同職位，包括 Perfect Source Tech (PST) Co., Ltd「顧問」、所羅門集團董事兼副總裁、台灣震雄機械總經理、杰美科技總經理、RCA高級制工經理，有近三十六年電子制行業工作經驗。邱先生一九六七年畢業於台灣國立台北科技大學機械系畢業，一九八七年畢業於中原大學電子信息碩士班進修。

**黃燕**，29歲，現為飛毛腿(福建)電池有限公司(「飛毛腿電池」)常務副總經理，負責飛毛腿電池總體經營管理，飛毛腿電池主要業務為飛毛腿自有品牌產品業務。黃小姐於二零零一年二月加入本集團，曾任飛毛腿電子自有品牌業務部經理職務，其在品牌商務管理、計劃性生產和團隊建設方面有非常的見解。黃小姐，投身本集團之前曾任福建省長盛無線電信息公司總經理助理工作。黃小姐有近七年通訊產品商務經驗，服務本集團後主要致力於分銷渠道的管理、品牌維護和團隊建設。黃小姐於一九九九年畢業於福建省經濟管理幹部學院經濟貿易專業。

**楊滿泰**(FCCA, CPA)，31歲，為本公司的合資格會計師和公司秘書。楊先生擔任本集團財務總監，負責整體財務及會計工作。楊先生同時為特許公認會計師公會會員和香港會計師公會會員。楊先生加入本集團之前擔任在一所國際會計師事務所核數師，在會計領域方面擁有9年以上的經驗。楊先生亦取得工商管理與會計學士學位。楊先生於二零零五年九月加入本集團。

# Directors' Report

## 董事會報告

The board of directors (the "Board") of SCUD Group Limited would like to present its annual report and audited consolidated financial statements for the year ended 31 December 2007.

### CORPORATE REORGANISATION

The Company was incorporated with limited liability in the Cayman Islands on 20 July 2006 as an exempted company. It was subsequently listed on the Stock Exchange on 21 December 2006.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its major subsidiaries are set out in note 35 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statements on page 71.

An interim dividend for the six months period ended 30 June 2007 of HK\$0.02 per share, amounting to a total interim dividend of approximately RMB19,211,000, was declared and paid to the shareholders.

A final dividend for the year ended 31 December 2007 of HK\$0.02 per share, amounting to a total final dividend of approximately RMB18,578,000, is to be proposed for the approval of shareholders at the forthcoming annual general meeting of the Company.

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

Details of the movements during the year in the share capital are set out in note 30 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2007 comprised the accumulated profits, other reserves and share premium of approximately RMB773.9 million.

飛毛腿集團有限公司董事會(「董事會」)謹提呈截至二零零七年十二月三十一日止年度報告及經審核綜合財務報表。

### 企業重組

本公司於二零零六年七月二十日於開曼群島註冊成立為受豁免有限公司。本公司其後於二零零六年十二月二十一日在聯交所上市。

### 主要業務

本公司為一間投資控股公司。其主要附屬公司的主要業務載於綜合財務報表附註35。

### 業績及分配

本集團截至二零零七年十二月三十一日止年度之業績載於第71頁之綜合收益表。

截至二零零七年六月三十日止六個月期間的中期股息每股0.02港元總額約人民幣19,211,000元已宣派及派付予股東。

截至二零零七年十二月三十一日止年度的末期股息每股0.02港元總額約人民幣18,578,000元將於本公司應屆股東週年大會上提呈予股東批准。

### 物業、機器及設備

本集團於本年度之物業、機器及設備的變動詳情載於綜合財務報表附註14。

### 股本

本集團於本年度之股本變動詳情載於綜合財務報表附註30。

### 本公司可派發儲備

本公司於二零零七年十二月三十一日之可派發予股東之儲備包括累計溢利、其他儲備及股份溢價約為人民幣773,900,000元。

# Directors' Report

## 董事會報告

### DIRECTORS AND SERVICE CONTRACTS

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

#### Executive Directors:

Fang Jin ( <i>Chairman</i> )	(reappointed on 10 May 2007)
Lin Chao ( <i>Vice Chairman</i> )	(reappointed on 10 May 2007)
Guo Quan Zeng ( <i>President</i> )	(reappointed on 10 May 2007)
Li Hui Qiu ( <i>Vice President</i> )	(reappointed on 10 May 2007)

#### Non-executive Director:

Ho Man	(reappointed on 10 May 2007)
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#### Independent Non-executive Directors:

Heng Kwoo Seng	(reappointed on 10 May 2007)
Wang Jing Zhong	(reappointed on 10 May 2007)
Wang Jian Zhang	(reappointed on 10 May 2007)

According to the requirements of Article 87(1) of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng will retire and being eligible, offer themselves for re-election in the forthcoming annual general meeting.

Mr. Fang Jin, Mr. Lin Chao, Mr. Guo Quan Zeng and Mr. Li Hui Qiu have entered into service contracts with the Company for a term of three years, commencing on 21 December 2006 which may only be terminated in accordance with the provisions of the service contract after the first two years by either party giving to the other not less than three months' prior notice in writing. As a result of the fire at a production plant of the Company, further details of which are set out in the Company's announcement dated 1 June 2007, Mr. Guo Quan Zeng proposed a salary cut of 30% for himself for one year and 10% for a half year for the rest of the executive committee members (including Mr. Li Hui Qiu). Mr. Fang Jin and Mr. Lin Chao have no salary according to the services contracts.

### 董事及服務合約

本公司於本年度及截至此報告日的董事為：

#### 執行董事：

方金( <i>主席</i> )	(於二零零七年五月十日重新委任)
林超( <i>副主席</i> )	(於二零零七年五月十日重新委任)
郭泉增( <i>總裁</i> )	(於二零零七年五月十日重新委任)
李會秋( <i>副總裁</i> )	(於二零零七年五月十日重新委任)

#### 非執行董事：

何敏	(於二零零七年五月十日重新委任)
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#### 獨立非執行董事：

邢詒春	(於二零零七年五月十日重新委任)
王敬忠	(於二零零七年五月十日重新委任)
王建章	(於二零零七年五月十日重新委任)

根據本公司之組織章程細則第87(1)條之規定，於每年股東週年大會上，將有三分之一董事（若董事數目並非三的倍數，將以最接近三分之一但不少於三分之一的董事數目為準）輪席告退，惟每名董事須至少每三年於股東週年大會上退任。方金先生、林超先生及郭泉增先生將於即將召開的股東週年大會上退任，並合資格膺選連任。

方金先生、林超先生、郭泉增先生及李會秋先生已與本公司訂立服務協議，任期由二零零六年十二月二十一日起計為期三年，協議僅於首兩年後根據服務合約條文由其中一方發向另一方發出不少於三個月書面事前通知時終止。由於本公司廠房發生大火（詳情載於本公司日期為二零零七年六月一日的公告），郭泉增先生建議削減其本身一年薪酬30%，而其餘執行委員會成員（包括李會秋先生）的半年薪酬則削減10%。根據服務合約，方金先生及林超先生並無薪酬。

# Directors' Report

## 董事會報告

Mr. Ho Man, Mr. Heng Kwo Seng, Mr. Wang Jing Zhong and Mr. Wang Jian Zhang have entered into letters of appointment with the Company for a term of one year, commencing from 21 December 2006 which provide that either party may terminate the relevant appointment by giving to the other prior written notice of not less than three months. The new appointment letters have not been re-executed into upon expiry of the above appointment letters to record the continual engagement of the non-executive directors and independent non-executive directors of the Company and it is expected that new appointment letters will be signed by the above directors upon conclusion of the 2008 annual general meeting of the company to record the same and confirm their appointments from the expiry of the above appointment letters up to and including the date of the 2009 annual general meeting of the Company.

Save as disclosed above, there are no service contracts for any of the directors who are nominated for re-election at the forthcoming annual general meeting which are not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 December 2007, the relevant interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO"), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

何敏先生、邢詒春先生、王敬忠先生及王 Jian 章先生已與本公司訂立委任書，任期由二零零六年十二月二十一日起計為期一年，惟任何一方均可以不少於三個月書面事前通知另一方予以終止相關委任書。於上述委任書屆滿後並未訂立新委任書以記錄續聘本公司非執行董事及獨立非執行董事，預期上述董事將於本公司二零零八年股東週年大會結束後簽訂新委任書以記錄上述續聘事宜及確認彼等的委任，年期由上述委任書屆滿日直至及包括本公司二零零九年股東週年大會日期止。

除以上披露者外，任何在應屆股東週年大會獲提名連任之董事並無擁有本集團不可在一年內不作賠償(法定賠償除外)情況下予以終止之服務合約。

### 董事及最高行政人員之股份權益及淡倉

於二零零七年十二月三十一日，董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之任何股份及相關股份中擁有記載於本公司按證券及期貨條例第352條須置存於登記冊內或根據證券及期貨條例第XV部第7及8分部(包括證券及期貨條例所指的權益或淡倉)，以及根據聯交所證券上市規則(「上市規則」)有關董事進行證券交易之條文須向本公司及聯交所披露之被當作或視作擁有之實益權益如下：

# Directors' Report

## 董事會報告

Name of Director 董事名稱	Capacity 身份	Number of issued ordinary shares held 普通股數目	Number of options granted 所授出購股權 涉及之 普通股數目	Percentage of the issued share capital of the Company (Note 4)
				佔本公司 已發行股本 之百分比 (附註4)
Fang Jin 方金	Corporate interest (Note 1) 公司權益(附註1)	402,000,000	–	40.52%
	Beneficial interest 實益權益	–	5,000,000	0.50%
Lin Chao 林超	Corporate interest (Note 2) 公司權益(附註2)	180,000,000	–	18.15%
	Beneficial interest 實益權益	–	4,000,000	0.40%
Guo Quan Zeng 郭泉增	Corporate interest (Note 3) 公司權益(附註3)	18,000,000	–	1.81%
	Beneficial interest 實益權益	–	3,500,000	0.35%
Li Hui Qiu 李會秋	Beneficial interest 實益權益	–	2,800,000	0.28%

Note 1: These shares are directly held by Swift Joy Holdings Limited, whose entire issued share capital is held by Fang Jin.

附註1：該等股份由迅悅控股有限公司直接持有，其全部已發行股份由方金持有。

Note 2: These shares are directly held by Right Grand Holdings Limited, whose entire issued share capital is held by Lin Chao.

附註2：該等股份由正宏控股有限公司直接持有，其全部已發行股份由林超持有。

Note 3: These shares are directly held by Cheer View Holdings Limited, whose entire issued share capital is held by Guo Quan Zeng.

附註3：該等股份由悅景控股有限公司直接持有，其全部已發行股份由郭泉增持有。

Note 4: As per the provisions of the SFO, we have taken into account the number of shares of the Company in issue as at 31 December 2007 when calculating this percentage.

附註4：根據證券及期貨條例的條文，於計算該百分比時，已計及截至二零零七年十二月三十一日已發行的本公司股份數目。

Save as disclosed above, none of the Directors or chief executives or their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 31 December 2007.

除以上披露者外，於二零零七年十二月三十一日，概無董事或最高行政人員或彼等之聯繫人士於本公司或其任何相聯法團之任何股份及相關股份中擁有任何權益或淡倉。

### SHARE OPTIONS

Particulars of the Company's share option schemes, namely Share Option Scheme and Pre-IPO Share Option Scheme, are set out in note 31 to the consolidated financial statements.

### 購股權

本公司之購股權計劃分別為購股權計劃及首次公開發售前購股權計劃，有關詳情載於綜合財務報表附註31。





# Directors' Report

## 董事會報告

Subject to any restrictions applicable under the Listing Rules and the terms and conditions of the Pre-IPO share option scheme, all Options are subject to the following vesting period:

### 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 was fixed at HK\$2.02 per share.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR CONVERTIBLE BONDS

Save as disclosed under the heading "Share Options" above, at no time during the year ended 31 December 2007 was the Company or any of its fellow subsidiaries and subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or convertible bonds of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights.

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2007, the following persons (other than directors or chief executive of the Company) had interests or short positions in the ordinary shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

根據上市規則任何適用限制，以及首次公開發售前購股權計劃之條款及條件，所有購股權之歸屬期如下：—

### 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。

### 董事收購股份或債券之權利

除上文「購股權」項下披露者外，本公司、其控股公司或其任何同系附屬公司及附屬公司於截至二零零七年十二月三十一日止年度概無訂立任何安排，致使本公司董事可透過收購本公司或任何其他法人團體之股份或債務證券(包括債券)以獲取利益，亦無董事、彼等之配偶或十八歲以下之子女擁有任何權利以認購本公司之證券或行使任何該等權利。

### 主要股東

於二零零七年十二月三十一日，以下人士(並非本公司董事或最高行政人員)於本公司之普通股中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或須記入本公司根據證券及期貨條例第336節存置之記錄冊內之權益或淡倉：

# Directors' Report

## 董事會報告

Long positions (Ordinary shares of HK\$0.10 each of the Company):

好倉(本公司每股面值0.10港元之普通股):

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares/underlying shares held 所持已發行普通股/ 相關股份數目	Percentage of the issued share capital of the Company as at 31 December 2007 於二零零七年十二月 三十一日之佔本公司 已發行股本之百分比
Swift Joy Holdings Limited 迅悦控股有限公司	Beneficial owner 實益擁有人	402,000,000	40.52%
Right Grand Holdings Limited 正宏控股有限公司	Beneficial owner 實益擁有人	180,000,000	18.15%
Aria Investment Partners II, L.P.	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
Calyon Capital Markets Asia B.V.	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
Calyon Capital Markets International SA	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
Calyon S.A.	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
CLSA Capital Partners Limited	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
CLSA B.V.	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
CLSA Private Equity Management Limited	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
Credit Agricole S.A.	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%

# Directors' Report

## 董事會報告

Name of shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares/underlying shares held 所持已發行普通股/ 相關股份數目	Percentage of the issued share capital of the Company as at 31 December 2007 於二零零七年十二月 三十一日之佔本公司 已發行股本之百分比
Neng Liang Limited	Beneficial owner 實益擁有人	93,001,246 (Note 1) (附註1)	9.38%
SAS Rue la Boetie	Corporate interest 公司權益	93,001,246 (Note 1) (附註1)	9.38%
Baring Asset Management Limited 霸菱資產管理有限公司	Investment manager 投資經理	88,844,000	8.96%
Northern Trust Fiduciary Services (Ireland) Limited	Trustee (other than a bare trustee) 受託人(並非無條件受託人)	60,082,000	6.06%
Ma Jie 馬杰	A party to an agreement under s317 of the SFO 根據證券及期貨條例第317條 訂立的一項協議的訂約方	60,000,000 (Note 2) (附註2)	6.05%
Ma Yuk Sang 馬旭生	Beneficial owner (Long) 實益擁有人(好倉) Beneficial owner (Short) 實益擁有人(淡倉)	60,000,000 (Note 2) (附註2) 60,000,000 (Note 2) (附註2)	6.05% 6.05%
Zheng Wei 鄭偉	A party to an agreement under s317 of the SFO 根據證券及期貨條例第317條 訂立的一項協議的訂約方	60,000,000 (Note 2) (附註2)	6.05%
Zheng Zhen Jian 鄭鎮堅	A party to an agreement under s317 of the SFO 根據證券及期貨條例第317條 訂立的一項協議的訂約方	60,000,000 (Note 2) (附註2)	6.05%

# Directors' Report

## 董事會報告

*Note 1:* Based on the disclosure of interests forms filed with the Stock Exchange, SAS Rue la Boetie has 33.3% control over Credit Agricole S.A., which in turn has 33.3% control over Calyon S.A., which in turn has 33.3% control over Calyon Capital Markets International SA, which in turn has 33.3% control over CLSA B.V., which in turn has 33.3% control over CLSA Capital Partners Limited, which in turn has 33.3% control over CLSA Private Equity Management Limited, which in turn has 1% control over Aria Investment Partners II, L.P., which in turn has 33.3% control over Neng Liang Limited. As such, each of the above entities is deemed to be interested in the 93,001,246 shares held by Neng Liang Limited under the SFO.

*Note 2:* Ma Jie, Ma Yuk Sang, Zheng Wei and Zheng Zhen Jian are parties to an agreement under section 317 of the SFO and hence are deemed to be interested in the Shares held by each other.

Save as disclosed above, as at 31 December 2007, the Company had not been notified by any persons (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### CORPORATE GOVERNANCE

Report for the corporate governance practice adopted by the Company is set out on page 57 to 68 of this annual report.

### REMUNERATIONS OF THE DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES

For the year ended 31 December 2007, the total remunerations of the Directors and the five highest paid employees are set out in note 8 to the consolidated financial statements.

The Company has established an audit committee, a nomination committee, a remuneration committee and an executive committee.

*附註 1:* 根據向聯交所提交之權益披露表格，SAS Rue la Boetie 對 Credit Agricole S.A. 擁有 33.3% 之控制權，Credit Agricole S.A. 對 Calyon S.A. 擁有 33.3% 之控制權，Calyon S.A. 對 Calyon Capital Markets International SA 擁有 33.3% 之控制權，Calyon Capital Markets International SA 對 Calyon Capital Markets Asia B.V. 擁有 33.3% 之控制權，Calyon Capital Markets Asia B.V. 對 CLSA B.V. 擁有 33.3% 之控制權，CLSA B.V. 對 CLSA Capital Partners Limited 擁有 33.3% 之控制權，CLSA Capital Partners Limited 對 CLSA Private Equity Management Limited 擁有 33.3% 之控制權，CLSA Private Equity Management Limited 對 Aria Investment Partners II, L.P. 擁有 1% 之控制權，Aria Investment Partners II, L.P. 對 Neng Liang Limited 擁有 33.3% 之控制權。因此，根據證券及期貨條例，上述各家實體各自被視為於 Neng Liang Limited 所持之 93,001,246 股股份中擁有權益。

*附註 2:* 馬杰、馬旭生、鄭偉及鄭鎮堅為根據證券及期貨條例第 317 條訂立的一項協議的訂約方，因此被視為於互相持有的股份中擁有權益。

除以上披露者外，於二零零七年十二月三十一日，本公司並無獲悉任何人士（並非本公司董事或最高行政人員）於本公司股份或相關股份中擁有根據證券及期貨條例第 XV 部第 2 及 3 分部之條文須向本公司披露，或須記入本公司根據證券及期貨條例第 336 節存置之記錄冊內之權益或淡倉。

### 企業管治

有關本公司所採納之企業管治常規之報告書載於本年報第 57 頁至第 68 頁。

### 董事及五位最高薪酬僱員之酬金

於截至二零零七年十二月三十一日止年度，董事及五位最高薪金僱員之酬金總額載於綜合財務報表附註 8。

本公司已設立審核委員會、提名委員會、薪酬委員會和執行委員會。

# Directors' Report

## 董事會報告

### AUDIT COMMITTEE

The primary duties of the audit committee are mainly to review the material investment, capital operation and material financial system of the Company, to review the accounting policy, financial position and financial reporting procedures of the Company, to communicate with the external audit firm, to assess the performance of internal financial and audit personnel, and to assess the internal control of the Company. At present, the audit committee of the Company consists of four members who are Mr. Heng Kwo Seng, Mr. Wang Jing Zhong, Mr. Wang Jian Zhang and Mr. Ho Man.

### NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

The primary duties of the nomination committee and remuneration committee are mainly to study and formulate the criteria of selection and the remuneration policy of the Directors and the senior management of the Company, to review candidates for the Directors and the senior management of the Company, and to review the human resources development and the utilisation policy of the Company. At present, the nomination committee and the remuneration committee each consists of three members who are Mr. Fang Jin, Mr. Heng Kwo Seng and Mr. Wang Jing Zhong.

### EXECUTIVE COMMITTEE

The primary duties of the executive committee are mainly to review and formulate the strategic positioning and development plans of the Company, to review and formulate strategies for market development and operation, to monitor operational and financial performance of assets and control risks, and to review the strategies of the Company on its material projects, business expansion, asset restructuring and operations. At present, the executive committee of the Company consists of thirteen members who are Mr. Fang Jin, Mr. Lin Chao, Mr. Guo Quan Zeng, Mr. Li Hui Qiu, Mr. Yeung Mun Tai, Mr. Jiang Zhi Cheng, Mr. Pan Liang Chun, Ms. Zheng Na, Mr. Zhou Xuan Xiang, Mr. Feng Ming Jhu, Mr. Huang Sheng Fen, Ms. Huang Yan and Mr. Qiu Jun Ming.

### PRE-EMPTIVE RIGHTS

Although there are no restrictions over the grant of pre-emptive rights under the laws of Cayman Islands, no pre-emptive rights have been granted under the articles of association of the Company.

### 審核委員會

審核委員會的主要職責是審查本公司重大投資項目、資本運營和重大財務制度；審查本公司會計政策、財務狀況和財務申報程序；與外聘核數公司溝通；評估內部財務和核數人員的工作表現；以及評估本公司內部監控。目前，本公司審核委員會由四名成員（分別為邢詒春先生、王敬忠先生、王建章先生和何敏先生）組成。

### 提名委員會及薪酬委員會

提名委員會和薪酬委員會的主要職責是研究和制訂本公司董事和高級管理人員的推選標準和酬金政策，審查本公司董事和高級管理層候選人並審查本公司人力資源開發和利用政策。目前，提名委員會和薪酬委員會由三名成員（分別為方金先生、邢詒春先生和王敬忠先生）組成。

### 執行委員會

執行委員會的主要職責是審查和制訂本公司戰略性定位和發展計劃；審查和制訂市場開發和運營策略；監察經營和財務表現、控制風險；審查本公司重大項目、業務開拓、資產重組和經營策略。目前，本公司執行委員會由十三名成員（分別為方金先生、林超先生、郭泉增先生、李會秋先生、楊滿泰先生、江志成先生、潘良春先生、鄭娜女士、周選祥先生、馮明竹先生、黃生芬先生、黃燕女士和邱俊明先生）組成。

### 優先購買權

儘管開曼群島法例並無有關授出優先購買權的限制，但本公司並無根據公司章程授出優先購買權。

# Directors' Report

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

The top five and the largest customers of the Group, represent approximately 25% and 8% of the Group's total sales of the year respectively.

The top five and the largest suppliers of the Group represent approximately 33% and 10% of the Group's total purchases of the year respectively.

At no time during the year did a Director, an associates of Director or a shareholder of the Company (which to the knowledge of the Directors owns 5% or more of the issued share capital of the Company) has equity interests in the top five customers and suppliers of the Group.

### CONNECTED TRANSACTIONS

During the year, the Company and the Group had connected transactions and continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

On 12 December 2007, the Company entered into a sale and purchase agreement (the "CLT Agreement") with Mr. Ma Yuk Sang (the "Vendor") for the acquisition of Chaolitong Technology Company Limited ("CLTT") and the principal operating assets of Chaolitong Electronics Company Limited ("CLTE") through Joint Smart Holdings Limited (the "Purchaser"), a company indirectly held by the Company as to 70% and by the Vendor as to 30%. As a result of the Vendor's interest in the Purchaser, this acquisition constitutes a connected transaction of the Company. The aggregate consideration for this transaction is up to approximately RMB245 million depending on fulfilment of profit targets. The purposes of this transaction, amongst others, are to consolidate the Group's market share by acquiring the principal operating assets of one of the Group's major competitor, as well as complementing the Group's existing sales network in the PRC. Further details on this transaction are set out in the Company's circular to Shareholders dated 11 January 2008.

### 主要客戶及供應商

於本年度本集團總銷售額中，本集團首五大及最大客戶分別約佔25%及8%。

於本年度本集團總採購額中，本集團首五大及最大供應商分別約佔33%及10%。

就董事知悉，概無董事及其聯繫人或任何股東擁有超過5%之本公司已發行股本或擁有本公司首五大客戶或供應商之股本權益。

### 關連交易

年內，本公司及本集團曾進行關連交易及持續關連交易，其若干詳情已按照上市規則第14A章的規定作出披露。

於二零零七年十二月十二日，本公司與馬旭生先生（「賣方」）就透過聯俊集團有限公司（「買方」）（一間由本公司及賣方分別間接持有70%及30%的公司）收購深圳市超力通科技有限公司（「超力通科技」）及深圳市超力通電子有限公司（「超力通電子」）的主要營運資產訂立買賣協議（「超力通協議」）。由於賣方於買方擁有權益，該收購事項構成本公司的一項關連交易。視乎能否達成盈利目標，該交易的總代價最高為人民幣245,000,000元。該項交易的目的為（其中包括）藉收購本集團其中一個主要競爭對手的業務以及補充本集團現有的中國銷售網絡以整固本集團的市場佔有率。該項交易的進一步詳情載於本公司致股東日期為二零零八年一月十一日的通函。

# Directors' Report

## 董事會報告

The independent non-executive Directors of the Company have reviewed the connected transaction and continuing connected transactions set out herein and in note 32 to the consolidated financial statements, and have confirmed that, during the year ended 31 December 2007, such transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and
- (3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Further details of the transactions and relationships of the connected parties are also set out in note 32 to the financial statements.

### Continuing connected transactions

As stated in the Company's prospectus dated 11 December 2006, the Stock Exchange has granted the Company a waiver from compliance with Chapter 14A of the Listing Rules for the land lease agreement (the "**Lease Agreement**") with Scud Stock (Fujian) Co., Ltd. ("Scud Stock") dated 20 June 2004, which has been entered into for the purpose of leasing factory premises for production use, and the purchase agreement (the "**Purchase Agreement**") with Scud (Fujian) Electronics Co., Ltd. ("Scud Electronics") and Fujian Youtong Enterprises Limited ("Fujian Youtong") dated 1 August 2006 for the purpose of having a steady source of raw materials and plastic moulds at a reasonable price.

The name of and the relationship with connected companies are as follows:

Name 名稱	Relationship 關係
Mr Fang Jin 方金先生	Director 董事
Mr Lin Chao 林超先生	Director 董事
Mr Guo Quan Zeng 郭泉增先生	Director 董事

本公司獨立非執行董事已審核本文及綜合財務報表附註32所載的關連交易及持續關連交易，並且確認，於截至二零零七年十二月三十一日止年度內，有關交易乃：

- (1) 於本集團正常及日常業務過程中訂立；
- (2) 按正常商業條款或不遜於提供予或來自獨立第三方的條款訂立；及
- (3) 按照規管有關交易的相關協議按公平合理的條款訂立，且符合本公司股東的整體利益。

有關交易及關連人士之間關係的詳情亦載於財務報表附註32。

### 持續關連交易

誠如本公司日期為二零零六年十二月十一日的招股章程所述，聯交所已就以下交易豁免本公司遵守上市規則第14A章的規定：與福建飛毛腿股份有限公司（「飛毛腿股份」）訂立日期為二零零四年六月二十日的土地租賃協議（「租賃協議」）（為租賃廠房物業作生產用途而訂立），以及與飛毛腿（福建）電子有限公司（「飛毛腿電子」）及福建友通實業有限公司（「福建友通」）訂立日期為二零零六年八月一日的採購協議（「採購協議」）（為以合理價格取得原材料及塑膠模具的穩定來源而訂立）。

有關連公司名稱及與其關係如下：



# Directors' Report

## 董事會報告

Name 名稱	Relationship 關係
Scud Electronics 飛毛腿電子	A wholly-owned subsidiary indirectly held by the Company with Mr. Fang Jin and Mr. Lin Chao being common directors 方金先生及林超先生為共同董事的本公司間接全資附屬公司
Fujian Youtong 福建友通	A company with Mr. Fang Jin and Mr. Lin Chao being common directors 方金先生及林超先生為共同董事的公司
Scud Stock 飛毛腿股份	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的本公司間接全資附屬公司

Scud Electronics and Scud Stock has also entered into a separate lease agreement (the **"New Lease Agreement"**) dated 15 November 2007 for the lease of office premises for administrative use for the Group. Further details of the New Lease Agreement are set out in the Company's announcement dated 15 November 2007.

飛毛腿電子與飛毛腿股份亦就租賃辦公室物業作本集團行政用途訂立日期為二零零七年十一月十五日的獨立租賃協議（「**新租賃協議**」）。新租賃協議的進一步詳情載於本公司日期為二零零七年十一月十五日的公告。

The details on annual caps and actual amount incurred for the above continuing connected transactions for 2007 and 2008 are as follows:

上述持續關連交易於二零零七年及二零零八年的年度上限及實際金額的詳情如下：

		Actual amount incurred for the year ended 31 December 2007 截至二零零七年 十二月三十一日止 年度的實際金額 (RMB) (人民幣)	Annual cap for the year ending 31 December 2008 截至二零零八年 十二月三十一日止 年度的年度上限 (RMB) (人民幣)
Lease Agreement	租賃協議	2,698,000	2,700,000
New Lease Agreement	新租賃協議	172,000	1,400,000
Purchase Agreement	採購協議	14,503,000	22,100,000

### DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

Save as the transactions referred in the section "Connected Transactions" above, no Directors has direct or indirect material interests in any material contracts entered into by the Company or any of its subsidiaries at any time during the year.

### 董事重大合約權益及關連交易

除上文所載「關連交易」一節所述之交易外，各董事與本公司或其他任何附屬公司於年內任何時間所訂立與本公司有關的重大合約中，均無直接或間接的重大實際利益。

# Directors' Report

## 董事會報告

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not purchased, sold or redeemed any of its listed securities during the year ended 31 December 2007.

### ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such directors to be independent in accordance with each and every guideline set out in rule 3.13 of the Listing Rules.

### SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

### SUBSEQUENT EVENTS

Details of subsequent event occurred after the balance sheet date are set out in note 34 to the consolidated financial statements.

### AUDITORS

Since the incorporation of the Company, its consolidated financial statements have been audited by Deloitte Touche Tohmatsu until its resignation with effect from 10 December 2007. Effective from 21 December 2007, Moore Stephens Certified Public Accountants has been appointed as the new auditors of the Company. A resolution will be proposed regarding the reappointment of Moore Stephens Certified Public Accountants as the auditors of the Company at the forthcoming annual general meeting.

By the order of the Board

**FANG JIN**

*Chairman*

17 March 2008

### 購買、出售或贖回證券

於截至二零零七年十二月三十一日止年度，本公司概無購買、出售或贖回任何其上市證券。

### 年度確認獨立性

本公司已收到各獨立非執行董事的年度獨立性確認函件，本公司認為，根據上市規則第3.13條所列的各項指引，有關董事為獨立人士。

### 足夠公眾持股水平

根據本公司公開所得的資料及據董事所知，於本報告日期，本公司已按照上市規則所規定維持足夠公眾持股水平。

### 結算日後事項

於結算日後發生之重大事項詳細載於綜合財務報表附註34。

### 核數師

自本公司註冊成立後，其綜合財務報表亦由德勤•關黃陳方會計師行審核，直至彼由二零零七年十二月十日起辭任。由二零零七年十二月二十一日起，馬施雲會計師事務所獲委任為本公司的新核數師。本公司將於應屆股東週年大會上提呈續聘馬施雲會計師事務所為本公司核數師之決議案。

承董事會命

**方金**

*主席*

二零零八年三月十七日

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining and ensuring a high level of corporate governance standards and continuously reviews and improves our corporate governance and internal controls practices. Set out below are the principles of corporate governance as adopted by the Company during the financial year under review.

### DISTINCT ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

During the period from 1 January 2007 to 31 December 2007, Mr. Fang Jin served as the Chairman of the Board and was responsible for leading the Board in establishing and monitoring the implementation of strategies and plans to create values for shareholders. Mr. Guo Quan Zeng served as the President of the Group and was responsible for managing the overall business operations of the Group, proposing strategies to the Board and the effective implementation of the strategies and policies adopted by the Board, effectively carrying out the role of a CEO.

### THE BOARD

As of 31 December 2007, there were eight members on the Board, which are the Chairman, the three other Executive Directors, one Non-executive Director (“NED”) and three Independent Non-executive Directors (“INEDs”).

The INEDs are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the INEDs brings his own relevant expertise to the Board and its deliberations.

None of the INEDs has any business or financial interests with the Group nor has any relationship with other directors. Each of the INEDs confirmed their respective independences to the Group.

Save for their business relationships as a result of their respective directorships in the Company, there are no financial, business, family or other material/relevant relationships among members of the Board.

### 企業管治常規

本集團一直致力確保企業管治標準維持於高水平，並持續檢討及改善本集團的企業管治及內部監控常規。以下為本公司於回顧財政年度內採納的企業管治原則。

### 主席及行政總裁（「行政總裁」）的分工

於二零零七年一月一日至二零零七年十二月三十一日，方金先生擔任董事會之主席，負責領導董事會制訂及監控業務策略與計劃的推行，務求為股東締造更高的企業價值。郭泉增先生則擔任本集團之總裁，負責管理本集團的整體業務運作、向董事會提呈策略方針，以及落實推行獲董事會採納的策略及政策，有效履行行政總裁的職責。

### 董事會

於二零零七年十二月三十一日，董事會由八位成員組成，分別為主席、其他三位執行董事、一位非執行董事（「非執行董事」）及三位獨立非執行董事（「獨立非執行董事」）。

董事會認為，各獨立非執行董事均為與管理層並無關係的獨立人士，且無任何關係將重大影響其獨立判斷。董事會認為，各獨立非執行董事均為董事會事務及其決策貢獻本身的相關經驗。

獨立非執行董事並無涉及本集團的任何業務及財務利益，且與其他董事亦並無任何關係，並已向本集團確認彼等為獨立人士。

除因彼等各自在本公司的董事職務而有的業務關係外，董事會成員之間並無財務、業務、家族或其他重大／相關關係。

# Corporate Governance Report

## 企業管治報告

The Board met regularly during the year on an ad hoc basis as required by business needs. The Board's primary purpose is to set and review the overall strategic development of the Group and to oversee the achievement of the plans to enhance shareholders' value. Daily operational decisions are delegated to the Executive Directors and the senior management. The Board met 7 times during the year 2007 and the Directors' attendance is shown in the table on page 63. The Board has conducted a review of the effectiveness of the system of internal control of the Group during the year. Each of the Directors retired and was re-elected during the year.

Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng will retire and being eligible, offer themselves for re-election in the forthcoming annual general meeting.

The Directors are independent from each other.

The Company appointed the NED and INEDs whose terms of appointment shall be for one year from 3 December 2006. The new appointment letters have not been re-executed upon expiry of the above appointment letters to record the continual engagement of the NED and INEDs and it is expected that new appointment letters will be signed by the above directors upon conclusion of the 2008 annual general meeting of the Company to record the same and confirm their appointments from the expiry of the above appointment letters up to and including the date of the 2009 annual general meeting of the Company.

### AUDIT COMMITTEE

The Company has established an audit committee ("Audit Committee") with written terms of reference as suggested under the Code of Best Practice set out in Appendix 14 of the Listing Rules and adopted with reference to "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants. The Audit Committee comprises Mr. Heng Kwo Seng, Mr. Wang Jing Zhong, Mr. Wang Jian Zhang and Mr. Ho Man, a majority of whom are INEDs. The chairman of the Audit Committee is Mr. Heng Kwo Seng. Each member can bring to the Committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Group who among themselves possess a wealth of management experience in the accounting profession or commercial sectors. The Audit Committee was established in 3 December 2006 and has held 2 meetings during the year 2007.

The main duties of the Audit Committee are as follows:

- (i) to review the half-year and annual financial statements of the Group before they are submitted to the Board for approval;

年內，本集團定期及按業務所需不時舉行會議。董事會的主要功能為制訂及檢討本集團的整體策略發展，以及監督業務計劃成效以提升股東價值。日常營運決策乃授予執行董事及高級管理層。董事會於二零零七年內舉行了7次會議，而董事的出席記錄見第63頁所載表內。董事會已就年內本集團內部監制度的成效作出檢討。各董事於年內退任並獲重選。

方金先生、林超先生及郭泉增先生將於應屆股東週年大會上退任及合資格膺選連任。

董事之間各自為獨立人士。

本公司按委任年期由二零零六年十二月三日起計一年委任非執行董事及獨立非執行董事。於上述委任書屆滿後並未訂立新委任書以記錄續聘非執行董事及獨立非執行董事，預期上述董事將於本公司二零零八年股東週年大會結束後簽訂新委任書以記錄上述續聘事宜及確認彼等的委任，年期由上述委任書屆滿日直至及包括本公司二零零九年股東週年大會日期止。

### 審核委員會

本公司已按照上市規則附錄14所載的最佳應用守則及香港會計師公會刊發的「審核委員會有效運作指引」成立審核委員會（「審核委員會」）並以書面釐定其職權。審核委員會成員包括邢詒春先生、王敬忠先生、王建章先生及何敏先生，彼等大部份為獨立非執行董事。審核委員會的主席為邢詒春先生。每位成員貢獻其寶貴的經驗，審核財務報表及評估本集團重大控制及財務事宜。彼等均於會計專業和商界擁有豐富的管理經驗。審核委員會於二零零六年十二月三日成立，並於二零零七年內舉行2次會議。

審核委員會的主要職責如下：

- (i) 在半年及年度集團財務報表提呈董事會批准前審閱有關報表；

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- |  |  |
|--|--|
| <p>(ii) to make recommendations to the Board on, the appointment, reappointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of that auditors;</p> | <p>(ii) 就委任、重新委任及撤換外部核數師向董事會提出建議，批准外部核數師的酬金及委聘條款，以及處理任何有關該核數師辭任或解聘的問題；</p> |
| <p>(iii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;</p>   | <p>(iii) 按照適用準則，檢討及監察外部核數師的獨立及客觀性，以及核數程序的效用；</p>                           |
| <p>(iv) to review the Group's financial controls, internal controls and risk management systems;</p>   | <p>(iv) 檢討本集團的財務監控、內部監控及風險控制系統；</p>  |
| <p>(v) to review the Group's financial and accounting policies and practice;</p>   | <p>(v) 檢討本集團的財務及會計政策與慣例；</p>   |
| <p>(vi) to review and monitor the effectiveness of the internal audit function; and</p>  | <p>(vi) 檢討及監察內部審核職能的效用；及</p>   |
| <p>(vii) to review the terms and conditions of connected transactions of the Group.</p>  | <p>(vii) 審閱本集團關連交易的條款及條件。</p>  |

During the year under review, the Audit Committee has carried out the following:

於回顧年內，審核委員會已進行下列工作：

### (a) Financial Statements

The Audit Committee met with the Chief financial officer and other senior management of the Group to review the interim report and annual report of the Group prior to recommending the financial statements to the Board for approval. The Audit Committee has considered and discussed the reports with the management, the Group's internal department and external auditors, with a view of ensuring that the Group's consolidated financial statements were prepared in accordance with the International Accounting Standards and also reviewed the terms and conditions of connected transactions of the Group.

### (a) 財務報表

審核委員會與財務總監及本集團的其他高級管理層舉行會議，審閱本集團中期報告及年報，其後方推薦財務報表予董事會作批准。審核委員會已審議及與管理層、本集團內部部門及外聘核數師討論有關報告，以確保本集團的綜合財務報表乃按照國際會計準則編製，亦審議本集團關連交易的條款及條件。

### (b) External Auditors

The Audit Committee reviewed and monitored the external auditors' independence and objectivity and the effectiveness of the audit process. The Audit Committee also made recommendations to the Board on the appointment and resignation of the external auditors.

Based on the credentials of Moore Stephens Certified Public Accountants ("Moore Stephens"), the Audit Committee of the Company recommended Moore Stephens to the Board to become the Group's reporting accountants upon the resignation of Deloitte Touche Tohmatsu.

### (b) 外聘核數師

審核委員會審議及監察外聘核數師的獨立性及客觀性以及審核過程的有效性。審核委員會亦就外聘核數師的委任及辭任向董事會提供意見。

根據執業會計師馬施雲會計師事務所（「馬施雲」）的資歷，本公司審核委員會推薦執業會計師馬施雲予董事會作為本集團於德勤關黃陳方會計師事務所辭任後的申報會計師。

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### (c) Review of Risk Management and Internal Control

The Audit Committee assisted the Board in meeting its responsibilities for maintaining an effective system of internal control. It conducted a review of the process by which the Group evaluated its control environment and risk assessment process, and the way in which business and control risks were managed. The Audit Committee also discussed with the internal audit department of the Group the work plan for their audits on the Group together with their resource requirements to ensure the effectiveness of internal controls in the Group's business operations.

### REMUNERATION COMMITTEE

The Company established a remuneration committee ("Remuneration Committee") on 3 December 2006 and has not held any meeting during the year 2007. The Remuneration Committee comprises Mr. Fang Jin, Mr. Heng Kwoo Seng and Mr. Wang Jing Zhong. The Chairman of the Remuneration Committee is Mr. Fang Jin. Its main duties are summarized as follows:

- (i) to make recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management as well as a formal and transparent procedure for developing such remuneration policies;
- (ii) to determine the specific remuneration packages of all Executive Directors, senior management and Non-executive Directors; and
- (iii) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

### (c) 審議風險管理及內部監控

審核委員會協助董事會履行其維持有效內部監控系統的責任。審核委員會審議本集團評估其監控環境及風險評估的過程，以及業務及風險管理的方式。審核委員會亦與本集團內部審核部門討論其對本集團審核工作的計劃，連同其資源要求，以確保對本集團業務運作的內部監控的有效性。

### 薪酬委員會

本公司於二零零六年十二月三日設立薪酬委員會（「薪酬委員會」），薪酬委員會於二零零七年內並無舉行任何會議。薪酬委員會由方金先生、邢詒春先生及王敬忠先生組成。薪酬委員會的主席為方金先生，其主要職責概述如下：

- (i) 就本集團有關董事及高級管理人員所有薪酬的政策及架構，以及成立發展有關該等薪酬政策的正式及具透明度的程序向董事會作出推薦意見；
- (ii) 釐定所有執行董事、高級管理層及非執行董事的特定薪酬組合；及
- (iii) 確保並無任何董事或其任何聯繫人士參與決定其本身的薪酬。

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In order to attract, retain, and motivate executives and key employees serving the Group, the Company has adopted a share option scheme in December 2006. Such incentive schemes enable the eligible persons to obtain an ownership interest in the Company and thus to reward the participants who contribute to the success of the Group's operations.

Details of the amount of Directors emoluments are set out in note 8 to the consolidated financial statements and details of the 2007 share option scheme are set out in note 31.

### NOMINATION COMMITTEE

The Company established a nomination committee ("Nomination Committee") on 3 December, 2006 and has not held any meeting during the year 2007. The Nomination Committee comprises Mr. Fang Jin, Mr. Heng Kwo Seng and Mr. Wang Jing Zhong. The Chairman of the Nomination Committee is Mr. Fang Jin. The Nomination Committee selects and recommends appropriate candidates, based on his or her prior experience and qualifications, to the Board on the appointment of Directors and the senior management of the Group. The main duties of the Nomination Committee are as follows:

- |   |   |
|---|---|
| <p>(i) to review the structure, size and composition (including skills, knowledge and experience) of the Board on a regular basis and to make recommendations to the Board regarding any proposed change;</p> | <p>(i) 定期審議董事會的架構、人數及成員（包括技能、知識及經驗），並就任何建議變動向董事會作出推薦意見；</p> |
| <p>(ii) to develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;</p>   | <p>(ii) 訂定識別及評估董事候選人資格及評估候選人的標準；</p>                        |
| <p>(iii) to assess the independence of independent non-executive directors to determine their eligibility; and</p>  | <p>(iii) 評估獨立非執行董事的獨立身份以決定其資格；及</p>                         |
| <p>(iv) to review and assess the adequacy of the corporate governance guidelines of the Company and to recommend any proposed changes to the Board for approval.</p>  | <p>(iv) 審議及評估本公司企業管治指引是否全面，以及推薦任何建議變動以提呈董事會批准。</p>          |

為招攬、挽留及激勵為本集團服務的行政人員及主要僱員，本公司於二零零六年十二月採納購股權計劃。該等獎勵計劃使合資格人士可獲得本公司的所有權權益，從而對為本集團業務成功作出貢獻的參與者提供回報。

有關董事酬金款額的詳情載於綜合財務報表附註8，而有關二零零七年購股權計劃的詳情載於附註31。

### 提名委員會

本公司於二零零六年十二月三日設立提名委員會（「提名委員會」），提名委員會於二零零七年內並無舉行任何會議。提名委員會由方金先生、邢詒春先生及王敬忠先生組成。提名委員會的主席為方金先生。提名委員會於委任本集團董事及高級管理層時，將根據候選人的過往經驗及資格，挑選及推薦適當人選予董事會。提名委員會的主要職責如下：

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### EXECUTIVE COMMITTEE

The Company established an executive committee ("Executive Committee") on 3 April 2006 and had held 7 meetings during the year 2007. The Executive Committee comprises Mr. Guo Quan Zeng, Mr. Fang Jin, Mr. Lin Chao, Mr. Li Hui Qiu, Mr. Yeung Mun Tai, Mr. Jiang Zhi Cheng, Mr. Pan Liang Chun, Ms. Zheng Na, Mr. Zhou Xuan Xiang, Mr. Feng Ming Jhu, Mr. Huang Sheng Fen, Ms. Huang Yan and Mr. Qiu Jun Ming. The Chairman of the Executive Committee is Mr. Guo Quan Zeng. Its duties include mainly the following:

- (i) recommending objectives and strategy for the Group in the development of its business, having regard to the interests of its shareholders, customers, employees and other stakeholders;
- (ii) agreeing policy guidelines for business divisions based on approved group strategy;
- (iii) ensuring compliance with relevant legislation and regulations; and
- (iv) examining all trade investments, divestments and major capital expenditure proposals and the recommendation to the Board of those which, in a group context, are material either by nature or cost.

The following table summaries the attendance of individual Director and committee member in 2007.

### 執行委員會

本公司於二零零六年四月三日設立執行委員會(「執行委員會」)，執行委員會於二零零七年內舉行7次會議。執行委員會由郭泉增先生、方金先生、林超先生、李會秋先生、楊滿泰先生、江志成先生、潘良春先生、鄭娜女士、周選祥先生、馮明竹先生、黃生芬先生、黃燕女士及邱俊明先生組成。執行委員會的主席為郭泉增先生，其職責主要包括以下各項：

- (i) 以本集團股東、客戶、僱員及其他股東的利益出發，向本集團建議其業務發展方面的目標及策略；
- (ii) 按照已獲批准的集團策略協定業務分部的政策指引；
- (iii) 確保遵守有關法例及規定；及
- (iv) 檢視所有貿易投資、投資出售及主要資本開支建議，以及董事會獲提供且就集團而言性質或成本上屬重大的推薦意見。

下表概述個別董事及委員會成員於二零零七年的出席情況。



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		Meeting attended/held in 2007 於二零零七年出席／舉行的會議		
		Audit		
		Board	Committee	2007 AGM
		董事會	審核委員會	二零零七年股東週年大會
Number of meetings held during the year	年內舉行的會議數目	7	2	1
<b>Executive Directors:</b>	<b>執行董事：</b>			
Fang Jin	方金	7/7		1/1
Lin Chao	林超	7/7		1/1
Guo Quan Zeng	郭泉增	7/7		1/1
Li Hui Qiu	李會秋	7/7		0/1
<b>Non-executive Director:</b>	<b>非執行董事：</b>			
Ho Man	何敏	6/7	2/2	0/1
<b>Independent Non-executive Director:</b>	<b>獨立非執行董事：</b>			
Heng Kwo Seng	邢詒春	6/7	2/2	1/1
Wang Jing Zhong	王敬忠	6/7	2/2	0/1
Wang Jian Zhang	王建章	5/7	2/2	0/1
Average attendance rate	平均出席率	91.1%	100%	50%

### LOOKING FORWARD

The Group will keep on reviewing its corporate governance standards on a regularly basis and the Board endeavors to take the necessary actions to ensure the compliance with the provisions of the Code on Corporate Governance Practices introduced by the Stock Exchange.

### INDEPENDENCE INFORMATION

The Company has received from each of the INEDs an annual confirmation of his independence, and the Company considers such directors to be independent in accordance with each and every guideline set out in Rule 3.13 of the Listing Rules.

### 展望

本集團將繼續定期檢討其企業管治標準，董事會致力採取所需行動，以確保遵守聯交所引入的企業管治常規守則的條文。

### 獨立身份資料

本公司已收到各獨立非執行董事的年度獨立身份確認書，本公司認為根據上市規則第3.13條所載的各項指引，有關董事均為獨立人士。

# Corporate Governance Report

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### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

Save for exceeding a cap amount in respect of certain purchases of raw materials and moulds as a result of miscommunication (details of which are set out in an announcement of the Company dated 2 April 2007), the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices ("Corporate Governance Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the financial year ended 31 December 2007.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company had adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 of the Listing Rules as the code for dealing in securities of the Company by the Directors (the "Code"). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard as set out in the Code.

### AUDITORS' REMUNERATION

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year under review, the Group is required to pay approximately RMB1,313,000 to Moore Stephens and approximately RMB147,000 to the PRC auditors for their audit services and approximately RMB438,000 to Deloitte Touche Tohmatsu for their interim results review services.

### DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out on page 69 to 70.

### 遵守上市規則企業管治常規守則

除因溝通失誤引致超過有關採購若干原材料及模具的上限金額(詳情載於本公司於二零零七年四月二日的公佈內)外,於截至二零零七年十二月三十一日止財政年度,本公司已遵守聯交所證券上市規則(「上市規則」)附錄 14 所載的企業管治常規守則(「企業管治守則」)的所有守則條文。

### 上市公司董事進行證券交易的標準守則

本公司已採納上市規則附錄 10 所載的「上市公司董事進行證券交易的標準守則」,作為董事買賣本公司證券的守則(「守則」)。本公司於作出特別查詢後,確認全體董事均已遵守守則載列的所需標準。

### 核數師酬金

本公司的審核委員會負責考慮委聘外部審核師及審視由外部審核師履行的任何非審核工作,包括該等非審核工作會否對本公司構成任何潛在不利影響。於回顧年度內,本集團須就審核服務而向馬施雲支付約人民幣 1,313,000 元及向中國核數師支付約人民幣 147,000 元及向德勤•關黃陳方會計師行支付中期業績審核服務費用約人民幣 438,000 元。

### 董事及核數師就賬目的責任

董事就賬目的責任及外部核數師對股東的責任載列於第 69 至 70 頁。

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The continuing development and growth of the Group were benefited from the trust and support of the stakeholders. We have been dedicating efforts to maximize the long-term value of the Company in daily operations and seeking to maximize the mutual benefit between the Company and the stakeholders so as to enhance a harmonious development and a victorious collaboration in the long run.

### PROTECT INVESTORS' INTERESTS AND ENHANCE INVESTORS' RELATIONSHIP

Investors are the equity holders of the Company. Since our listing on the Stock Exchange in December 2006, we devoted our resources to create value for the shareholders to boost positive growth of the Company, to protect the investors' interests through various regulatory structures as well as to establish and enhance the independent operation and effective communication of the shareholders' meeting, Board meeting and the management.

We have established the Investors' Relationship Team, which is chaired by the Chief Financial Controller with involvement from members of the management such as the Chairman and Directors. Its key functions include: organizing press conference and analyst meetings in Hong Kong and setting up one-to-one discussions for institutional investors and fund managers during the announcement of interim reports and annual reports; reporting to analysts the most up to date operational conditions of the Company with a liberal attitude along with compliance with the rules and regulations; following the pace of major business development of the Company to release press announcements and attend media interviews and focus on information disclosure for the Group.

### PROTECT EMPLOYEES' LEGAL RIGHTS

We have been promoting and exercising a fair and non-discriminative employment policy. Employees are employed on contract basis and employment contracts were signed based on a fair and voluntary principle. The rights and obligations of the employer and employee are defined clearly by legal representation.

We also strictly comply with the relevant laws and regulations in relation to national social insurance to set up insurance scheme for basic aged caring, medical, injuries at work, unemployment and birth-giving for employees and cover the various insurance expenses. Meanwhile, to further protect the interests of individual employees, the Company registered for a commercial accident insurance scheme for all employees.

飛毛腿集團的持續發展與壯大，得益於利益相關者的信任和支持。我們不僅在日常營運中致力實現公司長期價值最大化，並且追求公司與各方共同利益的最大化，實現和諧發展、合作共贏的願景。

### 保障投資者利益，提升投資者關係

投資者是公司權益的所有者。自二零零六年十二月在聯交所上市以來，我們一直致力為股東創造價值，促進公司的良好成長，透過各種機制以保障投資者利益，建立並不斷完善股東大會、董事會和管理層的獨立運作與有效溝通。

我們，成立了由財務總監負責、由董事長與董事等管理層成員參與的投資者關係工作組，主要工作包括：在年度和中期業績發佈時在香港舉行新聞發佈會和分析員會議、舉行與機構投資者、基金經理等的一對一面談；以開放的態度，同時結合監管規則的要求，向分析員匯報並更新公司的營運情況；根據公司的主要業務發展進度，發佈新聞稿並接受媒體採訪等，致力於集團的信息披露工作。

### 保障勞工合法權益

我們一直倡導並執行平等和非歧視的用工政策，實行勞動合同制，按照平等自願的原則與員工簽訂勞動合同，以法律形式明確了勞資雙方的權利和義務。

我們嚴格執行國家社會保險的相關法律法規，為員工建立了基本養老、醫療、工傷、失業和生育保險，繳納各項保險費用。為進一步保障員工切身利益，公司為全體在職員工辦理商業意外保險。

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## 企業管治報告

### HARMONY AND CARE

We emphasize a harmonious relationship between employees and encourage them to love and care each other. Most regions in China were affected by the snow storm in early 2008. For employees who needed assistance in their families, the Group organized an extensive voluntary monetary and gift donation campaign among employees so as to support the people in the disaster regions to combat against the disaster. For employees who were affected by the snow storm and could not go home for the festival, the Group immediately implemented a "Warm Program": the Group purchased a large amount flowers to decorate the factory areas and employee's accommodation areas so as to create a pleasant environment for employees from other provinces who had to spend their New Year in the factory. Free-of-charge telephone calls were provided so that employees could check out their families and send their greetings to them. The management and the employees spent their time together at the Chinese New Year's Eve party and dinner. During the dinner, New Year's gifts were distributed by the Company and activities such as cultural performance and lucky draw were held to foster a festive atmosphere.

### CONTRIBUTE TO THE COMMUNITY

We are concerned about the healthy development of the community and particularly care about education and cultural living. We launched a donation campaign of books and magazines by employees for schools in the area and organized the distribution to the school libraries. We co-organized classes with a number of vocational technical schools to increase the admission capacity of vocational technical schools and enhance the students' employment competency, and engineers were also arranged to conduct tutorials in those schools on a regular basis. This not only provides trainings to the future talents for the corporation but also conveys a safety production awareness among the community so as to raise the quality of the community.

### ENHANCE OCCUPATIONAL SKILLS AND NURTURE CIVIL QUALITIES

We offer on-the-job training to employees so as to enhance their occupational skills and continual learning so as to fully deploy their potential which is valid lifelong. Besides, we focused on the nurture of civil qualities. Through various promotions and education, we enhance the employees' knowledge in professional ethics, manners, hygiene and disease prevention and fire fighting and rescue so that employees will be able to utilize what they have learnt in real practice and promote an all-rounded development for every individual.

### 和諧、關愛

我們強調員工之間的和諧、互助和關愛。二零零八年初中國廣泛地區發生雪災，集團對於家裏有需要的員工，組織廣大員工自願捐款捐物，支援災區人民全力開展抗災救災，對因雪災不能回家過年的員工集團還迅速制定了「溫暖計劃」：公司特意購買了大量的鮮花來佈置廠區和員工宿舍區，為留廠過節的外來工們提供一個美好的環境，提供免費親情電話與家裏報平安祝福，高管與員工共渡除夕共賞晚會共進晚餐，在聚餐的同時，公司還發放年貨並舉行了文藝表演、抽獎等活動，營造節日氣氛。

### 貢獻社區

我們關注社區的健康發展，尤其重視教育和文化生活。我們發起員工向區內的學校捐贈各類圖書雜誌，組織派發到學校圖書館。我們與多家職業技術學校聯合辦班，提高職業技術學校的招生及學生就業能力，並且安排工程師定期到職業技術學校進行授課講習，為企業培訓未來人才，向社會灌輸安全生產意識，提高社會質素。

### 提升職業技能，培育人文質素

我們向員工提供在職培訓，藉此提高他們的職業技能，持續學習，發揮潛能，終生受用。此外，我們又注重人文素質的培養，透過不同的宣傳教育，提升員工的職業道德認識、禮儀談吐、衛生疾病預防知識及消防救援常識等，做到學以致用，促進員工的全面發展。

# Corporate Governance Report

## 企業管治報告

### EMPHASIZE OCCUPATIONAL HEALTH

We established the Safety and Hygiene Management Committee and adopted various measures to protect the well-being of our employees. For chemicals in the workshop, we set out relevant regulations regarding pollution-free disposal treatment and conduct weekly examination to ensure the implementation of the corresponding regulations. Also, we focus on monitoring and protecting employees' health and carry out inspection in hazardous operating grounds. Employees are arranged to take part in checkups so as to prevent and eliminate occupational hazards.

### ENVIRONMENTAL PROTECTION

The major production process of the Group involves the purchase and processing of the core component of batteries ("bare battery cell") and selling of the product in the market or the provision of OEM services. According to the relevant standards set out by the State Environmental Protection Administration, the Group is not categorized as polluting industry. However, being a member of the community, the Group puts emphasis in supporting environmental protection by means of strict control in the production procedures and reduce waste generation to the largest extent. The small amount of waste generated during the packaging process is sorted and the recyclable portions are delivered to qualified recycling plants for treatment.

### PRODUCT SAFETY: COMMITMENT TO CONSUMERS

No accidents have been reported up till the date of this report and we are honoured with various nationwide titles and receive high satisfactory level graded by our consumers, thanks to our hard work over the years. But at the same time, we constantly remind ourselves to stay alert and regard consumer safety as our prime mission.

Our suppliers are manufacturers in the industry who are also implementing strict quality control such as ISO. Regarding their supplies, the Group has set out rigorous inspection standard to meet the safety requirement. With our product testing centres, we administer stages of tests including crash, high-temperature, dampen and long-period recharging on our product. We also invest resources in product R&D to development more reliable products.

### 重視職業健康

我們成立了「安全衛生管理委員會」，採取多種措施，關注和保護員工的健康。對於生產車間內的化學品，我們設立了相關的防污處理規定，並且每週進行檢查，確保有關措施得以有效遵守。我們又重點開展員工健康監護和有害作業場所檢測，組織員工參加體質檢查，努力預防和消除職業危害。

### 環境保護

集團主要的生產過程，為購入電池的核心原件(電芯)，加工後向市場銷售或進行原廠專業代工。根據國家環境保護總局的相關標準，集團並不屬於污染性行業。然而，作為社會的一份子，集團重視對環境保護的支持，在生產過程中嚴格控制流程，在最大程度內減少廢物的產生。在包裝過程中無可避免產生的少量廢料，我們分門別類，對於可回收的，交由具有合格資質的企業回收處理。

### 產品安全：對消費者的承諾

迄今未有出現產品的重大事故，多年來取得多個全國性稱號及消費者的高滿意度，這是我們努力的成果，但同時我們又常常自我警惕，時刻以消費者的安全為首要任務。

我們的供應商都是行業內的主要生產商，本身已執行諸如ISO的嚴格品質控制。對於他們的供貨，集團制定了嚴謹的檢查標準，以符合安全要求。我們設有產品檢測中心，對製成品進行撞擊、高溫、微波加熱、受潮、長期充電等多重測試，投入產品研發資源，開發更可靠的產品。

# Corporate Governance Report

## 企業管治報告

In June 2007, SCUD's product testing laboratory located in Fuzhou Industrial Park obtained recognition from the China National Accreditation Service for Conformity Assessment (CNAS) as the only battery producers among the 2400 recognized testing and approval laboratories in the PRC.

SCUD is always highly attentive to the quality and safety of their products and emphasizes the quality control during the production process. In February last year, we launched the concept of "safe batteries" and applied "double safety devices" to our mobile phone rechargeable batteries.

In December 2007, the "SCUD 飛毛腿" brand's Li-ion battery was awarded a Certificate of Exemption from Government Inspection by the General Administration of Quality Supervision, Inspection and Quarantine of PRC. The Group is the first and only domestic producer of Li-ion batteries that has been awarded such Certificate of Exemption, proving that the products of the Group have passed the stringent requirements on quality control and safety set by relevant government authorities.

In 2006, we took the initiative to initiate the national standard of notebook computer batteries and took part in drafting the "Regulations on the Use of Power Sources of Portable Computers" with the Ministry of Information Industry. The documents set out the basic requirements on the standard of the level of safety, reliability, environmental adaptability and quality control of notebook computer batteries.

二零零七年六月，飛毛腿位於福州工業園的產品檢測中心，獲得中國評定國家認可委員會（「CNAS」）認可，是全國2400家獲認可的檢測和校準實驗室之中，唯一的電池生產商。

飛毛腿一向高度重視產品質量及安全，強調生產過程中的質量檢定。去年二月，我們推出了「安全電池」的概念，對移動電話二次充電電池採用「雙重保護」。

二零零七年十二月，「SCUD 飛毛腿」品牌鋰離子電池產品獲得國家質量監督檢驗檢疫總局頒授「國家免檢產品」證書，是國內首家及目前唯一鋰離子電池生產企業獲得免檢證書，說明了本集團產品通過了國家部門對品質及安全性的嚴格要求。

二零零六年，我們率先發起筆記本電池的國家標準，並且參與了信息產業部《便攜式計算機移動電源系統使用規範》的起草，該文件對筆記本電腦電池的安全性、可靠性、環境適應性、質量檢驗標準等提出了基本要求。

# Independent Auditors' Report

## 獨立核數師報告

**MOORE STEPHENS**  
CERTIFIED PUBLIC ACCOUNTANTS

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馬  
施  
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計  
師

### TO THE SHAREHOLDERS OF SCUD GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of SCUD Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 147, which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

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

### Auditors' responsibility

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

### 致飛毛腿集團有限公司全體股東

*(於開曼群島註冊成立之有限公司)*

本核數師(以下簡稱「我們」)已審核列載於第71至147頁飛毛腿集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零零七年十二月三十一日的綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港《公司條例》編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅為股東(作為一個團體)而編製,並不為其他任何目的。

# Independent Auditors' Report

## 獨立核數師報告

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

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

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2007 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Moore Stephens  
Certified Public Accountants

Hong Kong  
17 March 2008

我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公會頒佈的香港審核準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映貴集團於二零零七年十二月三十一日的事務狀況及截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

馬施雲會計師事務所  
執業會計師

香港  
二零零八年三月十七日



# Consolidated Income Statement

## 綜合收益表

Year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Note 附註	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>Turnover</b>	<b>營業額</b>	4	<b>960,921</b>	936,305
Cost of sales	銷售成本		<b>(717,412)</b>	(695,825)
<b>Gross profit</b>	<b>毛利</b>		<b>243,509</b>	240,480
Other revenue	其他收益	5	<b>28,718</b>	24,535
Selling and distribution expenses	銷售及分銷成本		<b>(29,116)</b>	(15,623)
Administrative expenses	行政開支		<b>(59,700)</b>	(55,268)
Other operating expenses	其他經營開支		<b>(393)</b>	–
Convertible bonds issue expenses	可換股債券發行開支		–	(2,240)
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)
<b>Profit from operations</b>	<b>經營溢利</b>	6	<b>183,018</b>	183,389
Losses from fire	火災損失	9	<b>(164,581)</b>	–
Finance costs	融資成本	10	<b>(2,491)</b>	(8,487)
<b>Profit before taxation</b>	<b>除稅前溢利</b>		<b>15,946</b>	174,902
Taxation	稅項	11	<b>(429)</b>	(14,711)
<b>Profit for the year</b>	<b>本年度溢利</b>		<b>15,517</b>	160,191
<b>Attributable to:</b>	<b>以下應佔：</b>			
Equity holders of the Company	本公司權益持有人		<b>15,513</b>	160,191
Minority interests	少數股東權益		<b>4</b>	–
			<b>15,517</b>	160,191
<b>Dividends</b>	<b>股息</b>	12	<b>37,789</b>	30,744
<b>Earnings per share</b>	<b>每股盈利</b>			
– basic (RMB cents)	– 基本 (人民幣仙)	13	<b>1.58</b>	26.35
– diluted (RMB cents)	– 攤薄 (人民幣仙)	13	<b>1.58</b>	24.93

# Consolidated Balance Sheet

## 綜合資產負債表

31 December 2007 於二零零七年十二月三十一日

		Note 附註	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	168,195	79,487
Prepaid lease payments – non-current portion	預付租賃款項 – 非流動部分	15	12,243	12,131
Intangible assets	無形資產	16	3,109	1,807
Deferred tax assets	遞延稅項資產	17	1,675	1,675
Deposit for purchases of property, plant and equipment	購買物業、廠房及設備的按金		–	657
			<b>185,222</b>	95,757
<b>Current assets</b>	<b>流動資產</b>			
Due from a related party	應收有關連人士款項	18	1,126	960
Inventories	存貨	19	149,114	94,908
Trade and notes receivables	應收貿易款項及應收票據	20	191,499	227,573
Prepaid lease payments – current portion	預付租賃款項 – 流動部分	15	258	251
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	125,590	126,408
Current tax recoverable	可收回即期稅項		2,403	–
Pledged bank deposits	已抵押銀行存款	22	29,375	124,045
Bank balances and cash	銀行結餘及現金	23	468,483	486,937
			<b>967,848</b>	1,061,082
<b>Current liabilities</b>	<b>流動負債</b>			
Due to related parties	應付有關連人士款項	24	–	2,354
Trade and notes payables	應付貿易款項及應付票據	25	133,408	94,801
Provision for warranty	產品保修準備金	26	2,225	2,572
Other payables, receipt in advance and accrued charges	其他應付款項、預收款項及應計費用	27	30,735	62,238
Bank loans – current portion	銀行貸款 – 流動部分	28	13,444	76,362
Convertible bonds	可換股債券	29	–	78,410
Current tax payable	應付稅項		–	2,973
			<b>179,812</b>	319,710
Net current assets	流動資產淨值		<b>788,036</b>	741,372
Total assets less current liabilities	總資產減流動負債		<b>973,258</b>	837,129

# Consolidated Balance Sheet

## 綜合資產負債表

31 December 2007 於二零零七年十二月三十一日

		Note 附註	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>Capital and reserves</b>	資本及儲備			
Share capital	股本	30	99,503	86,404
Reserves	儲備		872,876	749,319
<b>Equity attributable to equity holders of the Company</b>	本公司權益持有人應佔權益		972,289	835,723
<b>Minority interests</b>	少數股東權益		7	–
<b>Total equity</b>	總權益		972,296	835,723
<b>Non-current liabilities</b>	非流動負債			
Bank loans – non-current portion	銀行貸款 – 非流動部分	28	962	1,406
<b>Total equity and non-current liabilities</b>	總權益及非流動負債		973,258	837,129



**FANG JIN**

方金  
Director  
董事



**LIN CHAO**

林超  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Share capital	Share premium	Capital reserve	Statutory reserve	Enterprise expansion fund	Translation reserve	Convertible bonds reserve	Share option reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>1 January 2006</b>	於二零零六年一月一日	406	-	132,498	24,554	12,267	406	-	-	32,073	202,204	-	202,204
Exchange differences arising on translation of foreign subsidiaries directly recognised in equity	直接在權益確認海外附屬公司進行換算產生的匯兌差額	-	-	-	-	-	(406)	-	-	-	(406)	-	(406)
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	160,191	160,191	-	160,191
Total recognised income for the year	本年度確認收入總額	-	-	-	-	-	-	-	-	160,191	159,785	-	159,785
Issue of shares on Group reorganisation	集團重組時發行股份	(401)	-	391	-	-	-	-	-	-	(10)	-	(10)
Issue of shares by placing and public offering	以配售及公開發售方式發行股份	26,122	501,551	-	-	-	-	-	-	-	527,673	-	527,673
Expenses incurred in connection with the issue of shares	有關發行股份的開支	-	(34,375)	-	-	-	-	-	-	-	(34,375)	-	(34,375)
Shares issued on capitalisation issue	資本化發行時發行的股份	60,277	(60,277)	-	-	-	-	-	-	-	-	-	-
Recognition of equity component of convertible bonds	確認可換股債券的股權部份	-	-	-	-	-	-	11,015	-	-	11,015	-	11,015
Recognition of equity-settled share-based payments	確認股權結算之以股份支付款項	-	-	-	-	-	-	-	175	-	175	-	175
Transfers	轉發	-	-	-	18,725	9,362	-	-	-	(28,087)	-	-	-
Dividends paid	已付股息	-	-	-	-	-	-	-	-	(30,744)	(30,744)	-	(30,744)
<b>31 December 2006</b>	於二零零六年十二月三十一日	86,404	406,899	132,889	43,279	21,629	-	11,015	175	133,433	835,723	-	835,723
Exchange differences arising on translation of foreign subsidiaries directly recognised in equity	直接在權益確認海外附屬公司進行換算產生的匯兌差額	-	-	-	-	-	(19,140)	-	-	-	(19,140)	-	(19,140)
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	15,513	15,513	4	15,517
Total recognised (expense) income for the year	本年度確認(開支)收入總額	-	-	-	-	-	(19,140)	-	-	15,513	(3,627)	4	(3,623)
Issue of shares by over-allotment	以超額配售發行股份	3,885	74,595	-	-	-	-	-	-	-	78,480	-	78,480
Dividends paid	已付股息	-	(19,211)	-	-	-	-	-	-	-	(19,211)	-	(19,211)
Expenses incurred in connection with the issue of shares	有關發行股份的開支	-	(2,896)	-	-	-	-	-	-	-	(2,896)	-	(2,896)
Capitalisation issue of SCUD Electronics	飛毛腿電子之資本化發行	-	-	53,326	-	-	-	-	-	(53,326)	-	-	-
Conversion of convertible bonds	兌換可換股債券	9,214	79,809	-	-	-	-	(11,015)	-	-	78,008	-	78,008
Appropriations	分配	-	-	-	6,724	3,362	-	-	-	(10,086)	-	-	-
Recognition of equity-settled share-based payments	確認股權結算之以股份支付款項	-	-	-	-	-	-	-	5,812	-	5,812	-	5,812
Minority interest arising from acquisition of a subsidiary	由收購一間附屬公司產生的少數股東權益	-	-	-	-	-	-	-	-	-	-	3	3
<b>31 December 2007</b>	於二零零七年十二月三十一日	99,503	539,196	186,215	50,003	24,991	(19,140)	-	5,987	85,534	972,289	7	972,296

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Pursuant to relevant laws and regulations in the People's Republic of China ("PRC") applicable to foreign investment enterprises and the Articles of Association of the PRC subsidiaries of the Company, these PRC subsidiaries are required to maintain three statutory reserves, namely a statutory reserve fund, an enterprise expansion fund and a staff welfare and incentive bonus fund which are non-distributable. Scud (Fujian) Electronics Co., Ltd. ("Scud Electronics"), Scud (Fujian) Battery Co., Ltd. ("Scud Battery") and Scud Electronics (Shenzhen) Co., Ltd. ("Scud Shenzhen") are required to transfer 10% of their respective profit after taxation as reported in the PRC statutory financial statements to the statutory reserve fund until the balance reaches 50% of their respective registered capital.

Pursuant to the Articles of Association of the Scud Electronics, Scud Battery and Scud Shenzhen, they are also required to make appropriation from their respective profit after taxation as reported in the PRC statutory financial statements to the enterprise expansion fund at rates determined by their respective boards of directors. The statutory reserve fund may be used to make up prior year losses incurred and, with the approval from the relevant government authorities, to increase capital for expansion of production of Scud Electronics, Scud Battery and Scud Shenzhen. The enterprises expansion fund, subject to the approval by the relevant government authorities, may also be used to increase capital of Scud Electronics, Scud Battery and Scud Shenzhen.

The capital reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of the paid-in capital of subsidiaries acquired plus the consideration received by the Company pursuant to the Group Reorganisation in preparation of the listing of the Company's shares.

根據有關適用於海外投資企業之中華人民共和國(「中國」)法律及法規及本公司於中國附屬公司組織章程細則，該等中國附屬公司須維持三項法定儲備，即法定公積金、企業發展基金及員工福利及獎勵基金(均為不可分派儲備)。飛毛腿(福建)電子有限公司(「飛毛腿電子」)、飛毛腿(福建)電池有限公司(「飛毛腿電池」)及飛毛腿電子(深圳)有限公司(「深圳飛毛腿」)均須於中國法定財務報表所呈報之除稅後溢利轉讓10%至法定儲備基金，直至有關結餘達至註冊股本50%。

根據飛毛腿電子、飛毛腿電池及深圳飛毛腿之章程細則，以上公司須於中國法定財務報表所呈報之除稅後溢利，按其各自的董事會決定之比率，撥款至企業發展基金。法定公積金經有關政府機關批准後，可用於彌補先前年度帶來之虧損，及用於增加飛毛腿電子、飛毛腿電池及深圳飛毛腿之資本，從而增加生產。企業發展基金經有關政府機關批准後，可用作增加飛毛腿電子、飛毛腿電池及深圳飛毛腿之資本。

本集團之資本儲備代表本公司已發行股份之面額與收購附屬公司之實收資本總額加上根據為準備本公司股份上市之集團重組而本公司所收代價之差額。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>Cash flows from operating activities</b>	<b>經營活動所得現金流量</b>		
Profit before taxation	除稅前溢利	15,946	174,902
Adjustments for:	調整項目：		
Losses from fire	火災損失	164,581	-
Amortisation of intangible assets	無形資產攤銷	247	179
Interest income	利息收入	(12,493)	(12,078)
Change in fair value of convertible bonds designated as fair value through profit and loss	按公平價值計入損益之可換股債券之公平值變動	-	8,495
Depreciation	折舊	21,383	14,269
Equity-settled share-based payments	權益結算之以股份支付款項	5,812	175
Finance costs	融資成本	2,491	8,487
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生虧損	953	-
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	-	526
Write-off of intangible assets	無形資產撇賬	-	284
Write-off of receivables	應收款項撇賬	-	1,995
Operating lease rental in respect of prepaid lease payments	有關預付租賃款項的經營租金	257	146
Allowance for bad and doubtful debts	呆壞賬撥備	318	650
(Release of provision)/provision for warranty	產品保修準備金(撥備撥回)/撥備	(347)	966
Listing expenses	上市開支	-	7,699
Gain on disposal of short term investment	出售短期投資利潤	(7,663)	-
Operating profit before changes in working capital	未計營運金變動前的經營溢利	191,485	206,695
Increase in amount due from a related party	應收有關連人士款項增加	(166)	(960)
Increase in inventories	存貨增加	(54,206)	(31,657)
Decrease/(increase) in trade and notes receivables	應收貿易款項及應收票據減少/(增加)	36,371	(65,027)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	346	(80,198)
Increase in trade and notes payables	應付貿易款項及應付票據增加	38,607	58,603
Decrease in other payables, receipt in advance and accrued charges	其他應付款項、預付款項及應計費用減少	(31,503)	(17,709)
Cash generated from operations	來自經營業務的現金	180,934	69,747
Interest paid	已付利息	(2,491)	(5,029)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(5,805)	(14,074)
Provision on reconstruction costs of rented premises being damaged in the fire	遭大火損毀的租賃物業的重建成本撥備	(8,285)	-
Losses on inventory	存貨損失	(199,394)	-
Receipts from sale of scrap materials damaged	出售遭損毀的剩餘物料所得款項	1,066	-
Compensation received from the insurers	保險公司發放的賠償	52,490	-
<b>Net cash generated from operating activities</b>	<b>來自經營活動的現金淨額</b>	<b>18,515</b>	<b>50,644</b>

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>Cash flows from investing activities</b>	<b>來自投資活動的現金量</b>		
Payments to acquire short term investment	購入短期投資款項	(98,500)	-
Receipts from disposal of short term investment	出售短期投資所得款項	106,163	-
Interest received	已收利息	12,493	12,078
Payment of lease premiums	租賃溢價款項	(376)	(12,528)
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	94,670	(121,167)
Decrease in promissory notes	承兌票據減少	-	406
Payments to acquire property, plant and equipment	購置物業、廠房及設備款項	(120,995)	(19,274)
Payments to acquire intangible assets	購入無形資產款項	(1,549)	(1,654)
Deposits paid for property, plant and equipment	購置物業、廠房及設備所付按金	-	(657)
<b>Net cash used in investing activities</b>	<b>用於投資活動的現金淨額</b>	<b>(8,094)</b>	<b>(142,796)</b>
<b>Cash flows from financing activities</b>	<b>來自融資活動的現金流量</b>		
Share capital paid by a minority interest	少數股東所付股本	3	-
Dividends paid	已付股息	(19,211)	(30,744)
Decrease in dividend payable	應付股息減少	-	(787)
New bank loans	新造銀行貸款	13,000	177,756
(Repayment to)/advance from related parties	向有關連人士(還款)/墊款	(2,354)	728
Proceeds from issue of convertible bonds	發行可換股債券所得款項	-	78,161
Proceeds from issue of shares	發行股份所得款項	78,480	527,673
Repayment of bank loans	償還銀行貸款	(76,362)	(178,468)
Share issue expenses	發行股份開支	(2,896)	(9,641)
<b>Net cash (used in)/generated from financing activities</b>	<b>(用於)/來自融資活動的現金淨額</b>	<b>(9,340)</b>	<b>564,678</b>
<b>Increase in cash and cash equivalents</b>	<b>現金及現金等價項目增加</b>	<b>1,081</b>	<b>472,526</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>年初現金及現金等價項目</b>	<b>486,937</b>	<b>14,817</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動的影響</b>	<b>(19,535)</b>	<b>(406)</b>
<b>Cash and cash equivalents at end of year</b>	<b>年終現金及現金等價項目</b>	<b>468,483</b>	<b>486,937</b>
<b>Analysis of cash and cash equivalents</b>	<b>現金及現金等價值項目分析</b>		
Bank balances and cash	銀行結餘及現金	468,483	486,937

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands on 20 July 2006 as an exempted company with limited liability and its shares have been listed on the Mainboard of The Stock Exchange of Hong Kong Limited since 21 December 2006. The addresses of the registered office and principal places of business of the Company are disclosed in the corporate data section on page 4.

The consolidated financial statements are presented in Chinese Renminbi ("RMB"), which is the same as the functional currency of the Company

The Company's principal activity is investment holding. The principal activities of the Company's subsidiaries are the manufacture and sale of rechargeable battery packs and related accessories for mobile phones, notebook computers, digital cameras and other electrical appliances.

### 2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

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 of Hong Kong Limited, the Company became the holding company of the Group on 31 July 2006.

The Group resulting from the aforementioned Group Reorganisation is regarded as a continuing entity. Accordingly, the financial statements of the Group for the year ended 31 December 2006 have been prepared using the principles of merger accounting as if the group structure after the completion of the Group Reorganisation had been in existence throughout the year.

The consolidated financial statements for the year ended 31 December 2007 have been prepared under the historical cost convention except for certain financial instruments which are measured at fair values. 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 (the "Listing Rules") and the Hong Kong Companies Ordinance. The principal accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2007 are consistent with those adopted in the financial statements for the year ended 31 December 2006, except for the adoption of the new and revised IFRSs as explained in note 3 b) below.

### 1. 一般資料

本公司於二零零六年七月二十日在開曼群島註冊成立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主板上市。本公司的註冊辦事處及主要營業地點的地址披露於第4頁公司資料一節。

綜合財務報表以本公司的功能貨幣人民幣（「人民幣」）呈列。

本公司的主要業務為投資控股。本公司的附屬公司主要從事提供移動電話、數碼相機、筆記本電腦及其他電子用品所用之二次充電電池組、充電器及有關附件之生產及銷售。

### 2. 集團重組及財務報表呈列基準

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。

由於上述集團重組，本集團被視為持續經營實體。因此，本集團截至二零零六年十二月三十一日止年度的財務報表乃採用合併會計原則編製，猶如集團重組完成後的集團架構於本年度內一直存在。

截至二零零七年十二月三十一日止年度的綜合財務報表乃按照歷史成本慣例編製（按公平值計量的若干財務工具除外）。此外，財務報表包括根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例的適用披露規定。編製截至二零零七年十二月三十一日止年度的財務報表時所用的主要會計政策及計算方法乃與截至二零零六年十二月三十一日止年度的財務報表所採納者一致，惟下文附註3b)所解釋的新訂及修訂國際財務報告準則的採納則除外。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“IASs”) issued by the International Accounting Standards Board (the “IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (the “IFRIC”) of the IASB.

#### b) Adoption of new and revised International Financial Reporting Standards

During the current year, the Group has adopted the following amendment to IFRSs, new standard and interpretations which are effective for accounting periods commencing on or after 1 January 2007:

IAS 1 (Amendment)	Presentation of financial statements
IFRS 7	Financial Instruments: Disclosures
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment

The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Group’s financial instruments and management of capital (see note 37 below).

The adoption of the other interpretations has had no material impact on the accounting policies of the Group and the methods of computation in the Group’s financial statements.

### 3. 主要會計政策

#### a) 合規聲明

財務報表乃按照國際財務報告準則(「國際財務報告準則」)編製，包括所有個別適用國際財務報告準則、國際會計準則委員會(「國際會計準則委員會」)頒佈的國際會計準則(「國際會計準則」)以及國際會計準則委員會轄下的國際財務報告詮釋委員會(「國際財務報告詮釋委員會」)頒佈的詮釋。

#### b) 採納新訂及經修訂國際財務報告準則

年內，本集團已採納於二零零七年一月一日或以後開始的會計年度生效的以下對國際財務報告準則所作的修訂、新準則及詮釋：

國際會計準則第1號(修訂)	財務報表的呈列
國際財務報告準則第7號	財務工具：披露
國際財務報告詮釋委員會第7號	根據國際會計準則第29號嚴重通脹經濟下的財務報告應用重列法
國際財務報告詮釋委員會第8號	國際財務報告準則第2號的範圍
國際財務報告詮釋委員會第9號	重估嵌入式衍生工具
國際財務報告詮釋委員會第10號	中期財務報告及減值

採納國際財務報告準則第7號及國際會計準則第1號變動的影響為擴闊本財務報表內有關本集團的財務工具及資金管理的披露範圍(參閱下文附註37)。

採納上述修訂、新準則及詮釋對本集團的會計政策及本集團財務報表的計算方式並無造成重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### c) Judgments and estimates

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

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

The directors have considered the development, selection and disclosure of the Group's critical accounting policies and estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are as follows:

#### i) Investments held-to-maturity

The Group follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the group fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

### 3. 主要會計政策 (續)

#### c) 判斷及估計

按照國際財務報告準則編製財務報表時，董事必須作出影響政策應用及所呈報資產、負債、收入及開支數額之判斷、估計及假設。在沒有其他明顯可參考的渠道下，其資產及負債的價值有關結果將由乃以過往經驗及多項其他於有關情況下視作合理之因素為基準的估計及假設組成。實際結果可能有別於此等估計數字。

估計及相關假設按持續基準予以檢討。僅影響該期間之會計估計修訂於修訂估計期間確認，或倘修訂影響現時及日後期間，則於修訂之期間及日後期間確認。

董事已考慮本集團主要會計政策及估計之發展、選擇及披露。導致需對資產及負債賬面值作出重大調整之主要風險有關之估計及假設如下：

#### i) 持至到期投資

本集團依從國際會計準則第39號的指引，將有固定或可釐定款項及固定到期日的非衍生工具金融資產分類為持有至到期。此項分類需要重大判斷。在作出判斷時，本集團評估其持有有關投資至到期的意願及能力。倘本集團因國際會計準則第39號所解釋的特定情況以外的原因而未能持有該等投資至到期，則本集團須將整個分類重新分類為可供出售。該等投資因此按公平值而非攤銷成本計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### c) Judgments and estimates (Continued)

##### ii) **Useful lives and depreciation of property, plant and equipment**

The Group determines the estimated useful lives and related depreciation charges of its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will increase the depreciation charge where useful lives are less than previously estimated lives, and will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charges in future periods.

##### iii) **Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to any industry downturn. The directors reassess the estimations at each balance sheet date.

##### iv) **Allowances for bad and doubtful receivables**

The Group makes allowances for bad and doubtful receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of the customers and other debtors and the current market condition. The directors reassess the allowance at each balance sheet date.

### 3. 主要會計政策(續)

#### c) 判斷及估計(續)

##### ii) **物業、廠房及設備之可使用年期及折舊**

本集團釐定物業、廠房及設備之估計可使用年期以及相關折舊開支。該等估計乃根據性質及功能相近之物業、機器及設備實際可使用年期之過往經驗而作出。倘可使用年期較之前之估計為短，則本集團將會提高折舊開支，並會將已報廢或出售之技術上過時或非策略資產撇銷或撇減。實際經濟年期可能與估計之可使用年期不同。定期檢討可使上述資產之可折舊年期出現變動，因而引致本集團在未來期間之折舊開支。

##### iii) **存貨之可變現淨值**

存貨之可變現淨值乃於日常業務過程中作出之估計售價減估計完成成本及可變出售開支。此等估計乃根據現時市況及類似性質之製造及出售產品之過往經驗而作出，並會因應客戶品味及競爭對手就任何行業衰退所作行動而有重大變化。董事於各結算日重新評估估計。

##### iv) **應收款項之呆壞賬撥備**

本集團按照追收可收回款項之評估對應收款項之呆壞賬作出撥備。有關評估乃根據客戶之過往記賬記錄及其他應收款及現行市況釐定。董事於各結算日重新評估撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### c) Judgments and estimates (Continued)

##### v) Warranty claims

The Group generally offers half-year warranties for its own-brand name products sold. The directors estimate the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as parts and labour costs.

#### d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December 2007. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies used into line with those used by the Group.

A subsidiary is an entity controlled by the Company. A subsidiary is considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from its activities.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

#### e) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If 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. 主要會計政策 (續)

#### c) 判斷及估計 (續)

##### v) 保用申索

本集團一般為其已出售的自有品牌產品提供半年保用。董事根據過往保用申索資料以及顯示過往成本資料可能有別於未來申索的近期趨勢估計未來保用申索的相關撥備。可能影響估計申索資料的因素包括本集團的生產力及質量措施是否成功以及部件及勞工成本。

#### d) 綜合基準

綜合財務報表綜合計入本公司及其附屬公司截至二零零七年十二月三十一日止之財務報表。本公司會於必要時調整附屬公司的財務報表，致使其所用會計政策與本集團所用者一致。

附屬公司為本公司控制的實體。倘本公司有權直接或間接監控附屬公司的財務及經營政策以自其業務中獲益，有關附屬公司即被視為受到控制。

集團內部間的結餘及交易於綜合賬目時悉數對銷。

#### e) 資產減值

本集團於每個結算日檢討其有形及無形資產賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘出現有關跡象，則會估計該資產之可收回金額，以釐定減值虧損(如有)的程度。倘無法估計個別資產的可收回金額，則本集團將估計資產所屬現金產生單位的可收回金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### e) Impairment of assets (Continued)

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of 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 (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings (other than investment property) carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 3. 主要會計政策 (續)

#### e) 資產減值 (續)

可收回金額為售價淨額與使用價值之較高者。於評估使用價值時，估計日後現金流量會貼現至反映金錢時間值現行市場評估及有關資產特定風險的除稅前貼現率計算的現值。

倘資產（或現金產生單位）的可收回金額估計少於其賬面值，則調減資產（現金產生單位）的賬面值至其可收回金額。減值虧損隨即確認為開支，除非有關資產為按重估值列賬的投資物業以外的土地或樓宇，於此情況下，減值虧損視作重估減少處理。

倘減值虧損其後撥回，資產（現金產生單位）的賬面值將增至其可收回金額之經修訂估計，惟經增加之賬面值不得超出倘資產（現金產生單位）於過往年度並無確認減值虧損而應釐定的賬面值。減值虧損的撥回即時確認為收入，除非有關資產按重估值列賬，於此情況下，減值虧損的撥回視作重估增加處理。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### f) Property, plant and equipment and depreciation

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

The cost of an item of property, plant and equipment (an "Item") comprises its purchase price and any directly attributable costs of bringing the Item to its working condition and location for its intended use. Expenditure incurred after the Item has been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the Item, the expenditure is capitalised as an additional cost of the Item.

When, in the opinion of the directors, the recoverable amounts of property, plant and equipment are below their carrying amounts, provisions are made to write down the carrying amounts of such assets to their recoverable amounts. (see also note 3e) above)

The gain or loss on disposal or retirement of an Item recognised in the income statement is the difference between the sale proceeds and the carrying amount of the relevant Item, and is recognised in the income statement.

Depreciation is provided to write off the cost of the assets on the straight-line method, based on the estimated economic useful lives of the individual assets, after taking into account their estimated residual value, if any, at the following rates per annum:

### 3. 主要會計政策(續)

#### f) 物業、廠房及設備與折舊

除在建工程外，物業、廠房及設備乃按成本值減折舊撥備及任何減值虧損入賬。

物業、廠房及設備項目(「項目」)之成本包括其購入價及將資產達至其運作狀況及地點作擬定用途之直接應佔成本。該項目投產後之開支(例如維修保養及大修費用)一般自產生年度之收益表扣除。倘能明確顯示該開支導致預期因使用該項目而產生之日後經濟利益增加，該項目則予以資本化，列為該項目之額外成本。

當董事認為物業、廠房及設備的可收回金額已減值至其帳面值以下時，則作出撥備以撇減有關資產的帳面值至其可收回金額。(請亦參閱上文附註3e))

於收益表內確認的項目出售或停用的收益或虧損乃有關項目的出售所得款項與帳面值的差額，並於收益表內確認。

折舊經計入估計剩餘價值後(如有)按直線法於個別資產之估計經濟可用年期作出撥備如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

Electronic equipment, furniture and fixtures	20%
Motor vehicles	20%
Plant and machinery	10%
Moulds	20%-33.33%
Leasehold improvements	10%

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 classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### g) Leased assets

##### i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

##### ii) Operating lease charges

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

### 3. 主要會計政策 (續)

#### f) 物業、廠房及設備與折舊 (續)

電子設備、傢俬及裝置	20%
汽車	20%
廠房及機械	10%
模具	20%-33.33%
租賃物業裝修	10%

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。

#### g) 租賃資產

##### i) 本集團租賃資產之分類

本集團持有的租賃資產，如大部份相關風險及回報已轉讓至本集團，該租賃資產歸類為按融資租賃持有。並無轉讓所有權全部相關風險及回報的租賃，歸類為經營租賃。

##### ii) 經營租賃費用

如本集團透過經營租賃使用資產，則根據租賃作出的付款會在租賃期所涵蓋會計期間內，以等額在收益表扣除；但如有其他基準能更清楚地反映租賃資產所產生收益模式則除外。經營租賃協議所涉及優惠措施均在收益表中確認為租賃淨付款總額的組成部分。或有租金（如有）在其產生的會計期間內在收益表扣除。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### h) Prepaid lease payments

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

#### i) 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.

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 the income statement when the asset is derecognised.

#### j) 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:

- i) an asset is created that can be identified;
- ii) it is probable that the asset created will generate future economic benefits; and
- iii) 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.

### 3. 主要會計政策 (續)

#### h) 預付租賃款項

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收益表攤銷。

#### i) 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。

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。

#### j) 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：

- i) 所創造的資產乃可辨識的；
- ii) 所創造的資產可能會產生未來經濟利益；及
- iii) 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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

#### l) 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 the income statement.

### 3. 主要會計政策 (續)

#### k) 存貨

存貨以成本及可變現淨值兩者中的較低數額列賬。成本以加權平均成本法計算，其中包括所有採購成本、加工成本及將存貨達至目前地點和現狀的成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需估計成本後所得之數。

存貨出售時，其賬面金額在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內確認為支出。存貨的任何減值轉回之數，均在出現轉回的期間內確認為已列作支出的存貨數額減少。

#### l) 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

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### l) Financial instruments (Continued)

##### **Financial assets**

Trade and note receivables, other receivables and deposits and amounts due from related parties and bank balances 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 the income statement when there is objective evidence that the asset is impaired. In terms of trade receivables, for example, a provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original trade terms. Significant financial difficulties of debtors, such as the probability that debtors will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivables are 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. 主要會計政策 (續)

#### l) 財務工具 (續)

##### **財務資產**

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及銀行結餘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，在收益表適當地確認估計不可收回數額的撥備。例如在應收貿易帳款方面，倘有客觀證據證明本集團將不能按原定貿易條款收回所有到期款額，則確立有關減值撥備。債務人出現重大財務困難，如可能破產或進行財務重組，及拖欠或無法如期償還，均將視為應收賬款減值之指標。

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

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### l) Financial instruments (Continued)

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

##### i) 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 the income statement in the period in which they arise.

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

###### 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 nonconvertible 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).

### 3. 主要會計政策 (續)

#### l) 財務工具 (續)

##### **財務負債及股本** (續)

##### i) 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，即時於收益表內確認。

###### 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)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### i) Financial instruments (Continued)

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

##### i) Convertible bonds (Continued)

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

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 the income statement upon conversion or expiration of the option.

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 the income statement.

##### ii) 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.

##### iii) Equity instruments

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

### 3. 主要會計政策 (續)

#### i) 財務工具 (續)

##### **財務負債及股本** (續)

##### i) 可換股債券 (續)

##### 包含負債及股權部份之 可換股債券 (續)

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券股本權益儲備，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。

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，並從收益表扣除。

##### ii) 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。

##### iii) 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### l) Financial instruments (Continued)

##### **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.

#### m) Provisions

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

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

### 3. 主要會計政策 (續)

#### l) 財務工具 (續)

##### **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。

#### m) 撥備

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致經濟效益外流，並可作出可靠的估計時，便會就該時間或數額不定的負債計提撥備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值呈列撥備。

倘貼現之影響重大，就撥備而確認之金額為於結算日預期履行義務所需未來開支之現值。因時間過去而引致之貼現現值增加將計入收益表內之財務費用。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### m) Provisions (Continued)

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

#### n) Foreign currency translation

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses are recognised in the income statement.

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

The results of foreign operations are translated into Chinese Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Chinese Renminbi at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

#### o) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible.

### 3. 主要會計政策 (續)

#### m) 撥備 (續)

倘若經濟利益外流的可能性較低，或無法對有關數額作出可靠估計，則將該義務披露為或有負債；但倘有關資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債；但倘有關資源外流的可能性極低則除外。

#### n) 外幣換算

年度內的外幣交易按交易日的匯率換算。以外幣為單位的貨幣資產及負債則按結算日的匯率換算。匯兌盈虧於收益表確認。

按歷史成本法以外幣計量之非貨幣資產及負債乃按交易日之匯率換算。以外幣按公平值呈列之非貨幣資產及負債乃按釐定公平值日期之匯率換算。

海外業務的業績按交易日的概約匯率換算為人民幣；資產負債表項目則按結算日的匯率換算為人民幣。所產生匯兌差額獨立直接確認為權益部分。

#### o) 稅項

所得稅開支指本期應付稅項及遞延稅項的總額。

本期應付稅項乃按年內應課稅溢利計算。應課稅溢利與收益表所報的淨溢利不同，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### o) Taxation (Continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the tax 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 profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### p) Revenue recognition

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

### 3. 主要會計政策 (續)

#### o) 稅項 (續)

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。

#### p) 收益確認

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### p) Revenue recognition (Continued)

##### i) Sales of goods

Revenue from sales of goods is recognised when goods are delivered and title has passed, which means that 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;
- 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.

##### ii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

##### iii) Processing income

Processing income is recognised when processing services are provided.

### 3. 主要會計政策 (續)

#### p) 收益確認 (續)

##### i) 貨品銷售

來自貨品銷售的收益於貨品付運及所有權轉讓並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；
- 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。

##### ii) 利息收入

利息收入乃以時間比例為基準按未償還本金及適用利率累計。

##### iii) 加工收入

加工收入乃於提供加工服務後確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### q) Government grants

Government grants in the form of incentive payments 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.

#### r) Employee benefits

##### i) Short term employee benefits

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

##### ii) Contributions to defined contribution retirement plans

Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and contributions to the retirement schemes operated by the relevant authorities for employees of the subsidiaries in the People’s Republic of China (“PRC”) are recognised as an expense in the income statement as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

##### iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

### 3. 主要會計政策 (續)

#### q) 政府津貼

屬獎勵款項的政府津貼於無條件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。

#### r) 僱員福利

##### i) 短期僱員福利

薪金、年度獎金、有薪年假、假期旅遊津貼及各項非貨幣福利導致本集團產生的成本，均在本集團僱員提供相關服務的年度內累計。如延遲付款或結算，而有關影響重大，則上述數額按現值列賬。

##### ii) 界定供款退休計劃供款

根據香港《強制性公積金計劃條例》規定作出的強制性公積金供款及為中華人民共和國（「中國」）之附屬公司僱員參與有關政府部門管理之退休金計劃的供款，均於產生時在收益表列支；但已計入尚未確認為開支的存貨成本的數額除外。

##### iii) 終止僱傭福利

終止僱傭福利僅於本集團具備正式而詳細及不可能撤回方案的情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方可確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### r) Employee benefits (Continued)

##### iv) Equity-settled share-based payments

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

At the time when the share options are exercised, the amount previously recognised in share options 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 options reserve will be transferred to accumulated profits.

#### s) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the income statement in the period in which they are incurred.

#### t) Cash and cash equivalents

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

### 3. 主要會計政策 (續)

#### r) 僱員福利 (續)

##### iv) 股本結算以股份為基礎之付款

參考所授出購股權於授出日期公平值而釐定之應收服務公平值，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(如有)，則於收益表內確認，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，將轉撥至累計溢利。

#### s) 借貸成本

借貸成本為就借入資金所引致的利息及其他成本。所有借貸成本乃於其產生的期間內於收益表扣除。

#### t) 現金及現金等價物

就綜合現金流量而言，現金及現金等價物包含銀行存款及現金、存放於銀行和其他財務機構的活期存款，以及短期和流動性極高，而可換算為已知數額現金、所承受價值變動風險甚小，並在購入後三個月內到期的投資項目，減須於墊款日期起計三個月償還之銀行墊款。現金及現金等價物亦包括須於接獲通知時償還，及構成本集團現金管理一部分的銀行透支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### u) Related parties

A party is considered to be related to the Group if:

- i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence;
- ii) the party is a member of the key management personnel of the Group;
- iii) the party is a close member of the family of any individual referred to in i) or ii);
- iv) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in ii) or iii); or
- v) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

#### v) Segment reporting

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

### 3. 主要會計政策 (續)

#### u) 有關連人士

在以下情況，下列人士將視作本集團有關連人士：

- i) 透過一家或以上中介公司直接或間接控制本集團或對本集團之財務及經營決策行使重大影響力(反之亦然)，或本集團與該名人士受共同控制或共同影響；
- ii) 為本集團主要管理人員；
- iii) 為i)或ii)項所述任何人士之近親；
- iv) 為受直接或間接與ii)或iii)項所述任何人士有關之實體控制、共同控制或受重大影響或行使大量投票權之實體；或
- v) 該方提供福利予本集團或屬於其關連人士之任何實體僱員的離職後福利計劃。

#### v) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供單項或一組相關的產品或服務(業務分部)，或在特定經濟環境中提供產品或服務(地區分部)，並承擔有別於其他分部的風險和回報。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### v) Segment reporting (Continued)

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

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

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

### 3. 主要會計政策 (續)

#### v) 分部報告 (續)

分部收入、支出、經營業績、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括存貨、應收賬款及物業、廠房及設備。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的集團企業之間的集團內部往來的餘額和交易則除外。

分部資本開支指年內購入預計可使用超過一年的分部資產所產生成本總額。

未分配項目主要包括財務及企業資產、計息貸款、借款、企業和融資支出。

### 4. TURNOVER AND SEGMENT INFORMATION

#### a) Turnover

Turnover represents gross invoiced sales, less returns and trade discounts.

#### b) Business segments

The Group's business comprises two segments, namely, own-brand 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:

### 4. 營業額及分類資料

#### a) 營業額

營業額指發貨單銷售總額減退貨及貿易折扣。

#### b) 業務分類

本集團業務主要由兩個板塊部份組成，分別為自有品牌業務及原廠專業代工（「OEM」）業務。本公司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：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 4. TURNOVER AND SEGMENT INFORMATION (Continued)

#### b) Business segments (Continued)

##### Segment revenue and results

##### Group 本集團

		2007 二零零七年				2006 二零零六年		
		Own-brand business	OEM business	Others	Total	Own-brand business	OEM business	Total
		自有品牌 業務	OEM業務	其他	總計	自有品牌 業務	OEM業務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	616,022	325,185	19,714	960,921	620,132	316,173	936,305
Segment results	分類業績	172,969	70,063	477	243,509	174,188	66,292	240,480
Unallocated income	未分配收入				28,718			24,535
Unallocated expenses	未分配開支				(89,209)			(70,891)
Change in fair value of convertible bonds designated as at fair value through profit and loss	按公平值計入損益帳的可換股債券公平值變動				-			(8,495)
Convertible bonds issue expenses	發行可換股債券開支				-			(2,240)
Losses from fire	火災損失				(164,581)			-
Finance costs	融資成本				(2,491)			(8,487)
Profit before taxation	除稅前溢利				15,946			174,902
Taxation	稅項				(429)			(14,711)
Profit for the year	本年度溢利				15,517			160,191

#### b) 業務分類 (續)

##### 分類收益及業績

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 4. TURNOVER AND SEGMENT INFORMATION

(Continued)

#### b) Business segments (Continued)

##### Assets and liabilities

Group 本集團

		2007 二零零七年				2006 二零零六年		
		Own-brand business	OEM business	Others	Total	Own-brand business	OEM business	Total
		自有品牌 業務	OEM業務	其他	總計	自有品牌 業務	OEM業務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment assets	分類資產	251,666	140,618	-	392,284	144,943	149,467	294,410
Unallocated corporate assets	未分配公司資產				760,786			862,429
Consolidated total assets	綜合總資產				1,153,070			1,156,839
Unallocated corporate liabilities and consolidated total liabilities	未分配公司負債及綜合總負債				180,774			321,116

### 4. 營業額及分類資料(續)

#### b) 業務分類(續)

##### 資產及負債

#### c) Other information

Group 本集團

		2007 二零零七年				2006 二零零六年			
		Own-brand business	OEM business	Assets in common	Total	Own-brand business	OEM business	Assets in common	Total
		自有品牌 業務	OEM業務	共用資產	總計	自有品牌 業務	OEM業務	共用資產	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Capital addition	資本新增	79,623	10,879	32,556	123,058	3,591	5,961	28,936	38,488
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,280	3,868	10,235	21,383	3,105	2,662	8,502	14,269
(Write-back of allowance)/ allowance for bad and doubtful debts	(撥回撥備)/ 呆壞帳撥備	(1)	(296)	615	318	650	-	-	650
Write-off of receivables	撇銷應收款項	-	-	-	-	-	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	-	-	247	247	-	-	179	179

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 4. TURNOVER AND SEGMENT INFORMATION

(Continued)

#### c) Other information (Continued)

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 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.

#### d) 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. OTHER REVENUE

Interest income	利息收入
Foreign exchange gain	匯兌收益
Gain on disposal of short term investment	出售短期投資收益
Processing income	加工收入
Sale of scrap materials	銷售剩餘物料
Sundry income	其他收入

### 4. 營業額及分類資料(續)

#### c) 其他資料(續)

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。

#### d) 地區分類

本集團並無呈列按地區市場劃分的本集團營業額及業績分析以及本集團分類資產及添置物業、廠房及設備及有形資產的帳面值分析，原因為其大部分於中國產生或位於中國。

### 5. 其他收益

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
		<b>12,493</b>	12,078
		<b>6,755</b>	3,596
		<b>7,663</b>	–
		<b>759</b>	4,559
		–	2,048
		<b>1,048</b>	2,254
		<b>28,718</b>	24,535

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 6. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging:

### 6. 經營溢利

經營溢利已扣除以下項目：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Auditors' remuneration	核數師酬金		
– current year provision	– 本年度撥備	1,701	1,750
– prior year underprovision	– 過往年度撥備不足	197	–
Amortisation	攤銷		
– intangible assets	– 無形資產	247	179
– prepaid lease payments	– 預付租賃款項	257	146
Allowance for bad and doubtful debts	呆壞帳撥備	318	650
Cost of inventories recognized as expenses	確認為開支的存貨成本	717,412	695,825
Depreciation (net of depreciation included in research and development costs of RMB2,779,000 (2006: RMB2,598,000))	折舊(已扣除包括於研究及開發成本內的折舊人民幣2,779,000元(二零零六年：人民幣2,598,000元))	18,604	11,671
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	–	526
Listing expenses	上市開支	–	7,699
Operating lease rentals	經營租金		
– office premises	– 辦公室物業	5,266	4,161
Research and development costs (net of government grant of RMB1,820,000 (2006: RMB1,273,000))	研究及開發成本(已扣除政府資助人民幣1,820,000元(二零零六年：人民幣1,273,000元))	12,473	12,635
Write-off of receivables	應收款項撇賬	–	1,995
Staff costs (note 7)	員工成本(附註7)	48,477	41,376



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 7. STAFF COSTS

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Directors' remuneration (note 8)	董事酬金(附註8)	898	736
Other staff costs	其他員工成本	50,775	42,672
Retirement benefits scheme contributions	其他員工的退休福利計劃供款	2,035	1,455
Less: Staff costs included in research and development costs	減：計入研究及開發成本的員工成本	(5,231)	(3,487)
		<b>48,477</b>	41,376

### 7. 員工成本

### 8. DIRECTORS' AND EMPLOYEES' REMUNERATION

a) The information pursuant to Section 161 of the Hong Kong Companies Ordinance is disclosed as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Fees	袍金	882	34
Other emoluments:	其他酬金：		
Salaries, bonus, allowance and other benefits	薪金、獎金、津貼及其他福利	-	697
Retirement benefits scheme contributions	退休福利計劃供款	16	5
		<b>898</b>	736

### 8. 董事及僱員酬金

(a) 根據香港公司條例第161條須披露的資料如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 8. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

b) Details of emoluments paid by the Group to the directors are as follows:

		2007 二零零七年				2006 二零零六年			
		Salaries, bonus, allowance and other benefits	Retirement benefits scheme contri- butions	Total emoluments		Salaries, bonus, allowance and other benefits	Retirement benefits scheme contri- butions	Total emoluments	
		Fees 袍金	、津貼及 其他福利	退休福利 計劃供款	總酬金	Fees 袍金	、津貼及 其他福利	退休福利 計劃供款	總酬金
		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
Fang Jin	方金	-	-	4	4	-	159	2	161
Lin Chao	林超	-	-	4	4	-	139	1	140
Guo Quan Zeng	郭泉增	438	-	4	442	14	260	1	275
Li Hui Qiu	李會秋	211	-	4	215	6	139	1	146
Heng Kwo Seng	邢詒春	117	-	-	117	4	-	-	4
Wang Jing Zhong	王敬忠	58	-	-	58	5	-	-	5
Wang Jian Zhang	王建章	58	-	-	58	5	-	-	5
Ho Man	何敏	-	-	-	-	-	-	-	-
Total	總計	882	-	16	898	34	697	5	736

c) The five highest paid individuals included two directors for the year ended 31 December 2007 (2006: two). Details of whose emoluments are set out above.

The emoluments of the remaining three (2006: three) highest paid individuals other than directors are as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Salaries, bonus, allowance and other benefits	薪金、獎金、津貼及其他福利	1,014	1,350
Retirement benefits scheme contributions	退休福利計劃供款	22	5
		1,036	1,355

### 8. 董事及僱員酬金 (續)

(b) 本集團向董事支付的酬金詳情如下：

		2007 二零零七年				2006 二零零六年			
		Salaries, bonus, allowance and other benefits	Retirement benefits scheme contri- butions	Total emoluments		Salaries, bonus, allowance and other benefits	Retirement benefits scheme contri- butions	Total emoluments	
		Fees 袍金	、津貼及 其他福利	退休福利 計劃供款	總酬金	Fees 袍金	、津貼及 其他福利	退休福利 計劃供款	總酬金
		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
Fang Jin	方金	-	-	4	4	-	159	2	161
Lin Chao	林超	-	-	4	4	-	139	1	140
Guo Quan Zeng	郭泉增	438	-	4	442	14	260	1	275
Li Hui Qiu	李會秋	211	-	4	215	6	139	1	146
Heng Kwo Seng	邢詒春	117	-	-	117	4	-	-	4
Wang Jing Zhong	王敬忠	58	-	-	58	5	-	-	5
Wang Jian Zhang	王建章	58	-	-	58	5	-	-	5
Ho Man	何敏	-	-	-	-	-	-	-	-
Total	總計	882	-	16	898	34	697	5	736

c) 截至二零零七年十二月三十一日止年度，五名最高薪酬人士包括兩名(二零零六年：兩名)董事，彼等之酬金詳情載於上文。

其餘三名(二零零六年：三名)最高薪酬人士(董事除外)的酬金如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Salaries, bonus, allowance and other benefits	薪金、獎金、津貼及其他福利	1,014	1,350
Retirement benefits scheme contributions	退休福利計劃供款	22	5
		1,036	1,355

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 8. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

The emoluments of the remaining highest paid individuals other than directors are within the following bands:

Nil to RMB936,400 (equivalent to Nil to HKD1,000,000)	零至人民幣936,400元 (等同零至1,000,000港元)
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- d) During both years, no emoluments were paid by the Group to the five highest paid individuals (including both 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. However, as a result of the fire at the production plant of the Company in May 2007, Mr. Guo Quan Zeng proposed a salary cut of 30% for himself for one year and 10% for a half year for Mr. Li Hui Qiu effective from August 2007.

### 8. 董事及僱員酬金(續)

其餘最高薪酬人士(董事除外)的酬金介乎以下範圍：

<b>Group</b> 本集團	
<b>2007</b>	2006
二零零七年	二零零六年

<b>3</b>	3
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- d) 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，並無董事放棄任何酬金。但由於本公司的生產廠房於二零零七年五月發生火災，郭泉增先生建議由二零零七年八月起削減其本身一年薪酬30%及李會秋先生的半年薪酬10%。

### 9. LOSSES FROM FIRE

On 31 May 2007, there was a serious fire at the Group's production plant in Fuzhou, the PRC. Most of the Group's inventories were destroyed whilst most of its production lines were unaffected.

The losses incurred as a result of the fire are summarised as follows:

Loss on inventories	存貨損失
Raw materials	原材料
Work in progress	半成品
Finished goods	產成品

Loss on property, plant and equipment	物業、廠房及設備損失
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Estimated costs for reconstruction of the rented premises being damaged in the fire	重建受火災損毀的租賃物業的估計成本
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Less: Compensation received from the insurers in November 2007	減：保險公司於二零零七年十一月發出的賠償
Receipts from sales of scrap materials damaged	出售遭損毀的剩餘物料

Net losses	損失淨額
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### 9. 火災損失

於二零零七年五月三十一日，本集團位於中國福州的生產廠房發生大火。本集團大部分存貨已損毀，而大部分生產線未受到波及。

火災造成的損失概述如下：

<b>Group</b> 本集團
RMB'000
人民幣千元

<b>174,235</b>
<b>7,690</b>
<b>17,469</b>

<b>199,394</b>
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<b>10,458</b>
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<b>8,285</b>
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<b>218,137</b>
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<b>(52,490)</b>
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<b>(1,066)</b>
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<b>164,581</b>
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# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 10. FINANCE COSTS

Interest on bank borrowings	銀行借款利息
Interest on discounted notes receivable (without recourse)	折現應收票據利息 (並無追索權)
Effective interest on convertible bonds	可換股債券之 實際利息
Other finance costs	其他融資成本

### 10. 融資成本

Group	
本集團	
2007	2006
二零零七年	二零零六年
RMB'000	RMB'000
人民幣千元	人民幣千元

1,352	3,733
195	94
891	4,660
53	-
<b>2,491</b>	<b>8,487</b>

### 11. TAXATION

No provision for taxation has been made by the Company as it is not subject to tax in the Cayman Islands or elsewhere in other jurisdictions.

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

The provision for PRC Enterprise Income Tax is based on the estimated taxable income for PRC taxation purposes at the rate of taxation applicable for the period. Scud (Fujian) Electronics Co., Ltd. ("Scud Electronics") and Scud (Fujian) Battery Co., Ltd. ("Scud Battery") are foreign investment enterprises located in Mawei District, Fuzhou, Fujian Province, PRC. Scud Electronics (Shenzhen) Co., Ltd. ("Scud Shenzhen") is a foreign investment enterprise located in Shenzhen, PRC. Both 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 the 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 and 榕開國稅政[2003] 4號 issued by Fuzhou Tax Bureau Branch on 15 May 2003 and 7 February 2007, respectively, Scud Electronics and Scud Battery are entitled to an 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.

### 11. 稅項

由於本公司無需繳納開曼群島或其他司法權區的稅項，故本公司並無作出稅項撥備。

由於在兩年內本集團的溢利既非於香港產生，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。

中國企業所得稅撥備乃根據於有關期間適用稅率作中國稅項用途的估計應課稅收入而作出。飛毛腿(福建)電子有限公司(「飛毛腿電子」)及飛毛腿(福建)電池有限公司(「飛毛腿電池」)是位於中國福建省福州市馬尾區的外資企業。飛毛腿電子(深圳)有限公司(「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及於二零零七年二月七日發出的審批文件榕開國稅政[2003]72號及榕開國稅政[2003]4號，飛毛腿電子及飛毛腿電池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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 11. TAXATION (Continued)

Scud Electronics started to enjoy the tax exemption from 2002 and the tax relief from 2004. A reduced income tax rate of 7.5% therefore applies from 2004 to 2006. During the year, Scud Electronics has successfully extended the preferential income tax rate for three more years and has enjoyed an effective rate of 10% for the period from April 2007 to April 2010, both years inclusive.

Scud Battery started to enjoy the tax exemption from 2007.

According to the PRC Enterprise Income Tax Law announced by the National People's Congress on 16 March 2007, the Detailed Rules and Regulations for the Implementation of PRC Enterprise Income Tax Law and Guofa 國發 [2007] 39 號 released by the State Council on 6 December 2007 and 26 December 2007 respectively, the tax exemptions granted to Scud Electronics and Scud Battery prior to 1 January 2008 can be continued until their respective expiry dates.

No provision for PRC Enterprise Income Tax has been made for Scud Shenzhen as it did not have assessable profits since its date of establishment.

Details of the (credit)/charge in the consolidated income statement are as follows:

Current tax-PRC Enterprise Income Tax	即期稅項－中國企業所得稅		
Tax for the year	本年度稅項	-	15,052
Underprovision in prior years	以前年度撥備不足	429	58
		429	15,110
Deferred tax (Note 17)	遞延稅項(附註17)		
Origination/reversal of temporary differences	起始/撥回暫時性差額	-	(399)
Taxation	稅項	429	14,711

### 11. 稅項(續)

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%。年內，飛毛腿電子已成功將優惠所得稅率再延長三年，並已於二零零七年四月至二零一零年四月止期間(包括首尾兩年)內享有實際稅率10%。

飛毛腿電池由二零零七年開始享有稅項寬減。

根據全國人民代表大會於二零零七年三月十六日公佈的中國企業所得稅法例，以及國務院分別於二零零七年十二月六日及二零零七年十二月二十六日頒佈的中國企業所得稅法例實施詳細規則及法規以及國發[2007]39號，於二零零八年一月一日前授予飛毛腿電子及飛毛腿電池的稅項豁免可續期至其各自的屆滿日期為止。

由於深圳飛毛腿自成立日期以來並無應課稅溢利，故並無就其作出中國企業所得稅撥備。

計入綜合收益表的(抵免)/支出詳情如下：

Group	
本集團	
2007	2006
二零零七年	二零零六年
RMB'000	RMB'000
人民幣千元	人民幣千元

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 11. TAXATION (Continued)

The reconciliation between profit before taxation and taxation in the consolidated income statement is as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	15,946	174,092
Tax at income tax rate of 15%	按所得稅率 15% 計算稅項	2,392	26,235
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營附屬公司的不同稅率的稅務影響	745	-
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	13,597	5,338
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(8,359)	(2,155)
Tax effect of temporary differences not previously recognised	先前未確認暫時差額的稅務影響	1	-
Underprovision in prior years	以前年度撥備不足	429	58
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	4,361	97
Effect of concessionary rate granted to the PRC subsidiaries	中國附屬公司獲授稅率優惠的影響	(12,737)	(14,862)
Taxation	稅項	429	14,711

### 12. DIVIDENDS

An interim dividend for the six-month period ended 30 June 2007 of HK\$0.02 per share, amounting to a total interim dividend of approximately RMB19,211,000 was declared and paid to the shareholders during the year ended 31 December 2007.

A final dividend for the year ended 31 December 2007 of HK\$0.02 per share, amounting to a total final dividend of approximately RMB18,578,000 is to be proposed at the forthcoming annual general meeting of the Company. These financial statements do not reflect this dividend payable.

During the year ended 31 December 2006, dividends of RMB30,744,000 were declared and paid to the then shareholders prior to the Group recognition.

### 12. 股息

於截至二零零七年十二月三十一日止年度內，已宣派及派付截至二零零七年六月三十日止六個月的中期股息每股0.02港元總額約人民幣19,211,000元予股東。

截至二零零七年十二月三十一日止年度的末期股息每股0.02港元總額約人民幣18,578,000元將於本公司應屆股東週年大會上提呈。本財務報表並無反映此項應付股息。

於截至二零零六年十二月三十一日止年度內，已向其集團重組之當時股東宣派及派付股息人民幣30,744,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 13. 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:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
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本年度溢利)	15,513	160,191
Effect of dilutive potential ordinary shares (effective interest on convertible bonds)	具潛在攤薄效應的普通股的影響 (可換股債券的實際利息)	-	4,660
Change in fair value of convertible bonds designated as fair value through profit and loss	按公平值計入損益帳的 可換股債券公平值變動	-	8,495
		<b>15,513</b>	173,346
		Number of ordinary shares 普通股數目	
		2007 二零零七年 '000 以千計	2006 二零零六年 '000 以千計
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	981,826	607,835
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	-	87,395
- share options	- 購股權	215	167
		<b>215</b>	87,562
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>982,041</b>	695,397

### 13. 每股盈利

本公司股東應佔每股基本及攤薄盈利根據以下數據計算：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

Group Cost	本集團 成本	Electronic equipment, furniture and fixtures	Motor vehicles	Plant and machinery	Construction Moulds in progress	Leasehold improve- ments	Total	
		電子設備、 傢俬及裝置	汽車	廠房及 機器	模具 在建工程	租賃 物業裝修		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
1 January 2006	二零零六年一月一日	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)	-	
31 December 2006	二零零六年十二月三十一日	40,439	6,144	45,070	20,084	1,000	112,737	
Exchange adjustment	外匯調整	(9)	-	-	-	-	(9)	
Additions	添置	15,624	2,586	45,545	2,382	54,977	121,509	
Transfer	轉撥	796	351	-	9,818	(11,856)	891	
Disposals	出售	(7,824)	(900)	(12,966)	-	-	(21,690)	
31 December 2007	二零零七年十二月三十一日	49,026	8,181	77,649	32,284	44,121	212,547	
<b>Depreciation</b>	<b>折舊</b>							
1 January 2006	二零零六年一月一日	9,437	1,263	5,457	2,298	-	18,455	
Charge for the year	年內開支	7,287	549	3,065	3,368	-	14,269	
Impairment loss recognised	已確認減值虧損	-	-	-	526	-	526	
31 December 2006	二零零六年十二月三十一日	16,724	1,812	8,522	6,192	-	33,250	
Exchange adjustment	外匯調整	(2)	-	-	-	-	(2)	
Charge for the year	年內開支	8,516	895	6,313	5,571	-	21,383	
On disposals	出售	(3,377)	(623)	(6,279)	-	-	(10,279)	
31 December 2007	二零零七年十二月三十一日	21,861	2,084	8,556	11,763	-	44,352	
<b>Net book value</b>	<b>帳面淨值</b>							
31 December 2007	二零零七年十二月三十一日	<b>27,165</b>	<b>6,097</b>	<b>69,093</b>	<b>20,521</b>	<b>44,121</b>	<b>1,198</b>	<b>168,195</b>
31 December 2006	二零零六年十二月三十一日	23,715	4,332	36,548	13,892	1,000	-	79,487

During the current and the prior years, the Group has reviewed the carrying amounts of property, plant and equipment and has identified that certain property, plant and equipment are either idle or having no economic value to the Group. Accordingly, the carrying amount of those identified property, plant and equipment was reduced to their respective net realisable value. The impairment losses have been included in administrative expenses in the consolidated income statement.

於本年度及過往年度內，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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 15. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold land outside Hong Kong held by the Group under medium term leases, as follows:

### 15. 預付租賃款項

本集團的預付租賃款項包括本集團根據中期租約持有香港以外的租賃土地，詳情如下：

		<b>Group</b> <b>本集團</b> RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>	
1 January 2006	於二零零六年一月一日	-
Additions	增加	12,528
31 December 2006	於二零零六年十二月三十一日	12,528
Additions	增加	376
31 December 2007	於二零零七年十二月三十一日	12,904
<b>Amortisation</b>	<b>攤銷</b>	
1 January 2006	於二零零六年一月一日	-
Charge for the year	本年度開支	146
31 December 2006	於二零零六年十二月三十一日	146
Charge for the year	本年度開支	257
31 December 2007	於二零零七年十二月三十一日	403
<b>Net carrying amount</b>	<b>賬面淨值</b>	
31 December 2007	於二零零七年十二月三十一日	<b>12,501</b>
31 December 2006	於二零零六年十二月三十一日	12,382

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 15. PREPAID LEASE PAYMENTS (Continued)

An analysis for reporting purposes is as follows:

		<b>Group</b> 本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current portion	即期部分	<b>258</b>	251
Non-current portion	非即期部分	<b>12,243</b>	12,131
		<b>12,501</b>	12,382

Prepaid lease payments are released to the consolidated income statement over the term of the leases of 50 years.

The directors consider that the carrying amount of prepaid lease payments approximates to their fair value.

作呈報用途的分析如下：

		<b>Group</b> 本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current portion	即期部分	<b>258</b>	251
Non-current portion	非即期部分	<b>12,243</b>	12,131
		<b>12,501</b>	12,382

本集團預付租賃款項按租期五十年在綜合收益表扣除。

董事認為預付租賃款項的帳面值與其公平值相若。

### 16. INTANGIBLE ASSETS

		<b>Software</b> 軟件
		RMB'000
		人民幣千元
<b>Group Cost</b>	<b>本集團成本</b>	
1 January 2006	二零零六年一月一日	765
Additions	增加	1,654
Disposals	出售	(349)
31 December 2006	於二零零六年十二月三十一日	2,070
Additions	增加	1,549
31 December 2007	於二零零七年十二月三十一日	3,619
<b>Amortisation</b>	<b>攤銷</b>	
1 January 2006	二零零六年一月一日	149
Charge for the year	本年度開支	179
On disposals	出售	(65)
31 December 2006	於二零零六年十二月三十一日	263
Charge for the year	本年度開支	247
31 December 2007	於二零零七年十二月三十一日	510
<b>Net carrying amount</b>	<b>賬面淨值</b>	
31 December 2007	於二零零七年十二月三十一日	<b>3,109</b>
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 life 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

31 December 2007 於二零零七年十二月三十一日

### 17. DEFERRED TAX ASSETS

Group	本集團	Impairment loss on property, plant and equipment	Impairment loss on trade and other receivables	Accelerated accounting depreciation	Total
		物業、廠房及設備減值虧損 RMB'000 人民幣千元	及其他應收款項減值虧損 RMB'000 人民幣千元	加速合計折舊 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
1 January 2006	於二零零六年一月一日	77	1,199	-	1,276
Credit to consolidated income statement	計入綜合收益表	79	98	222	399
31 December 2006	於二零零六年十二月三十一日	156	1,297	222	1,675
Credit to consolidated income statement	計入綜合收益表	-	-	-	-
<b>31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>156</b>	<b>1,297</b>	<b>222</b>	<b>1,675</b>

The Group had unused tax losses of RMB29,848,000 (2006: RMB778,000) available for offset against future profits that are generated by the PRC subsidiaries. The unused tax losses are able to be carried forward for a consecutive of five years.

本集團本年度有未動用稅項虧損人民幣29,848,000元(二零零六年：人民幣778,000元)，可用於抵銷國內附屬公司產生的未來溢利。未動用稅項虧損可轉撥下一年度，以連續五年為限。

### 18. DUE FROM A RELATED PARTY

The amount due from a related party is unsecured, interest-free and repayable on demand.

The information pursuant to Section 161B of the Hong Kong Companies Ordinance is disclosed as follows:

	Maximum balance during the year	Balance at 31 December 2007	Balance at 31 December 2006
	年內最高結餘 RMB'000 人民幣千元	於二零零七年十二月三十一日的結餘 RMB'000 人民幣千元	於二零零六年十二月三十一日的結餘 RMB'000 人民幣千元
Scud Stock (Fujian) Co., Ltd.	福建飛毛腿股份有限公司	1,453	1,126
			960

Scud Stock (Fujian) Co., Ltd. is a company with Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng being common directors and shareholders.

The directors consider that the carrying amount of the amount due from a related party approximates to its fair value.

### 18. 應收有關連人士款項

應收一名有關連人士的款項為無抵押、免息及須於要求時償還。

根據香港公司條例第161B條須披露的資料如下：

福建飛毛腿股份有限公司為一間以方金先生、林超先生及郭泉增先生為共同董事及股東的公司。

董事認為應收有關連人士款項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

31 December 2007 於二零零七年十二月三十一日

### 19. INVENTORIES

		Group 本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	88,197	94,908
Work in progress	半成品	58,240	-
Finished goods	產成品	2,677	-
		<b>149,114</b>	94,908

All inventories were stated at cost.

所有存貨均以成本記賬。

### 20. TRADE AND NOTES RECEIVABLES

		Group 本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	應收貿易款項	183,377	207,237
Notes receivables	應收票據	13,808	26,319
		<b>197,185</b>	233,556
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備	(5,686)	(5,983)
		<b>191,499</b>	227,573

An aged analysis of trade and notes receivables as at the balance sheet date, based on the invoice date and net of allowance, is as follows:

根據發票日，在扣除撥備後於結算日的應收貿易款項及應收票據的帳齡分析如下：

		Group 本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 to 60 days	0至60天	162,942	168,524
61 to 180 days	61至180天	26,169	55,103
181 to 365 days	181至365天	1,943	3,808
1 to 2 years	一至兩年	438	138
2 to 3 years	兩至三年	7	-
		<b>191,499</b>	227,573

The average credit period granted on sale of goods ranged from 60 to 90 days.

給予銷售貨品的平均除帳期為介乎60至90日。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

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

Details of trade and notes receivables denominated in different currencies are as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Chinese Renminbi	人民幣	172,203	218,299
United States dollars	美元	19,296	9,274
		<b>191,499</b>	227,573

Movements in allowance for bad and doubtful debts during the year were as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
1 January	一月一日	5,983	7,241
Impairment losses recognised	已轉回減值虧損	(297)	(1,258)
31 December	十二月三十一日	<b>5,686</b>	5,983

The aged analysis of the trade and notes receivables that are neither individually nor collectively considered to be impaired is as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Neither past due nor impaired	並未到期或減值	162,942	168,524
Less than 6 months past due	過期不足六個月	26,169	55,103
Over 6 months past due	過期六個月以上	2,388	3,946
		<b>191,499</b>	227,573

### 20. 應收貿易款項及應收票據(續)

以下同貨幣列值的應收貿易款項及應收票據詳情如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Chinese Renminbi	人民幣	172,203	218,299
United States dollars	美元	19,296	9,274
		<b>191,499</b>	227,573

年內呆壞帳撥備的變動如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
1 January	一月一日	5,983	7,241
Impairment losses recognised	已轉回減值虧損	(297)	(1,258)
31 December	十二月三十一日	<b>5,686</b>	5,983

應收貿易款項及應收票據的帳齡分析(無論個別或共同均不視為減值)如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Neither past due nor impaired	並未到期或減值	162,942	168,524
Less than 6 months past due	過期不足六個月	26,169	55,103
Over 6 months past due	過期六個月以上	2,388	3,946
		<b>191,499</b>	227,573

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

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

Receivables that were neither past due nor impaired relate to a wide range of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

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

### 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Advance to suppliers	向供應商墊款	<b>102,088</b>	74,334
Advance to Fujian Youtong Co., Ltd. (Note i)	向福建友通實業有限公司墊款 (附註 i)	<b>52</b>	4,972
Deposit for investment (Note ii)	投資按金 (附註 ii)	<b>20,000</b>	-
Refundable deposits	可退回按金	<b>1,633</b>	1,493
Others	其他	<b>5,097</b>	48,274

Less: Allowance for bad and doubtful debts

減：呆壞帳撥備

**128,870** 129,073  
**(3,280)** (2,665)

**125,590** 126,408

Notes:

- i) Mr. Fang Jin and Mr. Lin Chao are executive directors of the Company who are also the directors of Fujian Youtong Co., Ltd. ("Fujian Youtong"). In the previous year, Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng were the directors and shareholders of Fujian Youtong.

The advance to Fujian Youtong is trading in nature, unsecured, interest-free and repayable on normal commercial terms.

### 20. 應收貿易款項及應收票據(續)

並未到期或減值的應收款項代表大部份的客戶而其過往並無違約的記錄。

並未到期或減值的應收款項代表大部份的獨立客戶而其在本集團有良好的記錄。根據以往經驗，本公司董事認為因為其信用情況沒有重大改變，而其餘額亦應可全數收回，故不需為這些餘額進行減值撥備。本集團並不對這些款項作出任何保證或其他信貸改善措施。

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。

### 21. 預付款項、按金及其他應收款項

Group	
本集團	
2007	2006
二零零七年	二零零六年
RMB'000	RMB'000
人民幣千元	人民幣千元

	<b>102,088</b>	74,334
	<b>52</b>	4,972
	<b>20,000</b>	-
	<b>1,633</b>	1,493
	<b>5,097</b>	48,274
	<b>128,870</b>	129,073
	<b>(3,280)</b>	(2,665)
	<b>125,590</b>	126,408

附註：

- i) 方金先生及林超先生為本公司執行董事及福建友通實業有限公司(「福建友通」)董事。去年，方金先生、林超先生及郭泉增先生為福建友通董事及股東。

向福建友通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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

- ii) Deposit for investment was paid to Chaoliton Electronics Company Limited ("CLTE") for the acquisition of the entire equity interest in Chaoliton Technology Company Limited ("CLTT") and the production equipment, inventory and intellectual property rights of CLTE (see note 34a) below).

Details of prepayments, deposits and other receivables denominated in different currencies are as follows:

Chinese Renminbi	人民幣
Hong Kong dollars	港元
Japanese Yen	日圓
United States dollars	美元

### 21. 預付款項、按金及其他應收款項(續)

- ii) 為收購超力通科技有限公司(「超力通科技」)的全部股本權益及超力通電子有限公司(「超力通電子」)的生產設備、存貨及知識產權，已向超力通電子支付投資按金(見以下附註34a)。

以不同貨幣列值的預付款項、按金及其他應收款項詳情如下：

Group 本集團	
2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元

		<b>109,673</b>	79,323
		<b>2,186</b>	47,085
		<b>843</b>	–
		<b>12,888</b>	–
		<b>125,590</b>	126,408

Movements in allowance for bad and doubtful debts during the year were as follows:

年內呆壞帳撥備的變動如下：

Group 本集團	
2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元

1 January	一月一日	<b>2,665</b>	757
Impairment losses recognised	已確認減值虧損	<b>2,643</b>	1,908
Impairment losses reversed	已轉回減值虧損	<b>(2,028)</b>	–
31 December	十二月三十一日	<b>3,280</b>	2,665

None of the above assets is past due. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

以上資產並未到期。以上餘額所包括有關應收款項的財務資產而其過往並無違約的記錄。

The directors consider that the carrying amount of prepayments, deposits and other receivables approximates to their fair value.

董事認為預付款項、按金及其他應收款項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

31 December 2007 於二零零七年十二月三十一日

### 22. PLEDGE OF ASSETS

At the balance sheet date, the following assets have been pledged by the Group in favour of the banks to secure general banking facilities granted by the banks to the Group:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Motor vehicles	汽車	2,956	3,290
Bank deposits	銀行存款	29,375	124,045
		<b>32,331</b>	127,335

Details of the pledged bank deposits denominated in different currencies are as follows:

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Chinese Renminbi	人民幣	25,847	59,319
United States dollars	美元	3,528	64,726
		<b>29,375</b>	124,045

The pledged bank deposits carry fixed interest rate of 4.14% per annum for the year (2006: 4.17% per annum), and will be released upon the settlement of the notes payable. The directors consider that the carrying amount of the pledged bank deposits approximates to their fair value.

### 23. 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 1.71% per annum (2006: 0.72% per annum). The directors consider that the carrying amount of bank balances and cash approximates to their fair value.

### 22. 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：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Motor vehicles	汽車	2,956	3,290
Bank deposits	銀行存款	29,375	124,045
		<b>32,331</b>	127,335

以不同貨幣列值的銀行結餘及現金詳情如下：

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Chinese Renminbi	人民幣	25,847	59,319
United States dollars	美元	3,528	64,726
		<b>29,375</b>	124,045

年內已抵押銀行存款按4.14厘(二零零六年：每年4.17厘)的固定年利率計息，並將於償付應付票據後予以解除。董事認為已抵押銀行存款的帳面值與其公平值相若。

### 23. 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年利率1.71厘(二零零六年：每年0.72厘)計息。董事認為銀行結餘及現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

31 December 2007 於二零零七年十二月三十一日

### 23. BANK BALANCES AND CASH (Continued)

Details of bank balances and cash denominated in different currencies are as follows:

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Chinese Renminbi	人民幣	343,778	59,216
Hong Kong dollars	港元	46,312	191,713
United States dollars	美元	78,393	236,008
		<b>468,483</b>	486,937

The Chinese Renminbi ("RMB") is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

### 23. 銀行結餘及現金 (續)

以不同貨幣列值的銀行結餘及現金詳情如下：

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Chinese Renminbi	人民幣	343,778	59,216
Hong Kong dollars	港元	46,312	191,713
United States dollars	美元	78,393	236,008
		<b>468,483</b>	486,937

人民幣(「人民幣」)並不可自由兌換其他貨幣，然而，據中國外匯管理條例及結匯、付匯及售匯管理規定，本集團可經由被授權進行外幣兌換業務之銀行換算。

### 24. DUE TO RELATED PARTIES

The amounts due to related parties are unsecured, interest-free and repayable on demand.

Details are as follows:

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Cai Hong Group (Hong Kong) Company Limited	彩弘集團(香港)有限公司	—	2,129
Scud Stock (Fujian) Co., Ltd.	福建飛毛腿股份有限公司	—	225
		<b>—</b>	2,354

### 24. 應付有關連人士款項

應付有關連人士的金額屬無抵押、免息及須於要求時償還。

詳情如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 24. DUE TO RELATED PARTIES (Continued)

Cai Hong Group (Hong Kong) Company Limited was a company with Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng being common directors and shareholders. It was dissolved by deregistration on 7 December 2007.

Scud Stock (Fujian) Co., Ltd. ("Scud Stock") is a company with Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng being common directors and shareholders.

### 24. 應付有關連人士款項(續)

方金先生、林超先生及郭泉增先生為彩弘集團(香港)有限公司的共同董事及股東。該公司已於二零零七年十二月七日以取消註冊方式解散。

方金先生、林超先生及郭泉增先生為福建飛毛腿股份有限公司(「飛毛腿股份」)的共同董事及股東。

### 25. TRADE AND NOTES PAYABLES

### 25. 應付貿易款項及應付票據

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Trade payables	應付貿易款項	89,042	25,328
Notes payables	應付票據	44,366	69,473
		<b>133,408</b>	94,801

An aged analysis of trade and notes payables at the balance sheet date is as follows:

以下為於結算日應付貿易款項及應付票據的帳齡分析：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
0 to 60 days	0至60天	76,731	86,790
61 to 180 days	61至180天	49,068	6,589
181 to 365 days	181至365天	5,962	1,229
1 to 2 years	一至兩年	1,456	146
2 to 3 years	二至三年	144	-
Over 3 years	三年以上	47	47
		<b>133,408</b>	94,801

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.

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 25. TRADE AND NOTES PAYABLES (Continued)

Included in above are payables to Scud Stock amounting to RMBNil (2006: RMB600,000). Mr. Fang Jin, Mr. Lin Chao and Mr. Guo Quan Zeng are executive directors of the Company who are also the directors and shareholders of Scud Stock.

Details of trade and notes payables denominated in different currencies are as follows:

Chinese Renminbi	人民幣
United States dollars	美元
Hong Kong dollars	港元
Japanese Yen	日圓

The directors consider that the carrying amount of trade and notes payables approximates to their fair value.

### 26. PROVISION FOR WARRANTY

1 January	一月一日
Additions	增加
Release	撥回
31 December	十二月三十一日

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.

The directors consider that the carrying amount of provision for warranty approximates to its fair value.

### 25. 應付貿易款項及應付票據(續)

上述包括應付飛毛腿股份款項人民幣零元(二零零六年:人民幣600,000元)。方金先生、林超先生及郭泉增先生為本公司執行董事及飛毛腿股份的共同董事及股東。

以不同貨幣列值的應付貿易款項及應付票據詳情如下:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Chinese Renminbi	人民幣	97,553	83,399
United States dollars	美元	19,281	8,619
Hong Kong dollars	港元	4,992	2,783
Japanese Yen	日圓	11,582	-
		<b>133,408</b>	94,801

董事認為應付貿易款項及應付票據的帳面值與其公平值相若。

### 26. 產品保修準備金

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
1 January	一月一日	2,572	1,606
Additions	增加	-	966
Release	撥回	(347)	-
31 December	十二月三十一日	<b>2,225</b>	2,572

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。

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

31 December 2007 於二零零七年十二月三十一日

### 27. OTHER PAYABLES, RECEIPT IN ADVANCE AND ACCRUED CHARGES

### 27. 其他應付款項、預收款項及應計費用

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Deposits from customers	客戶按金	6,076	3,686
Payroll and welfare payables	應付薪酬及福利	4,324	3,392
Accrued expenses	應計開支	4,172	35,883
Purchase of property, plant and equipment	購置物業、 廠房及設備	-	18,349
Estimated costs for reconstruction of the rented premises being damaged in fire	重建受火災損壞 租賃物業 的估計成本	8,285	-
Other taxes payable	其他應付稅項	7,331	-
Others	其他	547	928
		<b>30,735</b>	62,238

Details of other payables, receipt in advance and accrued charges denominated in different currencies are as follows:

以不同貨幣列值的其他應付款項、預收款項及應計費用詳情如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Chinese Renminbi	人民幣	28,255	26,703
Hong Kong dollars	港元	2,454	35,535
United States dollars	美元	26	-
		<b>30,735</b>	62,238

The directors consider that the carrying amount of other payables, receipt in advance and accrued charges approximates to their fair value.

董事認為本集團的其他應付款項、預收款項及應計費用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

31 December 2007 於二零零七年十二月三十一日

### 28. BANK LOANS

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Secured bank loans	已抵押銀行貸款	14,406	56,850
Unsecured bank loans	無抵押銀行貸款	-	20,918
		<b>14,406</b>	77,768

The terms of repayment of the bank loans are as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Within 1 year or on demand	一年內或按要求	13,444	76,362
After 1 year but within 2 years	一年後但兩年內	444	444
After 2 year but within 5 years	兩年後但五年內	518	962
		<b>962</b>	1,406
		<b>14,406</b>	77,768

At 31 December 2007, bank loans of RMB1,406,000 were secured by the Group's motor vehicles with a carrying amount of RMB2,956,000 (see also note 22 above). Bank loans of RMB13,000,000 were guaranteed for repayment by Scud Battery.

At 31 December 2006, bank loans of RMB56,850,000 were secured by the Group's motor vehicles with a carrying amount of RMB3,290,000 and the Group's bank deposits of RMB124,045,000. Total bank loans of RMB77,680,000 were guaranteed for repayment jointly by Scud Battery and Great Speed Enterprises Limited ("Great Speed").

### 28. 銀行貸款

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Secured bank loans	已抵押銀行貸款	14,406	56,850
Unsecured bank loans	無抵押銀行貸款	-	20,918
		<b>14,406</b>	77,768

銀行貸款還款年期如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Within 1 year or on demand	一年內或按要求	13,444	76,362
After 1 year but within 2 years	一年後但兩年內	444	444
After 2 year but within 5 years	兩年後但五年內	518	962
		<b>962</b>	1,406
		<b>14,406</b>	77,768

於二零零七年十二月三十一日，為數人民幣1,406,000元的銀行貸款以本集團帳面值人民幣2,956,000元的汽車作為抵押（見以上附註22）。人民幣13,000,000元的銀行貸款由飛毛腿電池提供還款擔保。

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人民幣3,290,000元的汽車及本集團人民幣124,045,000元的銀行存款作為抵押。合共人民幣77,680,000元的銀行貸款由飛毛腿電池及宏迅企業有限公司（「宏迅」）共同提供還款擔保。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 28. BANK LOANS (Continued)

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

Average effective  
interest rate on  
fixed-rate borrowings

固息借款之  
平均實際利率

**Group**  
**本集團**

<b>2007</b> 二零零七年	<b>2006</b> 二零零六年
----------------------	----------------------

	<b>4.88%</b>		5.65%
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Details of bank borrowings denominated in different currencies are as follows:

Chinese Renminbi  
United States dollars

人民幣  
美元

**Group**  
**本集團**

<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	<b>2006</b> 二零零六年 <b>RMB'000</b> 人民幣千元
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	<b>14,406</b>		76,848
	-		920
	<b>14,406</b>		77,768

The directors consider that the carrying amount of the bank loans approximates to their fair value.

### 28. 銀行貸款(續)

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。

本集團的借款的平均實際年息(亦相當於合約利率)如下:

以不同貨幣列值的銀行借款詳情如下:

董事認為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

31 December 2007 於二零零七年十二月三十一日

### 29. 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, a redemption premium of 12% per annum, and a maturity date on 22 January 2010 (the "Convertible Bonds"). The holders of the Convertible Bonds have 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. 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 would 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 require 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 was 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 holders of the 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 United States dollars and Hong Kong dollars against Chinese Renminbi. 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 was accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

### 29. 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。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

31 December 2007 於二零零七年十二月三十一日

### 29. CONVERTIBLE BONDS (Continued)

The fair value of the Convertible Bonds on 15 September 2006 has been determined using the Black-Scholes option pricing model.

Upon the re-assessment, the Convertible Bonds contain two components, liability and equity elements. The equity component is presented in equity heading "convertible bonds reserve". The effective interest rate of the liability component is 15.49%.

During the year, the holders of the Convertible Bonds has exercised the conversion rights under the Convertible Bonds and on 7 February 2007, the Company allotted and issued 93,001,246 ordinary shares of HK\$0.10 each at the conversion price. Such conversion shares represented approximately 9.38% of the ordinary shares in issue as at 7 February 2007 (see note 30 below).

### 29. 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。

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%。

年內，可換股債券持有人已行使可換股債券項下的換股權，而本公司已於二零零七年二月七日發行93,001,246股每股面值0.10港元的普通股。有關兌換股份佔於二零零七年二月七日的已發行普通股約9.38%(見下文附註30)。

### 30. SHARE CAPITAL

### 30. 股本

		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Authorised:	法定：		
5,000,000,000 ordinary shares of HK\$0.10 each	5,000,000,000 股每股 面值0.10港元的普通股	<b>502,350</b>	502,350
Issued and fully paid:	已發行及繳足：		
992,001,246 ordinary shares (2006: 860,000,000 ordinary shares)	992,001,246 股普通股 (二零零六年：860,000,000 股普通股)	<b>99,503</b>	86,404

On 8 January 2007, the Company issued and allotted 39,000,000 ordinary 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 for a total consideration of approximately HK\$78,780,000.

On 7 February 2007, the holder of the convertible bonds in issue has exercised its right to convert all the convertible bonds totalling US\$10,000,000 into an aggregate of 93,001,246 ordinary shares of HK\$0.10 each in the Company (see also note 29 above).

於二零零七年一月八日，本公司於行使根據本公司招股章程所載的超額配售權後按每股2.02港元的價格發行及配發39,000,000股每股面值0.10港元的普通股，總代價約為78,780,000港元。

於二零零七年二月七日，已發行可換股債券持有人已行使權利將所有合共10,000,000美元的可換股債券轉換為合共93,001,246股本公司每股面值0.10港元的普通股(請亦參閱上文附註29)。



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## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 31. SHARE-BASED PAYMENT TRANSACTIONS

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 2007, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 23,830,000 (2006: 24,970,000), representing 2.4% (2006: 2.9%) 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

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。

於二零零七年十二月三十一日，有關該計劃所授出且尚未行使購股權之股份數目為23,830,000(二零零六年：24,970,000)，佔本公司當時已發行股份2.4%(二零零六年：2.9%)。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%。未獲本公司股東事先批准前，有關於任何年度向任何個別人士已授出或可予授出購股權的已發行或將予發行的股份數目不得超過本公司不時已發行股份的1%。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

31 December 2007 於二零零七年十二月三十一日

### 31. SHARE-BASED PAYMENT TRANSACTIONS

*(Continued)*

A consideration of HK\$1 is payable on the grant of an option. Options are 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 to be fixed at HK\$2.02 per share.

Details of specific category of options are as follows:

### 31. 以股份為基礎之付款交易

*(續)*

代價 1 港元須於授出購股權時支付。購股權以下列方式歸屬：

#### 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。

特定類別購股權之詳情載列如下：

Exercise period 行使期	Fair value per option at grant date 於授出日期每份購股權的公平值	No. of vested options granted 授出的歸屬購股權數目
21 December 2007 to 21 December 2008 二零零七年十二月二十一日 至二零零八年十二月二十一日	HK\$0.37 0.37 港元	7,149,000 (i.e. 30%) (即 30%)
21 December 2008 to 21 December 2009 二零零八年十二月二十一日 至二零零九年十二月二十一日	HK\$0.47 0.47 港元	7,149,000 (i.e. 30%) (即 30%)
21 December 2009 to 21 December 2010 二零零九年十二月二十一日 至二零一零年十二月二十一日	HK\$0.57 0.57 港元	9,532,000 (i.e. 40%) (即 40%)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 31. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Movements of the share options held by directors and employees during the year were as follows:

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		Number of options outstanding 尚未行使 購股權數目	Number of options outstanding 尚未行使 購股權數目
<b>Directors</b>	<b>董事</b>		
1 January	一月一日	15,300,000	-
Granted during the year	年內授出	-	15,300,000
31 December	十二月三十一日	15,300,000	15,300,000
		Group 本集團	
		2007 二零零七年	2006 二零零六年
		Number of options outstanding 尚未行使 購股權數目	Number of options outstanding 尚未行使 購股權數目
<b>Employees</b>	<b>僱員</b>		
1 January	一月一日	9,670,000	-
Granted during the year	年內授出	-	9,670,000
Forfeited during the year	年內放棄	(1,140,000)	-
31 December	十二月三十一日	8,530,000	9,670,000

### 31. 以股份為基礎之付款交易

(續)

董事及僱員於年內所持有購股權之變動如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 31. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Options were granted on 21 December 2006 and the estimated fair value of the options granted was approximately HK\$11,713,000 (equivalent to RMB11,768,000). The Black-Scholes pricing model has been used to estimate the fair value of the share options. The following assumptions were used to calculate the fair value of the share options:

Weighted average share price	加權平均股價	HK\$2.88 港元
Exercise price	行使價	HK\$2.02 港元
Expected life	預計年期	1.5-3.5 years 年
Expected volatility	預計波幅	38.15%
Expected dividend yield	預計股息率	2.54%
Risk-free interest rate:	無風險利率	
Option A	購股權 A	3.58%
Option B	購股權 B	3.61%
Option C	購股權 C	3.69%

The fair value of the share options granted was HK\$0.3716 per share. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, restrictions to exercise (including the probability of meeting market conditions attached to the options), 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.

The Group recognised a total expense of RMB5,812,000 for the year ended 31 December 2007 (2006: RMB175,000) in relation to share options granted by the Group.

### 31. 以股份為基礎之付款交易 (續)

購股權已於二零零六年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估算。以下假設用於計算購股權公平值：

21 December 2006  
二零零六年十二月二十一日

授出購股權之公平值為 0.3716 港元。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。

本集團於截至二零零七年十二月三十一日止年度 (二零零六年：人民幣 175,000 元) 就本公司所授出購股權認開支總額為人民幣 5,812,000 元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 32. RELATED PARTY TRANSACTIONS

- a) The name of and the relationship with related companies are as follows:

Name 名稱	Relationship 關係
Mr. Fang Jin 方金先生	Director 董事
Mr. Lin Chao 林超先生	Director 董事
Mr. Guo Quan Zeng 郭泉增先生	Director 董事
Scud Electronics 飛毛腿電子	A wholly-owned subsidiary indirectly held by the Company with Mr. Fang Jin and Mr. Lin Chao being common directors 方金先生及林超先生為共同董事的本公司間接全資附屬公司
Fujian Youtong Co., Ltd. ("Fujian Youtong") 福建友通實業有限公司(「福建友通」)	A company with Mr. Fang Jin and Mr. Lin Chao being common directors 方金先生及林超先生為共同董事的公司
Fujian Junpeng Hardware Co., Ltd. ("Junpeng Hardware") 福建駿鵬五金有限公司(「駿鵬五金」)	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
Scud Stock (Fujian) Co., Ltd. ("Scud Stock") 福建飛毛腿股份有限公司 (「飛毛腿股份」)	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

- b) Transactions with related companies during the year not disclosed elsewhere in the financial statements are summarised as follows:

### 32. 有關連人士交易

- a) 有關連公司名稱及與其關係如下：

- (b) 並無於財務報表其他部分披露的年內有關連公司交易概述如下：

	Group 本集團	
	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Purchases of raw materials from: 購買原材料：		
– Fujian Youtong (Note i) – 福建友通(附註i)	14,370	16,458
– Junpeng Hardware (Note ii) – 駿鵬五金(附註ii)	–	1,972
Purchases of moulds from: 購買模具：		
– Fujian Youtong (Note i) – 福建友通(附註i)	133	1,145
– Junpeng Hardware (Note ii) – 駿鵬五金(附註ii)	–	300
Rental expenses paid to: 租金開支：		
– Scud Stock (Note iii) – 飛毛腿股份(附註iii)	2,870	2,472

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 32. RELATED PARTY TRANSACTIONS (Continued)

The above transactions were made at prices and terms as agreed between the parties in the normal course of business.

Notes:

- i) The Company has disclosed in its prospectus dated 11 December 2006 that Scud Electronics had entered into a purchase agreement with Fujian Youtong on 1 August 2006, pursuant to which Scud Electronics had agreed to source raw materials and plastic moulds from Fujian Youtong for the period from 1 August 2006 till 1 August 2009.

The purchases of raw materials and moulds from Fujian Youtong constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The annual caps with respect to the purchases for the years ended/ending 31 December 2006, 2007 and 2008 have been determined to be RMB16,500,000, RMB17,500,000 and RMB22,100,000, respectively.

The price paid by the Group for the raw materials and moulds was determined by reference to the then prevailing market price and was no more favourable than that offered by independent third parties. All purchases from Fujian Youtong were conducted on an arms' length basis and on normal commercial terms. The Group is not obligated to purchase any raw materials and plastic moulds from Fujian Youtong but should it choose to do so, it would be made by reference to market prices at the relevant time. The Group is also able to source raw materials and moulds of similar quality from other independent third parties suppliers at comparable costs. Directors of the Company believe that mould suppliers are easily sourced and they will only contract with Fujian Youtong to the extent the terms are on normal commercial terms (or better) in favour of the Group.

Having regard to the fact that i) the Group had historically sourced raw materials and plastic moulds from Fujian Youtong at prices that are no more favourable than those offered by independent third parties; and ii) Fujian Youtong provides services and products of qualities that meet with the expectations of the Group, the directors of the Company consider that the purchases from Fujian Youtong were a) conducted on an arms' length basis and on normal commercial terms; b) fair and reasonable in respect of the terms set out above; and c) in the interests of the Company and its shareholders as a whole.

The actual amount of raw materials and moulds purchased from Fujian Youtong for the year ended 31 December 2006 totalled approximately RMB17,603,000, thereby exceeding the cap by RMB1,103,000 and therefore the Group was in breach of the maximum aggregate annual value requirement under Rule 14A.35(2) of the Listing Rules.

### 32. 有關連人士交易(續)

上述交易乃於一般業務過程中按有關各方協定的價格及條款進行。

附註：

- i) 本公司已於日期為二零零六年十二月十一日的招股章程中披露，飛毛腿電子已於二零零六年八月一日與福建友通訂立一項採購協議，根此，飛毛腿電子已同意於二零零六年八月一日至二零零九年八月一日止期間自福建友通採購原材料及塑膠模具。

向福建友通購買原材料及模具構成上市規則第14A章定義的持續關連交易。有關截至二零零六、二零零七及二零零八年十二月三十一日止年度的購置每年上限已分別定為人民幣16,500,000元、人民幣17,500,000元及人民幣22,100,000元。

本集團支付的原材料及模具價格乃參照當時的市場價格而釐定，且不較獨立第三方所提供者優惠。所有自福建友通的採購交易乃按公平磋商基準及正常商業條款訂立。本集團並無責任自福建友通購入任何原材料及塑膠模具，惟倘本集團選擇如此，有關採購將參照當時的市場價格而釐定。本集團亦可以相若成本自其他獨立第三方供應商採購相若質素的原材料及模具。本公司董事相信，物色模具供應商並不困難，彼等只於獲得對本集團優惠(或更佳)的條款的情況下才與福建友通訂立合約。

經計及i)本集團一向按不較獨立第三方所提供者優惠的價格自福建友通採購原材料及塑膠模具；及ii)福建友通所供應的服務及產品質量符合本集團的要求，本公司董事認為，與福建友通訂立的採購交易乃a)按公平磋商基準及正常商業條款訂立；b)就上述所載的條款而言為公平合理；及c)符合本公司及其股東的整體利益。

截至二零零六年十二月三十一日止年度，向福建友通購買原材料及模具的實際金額合共約人民幣17,603,000元，較上限超出人民幣1,103,000元，因此本集團已違反上市規則第14A.35(2)條項下的最高總每年價值規定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 32. RELATED PARTY TRANSACTIONS (Continued)

- ii) Junpeng Hardware is principally engaged in the provision of networking facilities, electronic apparatus, parts and fittings, and the production and development of different kinds of hardware spare parts and moulds. This company's core business is not the marketing and distribution of rechargeable battery packs for mobile phones in the PRC, which is the Group's core business.

Although Mr. Lin is a director and shareholder of this company, he is not involved in the day-to-day management of its business and he merely attends routine board meetings and reviews the company's financial statements.

In 2006, this company has provided small amounts of hardware connectors for the Group's battery packs. However, the Group is not obliged to purchase these hardware connectors from Junpeng Hardware and may source products of similar quality from other independent third parties at comparable costs. No transactions were entered into with Junpeng Hardware in 2007.

- iii) The Company has disclosed in its prospectus dated 11 December 2006 that Scud Electronics had entered into a lease agreement with Scud Stock on 20 June 2004, pursuant to which Scud Electronics had agreed to lease from Scud Stock certain factory premises in Fuzhou, Fujian Province, the PRC, for the Group's production use for a term of three years commencing 1 July 2004 and ending on 30 June 2007 (the "Lease Agreement"). The Lease Agreement was later extended to 30 June 2024.

The annual rental payable under the Lease Agreement constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has set its initial annual caps for each of the three years ending 31 December 2008 to be RMB2,700,000 each.

On 15 November 2007, Scud Electronics entered into a new lease agreement for leasing another premises in Fuzhou, Fujian Province, the PRC, from Scud Stock for the Group's administrative use (the "New Lease Agreement").

The annual caps have been revised following the signing of the New Lease Agreement. The new annual caps for the aggregate rental payable by Scud Electronics to Scud Stock under all the leases for the years ended/ending 31 December 2007, 2008 and 2009 have been determined to be RMB3,000,000, RMB4,100,000 and RMB4,100,000, respectively.

The rent payable under the Lease Agreement and the New Lease Agreement were determined after arms' length negotiations between Scud Electronics and Scud Stock with reference to the prevailing market rental for the comparable premises.

- iv) The directors of the Company have confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the continuing connected transactions stated in Notes i), ii) and iii) above.

### 32. 有關連人士交易(續)

- ii) 駿鵬五金主要從事網絡設施、電子儀器、部件和配件的供應、各種五金零部件和模具的生產和開發。該公司的核心業務並非在中國行銷和分銷移動電話二次充電電池組，該等業務為本集團的核心業務。

雖然林先生為該公司董事兼股東，但其並無參與公司業務的日常管理而僅參加常規董事會會議和審查公司財務報表。

於二零零六年，該公司已為本集團提供少量的五金連接件。但是，本集團並無責任向駿鵬五金購買該等五金連接件，並可能以相若成本從其他獨立第三方採購質量相若的產品。於二零零七年並無與駿鵬訂立交易。

- iii) 本公司已於日期為二零零六年十二月十一日的招股章程中披露，飛毛腿電子已於二零零四年六月二十日與飛毛腿股份訂立租賃協議，據此飛毛腿電子已同意向飛毛腿股份租賃於中國福建省福州的若干工廠物業作本集團生產用途，由二零零四年七月一日起至二零零七年六月三十日止為期三年（「租賃協議」）。租賃協議其後延展至二零二四年六月三十日。

租賃協議項下的每年應付租金構成上市規則第14A章定義的持續關連交易。本公司已設定截至二零零八年十二月三十一日止三年各自的初步每年上限為人民幣2,700,000元。

於二零零七年十一月十五日，飛毛腿電子訂立新租賃協議，向飛毛腿股份租賃於中國福建省福州的其他物業作本集團行政用途（「新租賃協議」）。

於訂立新租賃協議後，已就每年上限作出修訂。截至二零零七、二零零八及二零零九年十二月三十一日止年度，根據所有租賃，飛毛腿電子應付飛毛腿股份總租金的新每年上限已分別定為人民幣3,000,000元、人民幣4,100,000元及人民幣4,100,000元。

租賃協議及新租賃協議項下的應付租金乃飛毛腿電子與飛毛腿股份之間經公平磋商後參照同類物業的當時市值租金而釐定。

- iv) 本公司董事確認，本公司已遵守上文附註i)、ii)及iii)所載上市規則第14A章有關持續關連交易的披露規定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 32. RELATED PARTY TRANSACTIONS (Continued)

- c) Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 8, is as follows:

### 32. 有關連人士交易 (續)

- c) 主要管理人士的酬金(包括如附註8內披露的已支付本公司董事酬金)如下:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Salaries, bonus, allowance and other benefits	薪金、獎金、津貼及其他福利	882	2,277
Retirement benefits scheme contributions	退休福利計劃供款	16	14
Equity-settled share-based payments	股本結算之以股份為基礎之付款	3,732	-
		<b>4,630</b>	2,291



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 33. COMMITMENTS

#### a) Capital commitments

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Contracted but not accounted for, in respect of acquisition of property, plant and equipment	已就購置物業、廠房及設備訂約但未入帳	<b>139,773</b>	6,473

#### b) Operating lease commitments

At the balance sheet date, the Group had outstanding minimum commitments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Within one year	一年內	<b>3,235</b>	2,146
In the second and fifth years inclusive	兩至五年(首尾兩年包括在內)	<b>6,940</b>	250
		<b>10,175</b>	2,396

### 33. 承擔

#### a) 資本承擔

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Contracted but not accounted for, in respect of acquisition of property, plant and equipment	已就購置物業、廠房及設備訂約但未入帳	<b>139,773</b>	6,473

#### b) 經營租約承擔

於結算日，本集團根據不可撤銷經營租約就土地及樓宇的尚欠最低承擔將於以下期間到期：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Within one year	一年內	<b>3,235</b>	2,146
In the second and fifth years inclusive	兩至五年(首尾兩年包括在內)	<b>6,940</b>	250
		<b>10,175</b>	2,396

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 34. POST BALANCE SHEET EVENTS

On 12 December 2007, the Company entered into an agreement (the "Agreement") with Mr. Ma Yuk Sang ("the Vendor"), the 30% shareholder of a 70% indirect subsidiary (the "Purchaser") of the Company whereby the Vendor agreed to procure the sale of entire equity interest ("Sale Interest") in Chaoliton Technology Company Limited ("CLTT") to the Purchaser and the sale of the production equipment, inventory and intellectual property rights ("Sale Assets") of Chaoliton Electronics Company Limited ("CLTE") to CLTT. The Sale Assets, related senior management and employees who are expected to join CLTT as from the completion date of the aforesaid transaction (that is, the date on which all the conditions to the Agreement are fulfilled (or waived, as the case may be) and the acquisition of the Sale Interest and Sale Assets are completed) have previously been responsible for managing the manufacture and sale of rechargeable battery packs for mobile phones under the "Chaoliton 超力通" brand in the PRC. "Chaoliton 超力通" is one of the largest rivals to the "SCUD 飛毛腿" brand of rechargeable battery packs for mobile phones in the PRC.

The total consideration for the acquisition of Sale Interest and Sale Assets is up to RMB245 million, whereby RMB37 million will be paid for the purchase of the Sale Interest and the Sale Assets and the balance of up to RMB208 million to the Vendor. The RMB208 million consists of RMB91 million in cash and up to RMB117 million to be satisfied by the issue of at least 30 million and no more than 60 million consideration shares at HK\$2.05 each if the net profit after tax targets are met or exceeded for the financial years ending 31 December 2008, 2009 and 2010.

As the acquisition of Sale Interest and Sale Assets has not been effected at the date of approval of these consolidated financial statements, it is not practicable to disclose further details about the acquisition.

### 34. 結算日後事項

於二零零七年十二月十二日，本公司與馬旭生先生（「賣方」，於本公司持有70%權益的間接附屬公司（「買方」）中持有30%權益的股東）訂立協議（「該協議」），賣方同意促使出售於深圳市超力通科技有限公司（「超力通科技」）的全部股本權益（「銷售權益」）予買方以及銷售深圳市超力通電子有限公司（「超力通電子」）的生產設備、存貨及知識產權（「銷售資產」）予超力通科技。銷售資產、預期於上述交易完成日期（即協議的所有條件獲達成（或豁免（視情況而定））及銷售權益及銷售資產的收購事項完成的日期）起加入超力通科技的有關高級管理層及僱員先前曾負責管理在中國以「超力通」品牌製造及銷售移動電話二次充電電池組。「超力通」為「SCUD 飛毛腿」品牌移動電話二次充電電池組在中國的一個最大競爭對手。

銷售權益及銷售資產收購事項的總代價最多為人民幣245,000,000元，當中人民幣37,000,000元將支付以收購銷售權益及銷售資產，而最多約人民幣208,000,000元的餘額則支付予賣方。該人民幣208,000,000元的款項包括現金人民幣91,000,000元，而倘於截至二零零八年、二零零九年及二零一零年十二月三十一日止年度能達到或超出除稅後溢利淨額目標，則最多人民幣117,000,000元將以按每股2.05港元的價格發行最少30,000,000股及不多於60,000,000股代價股份支付。

由於收購銷售權益及銷售資產並未於通過該等本財務報表日期生效，因此未能披露有關收購的進一步詳情。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 35. SUBSIDIARIES

Details of the subsidiaries of the Company at the balance sheet date are as follows. The class of shares held is ordinary unless otherwise stated:

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立及 經營地點	Issued and paid-up share/ registered capital 已發行及實繳/ 登記股本	Group's effective ownership interest 本集團有效 擁有權益		Principal activities 主要業務
			2007 二零零七年	2006 二零零六年	
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	100%	100%	Investment holding 投資控股
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	100%*	100%*	Provision for corporate management services 提供公司管理服務
Keen Power Holdings Limited 銳能集團有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100%*	–	Investment holding 投資控股
Joint Smart Holdings Limited 聯俊集團有限公司	Hong Kong 香港	HK\$10,000 1,000港元	70%*	–	Not yet commence business 尚未開始營業
Scud Electronics (Shenzhen) Co., Ltd. 飛毛腿電子(深圳)有限公司 (Note i) (附註i)	PRC 中國	US\$3,000,000 3,000,000美元	100%*	100%*	Manufacturing and sale 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

### 35. 附屬公司

於結算日本公司附屬公司詳情如下。除非另行說明，持有的股份類別為普通股：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 35. SUBSIDIARIES (Continued)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立及 經營地點	Issued and paid-up share/ registered capital 已發行及實繳/ 登記股本	Group's effective ownership interest 本集團有效 擁有權益		Principal activities 主要業務
			2007 二零零七年	2006 二零零六年	
Scud (Fujian) Electronics Co., Ltd. (飛毛腿(福建)電子有限公司) (Note ii) (附註ii)	PRC 中國	US\$20,000,000 20,000,000 美元	100%*	100%*	Manufacturing and sale 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
Scud (Fujian) Battery Co., Ltd. (飛毛腿(福建)電池有限公司) (Note iii) (附註iii)	PRC 中國	US\$30,000,000 30,000,000 美元	100%*	100%*	Manufacturing and sale 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
Scud (Fujian) New Energy Technology Co., Ltd. (飛毛腿(福建)新能源技術有限公司) (Note iv) (附註iv)	PRC 中國	US\$750,000 750,000 美元	100%*	–	Not yet commence business 尚未開始營業

\* Interest indirectly held through Great Speed Enterprises Limited

# Interest indirectly held through Keen Power Holdings Limited

### 35. 附屬公司(續)

Group's effective ownership interest 本集團有效 擁有權益	Principal activities 主要業務	
		2007 二零零七年
100%*	100%*	Manufacturing and sale 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
100%*	100%*	Manufacturing and sale 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
100%*	–	Not yet commence business 尚未開始營業

\* 透過宏迅企業有限公司間接持有權益

# 透過銳能集團有限公司間接持有權益

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 35. SUBSIDIARIES (Continued)

Notes:

- i) Wholly-foreign owned enterprise for a term of 50 years commencing 26 October 2006.
- ii) Wholly-foreign owned enterprise for a term of 50 years commencing 31 October 1997.
- iii) Wholly-foreign owned enterprise for a term of 50 years commencing 6 December 2005.
- iv) Wholly-foreign owned enterprise for a term of 50 years commencing 30 April 2007.

### 36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

#### Financial assets

Due from a related party  
Trade and notes receivables  
Prepaid lease payments  
Financial assets included in prepayments, deposits and other receivables  
Pledged bank deposits  
Bank balances and cash

#### 金融資產

應收有關連人士款項  
應收貿易款項及應收票據  
預付租賃款項  
預付款項、按金及其他應收款項所包括的金融資產  
已抵押銀行存款  
銀行結餘及現金

**Group**  
**本集團**

**2007**

**二零零七年**

**Loans and receivables**

**貸款及應收款項**

**RMB'000**

**人民幣千元**

**1,126**

**191,499**

**12,501**

**26,093**

**29,375**

**468,483**

**729,077**

### 35. 附屬公司 (續)

附註：

- i) 外商獨資企業，二零零六年十月二十六日起計為期五十年。
- ii) 外商獨資企業，一九九七年十月三十一日起計為期五十年。
- iii) 外商獨資企業，二零零五年十二月六日起計為期五十年。
- iv) 外商獨資企業，二零零七年四月三十日起計為期五十年。

### 36. 按類別劃分之金融工具

於結算日，各類別金融工具的帳面值如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 36. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

### 36. 按類別劃分之金融工具(續)

		Group 本集團 2007 二零零七年 Financial liabilities at amortised costs 按攤銷成本入帳 的金融負債 RMB'000 人民幣千元
<b>Financial liabilities</b>	<b>金融負債</b>	
Trade and notes payables	應付貿易款項及應付票據	<b>133,408</b>
Financial liabilities included in other payables, receipt in advance and accrued charges	其他應付款項、預收款項及 應計費用所包括的 金融負債	<b>14,033</b>
Bank loans	銀行貸款	<b>14,406</b>
		<b>161,847</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 36. FINANCIAL INSTRUMENTS BY CATEGORY 36. 按類別劃分之金融工具(續)

(Continued)

		Group 本集團 2006 二零零六年 Loans and receivables 貸款及應收款項 RMB'000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>	
Due from a related party	應收有關連人士款項	960
Trade and notes receivables	應收貿易款項及應收票據	227,573
Prepaid lease payments	預付租賃款項	12,382
Financial assets included in prepayments, deposits and other receivables	預付款項、按金及其他應收款項所包括的金融資產	47,102
Pledged bank deposits	已抵押銀行存款	124,045
Bank balances and cash	銀行結餘及現金	486,937
		898,999

		Group 本集團 2006 二零零六年		Total 總計 RMB'000 人民幣千元
	Financial assets at fair value through profit or loss designated as such upon initial recognition		Financial liabilities at amortised costs	
	於首次確認時按公平值透過損益列帳的金融資產		按攤銷成本入帳的金融負債	
	RMB'000 人民幣千元		RMB'000 人民幣千元	
<b>Financial liabilities</b>	<b>金融負債</b>			
Due to related parties	應付有關連人士款項	-	2,354	2,354
Trade and notes payables	應付貿易款項及應付票據	-	94,801	94,801
Financial liabilities included in other payables, receipt in advance and accrued charges	其他應付款項、預收款項及應計費用所包括的金融負債	-	62,238	62,238
Bank loans	銀行貸款	-	77,768	77,768
Convertible bonds	可換股債券	78,410	-	78,410
		78,410	237,161	315,571

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 37. FINANCIAL RISK AND CAPITAL MANAGEMENT AND ESTIMATION OF FAIR VALUES

#### a) Financial risk management

The Group's activities expose it to a variety of financial risks, which include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. Details of the policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### i) Foreign currency risk management

Foreign currency risk refers to the risk that movements in foreign currency exchange rates which will affect the Group's financial results and its cash flows. Although the Group has certain bank balances and bank loans denominated in United States dollars, Japanese Yen and Hong Kong dollars, the proportion of these foreign currency balances to the Group's total assets is insignificant. The Group has convertible bonds, denominated in United States dollars and the terms of conversion are fixed between Chinese Renminbi and United States dollars on 15 September 2006, and as such no hedging arrangement of foreign currency risk has been entered into. Furthermore, the Group carries out majority of its transactions in Chinese Renminbi. Accordingly, in the opinion of the directors, the Group is not exposed to any significant foreign currency risk.

There has been no change to the Group's exposure to foreign currency risks or the manner in which it manages and measures the risks.

### 37. 財務風險及資本管理及估計公平值

#### a) 財務風險管理

本集團的活動會承受各類財務風險包括市場風險(包括外匯風險、利率風險及價格風險)信貸風險及流動性風險。有關減低該等風險的政策之詳情載於下文。董事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。

#### i) 外匯風險管理

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，董事認為本集團並無承受任何重大的外幣風險。

本集團面對的外匯風險或管理及計算風險的方法並無轉變。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 37. FINANCIAL RISK AND CAPITAL MANAGEMENT AND ESTIMATION OF FAIR VALUES (Continued)

#### a) Financial risk management (Continued)

##### ii) Interest rate risk management

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.

##### *Interest rate sensitivity analysis*

The sensitivity analysis below has been determined assuming that a change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rates for financial instruments in existence at that date. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2007 and the accumulated profits as of 31 December 2007 would decrease/increase by RMB4,959,785 (2006: decrease/increase by RMB5,985,105). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank borrowings.

The Group's sensitivity to interest rates has not changed significantly from the prior year.

### 37. 財務風險及資本管理及估計公平值(續)

#### a) 財務風險管理(續)

##### ii) 利率風險管理

付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。付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。

##### *利率敏感度分析*

以下的敏感度分析已假設利率變動已於結算日發生而釐訂，並已應用於就於該日所面對來財務工具之利率風險。於向主要管理人士作利率風險的內部報告時使用1%增加或減少指管理層對利率可能合理變動之評估。

倘利率增加/減少1%而所有其他變數維持不變，本集團截至二零零七年十二月三十一日止年度的溢利及於二零零七年十二月三十一日的累計溢利將減少/增加人民幣4,959,785元(二零零六年：減少/增加人民幣5,985,105元)。此乃主要來自本集團浮息銀行貸款的利率風險。

本集團的利率敏感度與去年相比並無重大轉變。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 37. FINANCIAL RISK AND CAPITAL MANAGEMENT AND ESTIMATION OF FAIR VALUES (Continued)

#### a) Financial risk management (Continued)

##### iii) Price risks management

In the opinion of the directors, the Group does not have significant exposure to price risks.

##### iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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. 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 Company consider that credit risk associated with the Group's trade and notes receivables, 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.

### 37. 財務風險及資本管理及估計公平值(續)

#### a) 財務風險管理(續)

##### iii) 價格風險管理

董事認為本集團並無面對重大價格風險。

##### iv) 信貸風險管理

信貸風險指對手不履行合約責任而引致本集團財務虧損的風險。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。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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 37. FINANCIAL RISK AND CAPITAL MANAGEMENT AND ESTIMATION OF FAIR VALUES (Continued)

#### a) Financial risk management (Continued)

##### v) Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### b) Management of capital

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The Group's policy is to maintain the gearing ratio below 50%. Net debt includes interest-bearing bank borrowings, less cash and cash equivalents. Capital includes convertible bonds and equity attributable to equity holders of the Company. The gearing ratios as at the balance sheet dates were as follows:

### 37. 財務風險及資本管理及估計公平值(續)

#### a) 財務風險管理(續)

##### v) 流動性風險管理

為管理本集團的短期、中期及長期資金及符合流動性管理的要求，董事會已建立一套合理的流動資金風險管理制度，並對流動性風險管理負最終責任。本集團透過維持充足的現金儲備及銀行額度，同時持續監控未來及實際現金流量，並保持財務資產與負債的到期均衡藉以管理流動性風險。

#### b) 資本管理

本集團的主要資本管理目標為保障本集團持續經營的能力，維持穩健的資本比率，以支持業務及繼續為股東取得回報。

本集團管理其資本架構，並就經濟環境的轉變及有關資產的風險性質對資本架構進行調整。為維持或調整資本架構，本集團可調整派付股東的股息、向股東發回資本或發行新股。本集團不受任何外來實施的資本規定所限制。截至二零零七年十二月三十一日及二零零六年十二月三十一日止年度，並無對目標、政策或程序作出轉變。以在維持較高借貸水平可能帶來較高股東回報與取得充裕資金狀況所帶來的裨益及保障之間的平衡。

本集團使用資產負債比率監控股本即淨負債除以總資本加淨負債。本集團的政策是維持資產負債比率於50%以下。淨負債包括付息銀行貸款減現金及現金等價物。資本包括可換股債券及本公司股本持有人應佔股本。於結算日，資產負債比率如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 37. FINANCIAL RISK AND CAPITAL MANAGEMENT AND ESTIMATION OF FAIR VALUES (Continued)

#### b) Management of capital (Continued)

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Interest-bearing bank borrowings	付息銀行貸款	14,406	77,768
Less: Cash and cash equivalents	減：現金及現金等價物	(468,483)	(486,937)
Net debt	淨負債	(454,077)	(409,169)
Convertible bonds, the liability component	可換股債券·負債部分	-	78,410
Equity attributable to equity holders of the Company	本公司股本持有人 應佔股本	972,296	835,723
Total capital	總資本	972,296	914,133
Capital and net debt	資本及淨負債	518,219	504,964
Gearing ratio	資產負債比率	N/A 不適用	N/A 不適用

#### c) Estimation of fair values

The notional amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

The fair value of balances with related parties has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

### 37. 財務風險及資本管理及估計公平值(續)

#### b) 資本管理(續)

#### c) 公平值估計

年期少於一年的金融資產及負債的名義金額均假設為與公平值相若。

由於有關連人士結餘的預期現金流的時間因兩者的關係而無法合理地釐定，故並無釐定該等結餘的公平值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

31 December 2007 於二零零七年十二月三十一日

### 38. RECENT ACCOUNTING AND FINANCIAL REPORTING PRONOUNCEMENTS

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

IAS 23 (Revised)  
國際會計準則第23號(經修訂)

Borrowing Costs  
借貸成本

1 January 2009  
二零零九年一月一日

IFRS 8  
國際財務報告準則第8號

Operating Segments  
經營分部

1 January 2009  
二零零九年一月一日

IFRIC 11  
國際財務報告詮釋  
委員會第11號

IFRS 2 – Group and Treasury Share  
Transactions  
國際財務報告準則第2號 –  
集團及庫存股份交易

1 March 2007  
二零零七年三月一日

IFRIC 12  
國際財務報告詮釋  
委員會第12號

Service Concession Arrangements  
服務特許權安排

1 January 2008  
二零零八年一月一日

IFRIC 13  
國際財務報告詮釋  
委員會第13號

Customer Loyalty Programmes  
長期客戶優惠計劃

1 July 2008  
二零零八年七月一日

IFRIC 14  
國際財務報告詮釋  
委員會第14號

IAS 19 – The Limit on a Defined Benefit  
Asset, Minimum Funding Requirements  
and Their Interaction

1 January 2008  
二零零八年一月一日

國際會計準則第19號 – 界定福利資產的限制、  
最低資金要求及兩者的互動關係

### 39. ULTIMATE CONTROLLING PARTY

At 31 December 2007, the directors consider the ultimate controlling party to be Mr. Fang Jin.

### 40. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 17 March 2008.

### 38. 近期會計及財務報告公告

本集團並無應用下列已頒佈但尚未生效之新訂及修訂準則及詮釋。本集團董事預期，應用該等準則或詮釋對本集團之業績及財務狀況並不構成重大影響。

**Effective for  
accounting periods  
beginning on or after**  
由以下日期起的會計期間生效

### 39. 最終控制人士

於二零零七年十二月三十一日，董事認為最終控制人士為方金先生。

### 40. 通過綜合財務報表

董事會已於二零零八年三月十七日通過及授權發出綜合財務報表。

# Five-year Financial Summary

## 五年財務摘要

The following consolidated financial information is extracted from the consolidated financial statements of the Group, prepared under International Financial Reporting Standards:

下列綜合財務資料摘錄自本集團之綜合財務報表，該等財務報表乃根據國際財務報告準則編製：

		Year ended 31st December, 截至十二月三十一日止年度				
		2007 二零零七年 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	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
<b>RESULTS</b>	<b>業績</b>					
Turnover	營業額	960,921	936,305	706,992	515,839	422,036
Profit before taxation	除稅前溢利	15,946	174,902	111,664	69,979	52,443
Taxation	稅項	(429)	(14,711)	(8,344)	(4,761)	-
Profit for the year	本年度溢利	15,517	160,191	103,320	65,218	52,443
Attributable to:	以下應佔：					
Equity holders of the Company	本公司權益持有人	15,513	160,191	86,336	42,392	34,088
Minority interests	少數股東權益	4	-	16,984	22,826	18,355
		15,517	160,191	103,320	65,218	52,443
		As at 31st December, 於十二月三十一日				
		2007 二零零七年 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	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	1,153,070	1,156,839	352,093	238,440	214,425
Total liabilities	總負債	180,774	(321,116)	(149,889)	(139,962)	(128,228)
		972,296	835,723	202,204	98,478	86,197
Equity attributable to:	以下項目應佔權益：					
Equity holders of the Company	本公司權益持有人	972,289	835,723	202,204	64,011	56,028
Minority interests	少數股東權益	7	-	-	34,467	30,169
		972,296	835,723	202,204	98,478	86,197



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