

## **Directors' Report** **董事會報告**

The directors ("the Directors") of EcoGreen Fine Chemicals Group Limited ("the Company") are pleased to present their annual report together with the audited financial statements of the Company and of its subsidiaries (collectively "the Group") for the year ended 31 December 2006.

### Principal activities and geographical analysis of operations

The Company is an investment holding company. The principal activities of the Group are the research and development, production and sale of fine chemicals products from natural resources for use in aroma chemicals and pharmaceutical products and trading of fine chemicals products and natural materials.

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 5 to the financial statements.

### Subsidiaries

Particulars of the Company's subsidiaries as at 31 December 2006 are set out in Note 10 to the financial statements.

### Results and dividends

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 48.

An interim dividend of HK0.8 cents per share, amounting to a total of about HK\$3,688,000 (equivalent of approximately RMB3,733,000), was paid to shareholders of the Company ("the Shareholders") on 24 November 2006.

The Directors recommend the payment of a final dividend of HK 2.3 cents per share to the Shareholders whose names appear on the register of members on 21 May 2007. Together with the interim dividend, this will bring the total dividend distribution for the year to HK3.1 cents (2005: HK2 cents) per share, resulting in an aggregate dividend of about HK\$14.3 million (equivalent of approximately RMB14.2 million) for the year ended 31 December 2006.

### Reserves

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 49. Details of movements in other reserves of the Group and of the Company during the year are set out in Note 17 to the financial statements.

中怡精細化工集團有限公司（「本公司」）董事（「董事」）欣然呈報其全年報告連同本公司及其附屬公司（統稱「本集團」）截至二零零六年十二月三十一日止年度之經審核財務報表。

### 主要業務及業務地區分析

本公司為投資控股公司。本集團之主要業務包括利用天然資源研發、生產及銷售精細化學品，用於芳香化學品及藥品，以及買賣精細化工產品及天然物料。

本集團於本年度按業務及地區分部劃分之表現分析載於財務報表附註5。

### 附屬公司

本公司附屬公司於二零零六年十二月三十一日之詳情載於財務報表附註10。

### 業績及股息

本集團截至二零零六年十二月三十一日止年度業績載於第48頁之綜合損益帳。

本公司已於二零零六年十一月二十四日向本公司股東（「股東」）派付中期股息每股0.8港仙，合共約3,688,000港元（約相等於3,733,000元人民幣）。

董事建議派發末期股息每股2.3港仙予於二零零七年五月二十一日名列股東名冊之股東，連同中期股息款額，本年度股息分派總額為每股3.1港仙（二零零五年：2港仙），導致截至二零零六年十二月三十一日止年度之股息合共約為14,300,000港元（約相等於14,200,000元人民幣）。

### 儲備

本集團儲備於年內之變動詳情載於第49頁之綜合權益變動表。本集團及本公司其他儲備於年內之變動詳情載於綜合財務報表附註17。

## Directors' Report 董事會報告

### Property, plant and equipment

Movements in property, plant and equipment of the Group during the year are set out in Note 6 to the financial statements.

### Share capital

Details of movements in share capital of the Company during the year are set out in Note 16 to the financial statements.

### Distributable reserves

Distributable reserves including retained earnings of the Company at 31 December 2006 amounted to RMB291,624,000 (2005: RMB287,359,000).

### Purchase, sale or redemption of the Company's listed securities

During the year ended 31 December 2006, the Company had not redeemed and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

### Pre-emptive rights

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

### Financial summary

A summary of the results and of the financial positions of the Group for the past five financial years is set out on page 110.

### Directors

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

#### Executive Directors

Mr. Yang Yirong (*Chairman & President*)  
Mr. Gong Xionghui  
Ms. Lu Jiahua  
Mr. Lin Like  
Mr. Han Huan Guang

#### Non-executive Directors

Mr. Feng Tao

#### Independent Non-executive Directors

Mr. Yau Fook Chuen  
Mr. Wong Yik Chung, John  
Dr. Zheng Lansun

### 物業、機器及設備

本集團物業、機器及設備於年內之變動詳情載於財務報表附註6。

### 股本

本公司股本於年內之變動詳情載於財務報表附註16。

### 可供分派儲備

本公司於二零零六年十二月三十一日包括保留盈利之可供分派儲備為291,624,000元人民幣(二零零五年: 287,359,000元人民幣)。

### 購買、出售或贖回本公司上市證券

截至二零零六年十二月三十一日止年度,本公司並無贖回,而本公司或其任何附屬公司概無購買或出售本公司任何上市證券。

### 優先購買權

本公司之組織章程細則並無有關優先購買權之規定,而根據開曼群島法例,該等權利並無限制,本公司毋須按比例向現有股東提呈發售新股份。

### 財務概要

本集團過去五個財政年度之業績及財務狀況概要載於第110頁。

### 董事

於本年度及直至本報告日期之本公司董事如下:

#### 執行董事

楊毅融先生(主席兼總裁)  
龔雄輝先生  
盧家華女士  
林力克先生  
韓歡光先生

#### 非執行董事

馮濤先生

#### 獨立非執行董事

丘福全先生  
黃翼忠先生  
鄭蘭蓀博士

## Directors' Report 董事會報告

### Directors (continued)

In accordance with article 108(A) of the Company's articles of association, Mr. Yang Yirong, Mr. Gong Xionghui, Ms. Lu Jiahua and Dr. Zheng Lansun will retire from office by rotation and, being eligible, offers themselves for re-election at the forthcoming annual general meeting.

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The non-executive Directors and independent non-executive Directors were appointed for an initial term of not more than one year and will be renewable automatically for successive term of one year until terminated by not less than three months' notice in writing served by either party on the other.

### Directors' interests in contracts

Details of the related party transactions are set out in Note 33 to the financial statements.

Save for the above, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at year-end or at any time during the year.

### Biographical details of Directors and senior management

Biographical details of Directors and senior management are set out on pages 27 to 31.

### Directors' Emoluments

Details of Directors' emoluments disclosed pursuant to Section 161 of the Companies Ordinance and Appendix 16 of the Listing Rules are set out in Note 24(b) to the financial statements.

### Arrangements to purchase shares or debentures

At no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors or chief executives of the Company or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate with the exception of the Company's share option scheme, details of which are set out in the following section under the heading "Share options".

### 董事 (續)

根據本公司之組織章程細則第108(A)條，楊毅融先生、龔雄輝先生、盧家華女士及鄭蘭蓀博士將於應屆股東週年大會輪值退任，惟符合資格並願意膺選連任。

概無擬於應屆股東週年大會重選連任之董事訂有本集團不可於一年內不作賠償（法定賠償除外）予以終止之服務合約。

非執行董事及獨立非執行董事之任期初步不多於一年，並將自動續任一年，直至任何一方對對方發出不少於三個月之書面通知終止任期為止。

### 董事之合約權益

有關連人士交易詳情載於財務報表附註33。

除上述者外，本公司或其任何附屬公司概無訂有與本集團業務有關，且於年末或年內任何時間仍然生效及本公司董事直接或間接擁有重大權益之重大合約。

### 董事及高級管理人員履歷

董事及高級管理人員之履歷載於第27至31頁。

### 董事袍金

根據公司條例第161條及上市規則附錄16披露有關董事袍金詳情載於財務報表附註24(b)。

### 購買股份或債券之安排

於年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等之配偶或未滿十八歲子女可藉收購本公司或任何其他法人團體之股份或債券而獲利，惟透過本公司購股權計劃所購買者則除外，有關詳情載於下文「購股權」一節。

### Directors' and chief executives' interests and/or short positions in shares, underlying shares and debentures

At 31 December 2006, the interests and short positions of the Directors, chief executives and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were recorded in the register maintained by the Company under Section 352 of the SFO; or which were notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

#### (a) Long positions in ordinary shares of HK\$0.10 each of the Company

### 董事及行政總裁於股份、相關股份及債券之權益及／或淡倉

於二零零六年十二月三十一日，董事、行政總裁及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份或債券中擁有，並登記於本公司根據證券及期貨條例第352條存置之登記冊；或根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所（包括根據證券及期貨條例有關條文，彼等被當作或視作擁有之權益或淡倉）或根據上市規則上市公司董事進行證券交易的標準守則已知會本公司及聯交所之權益及淡倉如下：

#### (a) 於本公司每股面值0.10港元普通股之好倉

Name of Director 董事姓名	Number of shares held 所持股數					Total 總計	% of the issued share capital of the Company 佔本公司已發行股本百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益			
Mr. Yang Yirong 楊毅融先生	–	–	193,263,158 (Note a) (附註 a)	–	193,263,158	41.92%	
Mr. Gong Xionghui 龔雄輝先生	–	–	11,368,421 (Note b) (附註 b)	–	11,368,421	2.47%	
Ms. Lu Jiahua 盧家華女士	–	–	8,526,316 (Note c) (附註 c)	–	8,526,316	1.85%	

Notes:

- (a) These shares were beneficially owned by Marietta Limited, a private company beneficially wholly-owned by Mr. Yang Yirong.
- (b) These shares were beneficially owned by Dragon Kingdom Investment Limited, a private company beneficially wholly-owned by Mr. Gong Xionghui.
- (c) These shares were beneficially owned by Sunwill Investments Limited, a private company beneficially wholly-owned by Ms. Lu Jiahua.

附註：

- (a) 該等股份以楊毅融先生實益全資擁有之私人公司Marietta Limited實益擁有。
- (b) 該等股份以龔雄輝先生實益全資擁有之私人公司Dragon Kingdom Investment Limited實益擁有。
- (c) 該等股份以盧家華女士實益全資擁有之私人公司Sunwill Investments Limited實益擁有。



## Directors' Report

### 董事會報告

### Directors' and chief executives' interests or short positions in shares, underlying shares and debentures (continued)

#### (b) Interest in share options of the Company

Share options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Company were granted to Directors, chief executives, employees and certain participants pursuant to the approved Company's share option scheme. Information in relation to these share options during the year ended 31 December 2006 are set out in the following section under the heading "Share options".

#### (c) Interest in registered share capital of a Company's subsidiary

At 31 December 2006, Ms. Lu Jiahua held 5% equity interests in the registered share capital of Xiamen Doingcom Enterprise Limited, the Group's subsidiary of which 95% of its registered share capital are held by the Company indirectly.

Other than the interest disclosed above, a Director also hold nominee shares in certain subsidiaries held in trust for the Group solely for the purpose of ensuring that the relevant subsidiary has more than one member.

Other than as disclosed above, neither the Directors nor any chief executives, nor any of their associates, had any interests or short positions in the shares, underlying shares, or debentures of the Company or its associated corporation as at 31 December 2006.

### Share options

The following is a summary of the Company's share option scheme ("the Scheme"), which was approved and adopted pursuant to a written resolution of the shareholders of the Company passed on 16 February 2004, disclosed in accordance with the Listing Rules:

#### 1. Purpose of the Scheme

The Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group.

#### 2. Participants of the Scheme

All directors, employees, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders and advisers or consultants of the Group are eligible to participate in the Scheme.

### 董事及行政總裁於股份、相關股份及債券之權益或淡倉 (續)

#### (b) 於本公司購股權之權益

董事、行政總裁、僱員及根據已獲批准之本公司購股權計劃之若干參與人士，授予屬於非上市實物交收股本衍生工具以認購本公司普通股之購股權。有關截至二零零六年十二月三十一日止年度內該等購股權之詳情，載於下文「購股權」一節。

#### (c) 於本公司一家附屬公司註冊股本之權益

於二零零六年十二月三十一日，盧家華女士持有本集團附屬公司（本公司擁有95%註冊股本之附屬公司）廈門中坤貿易有限公司註冊股本之5%股權。

除上文披露之權益外，董事亦以信託方式為本集團持有若干附屬公司之代名人股份，僅為確保有關附屬公司擁有超過一名股東。

除上文披露者外，於二零零六年十二月三十一日，概無董事或任何行政總裁或彼等任何聯繫人士，於本公司或其相聯法團之股份、相關股份或債券中，擁有任何權益或淡倉。

### 購股權

以下為根據上市規則披露本公司股東於二零零四年二月十六日通過書面決議案批准及採納之本公司購股權計劃（「計劃」）之概要：

#### 1. 計劃之目的

計劃之目的是使本集團可向指定參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。

#### 2. 計劃參與者

本集團所有董事、僱員、貨品或服務供應商、客戶與向本集團提供研究、開發或其他技術支援之人士或公司、股東及諮詢人或顧問均合資格參與計劃。

### Share options (continued)

#### 3. Total number of shares available for issue under the Scheme

The total number of shares of the Company ("the Shares") which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue on 21 July 2004, the date of approval of the refreshment of the General Scheme Limit (as defined below) by the shareholders of the Company ("the Shareholders").

The Company may renew the 10% limit with Shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the Shareholder's approval ("the General Scheme Limit").

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 30% of the Shares in issue from time to time.

As at 31 December 2006, options to subscribe for a total of 43,100,000 Shares were still outstanding under the Scheme which represents approximately 9.3% of the Shares in issue.

#### 4. Maximum entitlement of each participant

Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon the exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the issued share capital.

#### 5. The period within which the shares must be taken up under an option

An option must be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of option is made, but shall end in any event not later than 10 years from the date on which the offer for the grant of the option is made, subject to the provisions for early termination thereof.

### 購股權 (續)

#### 3. 根據計劃可發行之股份總數

根據計劃及本公司採納之任何其他購股權計劃授出之購股權獲行使而將予配發及發行之本公司股份(「股份」)總數,合共不得超過於二零零四年七月二十一日本公司股東(「股東」)批准更新一般計劃限額(見以下註釋)當天已發行股份之10%。

在獲得股東批准後,本公司可更新此10%之限額,而每一次更新,均不得超過股東批准該日已發行股份之10%(「一般計劃限額」)。

根據購股權計劃及本公司採納之任何其他購股權計劃已授出但尚未行使之購股權獲行使而可予發行之股份數目,合共最多不得超過不時已發行股份之30%。

於二零零六年十二月三十一日,根據計劃仍未行使的購股權可認購股份合共43,100,000股,佔已發行股份約9.3%。

#### 4. 各參與者之最高配額

除非獲本公司股東批准,否則於任何十二個月期間內,就根據計劃或本公司採納之任何其他購股權計劃而授予每名參與者之購股權(包括已行使及尚未行使者)獲行使而發行及將予發行之股份總數,不得超過已發行股本之1%。

#### 5. 根據購股權認購股份之期限

購股權須於董事釐定並知會各承授人之期間隨時根據計劃條款行使,而除根據計劃規定提早終止外,該期間可自建議授出購股權當日起計,惟無論如何不得遲於建議授出購股權當日起計滿10年之日屆滿。



### Share options (continued)

#### 6. The minimum period for which an option must be held before it can be exercised

Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Scheme for the holding of an option before it can be exercised.

#### 7. The period within which payments or calls must or may be made or loans for such purposes must be repaid and the amount payable on application or acceptance of the option

An option may be accepted by a participant within 21 days from the date of the offer for the grant of the option and the amount payable on acceptance of the grant of an option is HK\$1.

#### 8. The basis of determining the exercise price

The exercise price is determined by the Directors and being not less than the highest of:

- a. the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange for trade in one or more board lots of the Company's shares on the date of the offer for the grant;
- b. the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of the offer for the grant; and
- c. the nominal value of the Company's shares.

#### 9. The remaining life of the Scheme

The Scheme will end on 15 February 2014, after which no option can be granted under the Scheme. However, options that remain outstanding as at 15 February 2014 can be exercised until their respective expiry dates.

### 購股權 (續)

#### 6. 購股權可行使前須持有之最短期限

除非董事另行決定並於向承授人授出購股權之建議中表明，否則並無有關購股權可行使前必須根據計劃持有之最短期限。

#### 7. 必須或可以付款或催繳或須就此等目的償還貸款之期限及於申請或接納購股權時應付款項

參與者可由建議授出購股權當日起計21日內接納購股權，而於接納授予購股權時須支付之金額為1港元。

#### 8. 釐定行使價之基準

行使價由董事釐定，惟不得低於下列最高者：

- a. 以一手或以上單位進行買賣之本公司股份於建議授出購股權當日在聯交所每日報價表所列收市價；
- b. 本公司股份於緊接建議授出購股權當日前五個營業日在聯交所每日報價表所列平均收市價；及
- c. 本公司股份之面值。

#### 9. 計劃剩餘年期

計劃將於二零一四年二月十五日屆滿，此後不得根據計劃授出購股權。然而，於二零一四年二月十五日仍未行使之購股權可予行使，直至其各自屆滿日期為止。


**Directors' Report**  
**董事會報告**
**Share options** (continued)

The following table discloses details of share options outstanding as at 31 December 2006 under the Scheme and the movements during the year.

**購股權** (續)

下表載述於二零零六年十二月三十一日根據計劃尚未行使之購股權詳情及其於年內之變動。

Type of Grantee	承授人類別	Granted date 授出日期	Exercise price 行使價 HK\$ 港元	Exercisable period 行使期	Balance as at 1 January 2006	Granted during the year	Exercised during the year	Cancelled during the year	Balance as at 31 December 2006
					於二零零六年一月一日結餘 (‘000)	年內授出 (‘000)	年內行使 (‘000)	年內註銷 (‘000)	於二零零六年十二月三十一日結餘 (‘000)
<b>Category 1 – Directors</b>	<b>類別1 – 董事</b>								
Mr. Yang Yirong	楊毅融先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	–	400	–	–	400
Mr. Gong Xionghui	龔雄輝先生	8.6.2004	1.37	8.6.2004 – 7.6.2014	4,000	–	–	–	4,000
Ms. Lu Jiahua	盧家華女士	8.6.2004	1.37	8.6.2004 – 7.6.2014	3,500	–	–	–	3,500
Mr. Lin Like	林力克先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	–	3,000	–	–	3,000
Mr. Han Huan Guang	韓歡光先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	–	3,000	–	–	3,000
Mr. Fung Tao	馮濤先生	25.5.2006	1.39	25.5.2006 – 24.5.2011	–	3,000	–	–	3,000
Mr. Yau Fook Chuen	丘福全先生	8.6.2004	1.37	8.6.2004 – 7.6.2014	400	–	–	–	400
		25.5.2006	1.39	25.5.2006 – 24.5.2011	–	400	–	–	400
Mr. Wong Yik Chung, John	黃翼忠先生	8.6.2004	1.37	8.6.2004 – 7.6.2014	400	–	–	–	400
		25.5.2006	1.39	25.5.2006 – 24.5.2011	–	400	–	–	400
Dr. Zheng Lansun	鄭蘭蓀博士	8.6.2004	1.37	8.6.2004 – 7.6.2014	400	–	–	–	400
		25.5.2006	1.39	25.5.2006 – 24.5.2011	–	400	–	–	400
Sub-total	小計				8,700	10,600	–	–	19,300
<b>Category 2 – Employees under continuous employment contract</b>	<b>類別2 – 持續僱傭合約僱員</b>								
		8.6.2004	1.37	8.6.2004 – 7.6.2014	13,000	–	–	–	15,000
		25.5.2006	1.39	25.5.2006 – 24.5.2011	–	6,800	–	–	6,800
Sub-total	小計				13,000	6,800	–	–	19,800
<b>Category 3 – Other participants</b>	<b>類別3 – 其他參與人士</b>								
		8.6.2004	1.37	8.6.2004 – 7.6.2014	14,375	–	–	(14,375)	–
		25.5.2006	1.39	25.5.2006 – 24.5.2011	–	4,000	–	–	4,000
Sub-total	小計				14,375	4,000	–	(14,375)	4,000
<b>Total</b>	<b>總計</b>				<b>36,075</b>	<b>21,400</b>	<b>–</b>	<b>(14,375)</b>	<b>43,100</b>





## Directors' Report

### 董事會報告

### Share options (continued)

#### Notes:

- (a) The value of the options granted during the year ended 31 December 2006 was RMB5,445,000, based on the Black-Scholes valuation model. The significant inputs into the model were share price of HK\$1.26 at the grant date, exercise price of HK\$1.39, standard deviation of expected share price returns of 36.5%, expected life of options of 1 to 4 years, expected dividend paid out rate of 1.59% and annual risk-free interest rate of 4.24% to 4.52%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last two years. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.
- (b) At the date the options were granted, 25 May 2006, the share price was HK\$1.26. The value of the options granted to the respective parties is as follows:

Mr. Yang Yirong	楊毅融先生
Mr. Lin Like	林力克先生
Mr. Han Huan Guang	韓歡光先生
Mr. Feng Tao	馮濤先生
Mr. Yau Fook Chuen	丘福全先生
Mr. Wong Yik Chung, John	黃翼忠先生
Dr. Zheng Lansun	鄭蘭蓀博士
Employees under continuous employment contract	持續僱傭合約僱員
Other participants	其他參與人仕

### 購股權 (續)

#### 附註:

- (a) 截至二零零六年十二月三十一日止年度並無授出購股權。根據柏力克-舒爾斯估值模式計算，截至二零零四年十二月三十一日止年度授出之購股權價值為5,445,000元人民幣。此模式之主要輸入項目為授出日期之股價1.26港元、行使價1.39港元、預計股價回報之標準偏差36.5%、預計購股權年期1至4年、預計股息派付率1.59%及無風險年息4.24至4.52厘。按預計股價回報之標準偏差計算之波幅以過去兩年度內每日股價之數據分析為基礎。基於所作假設及所用模式之限制，計算所得公平值帶有主觀及不確定因素。購股權價值因應若干主觀假設之不同變數有變。所採納變數之任何變動或會對購股權公平值估數造成重大影響。
- (b) 在授出購股權當天，即二零零六年五月二十五日，每股之股價為1.26港元。各有關人士獲授購股權之價值如下：

RMB'000  
千元人民幣

	107
	800
	800
	800
	107
	107
	107
	1,648
	969
	5,445


**Directors' Report**  
**董事會報告**

### Interest and/or short positions of shareholders discloseable under SFO

As at 31 December 2006, the interests and short positions of the persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company, which were notified to the Company pursuant to Division 2 and 3 of Part XV of the SFO; or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

#### Long positions in ordinary shares of HK\$0.10 each of the Company

Name 名稱	Type of interest held 所持權益類別	Number of shares held 所持股數	% of the issued share capital 佔已 發行股本 百分比
Marietta Limited	Beneficial owner (Note a) 實益擁有人 (附註a)	193,263,158	41.92%
UBS AG	Person having a security interest in shares 持有股份抵押權益之人士	55,186,000	11.97%
Neon Liberty Capital Management, LLC	Investment manager 投資經理	51,316,000	11.13%
Value Partners Limited	Investment manager 投資經理	36,878,000	7.99%
Cheah Cheng Hye 謝清海	Interest of a controlled corporation (Note b) 受控法團權益 (附註b)	36,692,000	7.95%
Neon Liberty Emerging Markets Fund, Ltd.	Beneficial owner 實益擁有人	27,510,000	5.97%

Notes:

- (a) These shares are registered in the name of and beneficially owned by Marietta Limited, the entire issued share capital of which is registered in the name of and beneficially owned by Mr. Yang Yirong.
- (b) These shares are registered in the name of and beneficially owned by Value Partners Limited, approximately 35.65% of the issued share capital of which is registered in the name of and beneficially owned by Mr. Cheah Cheng Hye.

Other than as disclosed above, the Company has not been notified by any persons, other than the Directors and chief executives of the Company, who had interest or short positions in the shares or underlying shares of the Company as at 31 December 2006.

#### Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

### 根據證券及期貨條例須予披露之股東權益及／或淡倉

於二零零六年十二月三十一日，除董事及本公司行政總裁以外之人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部已知會本公司；或本公司根據證券及期貨條例第336條規定存置之登記冊所記錄之權益及淡倉如下：

#### 於本公司每股面值0.10港元普通股之好倉

Name 名稱	Type of interest held 所持權益類別	Number of shares held 所持股數	% of the issued share capital 佔已 發行股本 百分比
Marietta Limited	Beneficial owner (Note a) 實益擁有人 (附註a)	193,263,158	41.92%
UBS AG	Person having a security interest in shares 持有股份抵押權益之人士	55,186,000	11.97%
Neon Liberty Capital Management, LLC	Investment manager 投資經理	51,316,000	11.13%
Value Partners Limited	Investment manager 投資經理	36,878,000	7.99%
Cheah Cheng Hye 謝清海	Interest of a controlled corporation (Note b) 受控法團權益 (附註b)	36,692,000	7.95%
Neon Liberty Emerging Markets Fund, Ltd.	Beneficial owner 實益擁有人	27,510,000	5.97%

附註：

- (a) 該等股份以Marietta Limited之名義登記，並由該公司實益擁有，而Marietta Limited全部已發行股本則以楊毅融先生之名義登記，並由彼實益擁有。
- (b) 該等股份以Value Partners Limited之名義登記，並由該公司實益擁有，Value Partners Limited約35.65%已發行股本以謝清海先生之名義登記，並由彼實益擁有。

除上文披露者外，本公司並無獲知會，於二零零六年十二月三十一日，除董事及本公司行政總裁以外，有任何人士於本公司之股份或相關股份中擁有權益或淡倉。

#### 管理合約

年內，本公司並無訂立或訂有任何涉及本集團全部或任何重大部分業務之管理及行政合約。



## Directors' Report

### 董事會報告

#### Major customers and suppliers

The aggregate sales attributable to the Group's largest and the five largest customers were 12% and 31% respectively. The aggregate purchases attributable to the Group's largest and the five largest suppliers were 18% and 37% respectively.

None of the Directors, their associates or any shareholder of the Company, which to the knowledge of the Directors, owned more than 5% of the Company's issued share capital, had any interest in the share capital of the Group's five largest customers and five largest suppliers noted above.

#### Connected transactions

Significant related party transactions entered into by the Group during the year ended 31 December 2006, which do not constitute connected transactions subject to reporting, announcement and independent shareholders' approval requirements under the Listing Rules, are set out in Note 33 to the financial statements.

In the opinion of the Directors, save for disclosed above, the Group did not enter into any connected transactions defined under the Listing Rules during the year ended 31 December 2006.

#### Corporate governance

In the opinion of the Directors, the Company has complied with most of the Code on Corporate Governance Practices ("the CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2006, save for the deviations from code provision A.2.1, A.4.2 and E.2.1 of the CG Code. Information on the deviations and further information on the Company's corporate governance practices is set out in the "Corporate Governance Report" as set out on pages 19 to 26.

#### Sufficiency of public float

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at the date of the annual report.

#### Auditors

The accompanying financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Directors  
**YANG YIRONG**  
 Chairman & President

Hong Kong, 18 April 2007

#### 主要客戶及供應商

本集團之最大客戶及五大客戶應佔銷量總額分別為12%及31%。本集團之最大供應商及五大供應商應佔採購總額分別為18%及37%。

董事、彼等之聯繫人士或據董事所知擁有本公司已發行股本5%以上之本公司任何股東，概無擁有上述本集團五大客戶及五大供應商股本中任何權益。

#### 關連交易

本集團於截至二零零六年十二月三十一日止年度內訂立，而根據上市規則之申報、公佈及獨立股東批准之規定不會構成關連交易之重大關連人士交易載於財務報表附註33。

董事認為，除上文披露者外，本集團於截至二零零六年十二月三十一日止年度內並無訂立任何上市規則所界定之關連交易。

#### 企業管治

董事認為，除若干偏離企業管治常規守則條文第A.2.1、第A.4.2及第E.2.1條外，本公司於截至二零零六年十二月三十一日止年度一直遵守上市規則附錄14所載大部分企業管治常規守則（「企業管治常規守則」）。有關該等偏離及本公司企業管治常規守則之進一步資料載於第19至26頁「企業管治報告」。

#### 充足公眾持股量

根據董事以公開方式獲提供之資料及彼等所深知，本公司確認，於年報日期本公司已發行股份擁有25%以上之充足公眾持股量。

#### 核數師

本財務報表已由羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願意應聘連任。

代表董事  
 主席兼總裁  
**楊毅融**

香港，二零零七年四月十八日