

Notes to the Financial Statements

財務報表附註

31 December 2006 二零零六年十二月三十一日

1. CORPORATE INFORMATION

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries (the “Group”) comprising the Group underwent a reorganisation on 21 June 2003 to rationalise the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganisation”).

During the year, the Group was principally engaged in the development, manufacture and sale of non-patented chemical medicines including cephalosporin in bulk medicine and powder for injection, their intermediate pharmaceuticals and system specific medicines in Mainland China. In the opinion of the directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the holding company of the Company.

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

2.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intragroup balances, transactions, income and expenses and profits and losses resulting from intragroup transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

1. 公司資料

東瑞製葯(控股)有限公司(「本公司」)於二零零二年九月二十日根據開曼群島公司法(一九六一年第三卷，經綜合及修訂)第二十二章於開曼群島註冊成立為獲豁免有限公司。

通過集團重組優化本公司及其附屬公司(「本集團」)的架構以籌備本公司的股份在香港聯合交易所有限公司(「聯交所」)主板上市，於二零零三年六月二十一日，本公司成為組成本集團的附屬公司的控股公司(「集團重組」)。

本集團於年內主要在中國大陸從事非專利化學藥物開發、製造及銷售，包括無菌原料藥及粉針劑形式的頭孢菌素，並開發、製造及銷售頭孢菌素的藥物中間體產品和系統專科藥物。董事認為，Fortune United Group Limited為一間於英屬處女群島註冊成立的公司，是本公司的控股公司。

本公司股份於二零零三年七月十一日於聯交所主板上市。

2.1. 編製基準

該等財務報表已根據國際會計準則委員會頒佈的國際財務報告準則(「IFRSs」)、香港公司條例的披露規定而編製。除按公允值計算並記入損益表之財務資產外，合併財務報表按歷史成本原則編製，並以人民幣列示。除另有指明外，所有價值均以人民幣入賬，並約簡至附近千位(人民幣千元)。

合併基準

合併財務報表包括本公司及其附屬公司於每年十二月三十一日的財務報表。編製附屬公司財務報表的呈報年度與本公司相同，會計政策亦貫徹一致。

所有集團內公司間結餘、交易、以及集團內公司間交易所產生的收支及盈虧而確認的資產均已全數對銷。

附屬公司由收購日期(即本集團取得控制權當日)起全面合併入賬，並一直合併入賬直至控制權終止為止。

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2.1. BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

2.2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and revised IFRSs and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect or give rise to additional disclosures on these financial statements.

- IAS 19 Amendment – Employee Benefits;
- IAS 21 Amendment – The Effects of Changes in Foreign Exchange Rates;
- IAS 39 Amendments – Financial Instruments: Recognition and Measurement;
- IFRIC 4 Determine whether an Arrangement contains a Lease;
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds;
- IFRIC 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment;

The principle effects of these changes are as follows:

(a) IAS 19 Employee Benefits

As of 1 January 2006, the Group adopted the amendments to IAS 19, which requires entities who participate in defined benefits plans to make additional disclosures providing information about trends in the assets and liabilities in the defined benefit plans and the assumptions underlying the components of the defined benefit cost. As the Company and its subsidiaries participate in statutory defined contribution retirement plans in their respective jurisdiction, this change did not have an effect on the financial statements.

2.1. 編製基準 (續)

合併基準 (續)

少數股東權益指並非由本集團持有的本公司附屬公司盈虧與淨資產部分，並在合併損益表及合併資產負債表的權益項內單獨呈列，與本公司的股東權益分開。收購少數股東權益按母公司伸延法入賬，據此所收購淨資產的代價與所佔賬面值之間的差額確認為商譽。

2.2. 會計政策的變動

所採納的會計政策與上個財政年度所採用者一致，惟以下除外：

本集團於本年度採納了以下新訂及經修訂國際財務報告準則及國際財務報告詮釋委員會詮釋。採用此等經修訂準則及詮釋並無對該等財務報表構成任何影響或產生額外的披露。

- 國際會計準則第19號 經修訂－僱員福利；
- 國際會計準則第21號 經修訂－外幣匯率變動之影響；
- 國際會計準則第39號 經修訂－金融工具：確認及計量；
- 國際財務報告詮釋委員會第4號 釐定包括租賃的安排；
- 國際財務報告詮釋委員會第5號 來自關閉、恢復和環境修復基金權益的權利；
- 國際財務報告詮釋委員會第6號 參與特定市場、廢棄電力及電子設備產生的負債；

此等變動的主要影響如下：

(a) 國際會計準則第19號－僱員福利

於二零零六年一月一日，本集團採納國際會計準則第19號的修訂，要求參與界定福利計劃的實體作出額外披露，提供與界定福利計劃下的資產與負債的趨勢以及界定福利成本相關的組成部分的假設有關的資料。由於本公司及其附屬公司在各自的司法權區參與法定界定供款退休計劃，此項變動對財務報表並無影響。

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2.2.CHANGES IN ACCOUNTING POLICIES (continued)

(b) IAS 21 The Effects of Changes in Foreign Exchange Rates

As of 1 January 2006, the Group adopted the amendments to IAS 21. As a result, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements regardless of the currency in which the monetary item is denominated. This change has had no significant impact as at 31 December 2006 or 31 December 2005.

(c) IAS 39 Financial Instruments: Recognition and Measurement

Amendment for financial guarantee contracts (issued August 2005) – amended the scope of IAS 39 to require financial guarantee contracts that are not considered to be insurance contracts to be recognised initially at fair value and to be re-measured at the higher of the amount determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18 Revenue. This amendment did not have an effect on the financial statements.

Amendment for the fair value option (issued June 2005) – amended IAS 39 to restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, hence the amendment did not have an effect on the financial statements.

Amendment for hedges of forecast intragroup transactions (issued April 2005) – amended IAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment did not have an effect on the financial statements.

(d) IFRIC 4 Determining Whether an Arrangement contains a Lease

The Group adopted IFRIC Interpretation 4 as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This change in accounting policy has not had a significant impact on the Group as at 31 December 2006 or 31 December 2005.

2.2.會計政策的變動(續)

(b) 國際會計準則第21號－外幣匯率變動之影響

於二零零六年一月一日，本集團採納國際會計準則第21號的修訂。因此，構成本集團於外國業務的淨投資一部分的貨幣項目所產生的所有外匯差額，乃在合併財務報表權益項下獨立確認，不論該貨幣項目的計值貨幣為何。此項變動對二零零六年十二月三十一日及二零零五年十二月三十一日並無重大影響。

(c) 國際會計準則第39號：金融工具：確認及計量

財務擔保合約的修訂(於二零零五年八月發出)－修訂國際會計準則第39號的範圍，要求不被認為是保險合約的財務擔保合約初步按公允值確認，其後按根據國際會計準則第37號：準備、或然負債及或然資產釐定的金額，與初步確認的金額減(如適用)根據國際會計準則第18號收益所確認的累計攤銷的金額兩者中較高者重列。此項修訂對財務報表並無影響。

公允值選擇權的修訂(於二零零五年六月發出)－修訂國際會計準則第39號，限制使用選擇權指定任何財務資產或任何財務負債按公允值通過收益表列值。本集團之前並無使用此項選擇權，因此該項修訂對財務報表並無影響。

預測集團內交易的對沖的修訂(於二零零五年四月發出)－修訂國際會計準則第39號，如一項可能性極高的集團內預測交易以訂立該交易的實體的功能貨幣以外的貨幣計值，且外匯風險將影響合併利潤表，則容許該項交易的外匯風險符合資格作為一項現金流對沖的對沖項目。由於本集團現時並無該等交易，故該修訂對財務報表並無影響。

(d) 國際財務報告詮釋委員會第4號－釐定包括租賃的安排

本集團於二零零六年一月一日採納國際財務報告詮釋委員會詮釋第4號，提供釐定安排是否包含一項租賃的指引，如包含租賃則須採用租賃會計法。此項會計政策變更於二零零六年十二月三十一日或二零零五年十二月三十一日對本集團並無重大影響。

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2.2. CHANGES IN ACCOUNTING POLICIES (continued)

(e) IFRIC 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

The Group adopted IFRIC Interpretation 5 as of 1 January 2006, which establishes the accounting treatment for funds established to help finance decommissioning for a companies assets. As the entity does not currently operate in a country where such funds exist, this interpretation has had no impact on the financial statements.

(f) IFRIC 6 Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment

The Group adopted IFRIC Interpretation 6 as of 1 January 2006, which established the recognition date for liabilities arising from the EU Directive relating to the disposal of Waste Electrical and Electronic Equipment. As the entity does not currently participate in this specific market nor have any operation in a jurisdiction that implements the EU Directive, this interpretation has had no impact on the financial statements.

2.3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs and IFRIC interpretations, that have been issued but are not yet effective, in these financial statements.

IAS 1 Amendment	Presentation of Financial Statements: Capital Disclosure;
IFRS 7	Financial instruments: Disclosure;
IFRS 8	Operating Segments;
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;
IFRIC 11	IFRS2 Group and Treasury Share Transactions;
IFRIC 12	Service Concession Arrangements

(a) IAS 1 Amendment-Capital Disclosures

The IAS 1 Amendment shall be applied for annual periods beginning or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

2.2. 會計政策的變動 (續)

(e) 國際財務報告詮釋委員會第5號—來自關閉、恢復和環境修復基金權益的權利

本集團於二零零六年一月一日採納國際財務報告詮釋委員會詮釋第5號，為清拆公司資產融資而成立的基金建立會計處理方法。由於實體現時並無於存在該等基金的國家營運，此項詮釋對財務報表並無影響。

(f) 國際財務報告詮釋委員會第6號—參與特定市場、廢棄電力及電子設備產生的負債

本集團於二零零六年一月一日採納國際財務報告詮釋委員會詮釋第6號，為因處置廢棄電力及電子設備而就歐盟指令產生的責任建立確認日期。由於實體現時並無參與此一特定市場或於執行歐盟指令的司法權區擁有任何營運，故此項詮釋對財務報表並無構成影響。

2.3. 已頒布但尚未生效之國際財務報告準則的影響

本集團之財務資料中尚未應用以下已頒布但尚未生效的全新及已修訂的國際財務報告準則及國際財務報告準則詮釋委員會詮釋。

國際會計準則第1號(修訂本)	財務報表之呈列：資本披露；
國際財務報告準則第7號	金融工具：披露；
國際財務報告準則第8號	經營分部；
國際財務報告準則詮釋委員會第7號	根據國際會計準則第29號惡性通脹經濟下的財務報告應用重列法；
國際財務報告準則詮釋委員會第8號	國際財務報告準則第2號的範疇；
國際財務報告準則詮釋委員會第9號	嵌入式衍生工具的重估；
國際財務報告準則詮釋委員會第10號	中期財務報告和減值；
國際財務報告準則詮釋委員會第11號	國際財務報告準則第2號—集團及庫務股份交易；
國際財務報告準則詮釋委員會第12號	特許權服務協議

(a) 國際會計準則第1號(修訂本)—資本披露

國際會計準則第1號(修訂本)須應用於二零零七年一月一日或其後開始的年度期間。經修訂的準則將影響本集團管理資本的目標、政策及過程的描述性資料；有關本公司視何者為資本的定量數據；以及符合任何資本要求及不符合要求的後果的披露。

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2.3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs (continued)

(b) IFRS7-Appling the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

IFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of IAS 32.

IFRIC 7, IFRIC 8, IFRIC 9, IFRIC 10, IFRIC 11, IFRIC 12 and IFRS 8 shall be applied for annual periods beginning on or after 1 March 2006, 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007, 1 January 2008 and 1 January 2009 respectively.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs and IFRIC interpretations upon initial application. So far, it has concluded that while the adoption of the IAS 1 Amendment and IFRS 7 may result in new or amended disclosures, these new and revised IFRSs and IFRIC interpretations are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investment interests in subsidiaries that are not classified as held for sale in accordance with IFRS 5 are stated at cost less any impairment losses.

Related parties

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

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Company that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;

2.3. 已頒布但尚未生效之國際財務報告準則的影響(續)

(b) 國際財務報告準則第7號—根據國際會計準則第29號惡性通脹經濟下的財務報告應用重列法

國際財務報告準則第7號須應用於二零零七年一月一日或其後開始的年度期間。該準則要求披露如下資訊：允許財務報表使用者評價本集團金融工具重要性的資訊，金融工具的性质及所帶來的風險，並修改國際會計準則第32號有關披露要求。

國際財務報告準則詮釋委員會第7號、國際財務報告準則詮釋委員會第8號、國際財務報告準則詮釋委員會第9號、國際財務報告準則詮釋委員會第10號、國際財務報告準則詮釋委員會第11號、國際財務報告準則詮釋委員會第12號及國際財務報告準則第8號分別應用於二零零六年三月一日，二零零六年五月一日，二零零六年六月一日，二零零六年十一月一日、二零零七年三月一日、二零零八年一月一日及二零零九年一月一日或其後開始的年度期間。

本集團已開始評估該等全新及已修訂國際財務報告準則及國際財務報告準則詮釋委員會詮釋的首次運用的影響。至目前為止，集團已得出如下結論：除採納國際會計準則第1號(修訂本)及國際財務報告準則第7號，將會導致全新的或修改的披露外，這些全新及已修訂的國際財務報告準則及國際財務報告準則詮釋委員會詮釋對本集團的經營業績及財務狀況有顯著影響的可能性不大。

2.4. 主要會計政策概要

附屬公司

附屬公司乃指本公司直接或間接控制其財務及營運政策而從其活動中獲益的實體。

附屬公司的業績中僅已收股息及應收股息列入本公司的利潤表。本公司於附屬公司的投資權益非根據國際財務報告準則第5號所述而持有以待銷售，而按成本減任何減值虧損列賬。

關連方

在下列情況下，某一方將被視為與本集團有關連：

- (a) 該方直接或透過一個或多個中介間接：(i) 控制本集團，或為本集團所控制或本集團及他方共同控制；(ii) 擁有本公司的權益，並可對本集團施加重大影響；或(iii) 與他方共同控制本集團；
- (b) 該方為聯營實體；

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) 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 (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

Foreign currency translation

The consolidated financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as the assets and liabilities of the foreign operation and translated at the closing date.

The functional currency of the Company, Dawnrays International Co., Ltd. ("Dawnrays International") and Dawnrays Pharma (Hong Kong) Limited ("Dawnrays Pharma"), is the Hong Kong Dollar. As at the reporting date, the assets and liabilities of these companies are translated into the presentation currency of the Group (RMB) at the exchange rates ruling at the balance sheet date and, their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

2.4. 主要會計政策概要 (續)

關連方 (續)

- (c) 該方為合營實體；
- (d) 該方為本集團或其母公司的主要管理人員之一；
- (e) 該方為(a)或(d)項所述個人的直系親屬；或
- (f) 該方為直接或間接歸屬於(d)或(e)項所述個人所控制、與他方共同控制或施加重大影響，或擁有重大投票權的實體；或
- (g) 該方為本集團或任一集團內關聯實體的僱員終止受僱後福利計劃的受益人。

外幣交易

該等合併財務報表以人民幣呈列。本集團各實體釐定其本身的功能貨幣，而各實體財務報表載列的項目以功能貨幣計算。外幣交易最初以交易當日的適用功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按結算日的適用功能貨幣匯率再換算。所有差額均計入損益，惟與國外實體的投資淨額對沖的外幣借貸差額則除外。該等差額會直接計入權益，直至出售該投資淨額才確認收益。而該等借貸差額之稅項及減免亦將計入權益。以外幣列值及按歷史成本計算的非貨幣項目，乃按交易當日的匯率換算。以外幣列值及按公允值計算的非貨幣項目，須按釐定公允值當日的匯率換算。收購海外業務產生之任何商譽及對有關資產及負債賬面值作出之公允值調整，均視作海外業務之資產及負債，並按結算日之匯率折算。

東瑞國際有限公司(「東瑞國際」)、東瑞藥業(香港)有限公司(「東瑞藥業」)及本公司的功能貨幣為港幣。於結算日，該等公司的資產與負債按結算日的匯率換算為本集團的呈列貨幣(人民幣)，而利潤表則按年度的加權平均匯率換算。報表折算差額直接計入一個單獨的權益科目。出售海外實體時，與該海外實體營運有關且已於股本中確認的遞延累計金額於利潤表確認。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of such property, plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Machinery and other equipment	5 to 10 years
Office equipment	5 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

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

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each financial year end.

Construction in progress

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is transferred to the appropriate category of property, plant and equipment when completed and ready for use.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Land use rights

Land use rights represent prepaid land lease payments under operating leases, which are initially stated at cost and subsequently recognised on the straight-line basis over a period of 50 years.

2.4. 主要會計政策概要 (續)

物業、廠房及設備

物業、廠房及設備乃按成本(不包括日常服務成本)減累計折舊及任何累計減值列賬。有關成本包括符合確認條件的該物業、廠房及設備重置成本。折舊乃按每項物業、廠房及設備的估計可使用年期以直線基準攤銷成本值至剩餘價值計算。物業、廠房及設備估計可使用年期如下：

樓宇	20年
機器及其他設備	5至10年
辦公室設備	5年
汽車	5年

倘發生任何事件或環境變化，顯示物業、廠房及設備的賬面值可能無法收回，則會檢討其賬面值是否出現減值。

每次進行大檢時，其符合確認條件的成本則計入廠房及設備的賬面價值內。

當一項物業、廠房及設備處置或估計並無未來經濟效益於其使用或出售時，則取消確認。於取消確認該資產時產生的任何收益或虧損(以處置所得款項淨額與該項目的賬面值的差額計算)乃計入該資產取消確認年度的利潤表內。

剩餘價值、可使用年期及折舊方法於每個結算日進行檢討並作適當調整。

在建工程

在建工程指興建中的物業、廠房及設備，並以成本扣除減值虧損入賬及未折舊。成本包括直接興建成本。當在建工程完工並可使用時，即會轉撥為適當類別的物業、廠房及設備。

借貸成本

借貸成本於發生時確認為開支。

土地使用權

土地使用權指按經營租約而支付的預付土地租賃款項，最初以成本列賬，隨後以直線法按五十年期間予以確認。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets of the Group are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or expected pattern of consumption of the future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Research and development costs

All research costs are charged into the income statement as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Following the initial recognition of the development expenditure, a cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Any expenditure capitalised is amortised using the straight-line basis over the commercial lives of the underlying products not exceeding ten years, commencing from the date when the products are put into commercial production.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

2.4. 主要會計政策概要 (續)

無形資產

單獨收購的無形資產於初次確認時按成本計量。其後，無形資產按成本減任何累計攤銷及任何累計減值虧損列賬。內部產生的無形資產(不包括資本化的開發成本)不得資本化，並於有關開支產生時自該年度溢利中扣除。本集團無形資產被評估為有限的可使用年期。有限年期的無形資產按其可使用經濟年期予以攤銷，並於無形資產出現減值跡象時評估減值。有限年期無形資產的攤銷期及攤銷方法至少須於每個財政年度終結日進行檢討。預期資產可使用年期變化或預期資產未來經濟利益消耗方式的變化乃透過更改攤銷期或方法(按適用者)列賬，並按會計估計變動處理。有限年期無形資產的攤銷按與無形資產功能一致的開支，於利潤表中確認為開支入賬。

研發成本

所有研究開支於產生時計入利潤表。單獨立項產生的開發開支，僅於本集團在技術可行性上可完成該項無形資產，令其可使用或出售、有意完成及有能力使用或出售該資產、資產可於日後產生經濟利益、有資源可供完成項目及有能力於開發時可靠地計量開支時確認為無形資產。其後，該無形資產按成本減任何累計攤銷及任何累計減值虧損列賬。任何已資本化的開支按相關產品不多於十年(由產品投入商業生產日期開始)的商業期間以直線法攤銷。

如某資產尚未使用，開發成本的賬面值會每年作減值檢討，或當在申報年度有跡象顯示出現減值時，減值檢討更頻繁。

取消確認無形資產產生的盈虧按資產處置所得款項淨額及賬面值的差額計算，並於資產取消確認時於利潤表確認。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss other than goodwill is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group considers whether a contract contains an embedded derivative when the Group first becomes a party to it. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4. 主要會計政策概要 (續)

非財務資產(商譽除外)減值

本集團於各報告日評估資產有否出現減值跡象。倘出現減值跡象，或有需要為資產每年進行減值測試，本集團會估計資產的可回收金額。除非某類資產產生的現金流量不能獨立於其他單項或多項資產所產生的現金流量，否則資產的可回收金額按資產或現金產生單位的使用價值與其公允價值減銷售成本售價淨額較高者計算，並按個別資產釐定。當資產的賬面值超過可回收金額時，資產將被視為減值，其賬面價值降至可回收金額。評估使用價值時是以除稅前的折扣率計算預計未來的現金流量的現值，而該折扣率反映當時市場對貨幣時值的評估及該項資產的特有風險。減值虧損按與減值資產功能一致的開支，於利潤表中確認為開支入賬。

每個結算日會評定是否有跡象顯示之前已確認的減損不再存在或減少。倘出現該等跡象，則會估計可回收金額。如用以釐定資產的可回收金額的估計自從最近一次確認減值虧損後出現變動，則之前確認的資產減損(商譽除外)予以撥回。彼資產的可回收金額自從最近一次確認減值虧損後出現變動，資產的賬面值將增加至其可回收金額。惟增加金額不得超過倘過往年度並無就資產確認減損而釐定的賬面值(經扣除任何折舊/攤銷)。撥回的減損於所產生期間的利潤表入賬。除資產按重新估值的金額列值外，減損的撥回於利潤表確認，有關撥回視為重新估值增加。於撥回後，折舊開支於日後期間作出調整，即以有系統基準按餘下使用年期，以資產的經修訂賬面值減任何剩餘價值。

投資及其他財務資產

按照國際會計準則第39號，財務資產可分為四類：按公允值記入損益表的財務資產，貸款及應收賬款，持至到期日的投資及可供出售的財務資產(按適用者)。對於並非屬於按公允值記入損益表的財務資產的財務資產，在初始確認時以公允值加上直接應佔交易成本計量。本集團首次成為某合約的訂約方時，會考慮該合約是否包含內嵌式衍生工具。本集團在初始確認時確定財務資產並在適當及容許的情況下於各財政年度終結時重新評估有關分類。

所有正常購買或銷售的財務資產在交易日，即本集團承諾購買資產的日期確認。正常購買或銷售資產是指按照市場規定或慣例在一定日期內進行資產交割。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets other than goodwill (continued)

Financial assets at fair value through profit or loss

Financial assets include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Held-to-maturity investments are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available-for-sale or are not classified in any of the other three categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as separate components of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

2.4. 主要會計政策概要 (續)

非財務資產(商譽除外)減值(續)

按公允值記入損益表的財務資產

財務資產包括持有作交易的財務資產及於首次確認時被劃分為經損益按公允值列賬的財務資產。財務資產如以短期賣出為目的而購買的，則分類為以交易為目的而持有的投資。以交易為目的而持有的投資的公允值變化在利潤表中確認。

貸款和應收賬款

貸款和應收賬款定義為具有固定的或可確定現金付款，但在活躍市場中無報價的非衍生財務資產。這類資產用實際利率法計算攤銷成本。攤銷成本計及任何收購折價或溢價，且包括為實際利率及交易成本的組成部分的費用。貸款和應收賬款被取消確認、發生減值或進行攤銷時產生的盈虧計入利潤表。

持至到期日的投資

持至到期日的投資乃指付款金額固定或可以確定，有固定到期日且本集團管理層有明確意向及能力持有至到期日之非衍生工具財務資產。有意持有年期不定的投資並不歸入此類別。持至到期日的投資其後按攤銷成本計量。該成本指首次確認金額減本金還款額，再加上或扣除以實際利息計算法就首次確認金額與到期金額的任何差額而計算的累計攤銷。計算範圍包括實際利率主體部份訂約各方所付或所收的一切費用及代價、交易成本及其他所有溢價及折讓。在該投資被取消確認、減值或在攤銷過程中時，其盈虧乃於收入內確認。

可供出售的財務資產

可供出售財務資產包括可供出售的上市或非上市的債權或權益類證券，或是不能分到其他三類的非衍生財務資產。初始確認後，可供出售的投資的公允值變化在權益中單獨確認，當該資產被取消確認時，將其以前在權益中確認的累計收益或損失轉入利潤表中。

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets other than goodwill (continued)

Available-for-sale financial assets (continued)

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; a discounted cash flow analysis and option pricing models.

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the impairment loss is recognised in the income statement.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

2.4. 主要會計政策概要 (續)

非財務資產 (商譽除外) 減值 (續)

可供出售的財務資產 (續)

由於(a)合理的公允值的估計存在重大可變性；或(b)在一定範圍內各種估計的可能性不能合理評估並用於估算公允值，故非上市的債權或權益類證券的公允值不能可靠計量，則有關證券以成本減任何減值虧損計價。

公允值

在金融市場活躍交易的投資的公允值取決於結算日的市場收盤價。如某項投資的市場不活躍，公允值將採用估值方法確定。該等方法包括參考近期發生的同等交易，其他大致類同的金融工具現行市場價格、現金流折現分析和期權定價模型。

財務資產減值

本集團於各結算日評估財務資產或一組財務資產有否出現減值。

按攤銷成本列值的資產

如果有客觀跡象表明貸款和以攤銷成本計價的應收款項已經出現了減值虧損，資產的賬面價值與估算未來的現金流(不包括未來出現信貸損失)以原始實際利率(即在初步確認階段計算的實際利率)折現的現值之間差額確認減值虧損。有關的賬面值可通過直接沖減資產賬面價值或者使用備抵科目來抵減資產賬面價值。有關減值虧損在利潤表中確認。

本集團首先評估是否有客觀跡象表明減值存在於一項具有重要性的財務資產，還是單獨或整體地存在於一組不獨立具有重要性的財務資產。如果已經確定沒有客觀跡象表明減值存在於任何一項的財務資產，無論重要與否，此項資產都被合併在具有相同信貸風險特徵的同類金融資產當中，整體進行減值評估。一項資產如被單獨評估了減值並確認了其減值虧損，則不再與其他財務資產項目合併進行整體減值評估。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	Purchase cost on a weighted average basis;
Finished goods and work in progress	Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

2.4. 主要會計政策概要 (續)

財務資產減值 (續)

按攤銷成本列值的資產 (續)

如果在以後的期間，減值虧損的金額減少，且這種減少客觀上與減值虧損確認時發生的事項相關聯，則先前確認的減值虧損可從利潤表中轉回。減值虧損於期後的任何撥回於利潤表中確認，惟該資產於撥回日期的賬面值不得超逾其攤銷成本。

對於應收貿易賬項，如果有客觀跡象（例如債務人很可能出現無力償債或重大財務困難）表明本集團不可能全數收回在原有發票條款下應付的賬項，則需作出撥備。有關應收賬項的賬面值通過使用備抵科目予以抵減。當被評估為不可收回時，減值債項則被取消確認。

按成本列值資產

倘有客觀證據證明非上市股本工具的減值虧損由於未能可靠計量其公允值，故並非按公允值列值，或衍生資產與非上市股本工具有關並必須以該等非上市股本工具結算時，虧損的數額按資產賬面值及估計未來現金流量的現值（按類似財務資產目前市場回報作折扣）的差額計算。該等資產的減值虧損不得予以撥回。

可供出售的財務資產

如果可供出售的財務資產出現減值，包含其成本（扣除任何本金付款及攤銷）及其當前公允值之差額，在扣除過往確認之任何減值虧損後，由股本賬轉移至利潤表。歸類為可供出售之股本工具之減值虧損不可透過利潤表撥回。

存貨

存貨按成本及可變現淨值兩者的較低者列賬。

將產品運至現址和變成現狀的成本的會計處理方法如下：

原材料	採購成本（按加權平均法釐定）；
製成品及在製品	直接材料、直接人工成本，以及根據正常運作量計算的生產經常費用比例，但不包括借貸成本。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories (continued)

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

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less allowance for any uncollectible amounts, which is considered as the fair value of the consideration to be received. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off as incurred.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4. 主要會計政策概要 (續)

存貨 (續)

可變現淨值則按一般營運過程的估計售價減完成及出售時產生的任何估計成本計算。

應收貿易賬款及其他應收款項

應收貿易賬款乃按原有發票金額減任何未能收回金額的撥備(即所獲取代價的公允值)予以確認及列賬。倘有客觀證據顯示本集團不可能全數收回債項則須作出撥備。壞賬於產生時予以撇銷。

現金及現金等價物

就合併現金流量表而言，現金及現金等價物指手頭現金及活期存款，以及可隨時轉換為已知金額的現金且價值變動風險不大且期限較短(一般自收購起計三個月內到期)之短期高流動性投資(經扣減須按要求隨時還款並構成本集團整體現金管理一部分之銀行透支)。

就資產負債表分類而言，現金及銀行結餘指手頭及銀行現金，包括不限用途之定期存款。

取消確認財務資產

在下列情況下，將取消確認財務資產(或(如適當)一項財務資產的一部份或一組同類財務資產的一部份)：

- 可獲取資產所得現金流量的權利期滿；
- 本集團保留可獲取資產所得現金流量的權利，但已假設根據交付協議須無重大延誤地向其向第三方悉數清償；或
- 本集團已轉讓其可獲取資產所得現金流量的權利，並(a)轉讓資產絕大部份的風險及回報，或(b)既無轉讓亦無保留資產絕大部份的風險及回報，但已轉讓資產的控制權。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and notes payables, bank advances for discounted bills, other payables and accruals and income tax payable are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

2.4. 主要會計政策概要 (續)

取消確認財務資產 (續)

倘本集團已轉讓其可獲取資產所得現金流量的權利，但既無轉讓亦無保留資產絕大部份的風險及回報，亦無轉讓資產的控制權，則本集團將繼續確認該資產，惟以該資產持續相關部份為限。以轉讓資產擔保形式發生的持續相關乃按該資產的原賬面值及本集團須支付的最高代價額（以較低者為準）計算。

倘持續相關以轉讓資產書面及／或購買期權（包括現金結算期權或類似條文）形式發生，則本集團的持續相關部份為本集團購回的轉讓資產部份。倘資產的書面認沽期權（包括現金結算期權或類似條文）按公允值計算，則本集團的持續相關部份僅限於轉讓資產的公允值及期權行使價兩者的較低者。

按攤銷成本列值的財務負債（包括計息貸款及借款）

包含應付貿易賬項及應付票據、貼現票據的銀行墊款、其他應付賬項及應計費用以及應付所得稅在內的財務負債初步按公允值減交易涉及直接應佔交易成本列賬，其後以實際利率法按攤銷成本列賬，惟貼現的影響非屬重大除外，在此情形下，則按成本列值。

所得收益或虧損，乃在取消確認負債時，以及通過攤銷過程，在利潤表中確認。

取消確認財務負債

債務被解除或取消或到期時，取消確認財務負債。

倘現有財務負債由同一貸方授予條款迥異的其他債項取代，或現有財務負債的條款經重大修訂，則該等變更或修訂視作取消確認原負債及確認新負債，各賬面值的差額於利潤表確認。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Retirement benefits schemes

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

The employees of the Group's subsidiaries which operate in the Mainland China (the "Mainland China Subsidiaries") are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Accommodation benefits

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to the income statement as incurred.

2.4. 主要會計政策概要 (續)

撥備

本集團若因過往事項而有法定或推定債務，而且可能需要有經濟利益外流以償付這些債務，並能對債務數額作出可靠估計，便確認撥備。如果本集團預計部份或全部撥備將可收回（如根據一項保險合約），並且相當肯定能夠收回，則確認預計收回的金額為個別的資產。與任何撥備相關的開支乃在利潤表內扣減任何收回金額後列賬。如果貨幣的時間值有重大影響力，則撥備將以能夠反映（如適用）有關負債特定風險的稅前折現率予以折現。若採用折現方法，因時間流逝而增加的撥備額應確認為借貸成本。

退休福利計劃

本集團根據強制性公積金計劃條例為合資格參加強制性公積金計劃的僱員設立一個定額供款強制性公積金計劃（「強積金計劃」）。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期支付時自利潤表中扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。本集團的僱主供款於向強積金計劃供款時全數歸僱員所有；惟根據強積金計劃的規則，本集團的僱主自願供款，在僱員未能享有全數供款前離職的情況下，可退回本集團。

本集團於中國大陸營運的附屬公司（「中國大陸附屬公司」）的員工均須參予由當地政府運作的中央退休計劃。供款根據中央退休計劃的規則於到期日支付時自利潤表中扣除。

住房福利

有關對由中國大陸公積金管理中心管理的住房公積金的供款，乃於產生時自利潤表扣除。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants (the Company's directors, employees of the Group and other eligible participants) of the Group receive remuneration in the form of share-based payment transactions, whereby eligible participants render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with eligible participants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes-Merton valuation model, further details of which are given in note 29. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the eligible participants become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participants as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4. 主要會計政策概要 (續)

以股份支付的交易

本公司設立一項購股權計劃作為給予為本集團業務成功作出貢獻的合資格參與者的激勵及獎勵。本集團的合資格參與者(本公司董事、本集團僱員及其他合資格參與者)按以股份支付交易的方式收取酬金，合資格參與者則提供服務以作為收取股本工具的代價(「股本結算交易」)。

與合資格參與者進行股本結算交易的成本，乃參考授出股本當日的公允值計算。公允值乃按柏力克-舒爾斯估值模式釐定，有關詳情載於附註29。對股本結算交易作出估值時，並無計及任何績效條件，惟對本公司股價有影響的條件(「市況」)(如適用)除外。

股本結算交易的成本連同權益的相應升幅，於達到績效及/或服務條件的期間內確認，直至相關合資格參與者完全享有該報酬之日(「歸屬日」)為止。由每個結算日直至歸屬日就股本結算交易確認的累積支出，反映歸屬期屆滿部份以及本集團對最終將會歸屬的股權工具數目的最佳估計。在某一期間內在利潤表內扣除或進賬，乃反映累計開支於期初與期終確認時的變動。

尚未完全歸屬的報酬不會確認支出，除非歸屬的報酬附帶市況條件，則該情況下不論是否達到該市況均會視作歸屬處理，惟其他所有績效條件必須達成。

當股本結算報酬的條款修訂時，會確認最少的支出，猶如條款並無修訂一般。此外，因修訂而導致以股份支付的安排的總公允值有所增加，或對參與者帶來利益，均會按修訂當日的計算確認支出。

當股權結算報酬註銷時，會視作報酬已於註銷當日經已歸屬，而報酬尚未確認的任何支出會即時確認。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬的修訂般處理。

未行使購股權的攤薄影響會入賬為計算每股盈利時的額外股份攤薄。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

Where the Group is the lessee, operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

Interest income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset);

Dividend income

Revenue is recognised when the shareholder's right to receive payment has been established.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

2.4. 主要會計政策概要 (續)

經營租約

一項安排是否包括租賃須根據安排的內容釐定，並須評估履行安排是否須視乎使用特定資產或資產等及安排有否轉移資產使用權。

倘本集團為承租者，則按該等經營租約的應付租金按有關租期，以直線法於利潤表中列支。

收益確認

收益乃於經濟利益極有可能歸本集團所有，並能以可靠方式計算時確認。

收益須待達致下列基準後方可確認：

銷售貨品

收益會在貨品擁有權的重大風險及回報已轉移至買方後確認入賬，屆時本集團不再擁有一般與擁有權相關的管理權或已售出的貨品的控制權。

利息收入

收益會按應計利息(以按金融工具的估計使用年期用實際利率將未來估計的現金收入折現為財務資產的賬面淨值的同一比率)確認。

股息收入

收益會在股東收取款項的權利被確立時確認。

政府撥款

政府撥款於可合理地保證將會獲得撥款，以及將遵守所有附帶條件時予以確認。倘撥款與一項費用有關，即按其擬補償的費用所屬的期間根據系統化基準確認為收入。倘撥款與一項資產有關，即將其公允值撥入遞延利潤賬，並於有關資產的預計可使用年內以等額年金撥往利潤表。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4. 主要會計政策概要 (續)

稅項

所得稅包括當期稅項及遞延稅項。與直接於權益中確認的項目相關的所得稅於權益中而非利潤表中確認。

當期稅項

當前及過往期間的當期稅項資產及負債按預期可收回或支付予稅務機構的金額計量。該等金額乃採用結算日前已立例制定或大致上已立例制定的稅率及稅法例計算。

遞延稅項

在結算日時資產及負債的稅基與其就財務報告而言的賬面值之間的所有時間性差異，須按負債法計提遞延稅項撥備。所有應課稅暫時性差異均會確認遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於在一宗非屬業務合併的交易中初步確認商譽或資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的應課稅暫時性差異而言，倘若撥回暫時性差異的時間可以控制，以及暫時性差異不甚可能在可見將來撥回。

對於所有可扣減暫時性差異、結轉的未用稅項資產及未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異、結轉的未用稅項資產及未用稅項虧損的，則遞延稅項資產一律確認入賬，惟應注意下列各點：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初步確認資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的可扣減暫時性差異而言，只有在時間性差異有可能在可見將來撥回，而且日後有可能出現應課稅利潤，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

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2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes (continued)

Deferred tax (continued)

The carrying amount of deferred income 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 deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheets, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4. 主要會計政策概要 (續)

稅項 (續)

遞延稅項 (續)

遞延稅項資產的賬面值，在每個結算日予以審閱。若不再可能有足夠應課稅利潤用以抵扣相關稅項資產的全部或部分，則扣減遞延稅項資產賬面值。未被確認遞延稅項資產於各結算日進行重新評估，並當可能有足夠應課稅溢利讓遞延稅項資產被動用時確認。

變現資產或清償負債的期間預期適用的稅率，會用作衡量遞延稅項資產及負債，並以結算日當日已經生效或大致上已經生效的稅率（及稅法）為基準。

倘若存在法律上可強制執行的權利，可將有關同一課稅實體及同一稅局的即期稅項資產及遞延稅項抵銷，則對銷遞延稅項資產與遞延稅項負債。

股息

董事擬派的末期股息於股東在股東大會上批准派發股息前乃於資產負債表的權益部分中列作獨立分配的留存溢利。當上述股息取得股東批准並宣派，則確認為負債。

由於本公司組織章程大綱及公司組織章程細則賦予董事宣派中期股息的權力，本公司可同時建議及宣派中期股息。因此，中期股息於建議及宣派時即時確認為負債。

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2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

There is no significant risk of key assumptions concerning the future and other key sources of estimation at the balance sheet date which will cause an adjustment to carrying amounts of assets and liabilities within the next financial year.

There are no significant effects on amounts recognised in the financial statements arising from the judgment or estimates used by management except for the following:

Share option benefit expense

The share option benefit expense is subject to the limitations of the Black-Scholes-Merton valuation model and uncertain in estimates used by management in the assumptions. The Black-Scholes-Merton valuation model is modified for the early exercise of share options in limited open exercise periods. Should the estimates including limited early exercise behavior, expected interval and frequency of open exercise periods in the share option life and other relevant parameters of the share option model be changed, there would be material changes in the amount of share option benefits recognised in income statement and employee share option reserve.

Development costs

Development costs are capitalised in accordance with the accounting policy in note 2.4. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2006, the best estimate of the carrying amount of capitalised development costs was RMB15,362,000 (2005: RMB15,038,000).

3. SEGMENT INFORMATION

The Group's turnover and profit were mainly derived from the sale of medicines by the Mainland China Subsidiaries to customers in the Mainland China. The principal assets employed by the Group are located in the Mainland China. Accordingly, no segmental analysis by business and geographical segments is provided.

2.5. 主要會計判斷及估計

本集團於結算日並無有關將來重要假設的重大風險及其他估計的資料來源，致使來年的資產及負債的賬面值須作出調整。

本集團管理層的判斷及估計對財務報表內已確認數額並無重大影響，惟以下除外：

購股權利益支出

購股權利益支出受限於柏力克 - 舒爾斯估值模式及管理層用於假設的不確定估計。本集團已對柏力克 - 舒爾斯估值模式作出修訂以顧及於有限行使期內早期行使的購股權。若該等估計包括有限制早期行使行為、購股權有效期內預期行使期的時距及次數及其他有關購股權模式限制改變，利潤表內已確認的購股權利益及以股份支付的僱員購股權儲備數額將會有重大改變。

開發成本

開發成本乃根據附註2.4內的會計政策予以資本化。管理層須就資產預期未來產生現金、採納的貼現率及預期利益期間作出假設，以釐定予以資本化的數額。截至二零零六年十二月三十一日，已資本化開發成本賬面值的最佳估計為人民幣15,362,000元(二零零五年：人民幣15,038,000元)。

3. 分類資料

本集團的營業額及溢利主要來自其中國大陸附屬公司向中國大陸的客戶銷售藥物。本集團的主要資產均位於中國大陸。因此，並無提供業務及地區分類分析。

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4. REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and gain is as follows:

4. 收入、其他收入及收益

收入(本集團營業額)指銷售貨品扣除退貨、交易折扣的發票淨額。

本集團收入、其他收入及收益分析如下:

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Revenue	收入		
Sale of goods	銷售貨品	788,797	734,002
Other income	其他收入		
Bank interest income	銀行利息收入	858	1,032
Government grant	政府撥款	23	200
Dividend income from financial assets at fair value through profit or loss	按公允價值記入損益表之 財務資產的股息收入	2	7
Tax refund for additional investment	新增投資的退稅款	1,202	-
Others	其他	668	712
		2,753	1,951
Gains	收益		
Gain on disposal of financial assets at fair value through profit or loss	出售按公允價值記入損益表之 財務資產的收益	202	8
		2,955	1,959

5. FINANCE COSTS

5. 財務費用

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Interest on bank advances for discounted bills	銀行貼現票據墊款利息	976	202

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6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)下列各項後釐定：

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		Notes 附註	
Cost of inventories sold	已售存貨成本		448,102
Depreciation	折舊	14	17,408
Recognition of land use rights *	土地使用權確認*	15	306
Research and development costs:	研究及開發成本：		
Amortisation of intangible assets **	無形資產攤銷**	17	531
Current year expenditure	本年度支出		15,910
			16,845
Minimum lease payments under operating leases:	按經營租約之最低租金：		
Land and buildings	土地及樓宇		1,279
			1,317
Auditors' remuneration	核數師酬金		1,160
Employee benefit expense (including directors' remuneration (note 7)):	僱員福利開支 (包括董事酬金(附註7))：		
Wages and salaries	工資及薪金		38,609
Equity-settled share option expense	以股權支付的購股權開支		4,046
Retirement costs	退休成本	9	3,173
Accommodation benefits	住房福利	9	1,613
			46,567
Foreign exchange differences, net	匯兌淨額		(471)
Impairment/(reversal) of trade receivables	應收貿易款項減值/(撥回)		(510)
Write-down of inventories to net realisable value	存貨減值至可變現淨值		1,269
Impairment losses of intangible assets***	無形資產減值虧損***		-
			587
Fair value (gains)/losses, net:	公允值(收益)/虧損淨額：		
Financial assets at fair value through profit or loss	按公允值記入損益表之財務資產		190
Bank interest income	銀行利息收入		(1,032)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備等項目的虧損		959
			(857)
			(858)
			1,392

* The recognition of land use rights for the year is included in "Administrative expenses" on the face of the consolidated income statement.

** The amortisation of intangible assets for the year is included in "Other expenses" on the face of the consolidated income statement.

*** The impairment losses of intangible assets for the year is included in "Other expenses" on the face of the consolidated income statement.

* 年內的土地使用權確認計入合併利潤表的「行政費用」。

** 年內的無形資產攤銷計入合併利潤表的「其他費用」。

*** 年內的無形資產減值虧損計入合併利潤表的「其他費用」。

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7. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Fees	袍金	368	298
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,429	3,138
Employee share option benefits (note 29)	以股權支付的僱員福利(附註29)	51	461
Pension scheme contributions	退休金計劃供款	52	68
		2,532	3,667
		2,900	3,965

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Mr. Pan Xue Tian	潘學田先生	98	95
Mr. Lee Cheuk Yin Dannis	李卓然先生	98	95
Mr. Choi Tat Ying Jacky	蔡達英先生	98	95
		294	285

There were no other emoluments payable to the independent non-executive directors during the year (2005: Nil).

7. 董事酬金

根據上市規則及公司條例第161節所披露年內的董事酬金如下：

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Fees	袍金	368	298
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,429	3,138
Employee share option benefits (note 29)	以股權支付的僱員福利(附註29)	51	461
Pension scheme contributions	退休金計劃供款	52	68
		2,532	3,667
		2,900	3,965

(a) 獨立非執行董事

本年度獨立非執行董事的袍金如下：

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Mr. Pan Xue Tian	潘學田先生	98	95
Mr. Lee Cheuk Yin Dannis	李卓然先生	98	95
Mr. Choi Tat Ying Jacky	蔡達英先生	98	95
		294	285

本年度並無應付獨立非執行董事的其他酬金(二零零五年：無)。

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7. DIRECTORS' REMUNERATION (continued)

(b) Executive directors and a non-executive director

7. 董事酬金(續)

(b) 執行董事及一名非執行董事

		Salaries, allowances and benefits in kind	Employee share option benefits	Pension scheme contributions	Total	
		Fees 袍金	薪金、津貼 及實物利益	以股權支付 的僱員福利	退休金 計劃供款	酬金總額
		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
2006						
Executive directors:	執行董事：					
Ms. Li Kei Ling	李其玲女士	-	518	-	12	530
Mr. Hung Yung Lai	熊融禮先生	-	518	-	12	530
Mr. Zhang Jing Xing	張京星先生					
(Resigned on 9 May 2006)	(於二零零六年 五月九日辭任)	-	183	-	4	187
Mr. Li Tung Ming	李東明先生	-	518	-	12	530
Mr. Xu Kehan	許克寒先生	-	692	51	12	755
		-	2,429	51	52	2,532
Non-executive director:	非執行董事：					
Mr. Leung Hong Man	梁康民先生	74	-	-	-	74
		74	2,429	51	52	2,606
2005						
Executive directors:	執行董事：					
Ms. Li Kei Ling	李其玲女士	-	456	48	13	517
Mr. Hung Yung Lai	熊融禮先生	-	456	48	13	517
Mr. Zhang Jing Xing	張京星先生	-	764	104	13	881
Mr. Lam Kam Wah	林錦華先生	-	248	52	3	303
(Resigned on 22 April 2005)	(於二零零五年 四月二十二日辭任)					
Mr. Li Tung Ming	李東明先生	-	456	73	13	542
Mr. Xu Kehan	許克寒先生	-	758	136	13	907
		-	3,138	461	68	3,667
Non-executive director:	非執行董事：					
Mr. Leung Hong Man	梁康民先生					
(Appointed on 1 November 2005)	(於二零零五年 十一月一日獲委任)	13	-	-	-	13
		13	3,138	461	68	3,680

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內概無董事放棄或同意放棄任何酬金的安排。

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8. FIVE HIGHEST PAID EMPLOYEES

The five (2005: five) highest paid employees during the year included two (2005: two) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining three (2005: three) non-directors, highest paid employees for the year are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Employee share option benefits	以股權支付的僱員福利
Pension scheme contributions	退休金計劃供款

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

2,308	2,131
83	289
25	20
2,416	2,440

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零至港幣 1,000,000 元
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	Number of employees	
	僱員人數	
	2006	2005
	二零零六年	二零零五年

3	3
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9. RETIREMENT BENEFITS AND ACCOMODATION BENEFITS

In compliance with the Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance"), the Company has participated in the MPF scheme, a defined contribution scheme managed by an independent trustee, to provide retirement benefits to its Hong Kong employees. Contributions to the MPF scheme are made in accordance with the statutory limits prescribed by the MPF Ordinance.

As stipulated by the People's Republic of China (the "PRC") state regulations, the Mainland China Subsidiaries participate in a defined contribution retirement scheme. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount of the geographical area of their last employment at their retirement date. The Mainland China Subsidiaries are required to make contributions to the local social security bureau at 20% to 22% (2005: 20% to 22.5%) of the previous year's average basic salary amount of the geographical area where the employees are under employment with the Mainland China Subsidiaries.

The Group has no obligation for the payment of pension benefits beyond the annual contributions as set out above.

8. 五位最高薪僱員

年內五位(二零零五年:五位)最高薪僱員包括兩位(二零零五年:二位)董事,詳情載於上文附註7。餘下三位(二零零五年:三位)非董事最高薪僱員於年內的薪酬如下:

酬金金額介乎下列組別的非董事及最高薪酬員工的人數如下:

9. 退休福利及住房福利

遵照《強制性公積金計劃條例》(「強積金條例」)的規定,本公司已加入一項強積金計劃(由獨立信託人管理之定額供款計劃),為香港僱員提供退休福利。向強積金計劃作出的供款乃按照強積金條例所訂明的規定限額為定。

據中國國家法規規定,中國大陸附屬公司須參與養老保險計劃。所有僱員於其退休日均有權享按彼等最後受聘地的平均基本薪金的固定比例計算的年度退休金。中國大陸附屬公司須向當地社會保障局供款,供款按僱員受僱於中國大陸附屬公司地區去年的平均基本薪金的20%至22%(二零零五年:20%至22.5%)計算。

除上述的年度供款外,本集團並無義務支付其他退休福利。

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9. RETIREMENT BENEFITS AND ACCOMODATION BENEFITS (continued)

According to relevant rules and regulations of the PRC, the Mainland China Subsidiaries and their employees are each required to make contributions to an accommodation fund at 7% to 10% (2005: 7% to 10%) of the salaries and wages of the employees which is administered by Public Accumulation Funds Administration Centre. There is no further obligation on the part of the Group except for such contributions to the accommodation fund.

As at 31 December 2006, the Group had no significant obligation apart from the contributions as stated above.

10. TAX

The major components of income tax expense for the years ended 31 December 2006 and 2005 are:

Group	本集團
<i>Current income tax</i>	<i>當期所得稅</i>
Current income tax charge	當期所得稅支出
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅之調整
<i>Deferred income tax (note 27)</i>	<i>遞延稅項(附註27)</i>

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2005: Nil).

According to the Income Tax Law of the PRC, three subsidiaries of the Company, namely Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays Pharmaceutical"), Suzhou Dawnrays Chemical Co., Ltd. ("Suzhou Dawnrays Chemical"), and Shanghai Dawnrays Chemical Co., Ltd. ("Shanghai Dawnrays Chemical") are exempted from corporate income tax of the PRC for the two years starting from the first profitable year of operation, after setting off losses carried forward, and are entitled to a 50% relief from corporate income tax of the PRC for the following three years.

Suzhou Dawnrays Pharmaceutical is in its sixth profitable year of operation in 2006 and therefore its applicable income tax rate should have been 24%. However, Suzhou Dawnrays Pharmaceutical has obtained tax approval from the relevant tax authorities as a qualified foreign-owned manufacturing enterprise engaging in technology-intensive and knowledge-intensive projects ("Double-intensive Enterprise"). According to the PRC tax laws and regulations, Suzhou Dawnrays Pharmaceutical is subject to the corporate income tax of the PRC at a rate of 15% from 1 January 2006 onwards. Its status as a Double-intensive Enterprise is subject to periodic reassessment by the relevant PRC government authorities. The paid-up capital of Suzhou Dawnrays Pharmaceutical was increased by US\$15,000,000 from US\$10,000,000 to US\$25,000,000 in 2004. According to the PRC tax laws and regulations, taxable profit generated in the first two years and the three years thereafter from the aforesaid additional capital are exempted from corporate income tax and taxed at a 50% reduced rate respectively.

9. 退休福利及住房福利(續)

根據中國的有關規則及法規，中國大陸附屬公司及彼等僱員各自須按僱員的薪金及工資的7%至10%(二零零五年：7%至10%)向一項由公積金管理中心管理的住房基金供款。除該項向有關住房基金的供款外，本集團並無其他責任。

於二零零六年十二月三十一日，除上述供款外，本集團並無其他重大責任。

10. 稅項

截至二零零五年及二零零六年十二月三十一日止年度所得稅支出的主要組成如下：

	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
	4,368	2,870
	(262)	(2,625)
	(655)	-
	3,451	245

由於本集團於本年度在香港並無產生應課稅溢利，故並無就香港利得稅作出撥備(二零零五年：無)。

根據中國所得稅法律，本公司三間附屬公司，即蘇州東瑞製藥有限公司(「蘇州東瑞製藥」)、蘇州東瑞化工有限公司(「蘇州東瑞化工」)及上海東瑞化工有限公司(「上海東瑞化工」)，由首個經營獲利年度起計獲豁免中國企業所得稅兩年(彌補以前年度虧損後)，並在其後三年有權獲得減免中國企業所得稅50%。

蘇州東瑞製藥於二零零六年為第六個溢利年度，因此其適用所得稅率本應為24%。然而，蘇州東瑞製藥獲認定為一家從事技術密集、知識密集型項目的生產性外商投資企業(「兩個密集型企業」)，並獲得有關稅務機構批准稅收優惠。根據中國稅法及規定，蘇州東瑞製藥由二零零六年一月一日起按15%稅率繳納中國企業所得稅。「兩個密集型企業」的認定須經由有關中國政府當局定期重新評估。蘇州東瑞製藥的繳足股本於二零零四年增資15,000,000美元，由10,000,000美元增加到25,000,000美元。根據中國稅法及規定，上述增資產生的應課稅溢利於首兩年獲豁免中國企業所得稅，並於其後三年獲減免50%稅率。

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財務報表附註

31 December 2006 二零零六年十二月三十一日

10. TAX (continued)

Income tax charge

Shanghai Dawnrays Chemical is in its fifth profitable year of operation, based on its statutory financial report. It is subject to the corporate income tax of the PRC at a rate of 12% and local corporate income tax at a rate of 1.5% from 1 January 2004 to 31 December 2006.

Suzhou Dawnrays Chemical is in its second profitable year of operation, based on its statutory financial report. It is exempted from corporate income tax for the year.

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gain or appreciation shall apply to the Company or its operations. The undertaking for the Company is for a period of 20 years from 8 October 2002. Accordingly, the Company is not subject to tax.

Pursuant to the International Business Companies Act, 1984 ("IBC Act") of the British Virgin Islands, International Business Companies incorporated pursuant to the IBC Act enjoy a complete exemption from income tax. This includes an exemption from capital gains tax, and all forms of withholding tax. Accordingly, Dawnrays International is not subject to tax.

A reconciliation between tax expense and the product of accounting profit multiplied by PRC's domestic tax rate for the years ended 31 December 2006 and 2005 is as follows:

		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Group	本集團		
Accounting profit before income tax	除所得稅前會計溢利	69,329	105,949
At the PRC's statutory income tax rate of 33% (2005: 33%)	按中國大陸法定所得稅稅率 33% (二零零五年：33%)	22,879	34,963
Tax effect of profits entitled to tax exemption	可享稅項豁免溢利之影響	(19,404)	(32,226)
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅之調整	(262)	(2,625)
Non-deductible expenses	不可用作扣除的開支	238	133
At the effective income tax rate of 4.98% (2005: 0.2%)	按實際所得稅稅率 4.98% (二零零五年：0.2%)	3,451	245

11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The consolidated profit attributable to equity holders of the parent for the year ended 31 December 2006 includes a profit of RMB95,304,000 (2005: RMB58,153,000) which has been dealt with in the financial statements of the Company (note 30(b)).

10. 稅項(續)

所得稅支出

上海東瑞化工根據法定財務申報收入而言為第五個溢利年度。上海東瑞化工由二零零四年一月一日起至二零零六年十二月三十一日止期間，按 12% 稅率繳納中國企業所得稅及按 1.5% 稅率繳納地方企業所得稅。

蘇州東瑞化工根據法定財務申報收入而言為第二個溢利年度，並獲豁免繳納該年度的企業所得稅。

根據開曼群島稅務豁免法(一九九九年修訂本)第6條，本公司已獲得總督會同行政局保證：開曼群島並無法律對本公司或其業務的所得溢利、收入、收益或增值徵稅。對本公司的承諾將由二零零二年十月八日起有效二十年。因此，本公司無須納稅。

根據英屬處女群島頒佈的一九八四年國際商業公司法(「國際商業公司法」)，根據國際商業公司法註冊成立的國際商業公司可享有全數所得稅豁免，包括資本收益稅及任何形式的預扣稅豁免。因此，東瑞國際無須納稅。

截至二零零五年及二零零六年十二月三十一日止年度稅項支出與會計溢利乘以中國本地稅率的調節表如下：

11. 母公司權益持有人應佔溢利

截至二零零六年十二月三十一日止本年度母公司權益持有人應佔合併溢利中包含本公司財務報表的溢利人民幣 95,304,000 元(二零零五年：人民幣 58,153,000 元)(附註 30(b))。

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12. DIVIDENDS

Equity dividends on ordinary shares:	普通股股息：
Interim dividend – HK\$0.015 (2005: HK\$0.015)	中期股息：港幣 0.015 元 (二零零五年：港幣 0.015 元)
Final dividend – HK\$0.017 (2005: HK\$0.035)	末期股息：港幣 0.017 元 (二零零五年：港幣 0.035 元)

Proposed for approval at Annual General Meeting (not recognised as a liability as at 31 December)

13. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would have been issued on the deemed conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share calculations:

12. 股息

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

12,422	12,779
13,654	29,127

待股東週年大會通過(於十二月三十一日尚未確認為負債)

13. 每股盈利

每股基本盈利是按母公司普通股權益持有人應佔本年度溢利除以於年內已發行普通股股份之加權平均股數計算。攤薄後每股盈利是按母公司普通股權益持有人應佔本年度溢利除以於年內已發行普通股股份之加權平均股數，及加上可能因轉換具攤薄作用的普通股而發行普通股之加權平均股數計算。

下列為用作計算每股基本盈利及攤薄後每股盈利的收入及股份的數據：

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
-----------------------------------	-----------------------------------

Earnings

盈利

Profit attributable to ordinary equity holders of the parent

母公司普通股權益持有人應佔溢利

65,781	105,646
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2006 二零零六年 Thousands 仟位	2005 二零零五年 Thousands 仟位
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Shares

股份

Weighted average number of ordinary shares used in the basic earnings per share calculation

用作計算每股基本盈利之加權平均普通股股數

799,648	800,000
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Effect of dilution – Weighted average number of ordinary shares: Share options

具攤薄影響 – 加權平均普通股股數：購股權

4,409	26
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Weighted average number of ordinary shares adjusted for the effect of dilution

就攤薄影響作出調整後之加權平均普通股股數

804,057	800,026
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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Group 本集團				
		Buildings 樓宇	Machinery and other equipment 機器及 其他設備	Office equipment 辦公室設備	Motor vehicles 汽車	Total 總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：					
As at 1 January 2005	於二零零五年 一月一日	79,273	124,231	6,841	8,897	219,242
Additions	添置	–	967	698	1,087	2,752
Transferred from						
Construction in progress (note 16)	在建工程轉撥 (附註16)	10,180	46,243	562	451	57,436
Disposals	出售	(359)	(1,187)	(450)	(1,867)	(3,863)
As at 31 December 2005 and 1 January 2006	於二零零五年 十二月三十一日 及二零零六年 一月一日	89,094	170,254	7,651	8,568	275,567
Additions	添置	–	11,383	763	2,002	14,148
Transferred from						
Construction in progress (note 16)	在建工程轉撥 (附註16)	6,623	19,838	–	–	26,461
Disposals	出售	–	(2,647)	(87)	(791)	(3,525)
As at 31 December 2006	於二零零六年 十二月三十一日	95,717	198,828	8,327	9,779	312,651
Accumulated depreciation:	累計折舊：					
As at 1 January 2005	於二零零五年 一月一日	7,593	23,280	2,731	2,622	36,226
Provided for the year	年內撥備	3,009	11,850	1,044	1,505	17,408
Disposals	出售	(96)	(657)	(253)	(988)	(1,994)
As at 31 December 2005 and 1 January 2006	於二零零五年 十二月三十一日 及二零零六年 一月一日	10,506	34,473	3,522	3,139	51,640
Provided for the year	年內撥備	4,228	15,110	1,200	1,689	22,227
Disposals	出售	–	(1,594)	(75)	(288)	(1,957)
As at 31 December 2006	於二零零六年 十二月三十一日	14,734	47,989	4,647	4,540	71,910
Net book value:	賬面淨值：					
As at 31 December 2006	於二零零六年 十二月三十一日	80,983	150,839	3,680	5,239	240,741
As at 31 December 2005	於二零零五年 十二月三十一日	78,588	135,781	4,129	5,429	223,927

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 物業、廠房及設備(續)

		Company 本公司 Office Equipment 辦公室設備 RMB'000 人民幣千元
Cost:	成本：	
As at 1 January 2005	於二零零五年一月一日	722
Additions	添置	15
As at 31 December 2005 and 1 January 2006 and 31 December 2006	於二零零五年十二月三十一日 及二零零六年一月一日 及二零零六年十二月三十一日	737
Accumulated depreciation:	累計折舊：	
As at 1 January 2005	於二零零五年一月一日	193
Provided for the year	年內撥備	189
As at 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	382
Provided for the year	年內撥備	202
As at 31 December 2006	於二零零六年十二月三十一日	584
Net book value:	賬面淨值：	
As at 31 December 2006	於二零零六年十二月三十一日	153
As at 31 December 2005	於二零零五年十二月三十一日	355

15. LAND USE RIGHTS

The Group's land use rights represent prepaid land lease payments under operating leases and their carrying amounts are analysed as follows:

15. 土地使用權

本集團之土地使用權指按經營租約預付之土地租賃款及其賬面值分析如下：

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Cost:	成本：		
As at 1 January and 31 December	於一月一日及十二月三十一日	14,926	14,926
Accumulated amortisation:	累計折舊：		
As at 1 January	於一月一日	1,415	1,109
Provided for the year	年內撥備	307	306
As at 31 December	於十二月三十一日	1,722	1,415
Net book value:	賬面淨值：		
As at 31 December	於十二月三十一日	13,204	13,511
As at 1 January	於一月一日	13,511	13,817

The land use rights of the Group are situated in Mainland China and are held under medium lease terms.

本集團持有之土地使用權位於中國大陸並按中期租約持有。

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16. CONSTRUCTION IN PROGRESS

16. 在建工程

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
As at 1 January	於一月一日	19,561	40,689
Additions	添置	7,813	36,308
Transferred to property, plant and equipment (note14)	轉往物業、廠房 及設備(附註14)	(26,461)	(57,436)
Transferred to inventories	轉往存貨	(44)	-
As at 31 December	於十二月三十一日	869	19,561

17. INTANGIBLE ASSETS

17. 無形資產

Deferred development costs

遞延開發成本

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Cost:	成本：		
As at 1 January	於一月一日	17,171	15,263
Additions	添置	2,449	1,908
As at 31 December	於十二月三十一日	19,620	17,171
Accumulated amortisation and impairment:	累計攤銷及減值：		
As at 1 January	於一月一日	2,133	1,602
Amortisation provided for the year	年內攤銷	790	531
Impairment losses	減值虧損	1,335	-
As at 31 December	於十二月三十一日	4,258	2,133
Net book value:	賬面淨值：		
As at 31 December	於十二月三十一日	15,362	15,038
As at 1 January	於一月一日	15,038	13,661

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18. INTERESTS IN SUBSIDIARIES

18. 於附屬公司的權益

		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份·按成本	94,635	97,948
Amounts due from subsidiaries	應收附屬公司款項	246,607	190,881
		341,242	288,829

The amounts due from subsidiaries of RMB246,607,000 (2005: RMB190,881,000) are non-interest bearing which, although technically are repayable under the original terms of the transactions giving rise thereto, have been deferred for a longer term and are therefore classified as non-current.

應收附屬公司款項人民幣246,607,000元(二零零五年: 人民幣190,881,000元)為不計利息的結餘。雖然技術上而言, 該等結餘須按有關交易原有條款即時償還, 但已作遞延處理, 並分類為非流動結餘。

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18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows:

18. 於附屬公司的權益 (續)

附屬公司詳情如下：

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued share/ paid-up capital 已發行/ 已繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比	Principal activities 主要業務
Directly held 直接持有				
Dawnrays International Company Limited 東瑞國際有限公司	British Virgin Islands 英屬處女群島	US\$100 100 美元	100%	Investment holding 投資控股
Indirectly held 間接持有				
Suzhou Dawnrays Pharmaceutical Co., Ltd.# 蘇州東瑞製藥有限公司#	Mainland China 中國大陸	US\$28,000,000 28,000,000 美元	100%	Manufacture and sale of pharmaceutical products 製造及銷售 醫藥產品
Shanghai Dawnrays Chemical Co., Ltd.# 上海東瑞化工有限公司#	Mainland China 中國大陸	US\$680,000 680,000 美元	92%	Manufacture and sale of pharmaceutical intermediates 製造及銷售 醫藥中間體
Suzhou Dawnrays Chemical Co., Ltd.# 蘇州東瑞化工有限公司#	Mainland China 中國大陸	US\$6,000,000 6,000,000 美元	100%	Manufacture and sale of pharmaceutical intermediates 製造及銷售 醫藥中間體
Dawnrays Pharma (Hong Kong) Limited 東瑞藥業(香港)有限公司	Hong Kong 香港	HK\$2 港幣 2 元	100%	Sale of pharmaceutical products 銷售醫藥產品

These subsidiaries were registered under the PRC law as foreign-owned enterprises.

該等附屬公司按中國法律註冊為外商投資企業。

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19. INVENTORIES

Raw materials	原材料
– at cost	– 按成本
– provision	– 撥備
Work in progress	在製品
– at cost	– 按成本
– provision	– 撥備
Finished goods	製成品
– at cost	– 按成本
– provision	– 撥備

19. 存貨

	Group 本集團	2005
	2006	二零零五年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	16,868	11,929
	(607)	–
	94,886	128,585
	(3,454)	(1,036)
	26,904	20,591
	–	(233)
	134,597	159,836

20. TRADE AND NOTES RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and notes receivables are non-interest-bearing.

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

20. 應收貿易及票據款項

除新客戶一般需預繳款項外，本集團主要按信貸方式與客戶交易。而主要客戶信貸期一般為期三個月。每位客戶均設有最高信貸限額。本集團嚴謹監察其未償還應收款項，並設有信貸監控部門務求將信貸風險減至最低。高級管理層更會定期檢討逾期欠款。鑒於以上所述及目前本集團的應收貿易款項涉及大量不同客戶，因此並無高度集中的信貸風險。應收貿易及票據款項不計利息。

按發票日期計及扣除撥備後，於結算日的應收貿易及票據款項的賬齡分析如下：

	Group 本集團	2005
	2006	二零零五年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Trade receivables		
Outstanding balances with ages:		
Within 90 days	125,532	136,398
Between 91 and 180 days	11,035	10,224
Between 181 and 270 days	1,863	792
Between 271 and 360 days	145	35
Over one year	334	214
	138,909	147,663
Notes receivables		
Outstanding balances with ages:		
Within 90 days	87,035	58,498
Between 91 and 180 days	62,948	33,344
	149,983	91,842
Total trade and notes receivables	288,892	239,505

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21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

21. 預付款、按金及其他應收款項

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Prepayments	預付款	9,662	15,775	413	252
Deposits and other receivables	按金及其他 應收款項	6,367	5,085	-	173
		16,029	20,860	413	425

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 按公允值記入損益表之財務資產

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Listed equity investments, at market value: Hong Kong	上市股票投資, 按市值: 香港	3,965	867	3,965	867

The above equity investments at 31 December 2006 and 2005 were classified as held for trading.

於二零零五年及二零零六年十二月三十一日，上述股票投資分類為持作買賣投資。

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23. CASH AND CASH EQUIVALENTS

23. 現金及現金等價物

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cash and bank balances	現金及銀行結存	41,446	35,666	2,347	1,479
Short-term deposits	短期存款	2,577	16,282	2,577	16,282
Cash and cash equivalents	現金及現金等價物	44,023	51,948	4,924	17,761

At the balance sheet date, the cash and bank balances and short term deposits of the Group denominated in RMB amounted to RMB38,637,000 (2005: RMB32,556,000). The RMB is not freely convertible into other currencies, however, under Mainland China'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.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The carrying amounts of the cash and cash equivalents approximate to their fair values.

於結算日，本集團以人民幣列值的現金及銀行結存與短期存款總值人民幣38,637,000元（二零零五年：人民幣32,556,000元）。人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸外匯管制法規及管理結算、出售與支付外匯法規，本集團獲准透過特許進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款的利息按照活期存款的利率獲得。短期定期存款期限界乎一日至三個月不等，由本集團的現金需求而定，並以相應的短期定期存款利率獲得利息。現金和現金等價物的賬面值接近其公允值。

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24. TRADE AND NOTES PAYABLES

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

Outstanding balances with ages:	按賬齡劃分的尚欠餘額：
Within 90 days	90日內
Between 91 and 180 days	91至180日
Between 181 and 270 days	181至270日
Between 271 and 360 days	271至360日
Over one year	一年以上

Trade payables are non-interest-bearing and are normally settled on 90-day terms.

24. 應付貿易及票據款項

按發票日期計，於結算日的應付貿易及應付票據款項賬齡分析如下：

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		120,697	108,795
		79,111	94,770
		1,032	291
		98	152
		304	252
		201,242	204,260

應付款項乃不計利息及一般按九十日除賬期繳付。

25. BANK ADVANCES FOR DISCOUNTED BILLS

	Effective interest rate (%) 實際利率 (%)	Maturity 到期日
Bank advances for discounted bills 銀行貼現票據墊款	2.04% to 3.48%	Upon expiry of the bills 票據到期後

25. 銀行貼現票據墊款

		Group 本集團	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
		25,351	17,626

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26. OTHER PAYABLES AND ACCRUALS

26. 其他應付款及應計負債

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Advance from customers	預收賬款	1,418	1,757	-	-
Accrued liabilities	預計負債	3,977	2,852	1,236	915
Taxes other than corporate income tax	除企業所得稅外 的稅項	1,660	5,750	-	-
Payable for purchase of machinery and construction of buildings	新增機器及樓宇建築 的應付款	7,675	20,417	-	-
Other payables	其他應付款	2,755	3,334	26	-
		17,485	34,110	1,262	915

Other payables are non-interest-bearing and have an average settlement term of six months.

其他應付款乃不計利息及平均六個月結算期。

27. DEFERRED TAX

27. 遞延稅項

The movements in deferred tax assets during the years are as follows:

年內遞延稅項資產之變動如下：

Group		本集團		
		Amortisations 攤銷 RMB'000 人民幣千元	Provisions 撥備 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
As at 1 January 2005 and 31 December 2005 and 1 January 2006	於二零零五年一月一日 及二零零五年十二月三十一日 及二零零六年一月一日	-	-	-
Deferred tax credited to the income statement during the year (note 10)	年內於 利潤表中抵免之 遞延稅項(附註10)	57	598	655
Net deferred tax assets As at 31 December 2006	於二零零六年十二月三十一日 之遞延稅項資產淨額	57	598	655

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28. SHARE CAPITAL

Shares

Authorised: 10,000,000,000 (2005: 10,000,000,000) ordinary shares of HK\$0.1 each	法定： 每股面值港幣0.1元的普通股10,000,000,000股 (二零零五年：10,000,000,000股)
Issued and fully paid: 799,140,000 (2005: 800,000,000) ordinary shares of HK\$0.1 each	已發行及繳足： 每股面值港幣0.1元的普通股799,140,000股 (二零零五年：800,000,000股)
Equivalent to RMB'000	等值人民幣千元

During the year, 1,020,000 share options under the Company's share option scheme were exercised. Accordingly, 1,020,000 ordinary shares of HK\$0.1 each were issued as a result of exercise of share options.

The Company repurchased 1,880,000 shares on the Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$1,217,800 before expenses. The repurchase shares were subsequently cancelled. The nominal value of the cancelled shares was transferred to the capital redemption reserve and the premium payable on the repurchase was charged against the share premium account. The repurchases were effected by the directors of the enhancement of the shareholder value in the long term. Details of the shares repurchased are as follows:

28. 股本

股份

	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
	1,000,000	1,000,000
	79,914	80,000
	84,791	84,880

於本年間，1,020,000股根據本公司購股權計劃之購股權已獲行使。因此，1,020,000股每股面值港幣一毫之普通股已因該等購股權獲行使而發行。

本公司在香港聯合交易所購回1,880,000股本公司股份，除費用前總代價為港幣1,217,800元。以上股份於購回後已被註銷。已註銷股份面值的金額已轉撥到資本贖回儲備及於購回股份時支付的溢價已記入股份溢價賬。股份回購是董事為提高股東長遠利益作出。股份購回詳情如下：

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28. SHARE CAPITAL (continued)

Shares (continued)

Month of repurchase 購回之月份		Number of shares repurchased 購回之數量	Price per share 每股價格 HK\$ 港幣	Aggregate consideration paid 總代價 HK\$ 港幣
January 2006	二零零六年一月份	28,000	0.50	14,000
June 2006	二零零六年六月份	1,852,000	0.65	1,203,800
Total	總額	1,880,000		1,217,800

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the year.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 29 to the financial statements.

29. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the Scheme. The Scheme was adopted on 21 June 2003, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares currently permitted to be issued upon the exercise of options under the Scheme is an amount equivalent to 10% of the shares of the Company in issue upon listing. The maximum number of shares issuable under share options to each eligible person in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

28. 股本(續)

股份(續)

		Number of shares repurchased 購回之數量	Price per share 每股價格 HK\$ 港幣	Aggregate consideration paid 總代價 HK\$ 港幣
January 2006	二零零六年一月份	28,000	0.50	14,000
June 2006	二零零六年六月份	1,852,000	0.65	1,203,800
Total	總額	1,880,000		1,217,800

除上文披露者外，於年內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

購股權

有關本公司購股權計劃及根據該計劃發行的購股權詳情載於財務報表附註29。

29. 購股權計劃

本公司採用的購股權計劃(「計劃」)，旨在為對本集團業務成就作出貢獻的合資格參與者提供鼓勵及獎勵。計劃的合資格參與者包括本公司董事、獨立非執行董事、本集團僱員及計劃界定的其他合資格參與者。計劃於二零零三年六月二十一日生效，除非另行註銷或修訂，計劃將於該日起計十年內持續有效。

目前，根據計劃行使購股權而可予發行的最高股份數目為相等於購股權行使後佔本公司於上市時已發行股份的10%。在任何十二個月期間內授予計劃的每位合資格參與者的購股權的可予發行最高股份數目，以本公司於任何時間的已發行股份1%為限。凡進一步授出超逾此限額的購股權，須在股東大會上獲股東批准。

授予本公司董事、總裁或主要股東或彼等任何關聯方購股權須事先取得獨立非執行董事批准。此外，如於任何十二個月期間授予本公司主要股東或獨立非執行董事或彼等任何關聯方的任何購股權超逾本公司於任何時間的已發行股份的0.1%，或有關購股權的總值(根據本公司股份於購股權授出日期的價格計算)超逾5,000,000港元，則須事先在股東大會上取得股東批准。

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29. SHARE OPTION SCHEME (continued)

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$10 by each grantee with no other consideration being payable by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the Board may determine in granting the option and expiring at the close of business on such date as the Board may determine in granting the option but in any event shall not exceed ten years from the date of grant.

The exercise price of share options is determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer, provided that the exercise price shall not be less than the nominal value of the ordinary shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The fair value of equity-settled share options granted was estimated as at the date of grant, using a Black-Scholes-Merton valuation model, taking into account the terms and conditions upon which the options were granted. Such value is inherently subjective and uncertain due to the assumptions made and the limitation of the valuation model used. The following table lists the inputs to the model:

Date of grant	授出日期	17/11/2004	28/12/2004	5/5/2005
Dividend yield (%)	股息率 (%)	6.94	7.53	8.92
Expected volatility (%)	預期波幅 (%)	47	46	47
Historical volatility (%)	過往波幅 (%)	47	46	47
Risk-free interest rate (%)	無風險折現率 (%)	2.76	2.91	2.90
Expected life of option (year)	購股權預計年期 (年)	6	6	4
Weighted average share price (HK\$)	加權平均股份價格 (港幣)	0.74	0.74	0.74

The expected life of the options is based on the historical data over the past four years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

29. 購股權計劃(續)

授予購股權的建議應於建議日期起計二十一日內獲接納，承授人接納購股權時無須支付其他代價，惟須支付十港元的象徵式代價。由董事會在授出購股權之日或其後所釐定的日期起至董事會在授出購股權時釐定的日期的營業時間結束時止，可隨時(無論如何不得超過由授出日期起計十年)根據該計劃的條款行使購股權。

購股權的行使價由董事釐定，惟不得低於以下各項的較高者：(i)本公司股份於授出購股權當日在聯交所所報的收市價；及(ii)本公司股份於緊接授出日期前五個交易日在聯交所所報的平均收市價，惟行使價不得少於本公司普通股的面值。

購股權並無賦予持有人可享有股息或於股東大會上投票的權利。

授予以股本結算的購股權的公允值乃於授予購股權當日以柏力克-舒爾斯估值模式估計，並已考慮授予購股權的條款及條件。鑑於有關假設及所使用的估值模式存在限制，有關價值本身含主觀成分及不確定因素。下表列出該模式的輸入數值：

購股權預計年期乃根據過去四年的歷史資料釐定，未必能顯示行使購股權的方式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他授予購股權的特色列入公允值的計算當中。

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29. SHARE OPTION SCHEME (continued)

At the balance sheet date, the Company had 22,500,000 share options outstanding under the Scheme, which represented approximately 3% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 22,500,000 additional ordinary shares of the Company, additional share capital of HK\$2,250,000 and share premium of HK\$10,973,000 (before share issue expenses).

The following share options were outstanding under the Scheme during the year:

29. 購股權計劃 (續)

於結算日，本公司根據計劃擁有 22,500,000 份購股權尚未行使，相當於當日本公司已發行股份約 3%。根據本公司現時的資本架構，悉數行使餘下購股權將引致本公司發行 22,500,000 股額外普通股、2,250,000 港元的額外股本以及股份溢價 10,973,000 港元（未計股份發行開支）。

以下為該計劃於年內未行使的購股權：

Name or category of participant 參與者名稱或類別	Number of share options 購股權數目						Date of grant of share options(a) (dd/mm/yy) 授出購股權日期(a) (日/月/年)	Exercise period of share options (dd/mm/yy) 購股權行使期間 (日/月/年)	Exercise price of share options(b) HK\$ 購股權行使價(b) 港幣	Price of the Company's shares (c) 本公司股份價格(c)				
	At 1 January 2006 於二零零六年 一月一日	Granted during the year 年內 已授出	Exercised during the year 年內 已行使	Lapsed during the year(d) 年內 已失效(d)	Cancelled during the year 年內 已取消	At 31 December 2006 於二零零六年 十二月三十一日				At immediate date before the grant HK\$ 授出股權 前一天 港幣	Immediately before the exercise date HK\$ 行使購股權 前一天 港幣	At exercise date of options HK\$ 於行使購 股權當日 港幣		
Director														
董事														
Mr. Xu Kehan 許克寒先生	1,500,000	-	-	-	-	1,500,000	17/11/04	17/11/05-16/11/10	0.63	0.62	N/A 不適用	N/A 不適用		
Chief Executive Officer														
總裁														
Mr. Dong Shao Zhi 董紹志先生	2,000,000	-	(400,000)	-	-	1,600,000	17/11/04	17/11/05-16/11/10	0.63	0.62	0.69	0.69		
Other employees														
其他僱員														
In aggregate 總計	1,000,000	-	-	-	-	1,000,000	17/11/04	17/11/05-16/11/10	0.63	0.62	N/A 不適用	N/A 不適用		
	21,660,000	-	(620,000)	(3,040,000)	-	18,000,000	28/12/04	28/12/05-27/12/10	0.58	0.59	0.75	0.72		
	22,660,000	-	(620,000)	(3,040,000)	-	19,000,000								
Other participants														
其他參與者														
	400,000	-	-	-	-	400,000	05/05/05	05/05/06-04/05/09	0.50	0.49	N/A 不適用	N/A 不適用		
	26,560,000	-	(1,020,000)	(3,040,000)	-	22,500,000								

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29. SHARE OPTION SCHEME (continued)

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- (c) The price of the Company's shares disclosed as at the immediate date before the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options. The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercises of options within the disclosure line.
- (d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees.

30. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 36 to 37 of the financial statements.

(i) Contributed surplus

The contributed surplus of the Group represents the difference between the aggregate of the nominal value of the paid-up capital of the subsidiaries acquired pursuant to the Group Reorganisation as set out in note 1, over the nominal value of the Company's shares issued in exchange therefore.

(ii) Statutory surplus reserve ("SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China Subsidiaries, the Mainland China Subsidiaries are each required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until such reserve reaches 50% of the registered capital of the Mainland China Subsidiaries. Part of the SSR may be converted to increase paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

29. 購股權計劃(續)

- (a) 購股權的歸屬期為授出日期至行使期開始為止。
- (b) 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。
- (c) 披露授予購股權前一天的本公司股份價格為緊接授予購股權當日前一個交易日的聯交所收市價。於緊接購股權行使日期前披露的本公司股份價格為股份於緊接披露類別的所有購股權行使日期前的聯交所收市價的加權平均數。
- (d) 基於僱員辭任職務，購股權根據計劃的條款而予以失效。

30. 儲備

(a) 本集團

本集團儲備於本年度及過往年度的金額及變動已載於財務報表第36頁至37頁的合併權益變動表內。

(i) 繳入盈餘

本集團的繳入盈餘指根據附註1所載的集團重組所收購附屬公司的繳足股本總面值與本公司為換取有關股本而發行的本公司股份面值的差額。

(ii) 法定盈餘公積金

根據中國公司法及中國附屬公司的公司章程，中國附屬公司各自須按中國公認會計準則，將其稅後溢利的10%分配至法定盈餘公積金，直至法定盈餘公積金達到中國附屬公司註冊資本的50%。部分法定盈餘公積金可轉為繳足股本以增加股本，惟資本化後的餘額不可低於註冊資本的25%。

(iii) 匯兌波動儲備

匯兌波動儲備乃用作記錄換算外國附屬公司的財務報表所產生的匯兌差額。

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30. RESERVES (continued)

(b) Company

		Share premium account	Contributed surplus	Share option reserve	Capital redemption reserve	Exchange fluctuation reserve	Retained profits	Total
	Notes	RMB'000	RMB'000	RMB'000	RMB'000	匯兌波動儲備	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2005	於二零零五年一月一日	69,583	100,175	4,255	-	747	4,750	179,510
Exchange realignment	匯兌調整	-	-	-	-	(6,488)	-	(6,488)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	3,892	-	154	-	4,046
Cancellation and expiry of employee share options	註銷及已到期的購股權	-	-	(6,531)	-	-	6,531	-
Net profit for the year	本年度淨溢利	-	-	-	-	-	58,153	58,153
Interim 2005 dividend	二零零五年中期股息	12	-	-	-	-	(12,779)	(12,779)
Proposed final 2005 dividend	擬派二零零五年末期股息	12	-	-	-	-	(29,127)	(29,127)
At 31 December 2005	於二零零五年十二月三十一日	69,583	100,175	1,616	-	(5,587)	27,528	193,315
Exchange realignment	匯兌調整	-	-	-	-	(11,416)	-	(11,416)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	405	-	-	-	405
Exercise of share options	行使購股權	29	646	(119)	-	-	-	527
Share repurchased and cancelled	購回及註銷股份	28	(1,069)	-	194	-	(194)	(1,069)
Net profit for the year	本年度淨溢利	-	-	-	-	-	95,304	95,304
Interim 2006 dividend	二零零六年中期股息	12	-	-	-	-	(12,422)	(12,422)
Proposed final 2006 dividend	擬派二零零六年末期股息	12	-	-	-	-	(13,654)	(13,654)
At 31 December 2006	於二零零六年十二月三十一日	69,160	100,175	1,902	194	(17,003)	96,562	250,990

30. 儲備(續)

(b) 本公司

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30. RESERVES (continued)

(b) Company (continued)

The contributed surplus of the Company represents the excess of the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation referred to note 30(a), over the nominal value of the Company's shares issued in exchange thereof.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the issued capital account and the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank advances for discounted bills and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Cash flow interest rate risk

The interest rates of the bank advances for discounted bills of the Group are disclosed in note 25.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and short term deposits, other receivables and financial assets at fair value through profit or loss, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

30. 儲備(續)

(b) 本公司(續)

本公司的繳入盈餘如附註30(a)所述指根據集團重組所收購附屬公司當時的合併資產淨值超過本公司為換取有關資產而發行的本公司股份面值的部份。

購股權儲備包括已授出但尚未行使購股權的公允價值，其進一步資料載於財務報表附註2.4以股份支付的交易的會計政策內。當有關購股權獲行使時，其數額將轉至已發行股本賬及股份溢價賬，或當有關購股權到期或被沒收時，其數額將轉至留存溢利。

31. 金融風險管理目標及對策

本集團的金融工具以銀行貼現票據墊款以及現金及短期存款為主。持有該等金融工具之目的主要為本集團的經營籌措資金。此外，本集團擁有應收貿易款項及應付貿易款項等其他各種財務資產及負債，此乃由其經營直接產生。

本集團金融工具所涉及的主要風險為現金流量利率風險、信貸風險及流動資金風險。以下為董事會檢討並同意管理上述每項風險的政策之概要。

現金流量利率風險

本集團銀行貼現票據墊款的利率於附註25披露。

信貸風險

本集團僅與該等信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。

此外，本集團會持續監察應收結餘的情況，而本集團的壞賬風險並不重大。

就有關本集團其他財務資產的信貸風險，其中包括現金及短期存款、其他應收款項及按公允價值計入利潤表的財務資產，本集團因對方違約所產生的信貸風險，上限相等於該等工具的賬面值。

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故不需要任何抵押。

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group maintains a balance between continuity of funding and flexibility through the use of bank advances for discounted bills.

32. COMMITMENTS

(a) Operating lease commitments

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to six years.

At 31 December 2006, the Group and the Company had total future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

31. 金融風險管理目標及對策 (續)

流動資金風險

本集團透過利用銀行貼現票據墊款，在資金延續性與靈活性之間維持平衡。

32. 承擔

(a) 營業租賃承擔

本集團根據經營租賃安排承租若干辦公物業。物業租賃的商定期限介乎一至六年之間。

截至二零零六年十二月三十一日，本集團及本公司根據不可撤銷經營租約於日後未來應付最低租賃款項總額如下：

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Within one year	一年內	1,783	1,094	1,076	469
After one year but no more than five years	一年後至不多於五年	3,571	1,555	2,106	-
More than five years	五年以上	324	647	-	-
		5,678	3,296	3,182	469

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32. COMMITMENTS (continued)

(b) Capital commitments

		Group 本集團		Company 本公司	
		2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約，但未作撥備：				
Information system software	訊息系統軟件	252	472	-	-
Land use rights	土地使用權	4,368	4,368	-	-
Buildings	樓宇	450	7,425	-	-
Plant and machinery	廠房及機器	1,378	1,553	-	-
		6,448	13,818	-	-
Authorised, but not contracted for:	已授權，但未訂約：				
Plant and machinery	廠房及機器	37,417	23,941	-	-
		43,865	37,759	-	-

32. 承擔(續)

(b) 資本承擔

33. RELATED PARTY TRANSACTION

Compensation of key management personnel of the Group:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Short-term employee benefits	其他短期僱員福利	5,031	5,621
Post-employment benefits	退休後福利	77	91
Share-based payments	以股份為基礎的支付方式	134	750
Total compensation paid to key management personnel	主要管理人員酬金總額	5,242	6,462

Further details of the directors' emoluments are included in note 7 to the financial statements.

33. 關連方交易

本集團主要管理人員酬金：

董事酬金詳情載於財務報表附註 7。

Notes to the Financial Statements

財務報表附註

31 December 2006 二零零六年十二月三十一日

34. POST BALANCE SHEET EVENTS

On 22 March 2007, the Company declared a final dividend for the year ended 31 December 2006 of HK\$0.017 per share, which amounted to a total sum of HK\$13,585,000 (equivalent to approximately RMB13,654,000).

During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law ("the New Corporate Income Tax Law") was approved and will become effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. Since the detailed implementation and administrative rules and regulations have not yet been announced, the financial impact of the New Corporate Income Tax Law to the Group cannot be reasonably estimated at this stage.

35. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 March 2007.

34. 結算日後事項

本公司於二零零七年三月二十二日宣派截至二零零六年十二月三十一日止年度的末期股息為每股港幣0.017元，合共港幣13,585,000元（相當於人民幣約13,654,000元）。

於二零零七年三月十六日閉幕的第十屆全國人民代表大會第五次會議通過了《中華人民共和國企業所得稅法》（「新企業所得稅法」），並將於二零零八年一月一日起施行。新企業所得稅法引入了包括將內、外資企業所得稅稅率統一為25%等的一系列變化。由於具體的實施細則和管理辦法尚未公佈，目前尚不能就新企業所得稅法實施將對本集團帶來的未來財務影響做出合理評估。

35. 比較數字

若干比較數額已予重新分類，以與本年度的呈列方式一致。

36. 財務報表的批准

財務報表已於二零零七年三月二十二日獲董事會批准及授權發行。