

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December, 2005 二零零五年十二月三十一日

		Note 附註	2005 US\$'000 千美元	Restated 經重列 2004 US\$'000 千美元
ASSETS	資產			
Non-current assets	非流動資產			
Land use rights	土地使用權	5	5,583	225
Property, plant and equipment	物業、廠房及設備	6	216,187	213,849
Intangible assets	無形資產	7	19,241	6,859
Held-to-maturity investments	持有至到期之投資	10	3,361	–
			244,372	220,933
Current assets	流動資產			
Trade receivables	應收貿易賬款	11	35,829	31,104
Inventories	存貨	12	51,993	45,248
Prepayments and other receivables	預付款項及其他應收款項		6,287	6,792
Tax recoverable	可收回稅項		1,272	–
Bank balances and cash	銀行結餘及現金	13	27,987	33,192
Due from a minority shareholder	應收一位少數股東款項		3,600	–
			126,968	116,336
Total assets	資產總值		371,340	337,269
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司股權持有人應佔資本及儲備			
Share capital	股本	14	15,228	15,228
Reserves	儲備			
– Proposed final dividend	– 建議末期股息	15, 24	1,708	6,895
– Others	– 其他	15	216,119	212,398
			233,055	234,521
Minority interest	少數股東權益		3,600	–
Total equity	權益總額		236,655	234,521

Consolidated Balance Sheet (continued)

綜合資產負債表 (續)

As at 31 December, 2005 二零零五年十二月三十一日

		Note	2005 US\$'000 千美元	Restated 經重列 2004 US\$'000 千美元
		附註		
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Long-term bank borrowings	長期銀行貸款	17	29,706	25,743
Deferred taxation	遞延稅項	18	12,026	12,059
Long-term payable to a related party	應付有關連人士之 長期款項	33(c)	12,560	–
			54,292	37,802
Current liabilities	流動負債			
Trade payables	應付貿易賬款	16	18,520	10,251
Accruals and other payables	應計費用及其他應付款項		11,578	12,978
Due to related parties	應付有關連人士款項	33(c)	274	193
Short-term bank borrowings	短期銀行貸款			
– Secured	– 有抵押	17	500	9,374
– Unsecured	– 無抵押	17	41,101	23,523
Current portion of long-term bank borrowings	長期銀行借款的即期 部份	17	8,346	8,235
Taxation payable	應付稅項		74	392
			80,393	64,946
Total liabilities	負債總額		134,685	102,748
Total equity and liabilities	權益及負債總額		371,340	337,269
Net current assets	流動資產淨值		46,575	51,390
Total assets less current liabilities	總資產減流動負債		290,947	272,323

YANG, Kun-Hsiang

楊坤祥

Director & Chief Executive Officer

董事兼行政總裁

WANG, Joel J

王肇樹

Director

董事

BALANCE SHEET

資產負債表

As at 31 December, 2005 二零零五年十二月三十一日

		Note 附註	2005 US\$'000 千美元	2004 US\$'000 千美元
ASSETS	資產			
Non-current assets	非流動資產			
Investment in subsidiaries, at cost	對附屬公司投資(按成本)	8	170,390	170,390
Long-term loan to a subsidiary	給予一間附屬公司之長期貸款	8	12,000	7,000
Intangible assets	無形資產	7	11,082	–
			193,472	177,390
Current assets	流動資產			
Due from subsidiaries	應收附屬公司款項	9	43,755	44,139
Prepayments and other receivables	預付款項及其他應收款項		268	318
Bank balances and cash	銀行結餘及現金		2,653	3,955
			46,676	48,412
Total assets	資產總值		240,148	225,802
Capital and reserves attributable to the Company's equity holders	本公司股權持有人應佔資本及儲備			
Share capital	股本	14	15,228	15,228
Reserves	儲備			
– Proposed final dividend	– 建議末期股息	15, 24	1,708	6,895
– Others	– 其他	15	195,327	200,078
Total equity	權益總額		212,263	222,201
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Long-term payable to a related party	應付有關連人士之長期款項	33(c)	12,560	–
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項		1,925	3,601
Short-term bank borrowings-unsecured	短期銀行借款—無抵押	17	13,400	–
			15,325	3,601
Total liabilities	負債總額		27,885	3,601
Total equity and liabilities	權益及負債總額		240,148	225,802
Net current assets	流動資產淨值		31,351	44,811
Total assets less current liabilities	總資產減流動負債		224,823	222,201

YANG, Kun-Hsiang

楊坤祥

Director & Chief Executive Officer

董事兼行政總裁

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王肇樹

Director

董事

CONSOLIDATED PROFIT AND LOSS ACCOUNT

綜合損益表

For the year ended 31 December, 2005 截至二零零五年十二月三十一日止年度

		Note 附註	2005 US\$'000 千美元	2004 US\$'000 千美元
Turnover	營業額	19	257,904	224,976
Cost of sales	銷售成本	20	(213,460)	(160,204)
Gross profit	毛利		44,444	64,772
Other gains-net	其他收益淨額	19	3,212	825
Selling and distribution expenses	銷售及分銷開支	20	(15,555)	(16,575)
Administrative expenses	行政開支	20	(17,584)	(17,223)
Operating profit	經營盈利		14,517	31,799
Finance costs	融資成本	21	(4,277)	(1,912)
Profit before taxation	除稅前盈利		10,240	29,887
Taxation	稅項	22	(2,293)	(5,553)
Profit for the year and attributable to equity holders of the Company	本年度盈利及本公司股權持有人應佔盈利		7,947	24,334
Dividends	股息	24	4,768	14,600
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in US cents per share)	於年內本公司股權持有人應佔盈利的每股盈利(以每股美仙計)			
Basic earnings per share	每股基本盈利	25	0.52	1.61
Diluted earnings per share	每股攤薄盈利	25	0.52	1.58

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December, 2005 截至二零零五年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔					Minority	
		Share capital	Share premium	Exchange reserve	Merger reserve	Retained earnings	Interest	Total
		股本	股份溢價	匯兌儲備	合併儲備	保留盈利	少數股東權益	總計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元
At 1 January 2004	二零零四年一月一日	15,115	46,314	3,621	79,994	80,079	-	225,123
Profit for the year	本年度盈利	-	-	-	-	24,334	-	24,334
Dividends paid	已付股息	-	-	-	-	(16,100)	-	(16,100)
Issue of ordinary shares (note 14)	發行普通股 (附註14)	113	1,044	-	-	-	-	1,157
Exchange translation differences	匯兌差額	-	-	7	-	-	-	7
At 31 December 2004 and at 1 January 2005	二零零四年十二月三十一日及於二零零五年一月一日	15,228	47,358	3,628	79,994	88,313	-	234,521
Profit for the year	本年度盈利	-	-	-	-	7,947	-	7,947
Dividends paid	已付股息	-	-	-	-	(9,955)	-	(9,955)
Contribution from a minority shareholder	少數股東出資	-	-	-	-	-	3,600	3,600
Exchange translation differences	匯兌差額	-	-	542	-	-	-	542
At 31 December 2005	二零零五年十二月三十一日	15,228	47,358	4,170	79,994	86,305	3,600	236,655

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December, 2005 截至二零零五年十二月三十一日止年度

		Note 附註	2005 US\$'000 千美元	2004 US\$'000 千美元
Cash flows from operating activities	經營業務現金流量			
Cash generated from operations	業務產生的現金	29(a)	30,302	50,849
Interest paid	已付利息		(3,806)	(1,912)
Income taxes paid	已付所得稅		(3,917)	(6,724)
Net cash generated from operating activities	經營業務產生的現金流入淨額		22,579	42,213
Cash flows from investing activities	投資活動產生的現金			
Purchase of property, plant and equipment	收購物業、廠房及設備		(20,978)	(34,723)
Acquisition of Monosodium Glutamate ("MSG") business from Shanghai Vedan Foods Company Limited ("Shanghai Vedan Foods")	收購上海味丹食品有限公司 (「上海味丹食品」) 的味精業務	33(a)(iii)	-	(6,259)
Acquisition of land use rights from Shanghai Vedan Foods	收購上海味丹食品的土地使用權	33(a)(iii)	(5,377)	-
Purchase of held-to-maturity investments	購入持有至到期之投資		(3,170)	-
Acquisition of a subsidiary	收購一間附屬公司	32	(1,412)	-
Interest received	已收利息		303	359
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		21	-
Net cash used in investing activities	投資活動所用現金淨額		(30,613)	(40,623)
Cash flows from financing activities	融資活動產生的現金流量	29(b)		
Issue of ordinary shares	發行普通股		-	1,157
Dividends paid	已付股息		(9,955)	(16,100)
Increase in short-term bank borrowings, net of repayments	已扣除還款的短期銀行借款增加		8,705	18,259
New long-term bank loans raised	新增長期銀行貸款		12,308	5,000
Repayment of long-term bank borrowings	償還長期銀行借款		(8,235)	(12,168)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額		2,823	(3,852)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(5,211)	(2,262)
Effect of foreign exchange rate changes	匯率變動的影響		6	7
Cash and cash equivalents at 1 January	一月一日的現金及現金等價物		33,192	35,447
Cash and cash equivalents at 31 December	十二月三十一日的現金及現金等價物		27,987	33,192
Analysis of balance of cash and cash equivalents:	現金及現金等價物的結餘分析：			
Bank balances and cash	銀行結餘及現金		27,987	33,192

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

As at 31 December, 2005 二零零五年十二月三十一日

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of Vedan International (Holdings) Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

In 2005, the Group adopted the new/revised standards of HKFRS below, which are relevant to its operations. The comparatives have been amended as required, in accordance with the relevant requirements.

The adoption of new/revised HKFRS

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statement
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements

1. 主要會計政策

編製此等綜合財務報表採用之主要會計政策載列如下。除另有列明外，此等政策已貫徹應用於所有呈報年度。

(a) 編製基準

味丹國際(控股)有限公司的綜合財務報表乃根據香港財務報告準則而編製。綜合財務報表乃根據歷史成本慣例而編製。

編製符合香港財務報告準則的財務報表需要運用若干重要的會計估計，亦同時需要管理層在採用本公司的會計政策過程中作出判斷。在綜合財務報表中涉及高度判斷或複雜程度的範疇，或有重要假設及估計的範疇於附註3披露。

於二零零五年，本集團已採納下列與其經營有關之新訂／經修訂香港財務報告準則。比較數字已根據相關規定予以修訂。

採納新訂／經修訂香港財務報告準則

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變動及錯誤
香港會計準則第10號	結算日後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	貸款成本
香港會計準則第24號	關聯方披露
香港會計準則第27號	綜合及獨立財務報表

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payments
HKFRS 3	Business combinations

The adoption of new/revised HKFRSs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27 and 33 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of the consolidated financial statements.
- HKASs 2, 7, 8, 10, 16, 23, 27 and 33 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land was accounted for at cost less accumulated depreciation and accumulated impairment.

1. 主要會計政策 (續)

(a) 編製基準 (續)

香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港財務報告準則第2號	以股份支付之支出
香港財務報告準則第3號	業務合併

採納新訂／經修訂香港財務報告準則第1,2,7,8,10,16,21,23,24,27及33號並沒有對本集團之會計政策構成重大改變。現撮錄如下：

- 香港會計準則第1號影響綜合財務報表之呈列。
- 香港會計準則第2,7,8,10,16,23,27及33號對本集團之政策並無重大影響。
- 香港會計準則第21號對本集團之政策並無重大影響。所有綜合實體之功能貨幣已根據經修訂準則之指引予以重新評估。
- 香港會計準則第24號影響關連方之識別及部份其他關連方之披露。

採納經修訂香港會計準則第17號導致來自物業、廠房及設備之租賃土地需重新分類為經營租賃之會計政策改變。租賃土地之首次預付款在損益表中於租賃期內按直線法列為開支，或於出現減值時，該減值於損益表中列為開支。於過去年度，租賃土地乃按成本減累積折舊及累積減值列賬。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The adoption of HKAS 32 and 39 has resulted in the following changes:

- Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In prior years, they are carried at cost less provision for doubtful debts. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.
- Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings were previously carried at cost.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31 December 2004, the provision of share options to employees did not result in an expense in the income statement. Effective on 1 January 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had vested before 1 January 2005 was not expensed retrospectively in the income statement of the respective periods.

1. 主要會計政策 (續)

(a) 編製基準 (續)

採納香港會計準則第32及39號導致如下變動：

- 貿易及其他應收賬項最初按公平值確認，隨後則使用實際利息法按攤銷成本計算並扣除減值撥備。於過去年度，該等賬項乃按成本減呆賬撥備列賬。當有客觀證據顯示，本集團未能根據應收賬項之原來期限收回所有款項，即為貿易及其他應收賬項作出減值撥備。撥備額為資產賬面值與估計未來現金流現值之差異，按實際利率折現後之金額。撥備額於損益表中確認。
- 借貸最初按公平值確認，並扣除已產生之交易成本。交易成本為直接與收購、發行或出售金融資產或金融負債有關之遞增成本，包括支付予代理、顧問、經紀及交易商之費用及佣金，監管機關及證券交易所之收費，以及轉讓稅項和稅收。借貸隨後以攤銷成本列賬，所得款項(經扣除交易成本)與贖回值之間的任何差異，使用實際利息法於借貸期內在損益表中確認。於過去年度，借貸乃按成本列賬。

採納香港財務報告準則第2號導致有關以股份支付之支出之會計政策有所轉變。於二零零四年十二月三十一日之前，向僱員提供購股權並不構成損益表上的開支項目。自二零零五年一月一日起，本集團有關購股權之成本於損益表中以開支列賬。根據過渡性條文，於二零零二年十一月七日之後授出而於二零零五年一月一日前歸屬之購股權之成本，不會於有關期間在損益表中追溯列為開支項目。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

The adoption of HKFRS 3, HKAS 36 and HKAS 38 results in a change in the accounting policy for goodwill. Until 31 December 2004, goodwill was:

- Amortised on a straight-line basis over the economic useful life; and
- Assessed for an indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3:

- The Group ceased amortisation of goodwill from 1 January 2005;
- Accumulated amortisation as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of goodwill; and
- From the year ended 31 December 2005 and onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment.

The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment has resulted from this reassessment.

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards, where applicable. All standards adopted by the Group require retrospective application other than:

- HKFRS 2-only retrospective application for all equity instruments granted after 7 November 2002 and not vested at 1 January 2005; and
- HKFRS 3-prospectively after the adoption date.

1. 主要會計政策 (續)

(a) 編製基準 (續)

採納香港財務報告準則第3號、香港會計準則第36號及第38號導致有關商譽之會計政策有所轉變。於二零零四年十二月三十一日之前，商譽為：

- 於經濟使用年期按直線法攤銷；及
- 於每個結算日評估減值出現之可能性。

根據香港財務報告準則第3號條文之規定：

- 本集團自二零零五年一月一日起，停止商譽攤銷；
- 於二零零四年十二月三十一日之累計攤銷已予對銷，並於商譽成本中作出相應扣減；及
- 自截至二零零五年十二月三十一日止年度開始，商譽減值於每年及於出現減值跡象時予以測試。

本集團已根據香港會計準則第38號條文對其無形資產之可用年期進行重新評估。該項重新評估並無導致任何調整。

會計政策之所有改變，已根據相關準則適用之過渡性條文作出。本集團採納之所有準則均要求追溯應用，惟下列者除外：

- 香港財務報告準則第2號—追溯應用僅適用於二零零二年十一月七日後授出而於二零零五年一月一日尚未歸屬之所有股權工具；以及
- 香港財務報告準則第3號—於採納日期後適用。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

The adoption of revised HKAS 17 resulted in:

	As at 31 December 2005 於2005年 12月31日 US\$'000 千美元	As at 1 January 2004 於2004年 1月1日 US\$'000 千美元
Decrease in property, plant and equipment 物業、廠房及設備之減少	(5,583)	(225)
Increase in land use rights 土地使用權之增加	5,583	225

The adoption of revised HKFRS 3 and HKAS 38 resulted in:

	As at 31 December 2005 於2005年 12月31日 US\$'000 千美元
Increase in intangible assets 無形資產之增加	430
Increase in retained earnings 保留盈利之增加	430

	For the year ended 31 December 2005 截至2005年 12月31日止年度 US\$'000 千美元
Decrease in administrative expenses 行政開支之減少	(430)
Increase in earnings per share (US cents) 每股盈利(美仙)之增加	0.03
Increase in diluted earnings per share (US cents) 每股攤薄盈利(美仙)之增加	0.03

1. 主要會計政策（續）**(a) 編製基準（續）**

採納經修訂會計準則第17號之結果載列如下：

	As at 31 December 2005 於2005年 12月31日 US\$'000 千美元	As at 1 January 2004 於2004年 1月1日 US\$'000 千美元
Decrease in property, plant and equipment 物業、廠房及設備之減少	(5,583)	(225)
Increase in land use rights 土地使用權之增加	5,583	225

採納經修訂香港財務報告準則第3號及香港會計準則第38號之結果載列如下：

	As at 31 December 2005 於2005年 12月31日 US\$'000 千美元
Increase in intangible assets 無形資產之增加	430
Increase in retained earnings 保留盈利之增加	430

	For the year ended 31 December 2005 截至2005年 12月31日止年度 US\$'000 千美元
Decrease in administrative expenses 行政開支之減少	(430)
Increase in earnings per share (US cents) 每股盈利(美仙)之增加	0.03
Increase in diluted earnings per share (US cents) 每股攤薄盈利(美仙)之增加	0.03

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

No early adoption of the following new Standards or Interpretations that have been issued but are not yet effective. The adoption of such Standards or Interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS-Int 3	Emission Rights
HKFRS-Int 4	Determining whether an Arrangement contains A Lease
HKFRS-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

1. 主要會計政策 (續)

(a) 編製基準 (續)

下列已頒布但未生效的新準則或詮釋並無提早採納。採納該等準則或詮釋不會導致本集團的會計政策出現重大改變。

香港會計準則 第19號(修訂)	精算損益、集團計 劃及披露
香港財務報告 準則第6號	礦產資源的勘察及 評估
國際財務報告 準則詮釋第3號	排放權利
香港財務報告 準則詮釋第4號	釐定一項安排是否 包括租賃
香港財務報告 準則詮釋第5號	解除、恢復及環境 修復基金所產生 權益的權利

(b) 綜合

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。

附屬公司指本集團有權監管其財務及經營政策之一切實體，通常擁有其過半數投票權。於評估本集團是否控制另一實體時，會考慮現時可行使或轉換之投票權之存在及影響。

附屬公司自其控制權轉移予本集團當日起綜合入賬，並於控制權終止當日停止綜合入賬。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

1. 主要會計政策 (續)

(b) 綜合 (續)

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平值、所發行之股權工具及所產生或承擔之負債，加上直接歸屬予收購事項之成本。在商業合併過程中所收購之可辨別資產，所承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購之可辨別淨資產之差額乃列作商譽。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接在損益表內確認。

集團內公司間交易、結餘及未變現收益予以抵銷。未變現虧損亦予以抵銷，除非交易有證據顯示所轉讓資產出現減值。本公司對附屬公司之會計政策在必要情況下已予修訂，以確保符合本集團所採納之政策。

於本公司之資產負債表內，於附屬公司之投資乃按成本值扣除減值虧損列賬。附屬公司之業績乃由本公司按已收及應收股息列賬。

(c) 分部報告

業務分部指一組提供產品或服務的資產及業務，並承擔著不同於其他業務分部所承擔的風險和回報。地區分部指在一個特定的經濟環境內提供產品或服務的組成部分，並承擔著不同於在其他經濟環境中經營的組成部分所承擔的風險和回報。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currencies translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated financial statements are presented in US dollars, which is the Group's presentation currency. All entities within the Group adopt US dollars as the functional currency except for the entities in the People's Republic of China (the "PRC") which adopt Renminbi as the functional currency since it is the currency of the primary economic environment in which the PRC entities operate.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

1. 主要會計政策 (續)

(d) 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。

綜合財務報表乃以美元(本集團之呈報貨幣)呈報。本集團內所有實體採納美元作為功能貨幣，惟於中華人民共和國(「中國」)之實體則因為人民幣為中國實體業務所在主要經濟環境之貨幣，故採納人民幣為功能貨幣。

(ii) 交易及結餘

外幣交易均按交易當日之現行匯率換算為功能貨幣。因上述交易結算及按年終匯率兌換以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益表內確認。

(iii) 集團公司

本集團所有實體如持有與呈報貨幣不一致之功能貨幣(其中並無任何公司持有通脹嚴重之經濟體系之貨幣)，其業績和財務狀況均按以下方法兌換為呈報貨幣：

- 每項資產負債表之資產及負債均按照該資產負債表結算日之匯率折算為呈報貨幣；
- 每項損益表之收入及支出均按照平均匯率折算為呈報貨幣，但若此平均匯率未能合理地反映各交易日之匯率所帶來之累積影響，則按照交易日之匯率折算此等收入和支出；及

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currencies translation (continued)

(iii) Group companies (continued)

- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Intangible assets

(i) Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary or business at the date of acquisition. Goodwill on acquisition is included in intangible assets. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates.

1. 主要會計政策 (續)

(d) 外幣換算 (續)

(iii) 集團公司 (續)

- 所有匯兌差異均確認為權益之一個分項。

在編製綜合賬目時，折算海外業務投資淨額和折算被指定為此等投資之對沖工具之借貸及其他貨幣工具而產生之匯兌差異，均列入股東權益賬內。當出售海外業務時，此等匯兌差異將於損益表內確認為出售收益或虧損之一部分。

因收購海外公司而產生之商譽及公平價值調整，均視作為該海外公司之資產及負債處理，並以結算日之匯率折算。

(e) 無形資產

(i) 收購商譽

商譽乃指收購之成本較本集團應佔被收購附屬公司或業務於收購當日之資產淨值之公平價值多出之數額。收購商譽包括於無形資產內。分開確認之商譽乃每年進行減值測試，並按成本減累計減值虧損而列賬。商譽之減值虧損均不會撥回。出售實體之盈虧包括與已出售實體相關之商譽之面額。

為進行減值測試，商譽乃分配至賺取現金單位。有關商譽乃分配至預期會因產生商譽之業務合併而受惠之賺取現金單位或賺取現金單位組別中。本集團將商譽分配至其業務所在國家之各個業務分類中。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets (continued)

(ii) Trademarks

Trademarks are shown at historical cost. Trademarks have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

(iii) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than five years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(f) Property, plant and equipment

Property, plant and equipment, except for construction-in-progress, are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

1. 主要會計政策 (續)

(e) 無形資產 (續)

(ii) 商標

商標乃按歷史成本呈列。商標具有有限可使用年期，並按成本減累計攤銷入賬。攤銷乃利用直線法計算，以將商標成本分配於彼等之十年估計可使用年期。

(iii) 研究及開發成本

研究成本在發生時作為費用支銷。當能夠證明開發中產品技術的可行性及有意完成該產品，而亦有資源協助、成本可予識別，及有能力出售或使用該資產而能賺取盈利，則將新產品或改良產品之設計及測試之開發所涉及之成本確認為無形資產，並以直線法按不超過5年的期間攤銷，以反映將相關經濟效益確認的模式。不符合上述條件的開發成本在發生時作為費用支銷。已入賬為支出的開發成本不會在往後期間確認為資產。

(f) 物業、廠房及設備

物業、廠房及設備(在建工程除外)均按成本減累計折舊及累計減值虧損列賬。歷史成本包括直接用於收購項目的開支。

當與項目有關之未來經濟利益可能會流入本集團，且能可靠地計量項目之成本時，方會將其後之成本包括入資產之賬面值或確認為一項獨立資產(如適用)。所有其他維修及保養費用，均於產生之財政期間內，於損益表內支銷。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**(f) Property, plant and equipment (continued)**

Depreciation of property, plant and equipment is calculated using the straight-line method to write off the cost less accumulated impairment loss of each asset over its estimated useful life, as follows:

Properties	2%-5%
Plant and machinery	5%-10%
Leasehold improvements, office equipment, furniture and fixtures	12.5%-20%
Motor vehicles	12.5%-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the consolidated income statement.

1. 主要會計政策 (續)**(f) 物業、廠房及設備 (續)**

物業、廠房及設備的折舊乃利用直線法計算，撇銷成本減每組資產可使用年期的累計減值虧損如下：

物業	2%-5%
廠房及機器	5%-10%
租賃物業裝修、 辦公室設備、 傢俬及裝置	12.5%-20%
汽車	12.5%-20%

資產之餘值及可使用年期均於各結算日予以審閱及調整(如適用)。

倘資產賬面值較估計的可收回款額為大，則資產的賬面值將立刻被撇減至其可收回款額。

出售之盈虧均透過將所得款項與賬面值作比較而釐定，並列入綜合損益表內。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(g) Construction-in-progress

Construction-in-progress, comprising capital expenditure on buildings and plant where the construction work has not been completed, is carried at cost less accumulated impairment losses. No depreciation is provided for construction-in-progress until they are completed and ready for their intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in note 1(f) above.

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

1. 主要會計政策 (續)

(g) 在建工程

在建工程包括未完成樓宇及機器的資本開支，以成本減累計減值虧損入賬。在建工程直至完成可供擬定用途前不作折舊。當有關資產作使用時，成本將轉為物業、廠房及設備，並將根據上述附註1(f)所述政策折舊。

(h) 非金融資產減值

並無固定可使用年期之資產毋須攤銷，但至少須在遇上事件顯示或情況有變而顯示其賬面值或許不能收回時，每年測試及審核有否減值。須攤銷之資產須在遇上事件顯示或情況有變而顯示其賬面值或許不能收回時，測試有否減值。減值虧損乃按資產賬面值超出其可收回款額之金額確認。可收回款額指資產之公平值減出售費用或使用價值(以較高者為準)。就評估有否減值而言，資產將會按有獨立可識別現金流量(賺取現金單位)之最低水平分類。出現減值之非金融資產(不包括商譽)，於各呈報日期均就可能撥回減值而予以審核。

(i) 金融資產

本集團將其金融資產分為以下類別：貸款及應收款項，以及持有至到期之投資。分類視乎購入有關投資之目的而定。管理層按初步確認決定其投資之類別，並於每個申報日重新評估是項指定。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date, which are classified as current assets.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

1. 主要會計政策（續）

(i) 金融資產（續）

(i) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款，在活躍市場並無報價之非衍生性質金融資產。彼等均列入流動資產，惟到期日超過由結算日後起計十二個月者除外。彼等均歸類為非流動資產。貸款及應收款項以貿易應收賬款及其他應收款項於資產負債表中列賬。

(ii) 持有至到期之投資

持有至到期之投資為附帶固定或可釐定付款及固定到期日，而本集團有明確意圖及能力持有至到期之非衍生性質金融資產。倘若本集團出售任何有關投資（不包括持有至到期之金融資產之非重大款額），則整個類別會被破壞，並重新歸類為可供出售。持有至到期之金融資產均列入非流動資產內，惟到期日超過由結算日後起計十二個月者則除外，彼等均歸類為流動資產。

貸款及應收款項及持有至到期之投資，均利用實際利息法按已攤薄成本列賬。本集團於各結算日評估是否有客觀證據顯示金融資產或一組金融資產已被減值。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Spare parts and consumables are included within inventories and stated at cost, using the weighted average method. Provision is made for obsolescence where appropriate.

(k) Trade and other receivable

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

1. 主要會計政策 (續)

(j) 存貨

存貨以成本或可變現淨值兩者的較低者入賬。成本按加權平均法計算。產成品和在產品成本包括原材料，直接人工，其他直接成本和製造費用(以正常產能下計算)，但不包括借款費用。可變現淨值按估計的正常銷售價格減適用的非固定銷售費用計算。

零件及消耗品計入存貨中，並按加權平均法計算以原值列賬。陳舊存貨於適當時須作出撥備。

(k) 貿易及其他應收款項

貿易及其他應收款項初期按公平價值確認，其後以實際利息法按攤銷成本扣除減值撥備計算。貿易及其他應收款項之減值撥備於出現客觀證據表明本集團無法按應收款之原有條款收回所有金額時確定。債務人出現嚴重財政困難、債務人可能會破產或進行財務重組，以及拖欠或未能償還借款，均被視為貿易應收款項被減值之跡象。撥備之金額為資產賬面值與估計未來現金流量之現值(按實際利率折現計算)間之差額。撥備金額於損益表內確認。

(l) 現金及現金等價物

現金及現金等價物包括現金、銀行之通知存款、原到期日為三個月內的其他短期高度流動投資及銀行透支。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

1. 主要會計政策 (續)

(m) 借款

借款初期以公平價值扣除交易成本後確認。交易成本為收購、發行或出售金融資產或金融負債時直接產生的成本，包括向代理商、顧問、經紀及交易商支付的費用及佣金、監管機構及證券交易所徵收的款項及過戶登記稅項及稅款。借款其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間之任何差額則於借款期內使用實際利息法於損益表內確認。

除非本集團有無條件權利於結算日後將負債之結算遞延至少十二個月，否則借款被分類為流動負債。

(n) 遞延所得稅

遞延所得稅負債採用負債法就資產負債之稅基與其在綜合財務報表之賬面值兩者之暫時差異作全數撥備。然而，倘遞延所得稅乃源自進行交易時不影響會計或應課稅盈利或虧損之資產或負債之初始確認(為業務合併以外之交易)，則不會計入遞延所得稅。遞延所得稅以於結算日前實施或大體上已實施之稅率(及稅法)釐定，並預期於相關遞延所得稅資產變現或遞延所得稅負債清償時應用。

遞延所得稅資產乃就有可能將未來應課稅盈利與可動用之暫時差異抵銷而確認。

遞延所得稅乃就附屬公司投資產生之暫時差異而撥備，惟倘本集團可以控制暫時差異之撥回時間，並有可能在可預見未來不會撥回則除外。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

(p) Revenue recognition

Revenue comprises the fair value for the sale of goods, net of value-added tax, returns and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(i) Sale of goods

Sale of goods is recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(ii) Sale of electricity

Sale of electricity is recognised based on units of electricity sold as recorded by meters during the year.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrants.

1. 主要會計政策 (續)

(o) 或然負債

或然負債指因已發生的事件而可能引起的責任，此等責任需就某一宗或多宗不確定未來事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致的現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有確認入賬。

或然負債不會被確認，但會在綜合財務報表附註中披露。假若資源流出的可能性改變導致可能出現資源流出，此等負債將被確認為撥備。

(p) 收益確認

收益包括銷售貨物、扣除增值稅、回扣及折扣及減去本集團內部之銷售的公平值。收益的確認如下：

(i) 銷售貨物

產品銷售收入於本集團實體已付運產品予客戶，客戶已接受產品及合理確保有關應收款項可收回時確認。

(ii) 售電

售電所得收益按照年內儀錶記錄的售電單位確認入賬。

(iii) 利息收入

利息收入採用實際利息法按時間比例基準進行確認。倘應收款出現減值，本集團會將賬面值減至其按有關金融工具原有實際利率之估計折現現金流量而設定之可收回款額，並繼續解除折現作為利息收入。減值貸款之利息收入乃於收取現金或收回成本基準情況可行時確認。

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(p) Revenue recognition (continued)

(iv) Rental income

Operating lease rental income is recognised on a straight-line basis.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(q) Operating leases (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the year in which the dividends are approved by the Company's shareholders. Dividend proposed or declared after the balance sheet date are disclosed as a post balance sheet event and are not recognised as a liability at the balance sheet date.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Vietnam Dong against US dollars and Renminbi against US dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has not hedged its foreign exchange rate risk.

1. 主要會計政策（續）

(p) 收益確認（續）

(iv) 租金收入

經營租約租金收入乃以直線法予以確認。

(v) 股息收入

在確立收取股息款項時，股息收入將予以確認。

(q) 經營租約（作為承租人）

凡擁有權之絕大部分風險及回報由出租人保留之租約，均分類為經營租約。經營租約之付款（扣減出租人給予之任何優惠後）乃於有關租約期內以直線法在損益表內列作開支。

(r) 分派股息

分派股息予本公司股東於本集團本年度財務報表乃確認為負債（股息由本公司股東批准）。在結算日後提議或宣派的股息將作為結算日後事項，而不會於結算日確認為負債。

2. 財務風險管理

2.1 財務風險因素

本集團之業務承受各種財務風險：外匯風險、信貸風險、流動資金風險及現金流量利率風險。

(a) 外匯風險

本集團於全球經營業務，因此承受因使用不同貨幣而產生之外匯風險，主要為越南盾對美元及人民幣對美元之風險。外匯風險來自境外業務之未來商業交易、已確認資產及負債和投資淨額。本集團並未為其外幣匯率風險進行對沖。

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

2.1 Financial risk factors (continued)

(b) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sale of goods are made to customers with an appropriate credit history. The carrying amount of the trade receivables included in the consolidated balance sheets represents the Group's maximum exposure to credit risk in relation to its financial assets.

(c) Liquidity risk

The Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

(d) Cash flow interest-rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. The Group has not hedged its cash flow interest-rate risk.

2.2 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

2. 財務風險管理 (續)

2.1 財務風險因素 (續)

(b) 信貸風險

本集團未有任何重大集中信貸風險。其已設立政策以確保貨品向擁有適當信用歷史之客戶銷售。載入綜合資產負債表之應收貿易賬款之賬面值指本集團於金融資產方面所承受之最高信貸風險。

(c) 流動資金風險

本集團確保其維持充足現金及信貸額以應付流動資金之需要。

(d) 現金流量利率風險

由於本集團並無巨額之計息資產，故本集團之收入及經營現金流量大致上不受市場利率變動所影響。

本集團之利率風險來自長期借款。以不同利率發出的貸款令本集團承受現金流量利率風險。本集團並未為其現金流量利率風險進行對沖。

2.2 公平值估計

本集團假定應收貿易賬款及應付貿易賬款之面值減其估計信用調整後接近其公平值。供披露金融負債之公平值，乃按本集團同類金融工具現時的市場利率折現未來合約現金流量而估計。

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are discussed below.

(a) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1(h). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 7).

(b) *Estimated impairment of property, plant and equipment, land use rights and intangible assets*

Property, plant and equipment, leasehold land and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property plant and equipment and leasehold land have been determined based on value-in-use calculations. These calculations and valuations require the use of judgement and estimates.

(c) *Useful lives of property, plant and equipment and intangible assets*

The useful lives of property, plant and equipment and intangible assets are assessed by management annually. The assessment requires the use of judgement and estimates.

3. 重要會計估計及判斷

估計及判斷會不斷按照歷史經驗及其他因素進行評估，包括在各情況下相信是合理之未來事件預測。

3.1 重要會計估計及假設

本集團會就未來作出估計及假設。根據其定義，由此得出之會計估計將甚少與相關實際業績等同。下文討論對資產及負債之賬面值造成重大調整之高風險估計及假設。

(a) *商譽減值的估計*

本集團每年均按照附註1(h)所述的會計政策的規定，為商譽進行減值評估。而賺取現金單位的可收回金額，則按照使用價值計算。計算過程中須採用對未來營運狀況作出估算(附註7)。

(b) *物業、廠房及設備、土地使用權和無形資產的估計減值*

每當有跡象顯示現存的金額可能不能收回時，本公司將會對物業、廠房及設備、租賃土地和無形資產作出減值評估。物業、廠房及設備、租賃土地及投資物業之可收回金額乃根據使用價值計算方法釐定。該等計算及估值需要作出判斷及估計。

(c) *物業、廠房及設備和無形資產的使用年限*

管理層每年評估物業、廠房及設備和無形資產的使用年限。該等評估需要作出判斷及估計。

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.1 Critical accounting estimates and assumptions (continued)

(d) Current income taxes and deferred income tax

The Group is subject to income taxes in the PRC, Vietnam and Taiwan. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.

4. SEGMENTAL ANALYSIS

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

(a) Business segment

The Group has been operating in one single business segment, i.e. the manufacture and sale of fermentation-based food additives and biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG, soda and acid, seasonings and beverages.

3. 重要會計估計及判斷 (續)

3.1 重要會計估計及假設 (續)

(d) 當期所得稅及遞延所得稅

本集團須繳納中國、越南及台灣的所得稅。對於確定稅項撥備的金額及繳納有關稅項的時間，本集團須作出重大判斷。在正常業務過程中，交易及計算均難以明確作出最終的稅務釐定。倘該等事宜之最終稅務結果與起初入賬之金額不同，該等差額將影響稅務釐定期內之所得稅及遞延稅項撥備。

倘管理層認為未來應課稅盈利可用作對銷暫時性差異或稅項虧損可予動用時，則會確認與若干暫時性差異有關之遞延稅項資產及稅項虧損。倘預期結果與原先之估計不同，有關差異會對有關估計出現變動之期間內遞延稅項資產及稅項之確認構成影響。

4. 分部分析

分部資料以本集團的業務及地區分類而呈報。業務分部資料為主要呈報形式，原因在於業務分類與本集團經營及財務決策的相關性較大。

(a) 業務分部

本集團經營單一業務，即製造及銷售發酵食品添加劑、生化產品及木薯澱粉產品，包括化工澱粉、葡萄糖漿、味精、梳打、酸、調味料及飲料。

4. SEGMENTAL ANALYSIS (CONTINUED)**(b) Geographical segment**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of customers. Segment assets and capital expenditures are based on the geographical location of the assets.

(i) Segment revenue

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Vietnam	越南	138,842	126,712
The PRC	中國	38,867	29,490
Japan	日本	52,778	49,288
Taiwan	台灣	3,353	2,826
ASEAN countries (other than Vietnam)	東盟國家(越南除外)	14,119	9,158
Other regions	其他地區	9,945	7,502
		257,904	224,976

(ii) Capital expenditures

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Vietnam	越南	29,951	33,367
The PRC	中國	10,269	7,615
		40,220	40,982

Capital expenditures are allocated based on where the assets are located.

Capital expenditures comprise additions to leasehold land and land use rights, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

4. 分部分析（續）**(b) 地區分部**

以地區分部呈報資料時，分部收益以客戶所在地區劃分，分部資產及資本開支則以資產所在地劃分。

(i) 分部收益

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Vietnam	越南	138,842	126,712
The PRC	中國	38,867	29,490
Japan	日本	52,778	49,288
Taiwan	台灣	3,353	2,826
ASEAN countries (other than Vietnam)	東盟國家(越南除外)	14,119	9,158
Other regions	其他地區	9,945	7,502
		257,904	224,976

(ii) 資本開支

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Vietnam	越南	29,951	33,367
The PRC	中國	10,269	7,615
		40,220	40,982

資本開支乃根據資產所在地而分配。

資本開支包括租賃土地及土地使用權的添置、物業、廠房及設備及無形資產，包括通過業務合併的收購的添置。

4. SEGMENTAL ANALYSIS (CONTINUED)

(b) Geographical segment (continued)

(iii) Total assets

		2005 US\$'000 千美元	2004 US\$'000 千美元
Vietnam	越南	298,818	293,430
Hong Kong	香港	12,461	2,926
Taiwan	台灣	1,571	1,390
The PRC	中國	58,425	38,805
Singapore	新加坡	65	718
		371,340	337,269

Total assets are allocated based on where the assets are located.

資產總值乃根據資產所在地而分配。

5. LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2005 US\$'000 千美元	Restated 經重列 2004 US\$'000 千美元
Held outside Hong Kong	在香港以外持有		
Leases of between 10 and 50 years	租約由十年至五十年	5,583	225

In respect of the Group's land use rights, Mao Tai Foods (Xiamen) Co. Ltd and Shanghai Vedan Enterprise Co. Ltd, the two subsidiaries operating in the PRC, have been granted the right to use the land by the relevant authority for 50 years, which expires in 2042 and 2055, respectively.

5. 土地使用權

本集團於土地使用權的權益指營業租約的預繳費用，其賬面淨值分析如下：

就本集團的土地使用權而言，兩間於中國經營的附屬公司茂泰食品（廈門）有限公司及上海味丹企業有限公司，已獲有關當局授予為期五十年的土地使用權，分別於二零四二年及二零五五年屆滿。

6. PROPERTY, PLANT AND EQUIPMENT

6. 物業、廠房及設備

		Construction in progress 在建工程 US\$'000 千美元	Properties 物業 US\$'000 千美元	Plant and machinery 廠房 US\$'000 千美元	Office equipment and other fixed assets 辦公室 設備及其他 固定資產 US\$'000 千美元	Motor vehicles 汽車 US\$'000 千美元	Total 合計 US\$'000 千美元
At 1 January 2004	二零零四年一月一日						
Cost	成本	688	62,965	286,363	27,790	7,057	384,863
Accumulated depreciation	累積折舊	-	(22,049)	(129,523)	(25,069)	(5,222)	(181,863)
Net book amount – restated	賬面淨額—經重列	688	40,916	156,840	2,721	1,835	203,000
Year ended 31 December 2004	截至二零零四年十二月三十一日 止年度						
Opening net book value	期初賬面淨額	688	40,916	156,840	2,721	1,835	203,000
Additions	添置	5,402	5,105	22,710	533	973	34,723
Disposals	出售	-	(33)	(225)	(177)	(23)	(458)
Depreciation charge	折舊支出	-	(3,048)	(18,800)	(971)	(597)	(23,416)
Closing net book value – restated	期末賬面淨額—經重列	6,090	42,940	160,525	2,106	2,188	213,849
At 31 December 2004	二零零四年十二月三十一日						
Costs	成本	6,090	68,033	307,861	27,851	7,778	417,613
Accumulated depreciation	累積折舊	-	(25,093)	(147,336)	(25,745)	(5,590)	(203,764)
Net book amount – restated	賬面淨額—經重列	6,090	42,940	160,525	2,106	2,188	213,849
Year ended 31 December 2005	截至二零零五年十二月三十一日 止年度						
Opening net book value	期初賬面淨額	6,090	42,940	160,525	2,106	2,188	213,849
Exchange differences	匯兌差異	-	101	254	10	9	374
Acquisition of a subsidiary (Note 32)	收購一間附屬公司(附註32)	-	288	330	15	1	634
Additions	添置	15,355	4,792	162	573	96	20,978
Transfer	轉讓	(15,719)	2,935	11,089	1,657	38	-
Reclassification from inventories	存貨再分類	6,004	-	31	-	-	6,035
Disposals	出售	(101)	-	(302)	(3)	(10)	(416)
Depreciation charge	折舊支出	-	(3,385)	(20,484)	(836)	(562)	(25,267)
Closing net book value	期末賬面淨額	11,629	47,671	151,605	3,522	1,760	216,187
At 31 December 2005	二零零五年十二月三十一日						
Cost	成本	11,629	76,174	318,783	30,054	7,778	444,418
Accumulated depreciation	累積折舊	-	(28,503)	(167,178)	(26,532)	(6,018)	(228,231)
Net book amount	賬面淨額	11,629	47,671	151,605	3,522	1,760	216,187

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Certain property, plant and equipment of the Group are pledged as security for the Group's short-term and long-term bank loans as follows:

		2005 US\$'000 千美元	2004 US\$'000 千美元
Net book value of pledged property, plant and equipment (note 34)	已抵押物業、廠房及設備賬面淨值 (附註34)	50,341	112,418

7. INTANGIBLE ASSETS

6. 物業、廠房及設備 (續)

本集團以若干物業、廠房及設備作抵押，以取得本集團的短期及長期銀行貸款如下：

7. 無形資產

		Group 本集團		Company 本公司	
		Goodwill 商譽	Trademark 商標	Total 合計	Trademark 商標
	Note 附註	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
At 1 January 2004	二零零四年一月一日	838	-	838	-
Additions	添置	6,259	-	6,259	-
Amortisation for the year	年內攤銷	(238)	-	(238)	-
At 31 December 2004	二零零四年十二月三十一日	6,859	-	6,859	-
At 1 January 2005	二零零五年一月一日	6,859	-	6,859	-
Additions	添置	1,142	12,089	13,231	12,089
Exchange difference	匯兌差異	158	-	158	-
Amortisation for the year	年內攤銷	-	(1,007)	(1,007)	(1,007)
At 31 December 2005	二零零五年十二月三十一日	8,159	11,082	19,241	11,082

7. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to country of operation and business segment.

A segment-level summary of the goodwill allocation is presented below:

		The PRC 中國		Vietnam 越南		合計 US\$'000 千美元
		MSG and seasonings MSG and seasonings 味精及調味料包裝 US\$'000 千美元	Starch production 澱粉製造 US\$'000 千美元	MSG packing MSG packing 味精包裝 US\$'000 千美元		
At 31 December 2005	二零零五年十二月三十一日	6,287	1,142	730	8,159	
At 31 December 2004	二零零四年十二月三十一日	6,129	–	730	6,859	

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations

Gross margin	14%-30%
Growth rate	3%
Discount rate	10.4%

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

7. 無形資產（續）

商譽減值測試

本集團因應經營所在國家及業務類別，按所識別之賺取現金單位分配商譽。

按業務類別分配的商譽摘要如下：

賺取現金單位之可收回金額乃按使用價值計算。該等計算基於管理層批准之五年期財政預算使用現金流量進行預測。超出五年期之現金流量使用下列估計增長率推算。

用以計算使用價值之主要假設：

毛利	14%-30%
增長率	3%
折現率	10.4%

該等假設用於分析業務分部內各賺取現金單位。

管理層乃根據過往業績及其對市場發展之預期而釐定預算毛利率。所用折現率乃稅前計算，並反映相關分部之特定風險。

7. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of goodwill is based would not cause the carrying amounts to exceed its recoverable amounts.

8. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份(按成本)
Long-term loan granted to a subsidiary	授予一間附屬公司長期貸款

The loan granted to a subsidiary is unsecured and is repayable within 2 years. The loan is interest-free for the period from 1 August 2004 to 31 December 2006 and interest will be charged at Singapore Interbank Offer Rate ("SIBOR") for the period from 1 January 2007 to 31 July 2007.

7. 無形資產 (續)

商譽減值測試 (續)

管理層相信，可收回金額所根據的主要假設的任何合理可能變動不會導致賬面值超過其可收回金額。

8. 對附屬公司投資

	2005 US\$'000 千美元	2004 US\$'000 千美元
Unlisted shares, at cost	170,390	170,390
Long-term loan granted to a subsidiary	12,000	7,000
	182,390	177,390

授予一間附屬公司的長期貸款為無抵押，還款期為兩年。於二零零四年八月一日至二零零六年十二月三十一日為免息貸款，而於二零零七年一月一日至二零零七年七月三十一日利息將按新加坡銀行同業拆息計算。

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following is a list of the subsidiaries at 31 December 2005:

Name 名稱	Place/country of Incorporation/ establishment 註冊／成立 地點／國家	Principal activities and place of operation 主要業務及 營運地點	Particulars of issued share capital 已發行 股本詳情	Interest held 持有權益
<i>Directly held:</i> 直接持有：				
Winball Investment Limited	British Virgin Islands ("BVI") 英屬處女群島	Investment holding in Hong Kong 在香港投資控股	US\$100 Ordinary shares 100美元普通股	100%
Talent Top Investment Ltd.	BVI 英屬處女群島	Investment holding in Hong Kong 在香港投資控股	US\$100 Ordinary shares 100美元普通股	100%
<i>Indirectly held:</i> 間接持有：				
Burghley Enterprise Pte., Ltd.	Singapore 新加坡	Investment holding in Singapore 在新加坡投資控股	S\$106,067,921 Ordinary shares 106,067,921新加坡元 普通股	100%
Mao Tai Foods (Xiamen) Co., Ltd. 茂泰食品(廈門)有限公司	PRC 中國	Manufacture and sale of MSG, seasonings and beverages in the PRC 在中國製造及銷售味精、調味料及飲料	US\$20,270,000 Registered capital 20,270,000美元 註冊資本	100%
Ordino Investments Pte., Ltd.	Singapore 新加坡	Investment holding in Singapore 在新加坡投資控股	S\$34,944,929 Ordinary shares 34,944,929新加坡元 普通股	100%
Orsan Vietnam Co., Ltd.	Vietnam 越南	Packaging and sale of MSG in Vietnam 在越南包裝及銷售味精	US\$1,838,282 Legal capital 1,838,282美元 法定股本	100%

8. 對附屬公司投資（續）

下列為於二零零五年十二月三十一日的附屬公司：

8. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

8. 對附屬公司投資 (續)

Name 名稱	Place/country of Incorporation/ establishment 註冊/成立 地點/國家	Principal activities and place of operation 主要業務及 營運地點	Particulars of issued share capital 已發行 股本詳情	Interest held 持有權益
Shandong Vedan Snowflake Enterprise Co., Ltd. ("Shandong Snowflake") ⁽ⁱ⁾ 山東雪花實業有限公司 (「山東雪花」) ⁽ⁱ⁾	PRC 中國	Manufacture and sale of glutamic acid ("GA") and MSG in the PRC 在中國生產及銷售穀氨酸及味精	US\$12,000,000 Registered capital 12,000,000美元 註冊資本	70%
Shanghai Vedan Enterprise Co. Ltd. ⁽ⁱ⁾ 上海味丹企業有限公司 ⁽ⁱ⁾	PRC 中國	Packaging and sale of MSG and seasonings in the PRC 在中國包裝及銷售味精及調味料	US\$9,800,000 Registered capital 9,800,000美元 註冊資本	100%
Vedan (Vietnam) Enterprise Corporation Limited 味丹(越南)股份有限公司	Vietnam 越南	Manufacture and sale of fermentation-based food additives and biochemical products and cassava starch-based industrial products including MSG, GA, modified starch, glucose syrup, soda and acid in Vietnam and for export 在越南製造及銷售發酵食品添加劑、生化產品及 木薯澱粉工業產品，包括味精、穀氨酸、 化工澱粉，葡萄糖漿、梳打及酸並銷售出口	US\$114,700,000 Legal capital 114,700,000美元 法定股本	100%
Veyu Enterprises Co., Ltd.	Vietnam 越南	Manufacture and sale of cassava starch-based industrial products in Vietnam and for export 在越南製造及銷售木薯澱粉工業產品並銷售出口	US\$2,300,000 Legal capital 2,300,000美元 法定股本	100%
Xiamen Darong Import & Export Trade Co., Ltd. ⁽ⁱ⁾ 廈門大容進出口貿易有限公司 ⁽ⁱ⁾	PRC 中國	Trading of cassava starch-based industrial products in the PRC 在中國買賣木薯澱粉工業產品	US\$254,000 Registered capital 254,000美元 註冊資本	100%

Note:

(i) These are Sino-foreign equity or wholly foreign owned joint ventures registered under the laws of the PRC.

附註：

(i) 此等為根據中國法律註冊的中外合資或全外資合資企業。

9. DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment except for the loan granted to a subsidiary as at 31 December 2005 of US\$3,770,000 (2004: US\$3,770,000) which bear interest at 0.5% above SIBOR per annum and are repayable within one year.

10. HELD-TO-MATURITY INVESTMENTS

Included in held-to-maturity investments is a 5-year construction bond issued by Dong Nai Province People's Committee of Vietnam on 30 March 2005. The bond earns annual interest of 8% and is redeemable at the end of the 5-year term.

11. TRADE RECEIVABLES

The credit terms of trade receivables range from cash on delivery to 120 days and the ageing analysis of the trade receivables is as follows:

		2005 US\$'000 千美元	2004 US\$'000 千美元
Current	即期	23,063	16,451
30 – 90 days	30至90天	11,760	10,935
91 – 180 days	91至180天	305	1,447
181 – 365 days	181至365天	60	2,271
Over 365 days	365天以上	641	–
		35,829	31,104

9. 應收附屬公司款項

應收附屬公司款項為無抵押及免息，且無固定還款期，惟二零零五年十二月三十一日應收附屬公司款項3,770,000美元(二零零四年：3,770,000美元)按新加坡銀行同業拆息年利率加0.5厘的利率計息，於提供當日起一年內償還。

10. 持有至到期之投資

持有至到期之投資包括由Dong Nai Province People's Committee of Vietnam於二零零五年三月三十日發出的五年建築債券。債券每年賺取利息8厘，並可於五年期滿時贖回。

11. 應收貿易賬款

應收貿易賬款的信貸期由貨到付現至120天，而應收貿易賬款的賬齡分析如下：

11. TRADE RECEIVABLES (CONTINUED)

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed. Management believes that no additional credit risk beyond the amounts provided for collection losses that are inherent in the Group's trade receivables.

The Group has recognised a gain of US\$87,000 for the reversal of the impairment of its trade receivables during the year ended 31 December 2005 (2004: a loss of US\$75,000 for the impairment of its trade receivables). The amount has been included in administrative expenses in the income statement.

12 INVENTORIES

		2005 US\$'000 千美元	2004 US\$'000 千美元
Raw materials	原料	31,104	22,244
Work-in-progress	在製品	4,004	2,222
Finished products	製成品	13,657	13,078
Spare parts and consumables	零件及消耗品	3,228	7,704
		51,993	45,248

13 CASH AND CASH EQUIVALENTS

Bank balances totaling US\$25,314,000 as at 31 December 2005 (2004: US\$28,563,000) were placed with banks in the PRC and Vietnam. The remittance of these funds out of the PRC and Vietnam is subject to the exchange restrictions imposed by the PRC and Vietnamese governments.

11. 應收貿易賬款 (續)

本集團的大量客戶分散世界各地，因此其應收貿易賬款的信貸並不集中。管理層相信除本集團之應收貿易賬款本身已提撥之收賬損失以外，概無其他額外信貸風險。

本集團於截至二零零五年十二月三十一日止年度就撥回應收貿易賬款減值確認87,000美元收益(二零零四年：應收貿易賬款減值虧損75,000美元)。該款項已包括入損益表的行政開支內。

12. 存貨

13. 現金及現金等價物

於二零零五年十二月三十一日，銀行結餘合共25,314,000美元(二零零四年：28,563,000美元)已存入中國及越南的銀行。該等資金匯出中國及越南須遵守中國及越南政府的外匯管制措施。

14 SHARE CAPITAL

14. 股本

		Authorised Ordinary shares		
		Par value	Number of	
		面值	shares	
		US\$	法定普通股	US\$'000
		美元	股份數目	千美元
At 31 December 2004 and at 31 December 2005	二零零四年十二月三十一日及 二零零五年十二月三十一日	0.01	10,000,000,000	100,000

		Issued and fully paid Ordinary shares		
		Par value	Number of	
		面值	shares	
		US\$	已發行及繳足	US\$'000
		美元	普通股數目	千美元
At 1 January 2004	二零零四年一月一日	0.01	1,511,472,000	15,115
Exercise of share options in 2004	於二零零四年行使購股權	Note (b)	11,270,000	113
At 31 December 2004 and at 31 December 2005	二零零四年十二月三十一日 及二零零五年十二月三十一日		1,522,742,000	15,228

On 13th June 2003, a share option scheme and a pre-IPO share option plan are approved pursuant to a written resolution of the Company.

於二零零三年六月十三日，本公司已根據書面決議案批准購股權計劃及首次公開售股前購股權計劃。

14 SHARE CAPITAL (CONTINUED)

- (a) Under the share option scheme, the board of directors may at its discretion offer options to any directors, employees, business partners or their trustees of the Group which entitle them to subscribe for shares in aggregate not exceeding 10% of the shares in issue from time to time. These options have duration of ten years from the date of grant, but shall lapse where the grantee ceases to be employed by the Company or its subsidiaries. No share options were granted by the Company under the share option scheme during the current and previous years.
- (b) Under the pre-IPO share option plan ("Pre-IPO Share Option Scheme"), the board of directors may at its discretion offer options to any directors or employees of the Group and its subsidiaries which entitle them to subscribe for shares of the Company. On 13th June 2003, 24,500,000 options and 5,270,000 options were granted to directors of the Company and employees of the Group, respectively, under the Pre-IPO Share Option Scheme. These options are exercisable in accordance with the terms of the Pre-IPO Share Option Scheme commencing on 13th June 2004 and up to 12th June 2008.

On 15 September 2004, 11,270,000 share options were exercised at HK\$0.801 each, yielding a proceeds of approximately US\$1,157,000. The related share price at the time of exercise was HK\$1.63. During the current year, no share options were exercised. Pre-IPO share options outstanding as at 31 December 2005 have the following terms:

		Exercise Price 行使價	Number of options 購股權數目
Directors	董事	HK\$0.801港元	18,500,000

No share options were cancelled during the year (2004: nil).

14. 股本 (續)

- (a) 根據購股權計劃，董事會可酌情向本集團任何董事、僱員、業務夥伴或彼等的受託人授出購股權，賦予彼等權利認購合共不超過不時已發行股份10%的股份。該等購股權的有效期限自授出當日起計，為期十年，惟將於該承授人不再受僱於本公司或其附屬公司時失效。本公司在本年及過往並無根據購股權計劃授出任何購股權。
- (b) 根據首次公開售股前購股權計劃（「首次公開售股前購股權計劃」），董事會可酌情向本集團及其附屬公司任何董事或僱員授出購股權，賦予彼等權利認購本公司股份。二零零三年六月十三日，董事會根據首次公開售股前購股權計劃分別向本公司董事及本集團僱員授出24,500,000份及5,270,000份購股權。該等購股權自二零零四年六月十三日至二零零八年六月十二日期間可根據首次公開售股前購股權計劃的條款行使。

於二零零四年九月十五日，11,270,000份購股權以每股0.801港元行使，由此而來的所得款項約1,157,000美元。於行使時的相關股價為1.63港元。於本年度，並無購股權行使。截至二零零五年十二月三十一日，尚未行使的首次公開售股前購股權的條款如下：

年內概無註銷購股權（二零零四年：無）。

15. RESERVES

(a) Group

15. 儲備

(a) 本集團

		Share premium US\$'000 千美元	Exchange reserve US\$'000 千美元	(Note) (註) Merger reserve US\$'000 千美元	Retained earnings US\$'000 千美元	Total 合計 US\$'000 千美元
At 1 January 2004	二零零四年一月一日	46,314	3,621	79,994	80,079	210,008
Profit for the year	本年度盈利	-	-	-	24,334	24,334
Dividends paid	已付股息	-	-	-	(16,100)	(16,100)
Premium on issue of ordinary shares (note 14 (b))	發行普通股的溢價 (附註14(b))	1,044	-	-	-	1,044
Exchange translation differences	匯兌差額	-	7	-	-	7
At 31 December 2004	二零零四年十二月三十一日	47,358	3,628	79,994	88,313	219,293
Representing:	即：					
2004 Final dividend proposed	建議派付的二零零四年 末期股息				6,895	
Others	其他				81,418	
Retained earnings as at 31 December 2004	二零零四年十二月三十一日 的保留盈利				88,313	
At 1 January 2005	二零零五年一月一日	47,358	3,628	79,994	88,313	219,293
Profit for the year	本年度盈利	-	-	-	7,947	7,947
Dividends paid	已付股息	-	-	-	(9,955)	(9,955)
Exchange translation differences	匯兌差額	-	542	-	-	542
At 31 December 2005	二零零五年十二月三十一日	47,358	4,170	79,994	86,305	217,827
Representing:	即：					
2005 Final dividend proposed	建議派付的二零零五年 末期股息				1,708	
Others	其他				84,597	
Retained earnings as at 31 December 2005	二零零五年十二月三十一日 的保留盈利				86,305	

Note:

The merger reserve of the Group represents the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the group reorganisation completed on 26th December 2002 and the nominal value of the share capital of the Company issued in exchange there of.

註：

本集團的合併儲備即本集團於二零零二年十二月二十六日完成重組時所收購附屬公司的股本面值及股份溢價與本公司因交換而發行股本面值的差額。

15. RESERVES (CONTINUED)

(b) Company

15. 儲備 (續)

(b) 本公司

		Exchange reserve	Share premium	Retained earnings	Total
		匯兌儲備	股份溢價	保留盈利	合計
		US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元
At 1 January 2004	二零零四年一月一日	–	193,054	14,915	207,969
Profit for the year	本年度盈利	–	–	14,050	14,050
Premium on issue of ordinary shares (note 14(b))	發行普通股的溢價 (附註14(b))	–	1,044	–	1,044
Dividends paid	已付股息	–	–	(16,100)	(16,100)
Exchange translation differences	匯兌差額	10	–	–	10
At 31 December 2004	二零零四年十二月三十一日	10	194,098	12,865	206,973
Representing:	即：				
2004 Final dividend proposed	建議派付的二零零四年 末期股息			6,895	
Others	其他			5,970	
Retained earnings as at 31 December 2004	二零零四年十二月三十一日 的保留盈利			12,865	
At 1 January 2005	二零零五年一月一日	10	194,098	12,865	206,973
Profit for the year	本年度盈利	–	–	35	35
Dividends paid	已付股息	–	–	(9,955)	(9,955)
Exchange translation differences	匯兌差額	(18)	–	–	(18)
At 31 December 2005	二零零五年十二月三十一日	(8)	194,098	2,945	197,035
Representing:	即：				
2005 Final dividend proposed	建議派付的二零零五年 末期股息			1,708	
Others	其他			1,237	
Retained earnings as at 31 December 2005	二零零五年十二月三十一日 的保留盈利			2,945	

Pursuant to Section 34 of the Cayman Islands Companies Law (2003 Revision) and the Articles of Association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the Articles of Association of the Company.

根據開曼群島公司法(二零零三年修訂版)第34條及本公司組織章程細則，本公司的股份溢價可分派予股東，惟本公司須具備償債能力且符合本公司組織章程細則的規定。

16. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Current	即期	18,161	7,979
30-90 days	30至90天	359	2,238
91-180 days	91至180天	-	-
181-365 days	181至365天	-	34
		18,520	10,251

16. 應付貿易賬款

應付貿易賬款的賬齡分析如下：

17. BANK BORROWINGS

17. 銀行貸款

		Group		Company	
		本集團		本公司	
		2005	2004	2005	2004
		US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元
Long-term bank borrowings	長期銀行貸款				
– secured (note 34)	– 有抵押(附註34)	38,052	33,978	-	-
Current portion of long-term bank borrowings	長期銀行貸款之即期部份	(8,346)	(8,235)	-	-
		29,706	25,743	-	-
Short-term bank borrowings	短期銀行貸款				
– secured	– 有抵押	500	9,374	-	-
– unsecured	– 無抵押	41,101	23,523	13,400	-
		41,601	32,897	13,400	-

17. BANK BORROWINGS (CONTINUED)

The Group's long-term bank borrowings were repayable as follows:

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Within 1 year	一年	8,346	8,235
Between 1 and 2 years	一至二年	10,465	8,971
Between 2 and 5 years	二至五年	19,241	16,772
		38,052	33,978

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates is as follows:

		Within 1				
		month	1-3 months	3-6 months	6-12 months	Total
		一個月內	一至三個月	三至六個月	六至十二個月	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
At 31 December 2004	二零零四年十二月三十一日					
Total borrowings	貸款總額	31,770	17,656	15,818	1,631	66,875
At 31 December 2005	二零零五年十二月三十一日					
Total borrowings	貸款總額	30,785	27,825	21,043	-	79,653

The exposure of the Company's borrowings to interest-rate changes and the contractual repricing dates is as follows:

		Within 1				
		month	1-3 months	3-6 months	6-12 months	Total
		一個月內	一至三個月	三至六個月	六至十二個月	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
At 31 December 2004	二零零四年十二月三十一日					
Total borrowings	貸款總額	-	-	-	-	-
At 31 December 2005	二零零五年十二月三十一日					
Total borrowings	貸款總額	-	13,400	-	-	13,400

17. 銀行貸款 (續)

本集團的長期銀行貸款須於以下期間償還：

	2005	2004
	US\$'000	US\$'000
	千美元	千美元
Within 1 year	8,346	8,235
Between 1 and 2 years	10,465	8,971
Between 2 and 5 years	19,241	16,772
	38,052	33,978

受利率變化影響的本集團貸款及約定重新訂價日期如下：

		Within 1				
		month	1-3 months	3-6 months	6-12 months	Total
		一個月內	一至三個月	三至六個月	六至十二個月	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
At 31 December 2004	二零零四年十二月三十一日					
Total borrowings	貸款總額	31,770	17,656	15,818	1,631	66,875
At 31 December 2005	二零零五年十二月三十一日					
Total borrowings	貸款總額	30,785	27,825	21,043	-	79,653

受利率變化影響的本公司貸款及約定重新訂價日期如下：

		Within 1				
		month	1-3 months	3-6 months	6-12 months	Total
		一個月內	一至三個月	三至六個月	六至十二個月	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
At 31 December 2004	二零零四年十二月三十一日					
Total borrowings	貸款總額	-	-	-	-	-
At 31 December 2005	二零零五年十二月三十一日					
Total borrowings	貸款總額	-	13,400	-	-	13,400

17. BANK BORROWINGS (CONTINUED)

The effective interest rates per annum at the balance sheet date were as follows:

		2005		2004	
		US\$ 美元	Renminbi 人民幣	US\$ 美元	Renminbi 人民幣
Bank borrowings	銀行貸款	4.9%	6.4%	3.2%	5.3%

The carrying amounts of bank borrowings approximate their fair value.

The carrying amounts of the bank borrowings are denominated in the following currencies:

17. 銀行貸款 (續)

於結算日期，實際年利率如下：

銀行貸款的賬面金額約為其公平價值。

銀行貸款的賬面金額按以下貨幣計值：

		Group 本集團		Company 本公司	
		2005 US\$'000 千美元	2004 US\$'000 千美元	2005 US\$'000 千美元	2004 US\$'000 千美元
US dollars	美元	79,653	65,244	13,400	-
Renminbi	人民幣	-	1,631	-	-
		79,653	66,875	13,400	-

18. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the principal taxation rates prevailing in the countries in which the Group operates.

The movement on the deferred income tax liabilities account is as follows:

		2005 US\$'000 千美元	2004 US\$'000 千美元
At 1 January	一月一日	12,059	11,580
Charged to income statement (note 22)	在損益表扣除 (附註22)	(33)	479
At 31 December	十二月三十一日	12,026	12,059

Provided for in respect of:

		2005 US\$'000 千美元	2004 US\$'000 千美元
Accelerated tax depreciation	加速稅項折舊	12,700	12,831
Other temporary differences	其他暫時差額	(674)	(772)
		12,026	12,059

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred income tax liabilities

		Accelerated tax depreciation 加速稅項折舊	
		2005 US\$'000 千美元	2004 US\$'000 千美元
At 1 January	一月一日	12,831	12,098
(Credited)/charged to income statement	在損益表(計入)/扣除	(131)	733
At 31 December	十二月三十一日	12,700	12,831

18. 遞延稅項

遞延稅項乃根據負債法以本集團營運所在國家當時的主要稅率就所有暫時差額計算。

遞延所得稅負債變動如下：

		2005 US\$'000 千美元	2004 US\$'000 千美元
At 1 January	一月一日	12,059	11,580
Charged to income statement (note 22)	在損益表扣除 (附註22)	(33)	479
At 31 December	十二月三十一日	12,026	12,059

撥備有關於：

		2005 US\$'000 千美元	2004 US\$'000 千美元
Accelerated tax depreciation	加速稅項折舊	12,700	12,831
Other temporary differences	其他暫時差額	(674)	(772)
		12,026	12,059

本年度遞延所得稅資產及負債(未抵銷相同徵稅司法權區的結餘前)的變動如下：

遞延所得稅負債

		Accelerated tax depreciation 加速稅項折舊	
		2005 US\$'000 千美元	2004 US\$'000 千美元
At 1 January	一月一日	12,831	12,098
(Credited)/charged to income statement	在損益表(計入)/扣除	(131)	733
At 31 December	十二月三十一日	12,700	12,831

18. DEFERRED TAXATION (CONTINUED)

Deferred income tax assets

		Other temporary differences	
		其他暫時差額	
		2005	2004
		US\$'000	US\$'000
		千美元	千美元
At 1 January	一月一日	(772)	(518)
Charged/(credited) to income statement	扣除/(計入) 損益表	98	(254)
At 31 December	十二月三十一日	(674)	(772)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The above deferred income tax assets and liabilities have been offset and are shown in the consolidated balance sheet under deferred income tax liabilities.

19. TURNOVER AND OTHER GAINS-NET

(a) Turnover

The Group is principally engaged in the manufacture and sale of fermentation-based food additives and biochemical products and cassava starch-based industrial products including MSG, modified starch, glucose syrup, soda, acid, seasonings and beverages. Turnover recognised for the years ended 31 December 2005 and 2004 is US\$257,904,000 and US\$224,976,000 respectively.

18. 遞延稅項 (續)

遞延所得稅資產

		Other temporary differences	
		其他暫時差額	
		2005	2004
		US\$'000	US\$'000
		千美元	千美元
At 1 January	一月一日	(772)	(518)
Charged/(credited) to income statement	扣除/(計入) 損益表	98	(254)
At 31 December	十二月三十一日	(674)	(772)

倘若有法定可行使權利將現有稅項資產與現有稅項負債抵銷，且遞延所得稅涉及相同的金融機構，則將遞延所得稅資產與負債抵銷。上述遞延所得稅資產與負債已作抵銷，見於綜合資產負債表遞延所得稅負債項下。

19. 營業額及其他收益淨值

(a) 營業額

本集團主要從事發酵食品添加劑、生化產品及木薯澱粉產品，包括味精、化工澱粉、葡萄糖漿、梳打、酸、調味料及飲料的製造及銷售。截至二零零五年及二零零四年十二月三十一日止年度的經確認營業額分別為257,904,000美元及224,976,000美元。

19. TURNOVER AND OTHER GAINS-NET (CONTINUED)**(b) Other gains-net**

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Net exchange gains/(loss)	外匯收益／(虧損)淨值	73	(329)
Net loss from sale of electricity	出售電力淨虧損	(175)	(247)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(395)	(458)
Sale of scrap materials	廢料銷售	406	282
Interest income	利息收入	494	359
Operating lease rental income	經營租約租金收入	264	-
Gain on waiver of amounts due to related parties	豁免應付有關連人士款項的收益	-	291
Tax refund on reinvestment	再投資的退回稅項	1,231	-
Others	其他	1,314	927
		3,212	825

19. 營業額及其他收益淨值 (續)**(b) 其他收益淨值****20. EXPENSES BY NATURE**

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Cost of inventories	存貨成本	213,460	160,204
Amortisation of goodwill	商譽攤銷	-	238
Amortisation of trademark	商標攤銷	1,007	-
Amortisation of land use rights	土地使用權攤銷	24	8
Auditors' remuneration	核數師酬金	208	188
Depreciation on property, plant and equipment	物業、廠房及設備折舊	25,267	23,416
Operating leases expense in respect of land	有關土地經營租約的開支	119	113
Staff costs (including directors' remuneration) (note 26)	僱員成本(包括董事酬金)(附註26)	11,765	12,292

20. 按性質分類的開支

開支包括銷售成本、售賣及分銷開支及行政開支，分析如下：

21. FINANCE COSTS

		2005 US\$'000 千美元	2004 US\$'000 千美元
Interest on bank borrowings	銀行貸款利息	3,806	1,912
Amortised cost on long-term payable to a related party	長期應付有關連人士的攤銷成本	471	-
		4,277	1,912

21. 融資成本**22. TAXATION**

The amount of taxation charged to the consolidated income statement represents:

		2005 US\$'000 千美元	2004 US\$'000 千美元
Enterprise income tax ("EIT")	企業所得稅(「企業所得稅」)	2,326	5,074
Deferred income tax (note 18)	遞延所得稅(附註18)	(33)	479
		2,293	5,553

22. 稅項

於綜合損益表內扣除的稅項包括：

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the applicable taxation rate for Vedan (Vietnam) Enterprise Corporation Limited ("Vietnam Vedan"), which is a major subsidiary of the Group, as follows:

本集團除稅前盈利的稅項與倘若採用本集團主要附屬公司—味丹(越南)股份有限公司(「越南味丹」)的適用稅率而計算的理論稅款的差額如下：

		2005 US\$'000 千美元	2004 US\$'000 千美元
Profit before taxation	除稅前盈利	10,240	29,887
Calculated at taxation rate of 15% (2004: 15%)	以稅率15%計算 (二零零四年：15%)	1,536	4,483
Expenses not deductible for tax purposes	不可扣減的評稅開支	1,102	795
Impact of deferred tax assets not recognised	未確認遞延稅項資產的影響	-	275
Utilisation of previously unrecognised tax losses	使用以前未確認的稅損	(345)	-
Taxation charge	稅項支出	2,293	5,553

22. TAXATION (CONTINUED)

Deferred income tax assets are recognised in respect of tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of US\$2,150,000(2004:US\$4,197,000) to carry forward against future taxable profits. These tax losses will expire from one to four years.

Enterprise income tax ("EIT")

(i) Vietnam

EIT is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purposes. The applicable EIT rates for the Group's operation in Vietnam range from 10% to 20%, as stipulated in the respective subsidiaries' investment licenses.

(ii) The PRC

EIT is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purposes. The applicable EIT rate for the Group's operation in the PRC range from 18% to 27%.

(iii) Singapore/Hong Kong

No Singapore/Hong Kong profits tax has been provided as the Group had no estimated assessable profit arising in or derived from Singapore and Hong Kong during the year.

(iv) Taiwan

EIT is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purposes. The applicable EIT rate for the Group's operation in Taiwan is 25%.

22. 稅項 (續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉的稅損作確認。本集團有未確認稅損2,150,000美元(二零零四年:4,197,000美元)可結轉以抵銷未來應課稅溢利。該等稅損將於一年至四年間中止。

企業所得稅

(i) 越南

企業所得稅按財務申報的法定盈利計算，且就所得稅的毋須課稅或不可扣減的收支項目作出調整。本集團在越南的業務相關企業所得稅率介乎10%至20%，按附屬公司各自的投資許可證所規定。

(ii) 中華人民共和國(「中國」)

企業所得稅按財務申報的法定盈利計算，且就所得稅的毋須課稅或不可扣減的收支項目作出調整。本集團在中國的業務相關企業所得稅率介乎18%至27%。

(iii) 新加坡／香港

由於本集團於本年度並無在新加坡／香港賺取或獲得估計應課稅盈利，因此並無作出新加坡／香港利得稅撥備。

(iv) 台灣

企業所得稅按財務申報的法定盈利計算，且就所得稅的毋須課稅或不可扣減的收支項目作出調整。本集團在台灣業務相關企業所得稅率為25%。

23. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the consolidated financial statements of the Company to the extent of US\$35,000 (2004: US\$14,050,000).

24. DIVIDENDS

2005 Interim dividend of 0.201 US cents (2004: 0.506 US cents) per ordinary share, paid	已付二零零五年中期股息 每股普通股0.201美仙 (二零零四年：0.506美仙)
2005 Final dividend of 0.112 US cents (2004: 0.453 US cents) per ordinary share, proposed	建議派發二零零五年末期股息 每股普通股0.112美仙 (二零零四年：0.453美仙)

23. 股東應佔盈利

計入本公司綜合財務報表的股東應佔盈利為35,000美元(二零零四年：14,050,000美元)。

24. 股息

	2005 US\$'000 千美元	2004 US\$'000 千美元
2005 Interim dividend of 0.201 US cents (2004: 0.506 US cents) per ordinary share, paid	3,060	7,705
2005 Final dividend of 0.112 US cents (2004: 0.453 US cents) per ordinary share, proposed	1,708	6,895
	4,768	14,600

25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of US\$7,947,000 (2004: US\$24,334,000) by 1,522,742,000 (2004: 1,514,746,356) ordinary shares in issue during the year (note 14).

Diluted earnings per share is calculated adjusting the number of ordinary shares outstanding to assume conversion of all share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the pre-IPO share options.

25. 每股盈利

每股基本盈利按本公司股權持有人應佔盈利7,947,000美元(二零零四年：24,334,000美元)除以年內已發行普通股1,522,742,000股(二零零四年：1,514,746,356股)計算(附註14)。

每股攤薄盈利乃按假設行使所有尚未行使購股權而發行之普通股數目予以調整而計算。股份數目之計算為根據尚未行使購股權附有之認購權之貨幣價值，按公平值(以本公司股份之平均年度市場價格釐訂)購入之股份數目。根據上述計算得出之股份數目與假設行使首次公開售股前購股權而應已發行之股份數目比較。

25. EARNINGS PER SHARE (CONTINUED)

25. 每股盈利 (續)

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Profit attributable to equity holders of the Company	本公司股權持有人應佔盈利	7,947	24,334
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以千計)	1,522,742	1,514,746
Adjustments for outstanding share options (thousands)	尚未行使購股權調整 (以千計)	5,701	26,496
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之已發行普通股加權平均數 (以千計)	1,528,443	1,541,242
Diluted earnings per share (US cent per share)	每股攤薄盈利 (每股美仙)	0.52	1.58

26. STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

26. 僱員成本 (包括董事薪酬)

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Wages, basic salaries and allowances	工資、底薪及津貼	9,927	8,955
Bonuses	花紅	557	2,241
Pension costs-defined contribution plans	退休金成本—定額供款計劃	558	391
Other employee benefits	其他僱員福利	723	705
		11,765	12,292

27. EMPLOYEE RETIREMENT BENEFITS

As stipulated by rules and regulations in the PRC, the Group contributes to state-sponsored defined contribution retirement plans for its employees in Xiamen and Shanghai, the PRC. The Group contributes to the plans at rates ranging from 8% to 22% of the basic salaries predetermined by local governments. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees. For the year ended 31 December 2005, the Group has contributed approximately US\$115,000 (2004: US\$66,000) to the aforesaid state-sponsored retirement plans.

As stipulated by rules and regulation in Vietnam, the Group contributes to stated-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 15% of the employee's salary. The state-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. For the year ended 31st December 2005, the Group has contributed approximately US\$415,000 (2004: US\$325,000) to the aforesaid state-sponsored social insurance scheme.

28. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS

(a) The aggregate amounts of emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

		2005 US\$'000 千美元	2004 US\$'000 千美元
Fees	袍金	-	-
Salaries and other benefits	薪金及其他福利	1,418	2,007
Discretionary bonuses	酌情發放的花紅	523	2,200
		1,941	4,207

27. 僱員退休福利

根據中國的規則及法例，本集團為中國廈門及上海僱員向國家營辦的定額供款退休計劃作出供款。本集團對該計劃的供款率為當地政府指定底薪8%至22%。國家營辦的退休計劃負責向退休僱員支付所有退休福利。截至二零零五年十二月三十一日止年度，本集團向上述國家營辦的退休計劃供款約115,000美元(二零零四年：66,000美元)。

根據越南的規則及法例，本集團為越南僱員向國家營辦的僱員社會保險計劃作出供款。本集團按僱員薪金的15%向計劃作出供款。國家營辦的社會保險計劃負責為退休僱員提供所有保障。截至二零零五年十二月三十一日止年度，本集團向上述國家營辦的社會保險計劃供款約415,000美元(二零零四年：325,000美元)。

28. 董事及最高薪人員的薪酬

(a) 本年度本集團向本公司董事已付及應付的薪酬總額如下：

28. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (CONTINUED)

The emoluments of the directors of the Company fell within the following band:

		Number of directors 董事數目	
		2005	2004
Nil to HK\$1,000,000 (approximately US\$128,000)	零至1,000,000港元 (約128,000美元)	5	5
HK\$1,500,001 to HK\$2,000,000 (approximately US\$192,001 to US\$256,000)	1,500,001港元至2,000,000港元 (約192,001美元至256,000美元)	2	–
HK\$2,000,001 to HK\$2,500,000 (approximately US\$256,001 to US\$320,000)	2,000,001港元至2,500,000港元 (約256,001美元至320,000美元)	–	1
HK\$3,000,001 to HK\$3,500,000 (approximately US\$385,001 to US\$448,000)	3,000,001港元至3,500,000港元 (約385,001美元至448,000美元)	2	1
HK\$5,000,001 to HK\$5,500,000 (approximately US\$641,001 to US\$705,000)	5,000,001港元至5,500,000港元 (約641,001美元至705,000美元)	1	–
HK\$5,500,001 to HK\$6,000,000 (approximately US\$705,001 to US\$769,000)	5,500,001港元至6,000,000港元 (約705,001美元至769,000美元)	–	1
HK\$6,500,001 to HK\$7,000,000 (approximately US\$833,001 to US\$897,000)	6,500,001港元至7,000,000港元 (約833,001美元至897,000美元)	–	1
HK\$13,000,001 to HK\$13,500,000 (approximately US\$1,666,001 to US\$1,730,000)	13,000,001港元至13,500,000港元 (約1,666,001美元至1,730,000美元)	–	1
		10	10

None of the directors of the Company waived any emoluments during the year (2004: Nil).

28. 董事及最高薪人員的薪酬 (續)

本公司董事的薪酬介乎以下範圍：

		Number of directors 董事數目	
		2005	2004
Nil to HK\$1,000,000 (approximately US\$128,000)	零至1,000,000港元 (約128,000美元)	5	5
HK\$1,500,001 to HK\$2,000,000 (approximately US\$192,001 to US\$256,000)	1,500,001港元至2,000,000港元 (約192,001美元至256,000美元)	2	–
HK\$2,000,001 to HK\$2,500,000 (approximately US\$256,001 to US\$320,000)	2,000,001港元至2,500,000港元 (約256,001美元至320,000美元)	–	1
HK\$3,000,001 to HK\$3,500,000 (approximately US\$385,001 to US\$448,000)	3,000,001港元至3,500,000港元 (約385,001美元至448,000美元)	2	1
HK\$5,000,001 to HK\$5,500,000 (approximately US\$641,001 to US\$705,000)	5,000,001港元至5,500,000港元 (約641,001美元至705,000美元)	1	–
HK\$5,500,001 to HK\$6,000,000 (approximately US\$705,001 to US\$769,000)	5,500,001港元至6,000,000港元 (約705,001美元至769,000美元)	–	1
HK\$6,500,001 to HK\$7,000,000 (approximately US\$833,001 to US\$897,000)	6,500,001港元至7,000,000港元 (約833,001美元至897,000美元)	–	1
HK\$13,000,001 to HK\$13,500,000 (approximately US\$1,666,001 to US\$1,730,000)	13,000,001港元至13,500,000港元 (約1,666,001美元至1,730,000美元)	–	1
		10	10

本年度本公司董事並無放棄任何薪酬(二零零四年：無)。

28. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (CONTINUED)

The remuneration of the directors of the company for the year ended 31 December 2005 is set out below:

28. 董事及最高薪人員的薪酬 (續)

截至二零零五年十二月三十一日止年度本公司董事的薪酬載列如下：

		Fees	Salary	Discretionary bonuses	Other benefits(i)	Total
		袍金	薪金	酌情發放花紅	其他福利(i)	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive Directors:	執行董事：					
Mr. Yang Tou-Hsiung	楊頭雄先生	-	363	314	13	690
Mr. Yang Cheng	楊正先生	-	200	157	13	370
Mr. Yang, Kun-Hsiang	楊坤祥先生	-	312	24	13	349
Mr. Yang Chen-Wen	楊辰文先生	-	200	14	13	227
Mr. Wang, Joel J.	王肇樹先生	-	217	14	13	244
Non-executive directors:	非執行董事：					
Mr. Huang, Ching-Jung	黃景榮先生	-	-	-	13	13
Mr. Lam, Tuan	林俊先生	-	-	-	12	12
Independent non-executive directors:	獨立非執行董事：					
Mr. Chao, Pei-Hong	趙培宏先生	-	-	-	12	12
Ms. Chuang, Shu-Fen	莊淑芬女士	-	-	-	12	12
Mr. Ko, Jim-Chen	柯俊禎先生	-	-	-	12	12
Total	合計	-	1,292	523	126	1,941

28. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (CONTINUED)

The remuneration of the directors of the company for the year ended 31 December 2004 is set out below:

		Fees	Salary	Discretionary bonuses	Other benefits(i)	Total
		袍金	薪金	酌情發放花紅	其他福利(i)	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive Directors:	執行董事：					
Mr. Yang Tou-Hsiung	楊頭雄先生	–	352	1,320	13	1,685
Mr. Yang Cheng	楊正先生	–	200	660	13	873
Mr. Yang, Kun-Hsiang	楊坤祥先生	–	305	100	13	418
Mr. Yang Chen-Wen	楊辰文先生	–	187	60	13	260
Mr. Wang, Joel J.	王肇樹先生	–	208	60	493	761
Non-executive directors:	非執行董事：					
Mr. Huang, Ching-Jung	黃景榮先生	–	–	–	65	65
Mr. Lam, Tuan	林俊先生	–	–	–	12	12
Independent non-executive directors:	獨立非執行董事：					
Mr. Chao, Pei-Hong	趙培宏先生	–	–	–	65	65
Ms. Chuang, Shu-Fen	莊淑芬女士	–	–	–	65	65
Mr. Ko, Jim-Chen (note (ii))	柯俊禎先生	–	–	–	3	3
Total	合計	–	1,252	2,200	755	4,207

Notes:

- i) Other benefits include traveling allowance and the premium of market price over the exercise price of share options on the day of exercise.
 - ii) Mr. Ko Jim-Chen was appointed as independent non-executive directors of the company on 27 September 2004.
- (b) The five individuals whose emoluments were the highest in the Group for both years were also directors and their emoluments are reflected in the analysis presented above.
- (c) During the year, no emoluments have been paid to the directors of the Company or the five highest paid individuals of the Group as an inducement to join or as compensation for loss of office.

截至二零零四年十二月三十一日止年度本公司董事的薪酬載列如下：

		Fees	Salary	Discretionary bonuses	Other benefits(i)	Total
		袍金	薪金	酌情發放花紅	其他福利(i)	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive Directors:	執行董事：					
Mr. Yang Tou-Hsiung	楊頭雄先生	–	352	1,320	13	1,685
Mr. Yang Cheng	楊正先生	–	200	660	13	873
Mr. Yang, Kun-Hsiang	楊坤祥先生	–	305	100	13	418
Mr. Yang Chen-Wen	楊辰文先生	–	187	60	13	260
Mr. Wang, Joel J.	王肇樹先生	–	208	60	493	761
Non-executive directors:	非執行董事：					
Mr. Huang, Ching-Jung	黃景榮先生	–	–	–	65	65
Mr. Lam, Tuan	林俊先生	–	–	–	12	12
Independent non-executive directors:	獨立非執行董事：					
Mr. Chao, Pei-Hong	趙培宏先生	–	–	–	65	65
Ms. Chuang, Shu-Fen	莊淑芬女士	–	–	–	65	65
Mr. Ko, Jim-Chen (note (ii))	柯俊禎先生	–	–	–	3	3
Total	合計	–	1,252	2,200	755	4,207

附註：

- i) 其他福利包括車資津貼及購股權於行使日之市價超過行使價之溢價。
 - ii) 柯俊禎先生於二零零四年九月二十七日獲委任為獨立非執行董事。
- (b) 本集團兩個年度內最高薪酬的五位人士均為董事，彼等的酬金已載於上文分析內。
- (c) 本年度並無向本公司董事或本集團五位最高薪酬人士支付酬金，作為招攬加入本集團的獎勵或離職補償。

28. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (CONTINUED)

Details of the share options outstanding as at 31 December 2005 which have been granted to the Directors of the Group under the Pre-IPO Share Option Scheme are as follows:

Directors/ employees 董事/僱員		Number of options 購股權數目			Exercise price 行使價	Date of grant 授出日期	Exercise period 行使期間
		Granted during the period 期間授出	Exercised during the period 期間行使	Held as at 31 December 2005 於二零零五年 十二月 三十一日持有			
Mr. YANG, Tou-Hsiung	楊頭雄先生	4,500,000	-	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Chen-Wen	楊辰文先生	4,500,000	-	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Cheng	楊正先生	4,500,000	-	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Kun-Hsiang	楊坤祥先生	4,500,000	-	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. LAM, Tuan	林俊先生	500,000	-	500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年六月十三日至 二零零八年六月十二日

28. 董事及最高薪人員的薪酬 (續)

於二零零五年十二月三十一日根據首次公開售股前購股權計劃授予董事而尚未行使的購股權詳情如下：

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash inflow from operating activities:

		2005	2004
		US\$'000	US\$'000
		千美元	千美元
Profit before taxation	除稅前盈利	10,240	29,887
Interest income	利息收入	(494)	(359)
Interest expenses	利息開支	3,806	1,912
Amortised cost on long-term payable to a related party	長期應付有關連人士的攤銷成本	471	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	25,267	23,416
Amortisation of trademark	商標攤銷	1,007	-
Amortisation of land use right	土地使用權攤銷	24	8
Amortisation of goodwill	商譽攤銷	-	238
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	395	458
Gain on waiver of amounts due to related parties	豁免應付有關連人士款項的收益	-	(291)
Operating profit before working capital changes	未計營運資金變動前的經營盈利	40,716	55,269
Increase in inventories	存貨增加	(12,715)	(6,909)
Increase in trade receivables, prepayments and other receivables	應收貿易賬款、預付款項及其他應收款項增加	(3,680)	(2,720)
Increase in trade payables, accruals and other payables	應付貿易賬款、應計費用及其他應付款項增加	5,900	6,563
Increase/(decrease) in amounts due to related parties	應付有關連人士款項增加/(減少)	81	(1,354)
Net cash inflow from operating activities	經營業務所得現金流入淨額	30,302	50,849

29. 綜合現金流量報表附註

(a) 除稅前盈利與經營業務所得現金流入淨額的對賬：

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(b) Analysis of changes in financing during the year

		Share capital including share premium 包括股份 溢價的股本 US\$'000 千美元	Bank loans 銀行貸款 US\$'000 千美元
At 31 December 2003 and at 1 January 2004	於二零零三年十二月三十一日 及二零零四年一月一日	61,429	55,784
Cash inflow from financing	融資現金流入	1,157	11,091
At 31 December 2004 and at 1 January 2005	於二零零四年十二月三十一日 及二零零五年一月一日	62,586	66,875
Cash inflow from financing	融資現金流入	-	12,778
At 31 December 2005	於二零零五年十二月三十一日	62,586	79,653

(c) Major non-cash transactions

The principal non-cash transaction was the consideration payable to Tung Hai and Taiwan Vedan for the assignment of trademarks. Details of which are set out in Note 33 (a)(iv) and note 33 (c)(ii).

29. 綜合現金流量報表附註 (續)

(b) 本年度融資變化分析

		Share capital including share premium 包括股份 溢價的股本 US\$'000 千美元	Bank loans 銀行貸款 US\$'000 千美元
At 31 December 2003 and at 1 January 2004	於二零零三年十二月三十一日 及二零零四年一月一日	61,429	55,784
Cash inflow from financing	融資現金流入	1,157	11,091
At 31 December 2004 and at 1 January 2005	於二零零四年十二月三十一日 及二零零五年一月一日	62,586	66,875
Cash inflow from financing	融資現金流入	-	12,778
At 31 December 2005	於二零零五年十二月三十一日	62,586	79,653

(c) 主要非現金交易

主要非現金交易為就轉讓商標應付予東海及台灣味丹的代價。詳情載於附註33 (a)(iv) 及附註33 (c)(ii)。

30. COMMITMENTS

(a) Capital commitments

(i) Capital commitments for property, plant and equipment

	2005 US\$'000 千美元	2004 US\$'000 千美元
Contracted but not provided for 已訂約但未撥備		
– Acquisition of land and buildings from Shanghai Vedan Foods (note 33(a)(iii)) – 收購上海味丹食品土地及樓宇(附註33(a)(iii))	–	10,149
– Factory buildings and equipment of Shangdong Snowflake (note) – 山東雪花工廠大廈及設備(附註)	11,955	–
– Other property, plant and equipment – 其他物業、廠房及設備	881	2,706
Authorised but not contracted for 已批准但未訂約	34,751	35,130

Note:

On 28 December 2005, the Group entered into Assets Transfer Agreement with Shandong Xue Hua Bio-chemical Co., Ltd. (“Xue Hua”), the minority shareholder of Shangdong Snowflake.

Pursuant to the Assets Transfer Agreement, Shangdong Snowflake will purchase from Xue Hua certain factory buildings and equipment, for the production of GA and MSG in the PRC at an aggregate consideration of RMB96,480,000 (equivalent to approximately US\$11,955,000).

(ii) Capital commitments for trademarks

	2005 US\$'000 千美元	2004 US\$'000 千美元
Contracted but not provided for (note 33(a)(iv)) 已訂約但未撥備(附註33(a)(iv))	–	15,303

30. 承擔

(a) 資本承擔

(i) 物業、廠房及設備的資本承擔

附註：

於二零零五年十二月二十八日，本集團與山東雪花的少數股東山東雪花生物化工股份有限公司(「雪花」)訂立資產轉讓協議。

根據資產轉讓協議，山東雪花以總代價人民幣96,480,000元(相當於約11,955,000美元)將自雪花購入工廠大廈及設備，以於中國生產穀氨酸及味精。

(ii) 商標的資本承擔

30. COMMITMENTS (CONTINUED)

(b) Lease commitments

The Group had future aggregate minimum lease payments in respect of land under non-cancellable operating leases as follows:

		2005 US\$'000 千美元	2004 US\$'000 千美元
Not later than one year	第一年內	109	101
Later than one year and not later than five years	第二至第五年內	436	404
Later than five years	第五年後	3,107	2,961
		3,652	3,466

31. CONTINGENT LIABILITIES

As at 31 December 2005, the Company has given corporate guarantees for bank loans of subsidiaries amounting to US\$93,000,000 (2004: US\$61,745,000) of which US\$13,347,000 has not been utilised.

32. ACQUISITION OF A SUBSIDIARY

The Group acquired 100% of the legal capital of Veyu Enterprise Co., Ltd (“Veyu”) from an independent third party (the “Vendor”) on 31 October 2005. The operating results of this newly controlled entity have been included in the consolidated income statement since the date of acquisition. The fair value of the net assets approximate to the book value of the net assets acquired, and no plant closure provisions or other restructuring provisions were established. The total purchase consideration is US\$3,330,000 comprising US\$2,793,000 to be paid in cash and US\$537,000 payable to Veyu by the Vendor to be waived. As at 31 December 2005, the amount paid is US\$2,460,000.

The operating results of this newly controlled entity have been included in the consolidated income statement since the date of acquisition. The newly controlled entity has contributed revenues of US\$417,000 and net profit of US\$26,000 to the Group for the period from 1 November 2005 to 31 December 2005. If the acquisition had occurred on 1 January 2005, the Group revenue would have been increased by US\$301,000 and net profit would have been decreased by US\$182,000. These amounts have been calculated using the Group’s accounting policies.

30. 承擔 (續)

(b) 租約承擔

本集團根據土地的不可撤銷經營租約而須於未來支付的最低租約承擔總額如下：

31. 或然負債

於二零零五年十二月三十一日，本公司為附屬公司提供銀行貸款之公司擔保達93,000,000美元(二零零四年：61,745,000美元)，其中13,347,000美元尚未動用。

32. 收購一間附屬公司

本集團於二零零五年十月三十一日向獨立第三方(「賣方」)收購Veyu Enterprise Co., Ltd (「Veyu」)之100%註冊股本。這家新受控制實體之經營業績自收購日期以來，已納入綜合損益表內。資產淨值之公平值與被收購資產淨值之賬面值相若，且並無提撥有關廠房暫停運作或其他重整準備。購買總代價為3,330,000美元，其中2,793,000美元將以現金支付，並免除賣方應付Veyu之537,000美元。於二零零五年十二月三十一日，已付款項為2,460,000美元。

這家新受控制實體之經營業績自收購日期以來，已納入綜合損益表內。由二零零五年十一月一日至二零零五年十二月三十一日止期間，新受控制實體已向本集團貢獻收益417,000美元，以及純利26,000美元。倘若於二零零五年一月一日進行收購，則本集團之收益會增加301,000美元，而純利則會減少182,000美元。該等款項已採用本集團之會計政策計算。

32. ACQUISITION OF A SUBSIDIARY (CONTINUED)

At the date of approval of the accounts, management has not completed the process of valuation of the trademark acquired, the recognition of which arises from the acquisition of Veyu. The provisional accounting for the acquisition has not included the recognition of this intangible asset. When the provisional accounting is completed in the year 2006, the goodwill arising on acquisition will be reduced by the fair value assigned to other intangible asset.

The fair value of identifiable assets and liabilities arising from the acquisition are as follows:

32. 收購一間附屬公司 (續)

於批准賬目之日，管理層尚未完成所收購商標之估值程序，商標之確認乃因收購Veyu而產生。收購之臨時會計處理，並未包括確認這無形資產。當臨時會計處理於二零零六年完成，則因收購而產生之商譽將減去轉撥至其他無形資產之公平值。

因收購而產生之可識別資產及負債之公平值載述如下：

		US\$'000 千美元
Cash	現金	1,048
Property, plant and equipment	物業、廠房及設備	634
Inventories	存貨	65
Other assets (including receivable from the Vendor)	其他資產(包括應收賣方款項)	540
Trade creditors and other payables	應付貿易賬款及其他應付款項	(99)
Receivable from the Vendor waived	豁免應收賣方款項	(537)
Net assets acquired	所收購資產淨值	1,651
Goodwill	商譽	1,142
Total consideration payable by cash	以現金支付的總代價	2,793
Cash paid for the acquisition in the year	年內收購所付現金	(2,460)
Cash and cash equivalents in subsidiary acquired	收購附屬公司之現金及現金等價物	1,048
Cash outflow on acquisition	收購的現金流出	(1,412)

33. RELATED PARTY TRANSACTIONS

- (a) Significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

	Note	2005 US\$'000 千美元	2004 US\$'000 千美元
	附註		
Sale of goods to	(i)		
– Taiwan Vedan		9,801	7,548
– Shanghai Vedan Foods		–	3,028
Trademark license fee paid to Tung Hai Fermentation Industrial Co. Ltd. ("Tung Hai")	(ii)	289	1,840
Technological support fee paid to Tung Hai and Taiwan Vedan	(ii)	2,604	1,832
Technological support fee received from Taiwan Vedan	(ii)	80	–
Commission income from Taiwan Vedan in connection with Agency Agreement	(ii)	104	167
Acquisition of land use rights and properties from Shanghai Vedan Foods	(iii)	5,377	–
Acquisition of MSG business from Shanghai Vedan Foods	(iii)	–	6,259
Acquisition of ancillary facilities from Shanghai Vedan Foods	(iii)	–	1,036
Assignment of trademarks from Tung Hai and Taiwan Vedan	(iv)	12,089	–

Notes:

- (i) In the opinion of the directors of the Company, sales to related parties were conducted in the normal course of business at prices and terms no less favourable than those charged to and contracted with other third party customers of the Group.
- (ii) In the opinion of the directors of the Company, the transactions were carried out in the ordinary course of business and the fees are charged in accordance with the terms of underlying agreements.

33. 有關連人士交易

- (a) 在本集團日常業務中與有關連人士進行的重大交易如下：

附註：

- (i) 本公司董事認為向有關連人士銷售在日常業務中進行，且價格及條款不遜於本集團與其他第三者客戶交易所支付及訂立的價格及條款。
- (ii) 本公司董事認為該等交易在日常業務中進行，並且根據相關協議的條款收費。

33. RELATED PARTY TRANSACTIONS (CONTINUED)

Notes: (continued)

- (iii) On 6 May 2004, the Group entered into two agreements, namely the Business Acquisition Agreement and the Immovable Assets Acquisition Agreement, with Shanghai Vedan Foods in connection with the acquisition of the existing MSG business and land use rights and buildings and ancillary facilities of Shanghai Vedan Foods.

The Business Acquisition Agreement and the acquisition of ancillary facilities under the Immovable Assets Acquisition Agreement were completed during the year 31 December 2004 and the acquisition of land use rights and buildings under the Immovable Assets Acquisition Agreement was completed during the year ended 31 December 2005.

- (iv) On 13 June 2003, the Company entered into a trademark assignment agreement (the "Trademark Assignment Agreement") with Taiwan Vedan and Tung Hai, pursuant to which each of Taiwan Vedan and Tung Hai has agreed to assign to the Company absolutely all its entire right, title and interest in and to the trademarks registered in the name of Taiwan Vedan and Tung Hai in Vietnam, the PRC and certain ASEAN countries.

During the year, the transfer of the titles and registrations of these trademarks had substantially been completed and accordingly, these trademarks were recognised as intangible assets.

(b) Key management compensation

		2005 US\$'000 千美元	2004 US\$'000 千美元
Salaries and other short-term employee benefits	薪金及其他短期員工福利	1,880	3,997

33. 有關連人士交易 (續)

附註：(續)

- (iii) 於二零零四年五月六日，本集團就收購上海味丹食品的現有味精業務、若干土地及樓宇及配套設施訂立兩項協議，分別為業務收購協議及不動產收購協議。

業務收購協議及根據不動產收購協議下收購配套設施已於截至二零零四年十二月三十一日止年度完成。根據不動產收購協議下收購土地使用權及樓宇於截至二零零五年十二月三十一日止年度內完成。

- (iv) 於二零零三年六月十三日，本公司與台灣味丹及東海訂立一項商標轉讓協議（「商標轉讓協議」）。據此，台灣味丹及東海已各自同意向本公司轉讓彼等各自於以台灣味丹及東海名義於越南、中國及若干東盟國家註冊之商標中之全部權利、所有權及權益。

年內，大致上已完成該等商標之所有權轉讓及註冊事宜，故該等商標乃被確認為無形資產。

(b) 主要管理人員酬金

33. RELATED PARTY TRANSACTIONS (CONTINUED)**(c) Balances with related parties**

As at 31 December 2005, the Group had the following significant balances with related parties:

	Note 附註	2005 US\$'000 千美元	2004 US\$'000 千美元
Current:			
Trade receivable from related parties (note 11)			
– Shanghai Vedan Foods	(i)	633	2,171
– Taiwan Vedan		1,654	2,371
		2,287	4,542
Due to related parties			
– Taiwan Vedan	(i)	274	29
– Tung Hai		-	164
		274	193
Group and Company 本集團及本公司			
Non-current:			
Due to Taiwan Vedan and Tung Hai in connection with assignment of trademarks	(ii)	12,560	-

Note:

- (i) All these balances with related parties are unsecured, interest-free and have no fixed terms of repayment.
- (ii) The amount represents the fair value of payable to Taiwan Vedan and Tung Hai for assignment of certain trademarks under the Trademark Assignment Agreement (note 33(a)(iv)). It is payable by seven equal annual instalment commencing on 1 January 2007. The face amount is US\$15,014,000 and is discounted to fair value using a rate based on the borrowings rate of 4.7% at the date of assignment of the trademarks.

33. 有關連人士交易 (續)**(c) 有關連人士的結餘**

於二零零五年十二月三十一日，本集團與有關連人士有以下重大結餘。

附註：

- (i) 有關連人士的所有結餘均無抵押、免息及無固定還款期。
- (ii) 根據商標轉讓協議(附註33(a)(iv))，該款項相當於就轉讓若干商標而應付台灣味丹及東海之公平值。其須由二零零七年一月一日起，分七期每年支付相同款額。面值為15,014,000美元，並按根據轉讓商標當日之借貸利率4.7厘計算之利率折現至公平值。

34. BANKING FACILITIES

The Group's bank borrowings of US\$79,653,000 as at 31 December 2005 were secured by:

- (i) legal charges over certain of the Group's property, plant and equipments and land use rights with the net book value of approximately US\$50,341,000; and
- (ii) corporate guarantees provided by the Company.

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on 22 March 2006.

34. 銀行信貸

本集團於二零零五年十二月三十一日的銀行借貸79,653,000美元以下列各項作為抵押：

- (i) 本集團賬面淨值約50,341,000美元的若干物業、廠房及設備和土地使用權的法定抵押；及
- (ii) 本公司提供的公司擔保。

35. 批准綜合財務報表

綜合財務報表已於二零零六年三月二十二日獲董事會批准。