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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or otherwise transferred** all your shares in FAVA International Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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## **FAVA INTERNATIONAL HOLDINGS LIMITED**

**名家國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8108)

### **VERY SUBSTANTIAL ACQUISITION ACQUISITION OF EQUIPMENT**

**Financial Adviser**



**Guotai Junan Capital Limited**

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A notice convening a special general meeting (the “SGM”) of the Company to be held at Room 1005, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong on Friday, 26 January 2007 at 10:00 a.m. is set out on pages 167 to 168 of this circular. Whether or not you are able to attend the SGM, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Hong Kong branch share registrar and transfer office of the Company, Tengis Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting in person if you so wish.

A letter from the Board is set out on pages 4 to 12 of this circular.

*This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” pages for at least seven (7) days from the date of its posting.*

3 January 2007

\* For identification purpose only

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	4
2. S & P Agreement .....	5
3. Information on the Vendors and the Equipment .....	9
4. Information of the Company .....	9
5. Possible financial effects to the Group arising from the Acquisition .....	9
6. Reasons for the Acquisition .....	11
7. General .....	11
8. The SGM .....	11
9. Procedures for demanding a poll .....	12
10. Recommendation .....	12
11. Additional information .....	12
<b>Appendix I – Financial information on the Group</b> .....	13
<b>Appendix II – Financial information on the acquired machineries</b> .....	81
<b>Appendix III – Unaudited pro forma financial information                   on the Enlarged Group</b> .....	145
<b>Appendix IV – Equipment valuation report</b> .....	152
<b>Appendix V – General information</b> .....	158
<b>Notice of SGM</b> .....	167

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Acquisition”	the acquisition of the Equipment under the S & P Agreement
“associates”	shall have the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day(s) (excluding a Saturday and Sunday) on which banks generally are open for general banking business in the PRC
“Business Relationship”	the Vendors have certain business relationship with the Purchaser, including, (i) the Vendors as lessors lease certain land and buildings to the Purchaser as lessee. Such leased properties are used by the Purchaser for production and storage; and (ii) Huari Furniture as licensor grants to the Purchaser a non-exclusive right to use a trademark of Huari Furniture at an annual licence fee of RMB1 million
“Company”	FAVA International Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed and traded on GEM
“Completion”	fulfillment (or waived by the Purchaser) of all conditions precedent as set out in the S & P Agreement
“Completion Date”	the date of Completion (or such other date as may be agreed between the Purchaser and the Vendors)
“connected person”	shall have the meaning ascribed to it in the GEM Listing Rules
“Consideration”	the consideration of RMB75,398,100 (equivalent to approximately HK\$73,202,000)
“Directors”	the directors of the Company
“Equipment”	certain machineries and equipment for the manufacturing of furniture as stipulated in the S & P Agreement
“Enlarged Group”	the Group immediately after the transfer of title of the Equipment from the Vendors to the Purchaser or a company designated by the Purchaser on the Completion Date
“GEM”	the Growth Enterprise Market operated by the Stock Exchange

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## DEFINITIONS

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“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Huari Furniture”	Lang Fang Huari Furniture Joint Stock Co., Ltd* (廊坊華日家具股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and is principally engaged in manufacture of furniture
“Independent Third Parties”	parties which are independent of and not connected with any of the directors, chief executives, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates
“Lang Fang Tian Cheng Furniture”	Lang Fang Tian Cheng Furniture Co., Ltd* (廊坊天誠家具有限公司), a Sino-foreign equity joint venture company incorporated in the PRC, 74% equity interests of which are held by Huari Furniture
“Latest Practicable Date”	28 December 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lease Agreement”	the lease agreement dated 31 May 2006 and entered into between the Purchaser being the lessee and the Vendors being the lessors in respect of the lease of certain part of the Equipment
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Lang Fang Tian Feng Home Co., Ltd* (廊坊天豐家居有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC and is an indirectly wholly-owned subsidiary of the Company
“Restricted Furniture Business”	5 series of furniture that the Group is currently manufacturing or plans to manufacture in the near future

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“S & P Agreement”	the conditional sales & purchase agreement dated 29 November 2006 entered into between the Purchaser and the Vendors in respect of the acquisition of the Equipment
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	special general meeting of the Company to be convened to consider and approve the Acquisition and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Huari Furniture and Lang Fang Tian Cheng Furniture
“Zhou’s Family”	Mr. Zhou Xu En* (周旭恩) and his parents who in aggregate hold approximately 98% of equity interests in Huari Furniture; Mr. Zhou Xu En* (周旭恩) held not more than 5% of the issued share capital of the Company as at the Latest Practicable Date
“%”	per cent.

\* For identification purpose only

*For the purpose of this circular, (i) the exchange rate between HK\$ and RMB is stated at HK\$1 = RMB1.03; and (ii) certain English translations of Chinese names or words are included for information purpose only and should not be relied upon as the official translation of such Chinese names or words.*

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## LETTER FROM THE BOARD

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# FAVA INTERNATIONAL HOLDINGS LIMITED

名家國際控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8108)

*Executive Directors:*

Mr. Li Ge

Mr. Zhao Guo Wei

*Independent non-executive Directors:*

Mr. Lee Yuen Kwong

Mr. Yang Jie

Mr. Yang Dongli

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal Place of Business  
in Hong Kong:*

Room 1005

C.C. Wu Building

302-8 Hennessy Road

Wanchai

Hong Kong

3 January 2007

*To the Shareholders*

Dear Sir or Madam,

### **VERY SUBSTANTIAL ACQUISITION ACQUISITION OF EQUIPMENT**

#### **1. INTRODUCTION**

Reference is made to the announcement of the Company dated 30 November 2006 that the Purchaser and the Vendors entered into the S & P Agreement on 29 November 2006, pursuant to which the Purchaser agreed to acquire the Equipment from the Vendors at a consideration of RMB75,398,100 (equivalent to approximately HK\$73,202,000).

The Acquisition constitutes a very substantial acquisition of the Company under Chapter 19 of the GEM Listing Rules, and is subject to the approval of the Shareholders at the SGM. The Directors were informed that the Zhou's Family, who holds 98% of equity interests in Huari Furniture, held not more than 5% of the issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above and the Business Relationship, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Vendors and their ultimate beneficial owners are Independent Third Parties. As Zhou's Family is considered having a material interest in the Acquisition, Zhou's Family shall abstain from voting at the SGM. Save as disclosed above, to the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, none of the other Shareholders has a material interest in the Acquisition and hence, no other Shareholders shall be required to abstain from voting at the SGM.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The Completion of the S & P Agreement is conditional upon the fulfilment of certain conditions precedent which includes, among other things, the approval of the Shareholders of the Acquisition at the SGM.

The purpose of this circular is to provide you with further details of the Acquisition in accordance with the requirements of Chapter 19 of the GEM Listing Rules.

### 2. S & P AGREEMENT

*Particulars of the S & P Agreement are set out below:*

**Date:** 29 November 2006

**Parties:** Purchaser: Lang Fang Tian Feng Home Co., Ltd, an indirectly wholly-owned subsidiary of the Company. Its principal activity is manufacture and sales of household products.

Vendors: (1) Huari Furniture; and (2) Lang Fang Tian Cheng Furniture. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save that the Zhou's Family, who holds 98% of equity interests in Huari Furniture, held not more than 5% of the issued share capital of the Company as at the Latest Practicable Date and the Business Relationship, the Vendors and their ultimate beneficial owners are third parties independent of the Group and connected persons of the Company.

The Vendors have certain business relationship with the Purchaser, including, (i) the Vendors as lessors lease certain land and buildings to the Purchaser as lessee. Such leased properties are used by the Purchaser for production and storage; and (ii) Huari Furniture as licensor grants to the Purchaser a non-exclusive right to use a trademark of Huari Furniture at an annual licence fee of RMB1 million.

**Assets to be acquired:** Pursuant to the S & P Agreement, the Purchaser has agreed to purchase the Equipment from the Vendors, which include machinery and production equipment being used for manufacturing of solid wood home furniture. Certain part of the Equipment is currently leased by the Group under the Lease Agreement. The Equipment shall be free from all liens, charges, encumbrances and all other rights exercisable by third parties.

**Consideration:** The Purchaser agreed to acquire the Equipment from the Vendors at a consideration of RMB75,398,100 (equivalent to approximately HK\$73,202,000).



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## LETTER FROM THE BOARD

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**Basis of the Consideration:** The Consideration is arrived at after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms with reference to the value of the Equipment amounting to approximately RMB75,398,100 (equivalent to approximately HK\$73,202,000) as at 31 October 2006 being valued (adopting the depreciated replacement cost method) by Beijing Zhongchengming Asset Valuation Company Limited\* (北京中誠銘資產評估有限責任公司), an independent professional PRC valuer which has been granted a certificate of qualification on asset valuation (資產評估資格證書) by the Finance Bureau of the Beijing city (北京市財政局).

The Directors consider that the Consideration is fair and reasonable and in the interests of the Company and Shareholders as a whole.

**Payment Arrangement:** The Consideration shall be satisfied in cash by the Purchaser in the following manner:

- (i) not less than 20% of the Consideration, being not less than RMB15,079,620 (equivalent to approximately HK\$14,640,000) shall be paid to the Vendors on the Completion Date; and
- (ii) the remaining Consideration shall be paid to the Vendors within 180 days immediately after the Completion Date in one or more payments.

The Purchaser shall settle the Consideration in full no later than the 180th day from the Completion Date (the "Latest Payment Date"). In the event that the Consideration not being fully settled on or before the Latest Payment Date, the Purchaser shall pay interest accrued from the outstanding balance of the Consideration at the re-borrowing interest rate promulgated by the People's Bank of China as at the Latest Payment Date (or the Business Day immediately before the Latest Payment Date if the Latest Payment Date is not a Business Day) for the period commencing from the day immediately after the Latest Payment Date until the date when the Purchaser has settled the outstanding balance in full. Such accrued interest shall be paid every 30 days immediately after the Latest Payment Date. In the event that the Purchaser is unable to settle the Consideration in full and/or the accrued interest, the Vendors have the right to take legal action for the outstanding balance and/or interest. However, such delay in payment will not be treated as a breach of the S & P Agreement so as to terminate the S & P Agreement and will not affect the validity of the legal ownership of the Equipment of the Purchaser (or the nominee company of the Purchaser). If the Purchaser shall make such interest payment to the Vendors, the Company will issue an announcement accordingly.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The Company intends to use the proceeds from the convertible notes issued by the Company to satisfy its payment obligation on the Completion Date, and use internal resources and, if internal resources are insufficient for this purpose, bank loans, to satisfy its payment obligation on or before the Latest Payment Date. For detailed information about the issue and allotment of the convertible notes, please refer to the Company's announcements dated 7 July 2006 and 28 July 2006.

**Conditions Precedent:** Completion of the S & P Agreement is conditional upon, amongst other things, the fulfilment of the following conditions precedent:

- (a) all the title documents and records of the Equipment have been provided by the Vendors to the Purchaser and the results of the review on all these documents and records are being found satisfactory by the Purchaser;
- (b) all approvals and/or consents (if any) to ensure that the Purchaser will become the legal and beneficial owner of the Equipment having been obtained;
- (c) approval from the Shareholders in relation to the Acquisition having been obtained in accordance with the GEM Listing Rules;
- (d) the receipt by the Purchaser of a PRC legal opinion in relation to the legality of the title of the Equipment and the transfer of title in a form acceptable to the Purchaser; and
- (e) any other documents requested by the Purchaser.

The Purchaser has the discretion to waive any of the conditions precedent as set out in the S & P Agreement (save as condition (c) above). If any of the conditions precedent shall not be fulfilled (or waived by the Purchaser) on or before 30 June 2007 or such other date as may be agreed between the Purchaser and the Vendors, the S & P Agreement shall be null and void.

**Completion:** Completion of the S & P Agreement shall take place on the Completion Date which will be the date when all of the conditions precedent as set out in the S & P Agreement are fulfilled or waived, or such other date as may be agreed between the Purchaser and the Vendors.

**Transfer of Ownership of Equipment:** The title of the Equipment shall be transferred from the Vendors to the Purchaser or a company designated by the Purchaser on the Completion Date.

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## LETTER FROM THE BOARD

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**Non-Competition Undertakings by the Vendors:** The Vendors have, jointly and individually, provided a non-competition undertaking to the Purchaser (and the company which is nominated by the Purchaser to take up the legal ownership of the Equipment, and other associated companies of the Purchaser as agreed between the Purchaser and the Vendors, being referred hereunder as “Associated Companies”) that, for a period of five years from the date of execution of such undertaking, being 29 November 2006:

- (a) Each of the Vendors and their Related Parties (as defined below) shall not, jointly or individually, (i) directly or indirectly participate in any Restricted Furniture Business, or hold any equity interest in any company who participates in Restricted Furniture Business; or (ii) being employed by any entity who directly or indirectly participates in Restricted Furniture Business;
- (b) Each of the Vendors and their Related Parties (as defined below) shall not, jointly or individually, directly or indirectly, employ or procure employment of the directors, general managers or deputy general managers of the Purchaser and the Associated Companies; and
- (c) Each of the Vendors and their Related Parties (as defined below) shall not, jointly or individually, by itself or on behalf of other parties, recruit or procure recruitment of any directors or managerial staff of the Purchaser and the Associated Companies for any other companies.

Related Parties mentioned above refers to any company whose 50% or more of the equity interests are owned by the Vendors; or companies who own 50% or more of the equity interests of the Vendors; all the directors, general managers and deputy general managers of the aforesaid companies, and any persons who owns 50% or more of the equity interests of any of the aforesaid companies.

If any of the Vendors or the Related Parties breaches the undertakings mentioned above, the Vendors shall jointly and severally compensate the Purchaser and the Associated Companies for all the losses and expenses suffered as a result of such breaches, as well as the loss of business opportunities. The Vendors shall account to the Purchaser and the Associated Companies all the gains arising from its activities in breach of paragraph (a) above as compensation for the loss of business opportunities of the Purchaser and the Associated Companies.

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## LETTER FROM THE BOARD

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### 3. INFORMATION ON THE VENDORS AND THE EQUIPMENT

The Vendors are principally engaged in the manufacture and sale of furniture in the PRC, including a wide range of home series furniture, office furniture and hotel furniture. The Directors were informed that the Zhou's Family, who holds approximately 98% equity interests of Huari Furniture, held not more than 5% of the issued share capital of the Company as at the Latest Practicable Date.

The Equipment to be acquired includes machineries and production equipment being used for manufacturing of solid wood home furniture. Certain part of the Equipment is currently leased by the Purchaser under the Lease Agreement. The parties agreed that the Lease Agreement will be terminated on the Completion Date.

The following is a summary of the combined results of the Equipment for the three years ended 31 December 2005, and the nine months ended 30 September 2005 and 2006, as extracted from Appendix II to this circular which has been prepared in accordance with accounting policies which are in compliance with accounting principles generally accepted in Hong Kong.

	Year ended 31 December			Nine months ended	
	2003	2004	2005	30 September 2005	2006
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	242,118	252,118	227,666	159,695	75,599
Profit before tax	<u>59,649</u>	<u>37,016</u>	<u>40,533</u>	<u>29,577</u>	<u>18,767</u>

The differences between the unaudited profit before tax for the two years ended 31 December 2004 and 2005 and the nine months ended 30 September 2006 as disclosed in the announcement dated 30 November 2006 and the unaudited profit before tax for the same periods as disclosed above and in Appendix II to this circular were mainly attributable to the reclassification of expenses from administrative expenses to other expenses which were directly related to the Equipment but have not been included in the combined results.

Detailed financial information of the Equipment is set out in Appendix II to this circular.

### 4. INFORMATION OF THE COMPANY

The Group is principally engaged in the manufacture and sale of household products, focusing on home furniture in the PRC and overseas markets.

### 5. POSSIBLE FINANCIAL EFFECTS TO THE GROUP ARISING FROM THE ACQUISITION

Upon Completion, the financial results generated from the Equipment will be included in the financial statements of the Group.

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## LETTER FROM THE BOARD

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### **Effect on total assets**

The total assets of the Group as at 30 June 2006 was HK\$43,761,000, according to the unaudited pro forma combined balance sheet of the Enlarged Group as set out in Appendix III to this circular, the unaudited pro forma total assets of the Enlarged Group will be increased to HK\$102,323,000 after the Completion. The increase in total assets of the Enlarged Group is mainly attributable to the acquisition of Equipment of HK\$73,202,000 and the cash payment of HK\$14,640,000 for fulfillment of not less than 20% of the Consideration which shall be payable on the Completion Date.

### **Effect on earnings**

As shown in the financial information on the Equipment as contained in Appendix II to this circular, the Equipment has been generating revenue and profit for the three years ended 31 December 2005 and the nine months ended 30 September 2006 respectively. The Directors consider that the acquisition of Equipment will expand production capacity of the Group, and with the anticipated business opportunity in the PRC solid wood furniture market, the revenue base of the Group is expected to be further enhanced.

### **Effect on liabilities**

The Company intends to settle not less than 20% of the Consideration which amounted to not less than HK\$14,640,000 by using net proceeds from convertible notes of approximately HK\$17,000,000 issued by the Company on 28 July 2006, the remaining of not more than 80% of the Consideration which amounted to not more than HK\$58,562,000 will be settled by cashflow generated from operation of the Group. In the event that the cashflow generated from the Group's operation is insufficient to fully settle the remaining consideration of not more than HK\$58,562,000, the shortfall will be settled by bank borrowings. Based on the unaudited pro forma combined balance sheet of the Enlarged Group as at 30 June 2006 as set out in Appendix III to this circular, the gearing ratio of the Group, which was calculated by total liabilities of the Group divided by total assets of the Group before and after the Completion, would increase from 74.1% to 88.9% immediately after the Acquisition.

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## LETTER FROM THE BOARD

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### 6. REASONS FOR THE ACQUISITION

As mentioned in the Company's third quarterly report for the nine months ended 30 September 2006, it is the Company's objective to further diversify its investment and further develop the sale of household products.

The Group has diversified to engage in the manufacture and sales of household products since late 2005. Since then, the performance of the Group has improved significantly. For the nine months ended 30 September 2005 and 2006, the turnover of the Group was HK\$8,932,000 and HK\$113,825,000 respectively; and the Group recorded net loss of HK\$2,823,000 for the nine months ended 30 September 2005, but recorded net profit of HK\$34,745,000 for the nine months ended 30 September 2006. Such improvement was mainly due to the increase in sales of household products in the PRC and overseas markets.

The Directors believe that the Acquisition will enable the Group to set up its own production facilities thereby putting the Group in a more advantageous position to capture more business opportunities in the future, as well as to increase the sale of household products and profit of the Group.

The Directors consider that the terms and conditions of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

### 7. GENERAL

The Acquisition constitutes a very substantial acquisition of the Company under Chapter 19 of the GEM Listing Rules and hence is subject to the approval of the Shareholders. The Directors were informed that the Zhou's Family, who holds 98% of equity interests of Huari Furniture, held not more than 5% of the issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above and the Business Relationship, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors are Independent Third Parties. As Zhou's Family is considered having a material interest in the Acquisition, Zhou's Family and their associates shall abstain from voting at the SGM. Save as disclosed above, to the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, none of the other Shareholders has a material interest in the Acquisition and no other Shareholders shall be required to abstain from voting at the SGM.

### 8. THE SGM

The Company will convene the SGM to be held on Friday, 26 January 2007 to consider and if thought fit by the Shareholders, to approve the Acquisition and the transactions contemplated thereunder. The voting at such meeting will be taken on a poll and the Company will make an announcement of the poll results. As the Zhou's Family have a material interest in the Acquisitions, the Zhou's Family and their associate shall abstain from voting at the SGM.

The notice of the SGM is set out on pages 167 to 168 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form of proxy will not prevent you from attending and voting at the SGM, if you so wish.

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## LETTER FROM THE BOARD

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### 9. PROCEDURES FOR DEMANDING A POLL

Pursuant to the bye-laws of the Company, at any general meeting a resolution put to vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the GEM Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring the rights; or
- (e) if required by the GEM Listing Rules, by any Director or Directors who individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights of all Shareholders having right to vote at such meeting.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorized representative shall be deemed to be the same as a demand by a Shareholder.

### 10. RECOMMENDATION

The Directors believe that the Acquisition is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the SGM.

### 11. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By order of the Board  
**FAVA International Holdings Limited**  
**Li Ge**  
*Executive Director*

## A. SUMMARY OF FINANCIAL INFORMATION

Set out below is a summary of the audited financial information of the Group for the years ended 31 December 2003, 2004 and 2005 and the unaudited financial information of the Group for the six months ended 30 June 2006 and the nine months ended 30 September 2006 together with the comparative unaudited figures for the corresponding periods in 2005 extracted from the Group's annual report of year 2005, annual report of year 2004, interim report for the six months ended 30 June 2006 and third quarterly report for the nine months ended 30 September 2006.

## RESULTS

	Unaudited		Unaudited		Audited		
	Nine months ended		Six months		Year ended 31 December		
	30 September		ended 30 June		2005	2004	2003
	2006	2005	2006	2005	2005	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	113,825	8,932	61,162	3,825	25,985	2,287	1,020
Cost of sales	(81,044)	(8,108)	(43,080)	(3,500)	(23,111)	(2,149)	(320)
Gross profit	32,781	824	18,082	325	2,874	138	700
Other revenue	240	3	203	-	3	157	58
Other income	-	-	-	-	793	-	-
Distribution costs	-	-	-	-	-	-	(768)
Administrative expenses	(3,893)	(3,314)	(2,632)	(2,326)	(6,898)	(5,015)	(3,826)
Impairment loss recognised in respect of goodwill of a subsidiary	-	-	-	-	(9,948)	-	(1,797)
Impairment loss recognised in respect of goodwill of an associate	-	-	-	-	-	(2,702)	(1,000)
Provision for obsolete inventories	-	-	-	-	-	(4,907)	-
Provision for amounts due from associates	-	-	-	-	(3)	(262)	-
Provision for loan to an associate	-	-	-	-	-	(279)	-
Other operating expenses	(817)	(333)	(186)	(304)	(954)	(1,403)	(1,699)
Profit/(loss) from operations	28,311	(2,820)	15,467	(2,305)	(14,133)	(14,273)	(8,332)
Finance costs	(484)	(3)	(37)	(1)	(3)	(3)	-
Gain on disposal of subsidiaries	6,918	-	-	-	-	-	510
Gain on deemed disposal of partial interest in an associate	-	-	-	-	-	135	313
Loss on disposal of a long term investment	-	-	-	-	-	-	(1,972)
Share of results of associates	-	-	-	-	-	-	(480)
Profit/(loss) before taxation	34,745	(2,823)	15,430	(2,306)	(14,136)	(14,141)	(9,961)
Taxation	-	-	-	-	-	-	-
Profit/(loss) for the year/period	<u>34,745</u>	<u>(2,823)</u>	<u>15,430</u>	<u>(2,306)</u>	<u>(14,136)</u>	<u>(14,141)</u>	<u>(9,961)</u>



	Unaudited		Unaudited		Audited		
	Nine months ended		Six months ended		Year ended 31 December		
	30 September		30 June		2005	2004	2003
	2006	2005	2006	2005	2005	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Attributable to							
- Minority interests	-	-	-	-	-	(118)	(121)
- Equity holders of the parent	34,745	(2,823)	15,430	(2,306)	(14,136)	(14,023)	(9,840)
	<u>34,745</u>	<u>(2,823)</u>	<u>15,430</u>	<u>(2,306)</u>	<u>(14,136)</u>	<u>(14,141)</u>	<u>(9,961)</u>
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Profit/(loss) per share							
- basic	<u>29</u>	<u>(2.5)</u>	<u>11.2</u>	<u>(2.3)</u>	<u>(11.7)</u>	<u>(25.4)</u>	<u>(23.8)</u>

## ASSETS AND LIABILITIES

	Unaudited		Audited		
	30 June		31 December		
	2006	2005	2005	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	43,761	14,486	5,470	12,865	16,216
Total liabilities	<u>(32,409)</u>	<u>(9,857)</u>	<u>(11,746)</u>	<u>(9,485)</u>	<u>(903)</u>
Total equity	<u>11,352</u>	<u>4,629</u>	<u>(6,276)</u>	<u>3,380</u>	<u>15,313</u>

**B. AUDITED FINANCIAL STATEMENTS FOR THE TWO YEARS ENDED 31 DECEMBER 2005**

Set out below are the audited financial statements of the Group for the two years ended 31 December 2005, which are extracted from the annual report of the Group for the year ended 31 December 2005.

**CONSOLIDATED INCOME STATEMENT**

*For the year ended 31 December 2005*

	<i>Note</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
<b>Turnover</b>	4	25,985	2,287
<b>Cost of sales</b>		(23,111)	(2,149)
<b>Gross profit</b>		2,874	138
<b>Other revenue</b>	6	3	157
<b>Other income</b>	6	793	–
<b>Administrative expenses</b>		(6,898)	(5,015)
<b>Impairment loss recognised in respect of goodwill of a subsidiary</b>		(9,948)	–
<b>Impairment loss recognised in respect of goodwill of an associate</b>		–	(2,702)
<b>Provision for obsolete inventories</b>		–	(4,907)
<b>Provision for amounts due from associates</b>		(3)	(262)
<b>Provision for loan to an associate</b>		–	(279)
<b>Other operating expenses</b>		(954)	(1,403)
<b>Loss from operations</b>	6	(14,133)	(14,273)
<b>Finance costs</b>	7	(3)	(3)
<b>Gain on deemed disposal of partial interest in an associate</b>		–	135
<b>Share of results of associates</b>		–	–
<b>Loss before taxation</b>		(14,136)	(14,141)
<b>Taxation</b>	9	–	–
<b>Loss for the year</b>	10	<u>(14,136)</u>	<u>(14,141)</u>
<b>Attributable to</b>			
– Minority interests		–	(118)
– Equity holders of the parent		(14,136)	(14,023)
		<u>(14,136)</u>	<u>(14,141)</u>
<b>Loss per share</b>			
– basic	12	<u>HK\$(0.12)</u>	<u>HK\$(0.25)</u>

## CONSOLIDATED BALANCE SHEET

As at 31 December 2005

	<i>Note</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	<i>13</i>	373	422
Goodwill	<i>14</i>	–	9,948
		<u>373</u>	<u>10,370</u>
<b>Current assets</b>			
Inventories	<i>17</i>	2,293	71
Trade receivables	<i>18</i>	222	436
Loan receivable	<i>19</i>	–	446
Prepayments, deposits and other receivables		2,190	338
Prepaid tax		–	563
Cash and bank balances		392	641
		<u>5,097</u>	<u>2,495</u>
<b>Current liabilities</b>			
Trade and other payables	<i>20</i>	10,919	9,252
Amount due to an associate	<i>16</i>	2	2
Tax payable		186	181
Short term loan from a shareholder	<i>21</i>	600	–
Obligations under finance lease – due within one year	<i>22</i>	13	11
		<u>11,720</u>	<u>9,446</u>
<b>Net current liabilities</b>		<u>(6,623)</u>	<u>(6,951)</u>
<b>Total assets less current liabilities</b>		<u>(6,250)</u>	<u>3,419</u>
<b>Non-current liabilities</b>			
Obligations under finance lease – due after one year	<i>22</i>	26	39
<b>Net (liabilities)/assets</b>		<u>(6,276)</u>	<u>3,380</u>
<b>Equity</b>			
Issued share capital	<i>23</i>	1,421	23,690
Reserves	<i>24(a)</i>	(7,697)	(20,310)
<b>Equity attributable to equity holders of the parent</b>		<u>(6,276)</u>	<u>3,380</u>
<b>Minority interests</b>		–	–
<b>Total equity</b>		<u>(6,276)</u>	<u>3,380</u>

**BALANCE SHEET***As at 31 December 2005*

	<i>Note</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	<i>13</i>	38	32
Interests in subsidiaries	<i>15</i>	78	2,038
		<u>116</u>	<u>2,070</u>
<b>Current assets</b>			
Prepayments		110	283
Bank balances		10	3
		<u>120</u>	<u>286</u>
<b>Current liabilities</b>			
Amounts due to subsidiaries	<i>15</i>	2,932	2,339
Amount due to an associate	<i>16</i>	1,256	1,256
Other payables	<i>20</i>	500	713
Short term loan from a shareholder	<i>21</i>	600	–
		<u>5,288</u>	<u>4,308</u>
<b>Net current liabilities</b>		<u>(5,168)</u>	<u>(4,022)</u>
<b>Net liabilities</b>		<u>(5,052)</u>	<u>(1,952)</u>
<b>Equity</b>			
Issued share capital	<i>23</i>	1,421	23,690
Reserves	<i>24(b)</i>	(6,473)	(25,642)
<b>Total equity</b>		<u>(5,052)</u>	<u>(1,952)</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2005

	Attributable to equity holders of the parent					Total	Minority interest	Total equity
	Share capital	Share premium	Contributed surplus	Accumulated losses	Exchange reserve			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2004	21,600	22,859	36,527	(65,673)	-	15,313	-	15,313
Issue of shares (Note 23)	2,090	-	-	-	-	2,090	-	2,090
Minority interest – acquisition of subsidiary (Note 25)	-	-	-	-	-	-	118	118
Loss for the year	-	-	-	(14,023)	-	(14,023)	(118)	(14,141)
At 31 December 2004 and at 1 January 2005	23,690	22,859	36,527	(79,696)	-	3,380	-	3,380
Exchange difference arising from translation of financial statements of subsidiaries	-	-	-	-	(140)	(140)	-	(140)
Total expenses for the year recognised directly in equity	-	-	-	-	(140)	(140)	-	(140)
Loss for the year	-	-	-	(14,136)	-	(14,136)	-	(14,136)
Total income and expense for the year	-	-	-	(14,136)	(140)	(14,276)	-	(14,276)
Capital reduction (Note 23)	(23,098)	-	-	23,098	-	-	-	-
Premium arising from issue of new shares, net of expense	-	3,791	-	-	-	3,791	-	3,791
Issue of shares (Note 23)	829	-	-	-	-	829	-	829
<b>At 31 December 2005</b>	<b>1,421</b>	<b>26,650</b>	<b>36,527</b>	<b>(70,734)</b>	<b>(140)</b>	<b>(6,276)</b>	<b>-</b>	<b>(6,276)</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	<i>Note</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
<b>Cash flows from operating activities</b>			
Loss before taxation		(14,136)	(14,141)
Adjustments for:			
Depreciation		117	277
Interest income		(3)	(74)
Impairment loss recognised in respect of goodwill of a subsidiary	<i>14</i>	9,948	–
Impairment loss recognised in respect of goodwill of an associate		–	2,702
Amortisation of goodwill		–	1,118
Provision for impairment in trade receivables		137	–
Bad debts written off		245	285
Provision for prepaid tax		563	–
Provision for amounts due from associates		3	262
Provision for loan to an associate		–	279
Provision for obsolete inventories		–	4,907
Gain on deemed disposal of partial interest in an associate		–	(135)
Interest element on finance lease		3	3
Exchange difference		(146)	–
Operating loss before working capital changes		(3,269)	(4,517)
(Increase)/decrease in inventories		(2,222)	177
(Increase)/decrease in trade receivables		(168)	2,673
Increase/(decrease) in trade and other payables		1,667	(8,688)
(Increase)/decrease in prepayments and deposits		(1,852)	5,013
Cash used in operations		(5,844)	(5,342)
Interest element on finance lease		(3)	(3)
PRC tax paid		–	(937)
Net cash used in operating activities		(5,847)	(6,282)

	<i>Note</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
<b>Cash flows from investing activities</b>			
Acquisition of interest in a subsidiary	25	–	(4,025)
Repayment of loan receivable		446	766
Increase in amounts due from associates		(3)	(201)
Repayment from associate		–	744
Purchases of property, plant and equipment		(57)	(42)
Interest received		3	74
		<u>389</u>	<u>(2,684)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	23	4,975	–
Expenses paid in connection with shares issued		(355)	–
Increase in short term loan from a shareholder		600	–
Payment of finance lease liabilities		(11)	(11)
		<u>5,209</u>	<u>(11)</u>
<b>Net cash generated from/(used in) investing activities</b>		<u>389</u>	<u>(2,684)</u>
<b>Net cash generated from/(used in) financing activities</b>		<u>5,209</u>	<u>(11)</u>
<b>Net decrease in cash and cash equivalents</b>		(249)	(8,977)
<b>Cash and cash equivalents</b>			
<b>at the beginning of the year</b>		<u>641</u>	<u>9,618</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><u>392</u></u>	<u><u>641</u></u>
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash and bank balances		<u><u>392</u></u>	<u><u>641</u></u>

**NOTES TO FINANCIAL STATEMENTS**

*For the year ended 31 December 2005*

**1. CORPORATE INFORMATION**

Co-winner Enterprise Limited (formerly known as Grandmass Enterprise Solution Limited) (the “Company”) was incorporated in Bermuda on 19 April 2000 as an exempted company with limited liability under the Bermuda Companies Act 1981. The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company’s subsidiaries are set out in note 15 to the financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The HKICPA has issued a number of new and revised HKFRSs which are effective for accounting periods beginning on or after 1 January 2005. A summary of the effect on initial adoption of these new and revised HKFRSs is disclosed in Note 3 to the financial statements.

The preparation of financial statements in conformity with HKFRSs which requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in Note 32 to the financial statements.

A summary of the significant accounting policies followed by the Group in the preparation of the financial statements is set out below.



**(a) Basis of preparation**

The measurement basis used in the preparation of the financial statements is historical cost.

At the balance sheet date, the Group's current liabilities exceeded its current assets by approximately HK\$6,623,000.

Notwithstanding the above results, the financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when they fall due such that the Group can meet its future working capital and financing requirement and the continuing financial support from its shareholders. Subsequent to the balance sheet date, the Company raised approximately HK\$1,702,000 by placing 28,420,000 shares at a placing price of HK\$0.064 each (as detailed in Note 34). The directors are confident that the Group's future operations will be improved and will be able to generate sufficient cash flows in order to meet its obligations as and when they fall due over the next twelve months. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

**(b) Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2005. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Minority interests, representing the interests of outside shareholders in the net assets and operating results of subsidiaries.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

**(c) Subsidiaries**

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.

The purchase method of accounting is used to account for the acquisition of subsidiaries and associates 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.

In the Company's financial statements, the interests in subsidiaries are stated at cost less provision for impairment losses, if any. The results of subsidiaries are accounted by the Company on the basis of dividends received and receivable.

**(d) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompany a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserve is recognised in reserve. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

**(e) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries and associates at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. 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.

**(f) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that property, plant and equipment.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the lease terms
Furniture and fixtures	20%
Office and computer equipment	30%
Machineries	18%
Motor vehicle	18%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

**(g) Leased assets**

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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.

**(h) Impairment of 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 recovered. 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).

**(i) Inventories**

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

Cost is determined using the first-in, first-out (FIFO) method/weighted average cost method and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

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

**(j) Trade and other receivables**

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

**(k) Provisions and contingent liabilities**

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

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

**(l) Taxation**

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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

**(m) Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- i. sales of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provide that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- ii. provision of telephone sets subcontracting services, when services are performed.
- iii. interest income, on a time proportion basis using the effective interest rate method.

**(n) Related parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals (being member of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

**(o) Employee benefits***i. Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

*ii. Retirement benefits costs*

The Group's contributions to the mandatory provident fund ("MPF") scheme and state-managed retirement benefit scheme are expensed as incurred.

*iii. Termination benefits*

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

**(p) Share based payments**

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using a binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review, unless the original employees expense qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where the forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

**(q) Foreign currencies**

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 Hong Kong dollars, which is the Company's functional and presentation currency.

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, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. The resulting translation differences are dealt with in the exchange reserve. 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.

**(r) Cash and cash equivalents**

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash at bank and other financial institutions and cash in hand, net of outstanding bank overdrafts, and short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired.

**(s) Financial assets**

*From 1 January 2005 onwards*

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

1. *Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category “financial assets at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. At each balance sheet date, the fair value is re-measured with the resulting gains or losses on investments held for trading being recognised in the income statement.

2. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in the current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

3. *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.

4. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within the next twelve months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer’s specific circumstances.

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. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

**(t) Trade and other payables**

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(u) Segment reporting**

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

Inter-segment pricing is based on similar terms as those available to other external parties.

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

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

Unallocated items mainly comprise financial and corporate assets, borrowings, corporate and financing expenses, and corporate revenue.

**3. CHANGES IN ACCOUNTING POLICIES**

In 2005, the Group adopted the new and revised HKFRSs which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirement.

HKAS 1	Presentation of financial statements
HKAS 2	Inventories
HKAS 7	Cash flow statements
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
HKAS 28	Investment in associates
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
HKAS-Int 12	Scope of HKAS-Int 12 Consolidation – special purpose entities
HKAS-Int 15	Operating leases – incentives
HKAS-Int 21	Income taxes – recovery of revalued non-depreciated assets
HKFRS 2	Share-based payments
HKFRS 3	Business combination



The adoption of the above HKFRSs has no material impact on the accounting policies and the results and financial position of the Group, except for the following:

**(a) HKAS 1 – Presentation of Financial Statements**

The adoption of HKAS 1 has resulted in the presentational change in the Group's financial statements.

In prior years, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax in the consolidated income statement. With effect from 1 January 2005, in accordance with the implementation guidance of HKAS 1, the Group has changed the presentation and includes the share of taxation of associates accounted for using the equity method in the respective share of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax. The changes in presentation have been applied retrospectively.

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the Group's profit or loss attributable to shareholders (the equity holders of the Company).

With effect from 1 January 2005, in order to comply with HKASs 1 and 27, the Group has changed its accounting policy relating to presentation of minority interests. Under the new policy, minority interests are presented as part of equity, separately from interests attributable to the equity holders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company. These changes in presentation have been applied retrospectively with comparatives restated.

**(b) HKFRS 3 – Business Combinations**

The adoption of HKFRS 3 has resulted in a change in the accounting policy for positive goodwill and negative goodwill. In prior years, positive goodwill on acquisitions of subsidiaries was amortised on a straight-line basis over its useful economic life and was subject to impairment testing when there was indication of impairment.

In accordance with the provision of HKFRS 3, the Group ceased amortisation of positive goodwill from 1 January 2005. The accumulated amortisation as at 31 December 2004 has been eliminated with a corresponding decrease in cost of positive goodwill. From the year ended 31 December 2005 onwards, positive goodwill will be tested annually for impairment, as well as when there is indication of impairment.

**(c) HKASs 32 and 39 Financial instruments: disclosures and presentation; recognition and measurement**

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities. HKAS 39 does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. There are no material adjustments arising from the adoption of new policies for securities held for trading purpose, debt securities being held to maturity and unquoted investment not carried at fair value.

**(d) HKAS 21 – The effects of changes in foreign exchange rates**

In prior years, goodwill arising on the acquisition of a foreign operation was translated at the exchange rates using at the transaction dates. With effect from 1 January 2005, in order to comply with HKAS 21, the Group has changed its accounting policy relating to retranslation of goodwill. Under the new policy, any goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation and is retranslated at exchange rates ruling at the balance sheet date, together with the retranslation of the net assets of the foreign operation. In accordance with the transitional provision in the HKAS 21, the new policy has not been adopted retrospectively and is only applied to acquisitions occurring on or after 1 January 2005. As the Group has not acquired any new foreign operations since that date, the change in policy has had no material impact on the financial statements for the year ended 31 December 2005.

**4. TURNOVER**

The Group's turnover represents the income from provision of telephone sets subcontracting services and the net invoiced value of goods sold for household products, after allowance for returns and trade discounts where applicable. Turnover of prior year represent provision of telephone sets subcontracting services and the net invoiced value of goods sold for telephone sets, after allowance for returns and trade discounts where applicable. An analysis of the Group's turnover is as follows:

	<b>2005</b>	<b>2004</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Turnover:</b>		
Sales of telephone sets	782	182
Sales of household products	22,656	–
Provision of telephone sets subcontracting services	2,547	2,105
	<u>25,985</u>	<u>2,287</u>

**5. BUSINESS AND GEOGRAPHICAL SEGMENTS**

In accordance with the Group's internal financial reporting, the Group has determined that business segments are its primary reporting format and geographical segments are its secondary reporting format.

## (a) Business segments

The Group is principally engaged in the provision of telephone sets subcontracting services and the sales of household products.

	Provision of telephone sets subcontracting services		Sales of household products		Consolidated	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Revenue:						
External revenue	<u>3,329</u>	<u>2,287</u>	<u>22,656</u>	<u>–</u>	<u>25,985</u>	<u>2,287</u>
Results:						
Segment results	(12,461)	(4,806)	2,037	–	(10,424)	(4,806)
Unallocated						
corporate revenue					766	83
Unallocated						
corporate expenses					<u>(4,478)</u>	<u>(9,624)</u>
Operating loss						
excluding interest						
income/expense					(14,136)	(14,347)
Interest income					3	74
Interest expense					(3)	(3)
Gain on disposal of						
partial interest in						
an associate					–	135
Share of results						
of associates					<u>–</u>	<u>–</u>
Loss before taxation					(14,136)	(14,141)
Taxation					<u>–</u>	<u>–</u>
Loss for the year					<u>(14,136)</u>	<u>(14,141)</u>

	Provision of telephone sets subcontracting services		Sales of household products		Consolidated		
	2005	2004	2005	2004	2005	2004	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Assets:</b>							
Segment assets	2	1,691	4,689	–	4,691	1,691	
Interests in associates					–	–	
Unallocated corporate assets					779	11,174	
Consolidated total assets					<u>5,470</u>	<u>12,865</u>	
<b>Liabilities:</b>							
Segment liabilities	4,307	6,497	2,342	–	6,649	6,497	
Unallocated corporate liabilities					5,097	2,988	
Consolidated total liabilities					<u>11,746</u>	<u>9,485</u>	

	Provision of telephone sets subcontracting services		Sales of household products		Unallocated		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Other information:</b>								
Capital expenditure	1	10,408	4	–	52	16	57	10,424
Depreciation	51	27	–	–	66	250	117	277
Amortisation	–	3	–	–	–	1,150	–	1,153
Impairment loss in respect of – goodwill of a subsidiary	9,948	–	–	–	–	–	9,948	–
– goodwill of an associate	–	–	–	–	–	2,702	–	<u>2,702</u>

Segment assets consisted of trade receivables, inventories, prepayment and deposits.

Segment liabilities comprise operating liabilities and exclude items such as taxation and corporate borrowings.

Capital expenditures comprise additions to property, plant and equipment, intangible assets and goodwill.

**(b) Geographical segments**

During the year, the Group's turnover was derived from operations carried out in the People's Republic of China (the "PRC") and the United States of America ("USA"). All assets are located in the PRC (including Hong Kong). Over 90% of the Group's results, assets and capital expenditures are derived from operations carried out in the PRC. Accordingly, no further geographical segment information is presented in the financial statements except turnover.

	2005 HK\$'000	2004 HK\$'000
<b>Sales</b>		
The PRC	14,873	2,287
USA	11,112	–
	<u>25,985</u>	<u>2,287</u>

Sales are allocated based on the countries in which customers are located.

**6. LOSS FROM OPERATIONS**

	2005 HK\$'000	2004 HK\$'000
Loss from operations has been arrived at after charging:		
Depreciation:		
Owned fixed assets	98	265
Leased fixed assets	19	12
Amortisation of goodwill (included in other operating expenses):		
Subsidiary	–	434
Associate	–	684
Total depreciation and amortisation	<u>117</u>	<u>1,395</u>
Auditors' remuneration	315	230
Operating lease rentals in respect of land and buildings	713	1,020
Bad debts written off	245	285
Provision for impairment in trade receivables	137	–
Provision for prepaid tax	563	–
Provision for amounts due from associates	3	262
Provision for loan to associates	–	279
Staff costs, excluding directors' emoluments ( <i>note 8</i> )	<u>2,188</u>	<u>5,240</u>
and after crediting:		
Other revenue:		
Interest income	(3)	(74)
Sundry income	–	(83)
	<u>(3)</u>	<u>(157)</u>
Other income:		
Reversal of provision for obsolete inventories	<u>(793)</u>	<u>–</u>

Included in staff costs above are contributions to mandatory provident fund of approximately HK\$26,000 (2004: HK\$49,000).

## 7. FINANCE COSTS

	2005 HK\$'000	2004 HK\$'000
Interest on obligations under finance lease	<u>3</u>	<u>3</u>

## 8. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration of every Director for the year ended 31 December 2005 and 2004 are set out below:

Name of Director	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Pension scheme contributions HK\$'000	Total HK\$'000
<i>Executive directors</i>					
Tai Chi Ching (Appointed on 16 February 2005)	–	171	–	8	179
Tse Wai Kwok Raymond (Appointed on 1 April 2005)	–	113	–	–	113
Zhao Ming (Resigned on 15 July 2005)	–	48	–	2	50
Kwong Wai Man, Karina (Re-designated as non-executive director on 15 February 2005)	112	–	–	2	114
<i>Non-executive directors</i>					
Kwong Wai Man, Karina (Resigned on 17 May 2005)	–	–	–	–	–
Ng Ming Wah, Ricky (Resigned on 8 March 2005)	18	–	–	–	18
<i>Independent non-executive directors</i>					
Tok Beng Tiong (Appointed on 10 August 2005)	47	–	–	–	47
Shen Jiahui (Appointed on 10 August 2005)	5	–	–	–	5
Yang Dongli (Appointed on 1 September 2005)	4	–	–	–	4
Chen Pei (Resigned on 20 September 2005)	–	–	–	–	–
Ma Lee (Resigned on 17 May 2005)	23	–	–	–	23
Peng Feng (Resigned on 30 September 2005)	–	–	–	–	–
Total for 2005	<u>209</u>	<u>332</u>	<u>–</u>	<u>12</u>	<u>553</u>

Name of Director	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Pension scheme contributions HK\$'000	Total HK\$'000
<i>Executive directors</i>					
Kwong Wai Man, Karina	-	480	40	11	531
Zhao Ming	-	114	-	5	119
<i>Non-executive director</i>					
Ng Ming Wah, Ricky	96	-	-	4	100
<i>Independent non-executive directors</i>					
Chen Pei	-	-	-	-	-
Ma Lee (Appointed on 20 September 2004)	17	-	-	-	17
Peng Feng (Appointed on 11 November 2004)	-	-	-	-	-
Lau Kwok Kee (Resigned on 30 September 2004)	100	-	-	-	100
Total for 2004	<u>213</u>	<u>594</u>	<u>40</u>	<u>20</u>	<u>867</u>

At 31 December 2005 and 2004, none of the directors or chief executive of the Company had any share options granted under the share option schemes adopted by the Company.

No directors waived any emoluments during the year.

The five highest paid individuals included three directors (2004: three directors) during the year, whose emoluments are set out above. Details of the emoluments of the remaining two (2004: two) highest paid, non-director employees during the year are as follows:

	2005 HK\$'000	2004 HK\$'000
Basic salaries, other allowances and benefits in kind	366	779
Contributions to provident fund	<u>10</u>	<u>24</u>
	<u>376</u>	<u>803</u>

The emoluments of the remaining two (2004: two) highest paid, non-director employees fell within the band of HK\$Nil to HK\$1,000,000 for the year.

Save as disclosed above, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 9. TAXATION

- (a) No provision for Hong Kong profits tax has been made as the Group has no assessable profit for the year (2004: HK\$Nil).

Provision for overseas profits tax has not been made as the overseas subsidiaries did not generate any assessable profits during the year (2004: HK\$Nil).

- (b) Reconciliation between tax expenses and the Group's loss before taxation at applicable tax rates:

	<b>2005</b>		<b>2004</b>	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Loss before tax	<u>(14,136)</u>		<u>(14,207)</u>	
Tax at applicable rate of 17.5% (2004: 17.5%)	(2,474)	(17.50)	(2,486)	(17.50)
Effect of different tax rates of 33% in other jurisdictions	(1)	(0.01)	145	1.02
Tax effect of non-taxable income	(430)	(3.04)	(567)	(3.99)
Tax effect of non-deductible expenses	2,902	20.53	2,908	20.47
Tax losses not recognised	<u>3</u>	<u>0.02</u>	<u>–</u>	<u>–</u>
Tax expense	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>

- (c) At the balance sheet date, the following temporary differences have not been recognised:

	<b>The Group</b>		<b>The Company</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Tax losses	31,700	31,683	17	17
Deductible temporary differences	<u>784</u>	<u>784</u>	<u>–</u>	<u>–</u>
	<u><u>32,484</u></u>	<u><u>32,467</u></u>	<u><u>17</u></u>	<u><u>17</u></u>

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The Group's tax losses amounting to HK\$3,578,000 (2004: HK\$3,578,000) expire 5 years from the year the tax losses were incurred. The remaining tax losses do not expire under the respective countries' tax legislation.



**10. NET LOSS FOR THE YEAR**

For the year ended 31 December 2005, net loss of approximately HK\$7,720,000 (2004: HK\$14,962,000) has been dealt with in the financial statements of the Company.

**11. DIVIDENDS**

No dividend has been paid or declared by the Company for the year ended 31 December 2005 (2004: HK\$Nil).

**12. LOSS PER SHARE**

The calculation of the basic loss per share is based on the Group's loss for the year of approximately HK\$14,136,000 attributable to the equity holders of the Company (2004: loss of HK\$14,023,000 attributable to the equity holders of the Company) and the weighted average of approximately 120,588,000 ordinary shares (2004: 55,613,000 ordinary shares) in issue during the year after adjusting for the effects of the share consolidation (note 23) on 10 January 2005. The basic loss per share for 2004 had been adjusted accordingly.

Diluted loss per share for the years ended 31 December 2005 and 2004 have not been shown as no share options outstanding during the years.

## 13. PROPERTY, PLANT AND EQUIPMENT

## The Group

	Machineries <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Motor vehicle <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office and computer equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost:</b>						
At 1 January 2004	–	99	–	155	596	850
Acquisition of a subsidiary	581	–	112	54	–	747
Additions	26	–	–	–	16	42
Disposals	–	–	–	(92)	(227)	(319)
At 31 December 2004 and 1 January 2005	607	99	112	117	385	1,320
Additions	–	51	–	1	5	57
Disposals	–	(99)	–	(63)	(106)	(268)
Exchange difference	18	–	3	2	–	23
At 31 December 2005	<u>625</u>	<u>51</u>	<u>115</u>	<u>57</u>	<u>284</u>	<u>1,132</u>
<b>Accumulated depreciation and impairment losses:</b>						
At 1 January 2004	–	31	–	123	392	546
Acquisition of a subsidiary	319	–	49	26	–	394
On disposals written back	–	–	–	(92)	(227)	(319)
Charge for the year	24	68	2	32	151	277
At 31 December 2004 and 1 January 2005	343	99	51	89	316	898
Disposals	–	(99)	–	(63)	(106)	(268)
Charge for the year	42	15	6	3	51	117
Exchange difference	10	–	1	1	–	12
At 31 December 2005	<u>395</u>	<u>15</u>	<u>58</u>	<u>30</u>	<u>261</u>	<u>759</u>
<b>Net book value:</b>						
At 31 December 2005	<u>230</u>	<u>36</u>	<u>57</u>	<u>27</u>	<u>23</u>	<u>373</u>
At 31 December 2004	<u>264</u>	<u>–</u>	<u>61</u>	<u>28</u>	<u>69</u>	<u>422</u>

The net book value of the Group's office and computer equipment held under finance lease as at 31 December 2005 was approximately HK\$19,000 (2004: HK\$37,000).

## The Company

	Leasehold improvement <i>HK\$'000</i>	Office and computer equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost:</b>			
At 1 January 2004	–	201	201
Additions	–	16	16
	<hr/>	<hr/>	<hr/>
At 31 December 2004 and 1 January 2005	–	217	217
Additions	51	2	53
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2005</b>	<b>51</b>	<b>219</b>	<b>270</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Accumulated depreciation and impairment losses:</b>			
At 1 January 2004	–	120	120
Charge for the year	–	65	65
	<hr/>	<hr/>	<hr/>
At 31 December 2004 and 1 January 2005	–	185	185
Charge for the year	15	32	47
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2005</b>	<b>15</b>	<b>217</b>	<b>232</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value:</b>			
<b>At 31 December 2005</b>	<b>36</b>	<b>2</b>	<b>38</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2004	–	32	32
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 14. GOODWILL

The Group  
HK\$'000

**Cost:**

At 1 January 2004	14,713
Additions for the year	10,382

At 31 December 2004 and 1 January 2005	25,095
Effect of adopting HKFRS 3	(15,147)

**At 31 December 2005** **9,948**

**Accumulated amortisation and impairment losses:**

At 1 January 2004	14,713
Impairment loss recognised for the year	434

At 31 December 2004 and 1 January 2005	15,147
Effect of adopting HKFRS 3	(15,147)
Impairment loss recognised for the year	9,948

**At 31 December 2005** **9,948**

**Net book value:**

**At 31 December 2005** **-**

At 31 December 2004 **9,948**

- (a) In 2004, positive goodwill on acquisition of subsidiaries are amortised on a straight-line basis over its useful life of eight years. The amortisation of positive goodwill for the year ended 31 December 2004 was included in "other operating expenses" in the consolidated income statement.
- (b) As explained in Note 3 to the financial statements, with effect from 1 January 2005, the Group no longer amortises goodwill. In accordance with the transitional provisions set out in HKFRS 3, the accumulated amortisation of goodwill as at 1 January 2005 has been eliminated against the cost of goodwill as at that date.
- (c) With regard to the current market situation in the telephone set subcontracting industry, the directors reviewed the carrying value of the goodwill arising from the acquisition of Lucky Force Development Limited which was incorporated in the British Virgin Islands with its subsidiaries principally engaged in the provision of telephone sets subcontracting services. Based on their assessment which was by reference to the value in use of the operations, a full provision for impairment loss on goodwill of approximately HK\$9,948,000 was recognised in the current financial year.

## 15. INTERESTS IN SUBSIDIARIES

	The Company	
	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Unlisted shares, at cost	12,246	12,168
Less: Provision for impairment loss	<u>(12,168)</u>	<u>(10,130)</u>
	<u>78</u>	<u>2,038</u>
Amounts due from subsidiaries	63,677	60,041
Less: Provision for amounts due from subsidiaries	<u>(63,677)</u>	<u>(60,041)</u>
	<u>-</u>	<u>-</u>
	<u><u>78</u></u>	<u><u>2,038</u></u>
Amounts due to subsidiaries	<u><u>2,932</u></u>	<u><u>2,339</u></u>

The amounts due from/to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the subsidiaries as at 31 December 2005 are as follows:

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid-up share capital/ registered capital	Percentage of equity attributable to the Group	Percentage of voting power held	Principal activities
Alwin Asia Investment Limited	British Virgin Islands	US\$10,000	100%	100%	Investment holding
Grandmass Cyber Factory (China) Limited	Hong Kong	HK\$2	100%	100%	Investment holding
Grandmass Enterprise System (Shanghai) Limited*	The PRC	HK\$900,000	100%	100%	Dormant
Grandmass ERP Limited	British Virgin Islands	US\$33,085	100%	100%	Investment holding
Grandmass Global Investment Limited	British Virgin Islands	US\$1	100%	100%	Investment holding
Grandmass iOMS Limited	British Virgin Islands	US\$50,000	100%	100%	Investment holding
Grandmass iOMS (SZ) Co. Limited	The PRC	HK\$1,000,000	100%	100%	Dormant
Grandmass Solution Limited	Hong Kong	HK\$2	100%	100%	Dormant
Sun-iOMS Limited	Hong Kong	HK\$80,000	100%	100%	Dormant
Sun-iOMS Maintenance Limited	Hong Kong	HK\$2	100%	100%	Dormant
Lucky Force Development Limited	British Virgin Islands	US\$100	100%	100%	Provision of telephone sets subcontracting services
Tedwood International Limited <sup>##</sup>	Hong Kong	HK\$1	100%	100%	Sales of household products
Lang Fang Tian Feng Home Co. Limited	The PRC	US\$128,660	100%	100%	Sales of household products
深圳新弘茂科技有限公司	The PRC	RMB1,500,000	66.7%	66.7%	Provision of telephone sets subcontracting services

<sup>##</sup> subsidiary not audited by HLB Hodgson Impey Cheng and Cheung & Siu. The aggregate net assets of subsidiary not audited by HLB Hodgson Impey Cheng and Cheung & Siu amounted to approximately 0.9% of the Group's total assets and 44% of the Group's turnover.

\* A translation of the official Chinese name.

Other than Alwin Asia Investment Limited, Grandmass ERP Limited and Grandmass Global Investment Limited, all subsidiaries are indirectly held by the Company. All subsidiaries are private limited liability companies and principally operating in Hong Kong except for Grandmass iOMS (SZ) Co. Limited, Grandmass Enterprise System (Shanghai) Limited, Lucky Force Development Limited, 廊坊天豐家居有限公司 and 深圳新弘茂科技有限公司 which are principally operating in the PRC.

## 16. INTERESTS IN ASSOCIATES

	The Group		The Company	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Share of net liabilities	(66)	(66)	–	–
Goodwill on acquisition of an associate less amortisation and impairment losses	66	66	–	–
	–	–	–	–
Amounts due from associates	567	564	1,677	1,674
Loan to an associate	279	279	–	–
Less: Provision for loan to an associate	(279)	(279)	–	–
Less: Provision for amounts due from associates	(567)	(564)	(1,677)	(1,674)
	–	–	–	–
Amount due to an associate	2	2	1,256	1,256

*Notes:*

- (a) The amounts due from/to associates are unsecured, interest-free and have no fixed terms of repayment.
- (b) Pursuant to a loan restructuring agreement dated 12 November 2002, the Group made a loan of HK\$1,000,000 to Grand Teton Limited to develop its subsidiary, IFS HK Limited. The loan was guaranteed by an independent third party and carried interest at prime rate less 1% per annum due on 31 December 2004. Based on the directors' assessment which was by reference to the value in use of the associate's operations, a full provision for the loan and interest receivable of approximately HK\$279,000 was recognised in the year ended 31 December 2004.

(c) The movement in goodwill arising on acquisition of an associate is as follows:

**The Group**

HK\$'000

<b>Cost:</b>	
At 1 January 2004 and 31 December 2004	5,478
Less: Effect of adopting HKFRS 3	(5,412)
	<u>66</u>
At 31 December 2005	<u><u>66</u></u>
<b>Accumulated amortisation and impairment losses:</b>	
At 1 January 2004	2,026
Amortisation for the year ended 31 December 2004	684
Impairment loss for the year ended 31 December 2004	2,702
	<u>5,412</u>
At 31 December 2004 and 1 January 2005	5,412
Less: Effect of adopting HKFRS 3	(5,412)
	<u>–</u>
At 31 December 2005	<u><u>–</u></u>
<b>Net book value:</b>	
<b>At 31 December 2005</b>	<u><u>66</u></u>
At 31 December 2004	<u><u>66</u></u>

In 2004, goodwill on acquisition of an associate is amortised on a straight-line basis over its useful lives of eight years. In view of the economic condition and keen competition in the computer software industry, the directors reviewed the carrying value of goodwill on acquisition of an associate, Signking Science Limited, which was incorporated in the British Virgin Islands, with its associate principally engaged in software development and related services, and based on their assessment which was by reference to the value in use of the operations, an impairment loss on goodwill of approximately HK\$2,702,000 has been identified and recognised in the consolidated income statement for the year ended 31 December 2004.

**17. INVENTORIES**

**The Group**

**2005**                      **2004**

HK\$'000                      HK\$'000

Finished goods	<u>2,293</u>	<u>71</u>
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## 18. TRADE RECEIVABLES

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

	<b>The Group</b>	
	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
0 – 60 days	170	436
61 – 90 days	52	–
	<u>222</u>	<u>436</u>

All sales and services rendered by the Group are due and payable upon presentation of invoices.

## 19. LOAN RECEIVABLE

The Group

On 26 October 2003, the Group entered into a loan agreement with a borrower, China Autocard Holdings Limited. The loan of HK\$1,700,000 was guaranteed by a director of the borrower and carried interest at prime rate less 1% per annum. The amount was due for payment on 26 April 2004. Part of the loan amounted to HK\$800,000 was repaid during the year ended 31 December 2004. The loan was fully settled during the year.

## 20. TRADE AND OTHER PAYABLES

	<b>The Group</b>		<b>The Company</b>	
	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
Trade payables	2,963	2,469	–	–
Other payables	7,956	3,783	500	713
Purchase consideration payable	–	3,000	–	–
	<u>10,919</u>	<u>9,252</u>	<u>500</u>	<u>713</u>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>	<b>2005</b> <i>HK\$'000</i>	<b>2004</b> <i>HK\$'000</i>
0 – 60 days	423	–	–	–
61 – 90 days	–	–	–	–
91 – 180 days	–	–	–	–
>180 days	2,540	2,469	–	–
	<u>2,963</u>	<u>2,469</u>	<u>–</u>	<u>–</u>

## 21. SHORT TERM LOAN FROM A SHAREHOLDER

## The Group

The loan from the shareholder, True Allied Assets Limited, is unsecured, interest free and is repayable on 30 April 2006.

## 22. OBLIGATIONS UNDER FINANCE LEASE

## The Group

	Minimum lease payments		Present value of minimum lease payments	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Amounts payable under finance leases:				
– Within one year	15	15	13	11
– In the second to fifth years, inclusive	31	46	26	39
	<u>46</u>	<u>61</u>	<u>39</u>	<u>50</u>
Less: Future finance charges	<u>(7)</u>	<u>(11)</u>		
Present value of lease obligations	39	50		
Less: Amounts due for settlement within 12 months (shown under current liabilities)	<u>(13)</u>	<u>(11)</u>		
Amounts due for settlement after 12 months	<u>26</u>	<u>39</u>		

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The interest rate on finance lease was approximately 4.5% per annum and the term entered into was five years. Interest rate was fixed at the contract rate. The lease was on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## 23. SHARE CAPITAL

## Shares

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2004 and 31 December 2004	10,000,000	100,000
Increase in authorised share capital ( <i>Note (ii)(a)</i> )	40,000,000	400,000
	<u>50,000,000</u>	<u>500,000</u>
At 31 December 2005	<u>50,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2004	2,160,000	21,600
Issue of shares ( <i>Note (i)</i> )	209,000	2,090
	<u>2,369,000</u>	<u>23,690</u>
At 31 December 2004 and at 1 January 2005	2,369,000	23,690
Share consolidation ( <i>Note (ii)(b)</i> )	(2,309,775)	–
Capital reduction ( <i>Note (ii)(c)</i> )	–	(23,098)
Issue of shares – open offer ( <i>Note (iii)</i> )	59,225	592
Placing of shares ( <i>Note (iv)</i> )	23,690	237
	<u>142,140</u>	<u>1,421</u>
At 31 December 2005	<u>142,140</u>	<u>1,421</u>

## Notes:

- (i) Pursuant to a resolution passed in the special general meeting held on 14 June 2004, the Company issued 209,000,000 ordinary shares of HK\$0.01 each as consideration shares for acquisition of the entire issued share capital of Lucky Force Development Limited.
- (ii) Pursuant to a resolution passed in the special general meeting held on 10 January 2005,
- (a) the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$500,000,000 by the creation of an additional 40,000,000,000 unissued shares;
- (b) every forty shares of the issued shares of the Company of HK\$0.01 each were consolidated into one consolidated share of HK\$0.40 each;
- (c) the nominal value of the issued shares of the Company of HK\$0.40 each was reduced to HK\$0.01 each by way of a reduction of capital pursuant to the Bermuda Companies Act 1981. As such, the issued of share capital of the Company as at 10 January 2005 was reduced from HK\$23,690,000 (divided into 59,225,000 shares of HK\$0.40 each) to HK\$592,250 (divided into 59,225,000 shares of HK\$0.01 each).
- (iii) On 22 February 2005, the Company issued 59,225,000 shares of HK\$0.01 each at an open offer price of HK\$0.06 each for the purpose of increasing working capital for the Company.
- (iv) On 22 July 2005, the Company, through a placing agent, placed 23,690,000 shares of HK\$0.01 each at a placing price of HK\$0.06 each for the purpose of increasing general working capital for daily operation.

**Share options**

Pursuant to the share option scheme adopted by the shareholders of the Company on 24 May 2002 (the “Share Option Scheme”), the Board of the Company may for a consideration of HK\$1 offer to selected eligible persons to subscribe for shares of the Company as incentive or rewards for their contribution to the Group. The subscription price will be determined by the Board of the Company in its absolute discretion, in any event, shall not be less than the higher of the nominal value for the time being of each share of the Company, the average closing price of the shares of the Company as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date on which the relevant option is granted and the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotation sheet on the date on which the relevant option is granted.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and other schemes of the Company may not, in aggregate, exceed 30% of the issued share capital of the Company from time to time which have been duly allotted and issued.

The Share Option Scheme became effective for a period of ten years commencing 24 May 2002 (the date on which the Share Option Scheme was adopted).

No options under the Share Option Scheme had been granted to any person during the year.

**24. RESERVES****(a) The Group**

(a) The amounts of the Group’s reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 25 of the financial statements.

**(b) The Company**

	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2004	22,859	38,118	(71,657)	(10,680)
Loss for the year	—	—	(14,962)	(14,962)
At 31 December 2004 and at 1 January 2005	22,859	38,118	(86,619)	(25,642)
Capital reduction ( <i>Note 23(ii)(c)</i> )	—	—	23,098	23,098
Issue of shares – open offer ( <i>Note 23(iii)</i> )	2,742	—	—	2,742
Issue of shares – placing ( <i>Note 23(iv)</i> )	1,049	—	—	1,049
Loss for the year	—	—	(7,720)	(7,720)
<b>At 31 December 2005</b>	<b>26,650</b>	<b>38,118</b>	<b>(71,241)</b>	<b>(6,473)</b>

## 25. ACQUISITION OF A SUBSIDIARY

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Net assets acquired:		
Property, plant and equipment	–	353
Intangible assets	–	643
Inventories	–	5,155
Trade receivables	–	3,349
Prepayments, deposits and other receivables	–	5,212
Cash and bank balance	–	2,475
Trade payables	–	(5,666)
Accrued liabilities and other payables	–	(8,434)
Tax payable	–	(1,118)
Minority interest	–	(118)
	<hr/>	<hr/>
Net identifiable assets and liabilities	–	1,851
Goodwill arising on consolidation	–	9,739
	<hr/>	<hr/>
Total purchase price	–	11,590
Less: purchase price included in trade and other payables	–	(3,000)
Less: purchase price satisfied in shares	–	(2,090)
	<hr/>	<hr/>
Total purchase price paid, satisfied in cash	–	6,500
Less: cash of the subsidiary acquired	–	(2,475)
	<hr/>	<hr/>
Net cash outflow in respect of acquisition of a subsidiary	<u>–</u>	<u>4,025</u>

## 26. OPERATING LEASE COMMITMENTS

**As lessee**

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 3 to 5 years.

At 31 December 2005, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>The Group</b>	
	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Within one year	892	819
In the second to fifth years, inclusive	2,694	1,419
	<hr/>	<hr/>
	<u>3,586</u>	<u>2,238</u>

The Company had no operating lease commitments at the balance sheet date (2004: HK\$Nil).

## 27. NON-CASH TRANSACTIONS

During the year ended 31 December 2004, the Group settled the part of the purchase consideration for acquisition of Lucky Force Development Investment Limited of approximately HK\$2,090,000 by issue of 209,000,000 ordinary shares of HK\$0.01 each.

## 28. MATERIAL RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in these financial statements, the following is a summary of significant related party transactions which were entered into between the Group and its related parties:

## (a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in Note 8 is as follows:

	2005 HK\$'000	2004 HK\$'000
Short term employee benefits	708	634
MPF Contribution	20	16
	<u>728</u>	<u>650</u>

Total remuneration is included in "Staff costs" (Note 8).

(b) Name of related parties	Nature of transaction	Note	2005 HK\$'000	2004 HK\$'000
深圳國威電子有限公司	Provision for telephone sets subcontracting income		1,677	2,122
K.K. Lau & Co. (formerly known as Lau Lin & Co.)	Legal fee	(i)	350	150

Note:

- (i) The legal fee paid to K.K. Lau & Co. was charged at rates negotiated by reference to market rates. Mr. Lau Kwok Kee, who resigned as an independent non-executive director of the Company on 30 September 2004, is a partner of K.K. Lau & Co..
- (c) At 31 December 2004, the Group had credit card facility amounted to approximately HK\$60,000 which was secured by personal guarantees of two ex-directors of the Company, Mr. Ng Ming Wah and Ms. Kwong Wai Man, Karina, to the extent of HK\$180,000 at 31 December 2004.

**29. RETIREMENT BENEFITS SCHEMES**

The Group operates MPF scheme for all qualifying employees of its Hong Kong subsidiaries, in funds under the controls of trustee. Under the rules of the MPF scheme, the employer and its employee are each required to make contributions to the scheme at the rates specified in the rules. The only obligation of the Group with respect to the MPF scheme is to make the required contributions under the scheme.

The employees of the Group's subsidiary in the People's Republic of China are members of stated-managed retirement benefit scheme. The subsidiary is required to contribute a specified percentage of their payroll costs to the retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

No forfeited contribution is available to reduce the contribution payable in future years.

The total cost charged to the income statement of approximately HK\$26,000 (2004: HK\$49,000) represents contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

**30. CONTINGENT LIABILITIES**

At the balance sheet date, the Group has the following contingent liabilities:

- (a) A wholly-owned subsidiary of the Company, Sun-iOMS Limited, was a defendant of a legal action brought by its customer. The directors consider that, after obtaining legal advice, the aforesaid subsidiary has a strong case in the aforesaid action. In addition, an ex-director of the Company, Mr. Yue Chung Wing, Patrick, has indemnified the Group in respect of all liabilities that may arise out of or in connection with any of the claims and legal costs that may be payable to the plaintiff and any legal cost to be incurred in respect of the abovementioned claim. In view of the above, the directors are of the opinion that the above legal action would not have any significant impact on the financial position of the Group, hence, no provision is considered necessary by the directors at the balance sheet date.
- (b) On 2 March 2000, an independent third party executed a Deed of Guarantee in favour of a wholly-owned subsidiary, Sun-iOMS Maintenance Limited, guaranteeing that the income accrued to the wholly-owned subsidiary arising from the sales of iOMS Millennium Edition Software for a period of 18 months from the date of the guarantee would not be less than HK\$15,000,000. However, the aforesaid independent third party has not fulfilled his commitment under the Deed of Guarantee. Hence, the wholly-owned subsidiary and the Company took legal action against the abovementioned independent third party and two executive directors resigned in 2001 in respect of the breach of the Deed of Guarantee and their fiduciary duties accordingly. The case was dismissed during the year. The wholly-owned subsidiary and the Company are in the course of appealing the Order of dismissal. If the appeal is unsuccessful, the wholly-owned subsidiary and the Company shall be required to pay the legal costs of the defendants. The estimated legal costs of the defendants are approximately HK\$1,390,000 (subject to taxation). Up to the date of approval of these financial statements, the case is pending for hearing. In the opinion of the Company's legal advisors, it is difficult to predict the outcome of the proceedings at this stage. In the opinion of the directors of the Company, no provision for legal costs are considered necessary by the directors at the balance sheet date.

Save as disclosed in above, the Company had no contingent liabilities at the balance sheet date.

**31. FINANCIAL RISK MANAGEMENT****Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

*(a) Market risk*

Foreign exchange risk

The Group's markets mainly located in the USA and Mainland China and its sales are mainly denominated in United States dollars and Renminbi respectively. It is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the Hong Kong dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in overseas subsidiaries.

*(b) Credit risk*

The Group has no significant concentrations of credit risk. It has policies in place to ensure that full deposits are received prior to delivery of goods to customers.

*(c) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

*(d) Cash flow and fair value 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. As the Group has no significant interest bearing liabilities, the Group's exposure to market risk for changes in interest rates relates primarily to the cash and bank balances. Floating-rate interest income is charged to the income statement as incurred.

**32. 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.

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 and liabilities within the next financial year are discussed below.

**(a) Income taxes**

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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 period in which such determination is made.



**(b) Estimate of recoverable amounts of assets**

The Group tests annually whether assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined on the value-in-use calculation. These calculations require use of estimate.

**33. IMPACT OF HKFRSs ISSUED BUT NOT YET EFFECTIVE**

The Group has not applied for the following new and revised HKFRSs that have been issued but are not yet effective to these financial statements. Unless otherwise stated, these HKFRSs are effective for accounting period commencing on or after 1 January 2006:

HKAS 1 Amendment	Capital disclosures
HKAS 19 Amendment	Actuarial gains and losses, group plans and disclosures
HKAS 39 Amendment	Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 Amendment	The fair value option
HKAS 39 & HKFRS4 Amendments	Financial guarantee contracts
HKFRSs 1 & 6 Amendments	First-time adoption of Hong Kong Financial Reporting Standards and exploration for and evaluation of mineral resources
HKFRS 6	Exploration for and evaluation of mineral resources
HK (IFRIC)-Int 4	Determining whether an arrangement contains a lease
HK (IFRIC)-Int 5	Rights to interest arising from decommissioning, restoration and environmental rehabilitation funds
HK (IFRIC)-Int 6 (effective for accounting periods on or after 1 December 2005)	Liabilities arising from participating in a special market – waste electrical and electronic equipment

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

HKFRS 7 will replace HKAS 32 and has modified the disclosure requirements of HKAS 32 relating to financial instruments. This HKFRS shall be effective for accounting periods commencing on or after 1 January 2007.

The Group is in the process of making an assessment of what the impact of the new and revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the HKAS 19 Amendment, HKAS 39 Amendments, HKFRSs 1 & 6 Amendments, HKFRS 6, HK (IFRIC) Int 5 & 6 do not apply to the activities of the Group. The Group expects that the adoption of the rest of them will not have any significant impact on the Group's results of operation and financial position.

**34. EVENTS AFTER THE BALANCE SHEET DATE**

- (a) On 27 February 2006, the Company entered into a placing agreement and a supplementary agreement with Oriental Patron Asia Limited (the “Placing Agent”) pursuant to which the Company has conditionally agreed to place, through the Placing Agent, 28,420,000 shares to no less than 6 independent investors, at a price of HK\$0.064 per share (the “Placing”). The Placing was completed on 20 March 2006 and for the purpose of increasing general working capital. The Company issued 28,420,000 shares to seven places at a price of HK\$0.064 per share. The Company received net proceeds of approximately HK\$1,702,000.
- (b) On 3 March 2006, the Board of Directors announced that the Board proposed to implement a share consolidation under which every two shares of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one share of HK\$0.02 each in the issued and unissued share capital of the Company.

**35. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on 28 March 2006.

## C. UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

Set out below is the unaudited financial statements of the Group for the six months ended 30 June 2006, which is extracted from the interim report of the Company for the six months ended 30 June 2006.

**CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

*For the three months and six months ended 30 June 2006*

	<i>Notes</i>	<b>Three months ended</b>		<b>Six months ended</b>	
		<b>30 June</b>		<b>30 June</b>	
		<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	39,644	2,598	61,162	3,825
Cost of sales		(26,171)	(2,352)	(43,080)	(3,500)
Gross profit		13,473	246	18,082	325
Other revenue		188	–	203	–
Administrative expenses		(1,503)	(959)	(2,632)	(2,326)
Other operating expenses		(176)	(30)	(186)	(304)
Profit/(loss) from operations		11,982	(743)	15,467	(2,305)
Finance costs		(36)	–	(37)	(1)
Gain on partial disposal of interest in an associate		–	–	–	–
Share of results of associates		–	–	–	–
Profit/(loss) before taxation		11,946	(743)	15,430	(2,306)
Taxation	3	–	–	–	–
Net profit/(loss) for the period		<u>11,946</u>	<u>(743)</u>	<u>15,430</u>	<u>(2,306)</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Profit/(loss) per share – basic	5	<u>8.7</u>	<u>(0.7)</u>	<u>11.2</u>	<u>(2.3)</u>

## CONSOLIDATED BALANCE SHEET

		<b>30 June 2006</b>	<b>31 December 2005</b>
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>			
Fixed assets		357	373
Goodwill		—	—
		<u>357</u>	<u>373</u>
<b>CURRENT ASSETS</b>			
Inventories		13,249	2,293
Trade receivables	6	17,121	222
Loan receivables		—	—
Amount due from an associate		—	—
Prepayments and deposit		3,735	2,190
Prepaid tax		—	—
Cash and bank balances		9,299	392
		<u>43,404</u>	<u>5,097</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	30,852	10,919
Amount due to an associate		2	2
Amount due to a shareholder		700	600
Tax payable		823	186
Obligations under finance lease-due within one year		13	13
		<u>32,390</u>	<u>11,720</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>11,014</u>	<u>(6,623)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,371	(6,250)
<b>NON-CURRENT LIABILITIES</b>			
Obligations under finance lease-due after one year		19	26
NET ASSETS		<u>11,352</u>	<u>(6,276)</u>
<b>CAPITAL AND RESERVES</b>			
Capital		1,705	1,421
Reserves		9,647	(7,697)
		<u>11,352</u>	<u>(6,276)</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2006

	Share Capital <i>HK\$'000</i>	Share Premium <i>HK\$'000</i>	Contributed Surplus <i>HK\$'000</i>	Accumulated Losses <i>HK\$'000</i>	Exchange Reserve <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2005	23,690	22,859	36,527	(79,696)	-	3,380
Capital Reduction	(23,099)	-	-	23,099	-	-
Open Offer	594	2,961	-	-	-	3,555
Net loss for the six months ended 30 June 2005	-	-	-	(2,306)	-	(2,306)
At 30 June 2005	<u>1,185</u>	<u>25,820</u>	<u>36,527</u>	<u>(58,903)</u>	<u>-</u>	<u>4,629</u>
At 1 January 2006	1,421	26,650	36,527	(70,734)	(140)	(6,276)
Placing of new shares	284	-	-	-	-	284
Premium arising from placing of new shares, net of expenses	-	1,419	-	-	-	1,419
Exchange difference arising from translation of financial statements of subsidiaries	-	-	-	-	495	495
Net profit for the six months ended 30 June 2006	-	-	-	15,430	-	15,430
At 30 June 2006	<u>1,705</u>	<u>28,069</u>	<u>36,527</u>	<u>(55,304)</u>	<u>355</u>	<u>11,352</u>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 June 2006

	<b>2006</b>	<b>2005</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	8,812	(3,625)
NET CASH INFLOWS FROM INVESTING ACTIVITIES	2	384
NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES	<u>93</u>	<u>3,549</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,907	308
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>392</u>	<u>641</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>9,299</u></u>	<u><u>949</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>9,299</u></u>	<u><u>949</u></u>

Notes:

**1. Basis of preparation**

The financial statements have been prepared in accordance with Hong Kong Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

## 2. Turnover

The Group's turnover represents the income received from provision of telephone sets subcontracting services and the net invoiced value of household products sold, after allowance for returns and trade discounts where applicable. An analysis of the Group's turnover is as follows:

	Three months ended		Six months ended	
	30 June		30 June	
	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of household products	39,418	2,255	60,648	2,255
Provision of telephone sets subcontracting services	226	343	514	1,570
	<u>39,644</u>	<u>2,598</u>	<u>61,162</u>	<u>3,825</u>

## 3. Taxation

No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits for the six months ended 30 June 2006 (six months ended 30 June 2005: Nil).

No provision for the Company's PRC subsidiary tax had been made because it did not derive any assessable profit during the current and prior corresponding period.

Deferred tax had not been provided as there were no significant timing differences at the period-end date (2005: Nil).

## 4. Dividend

No dividends have been paid or declared by the Company for the six months ended 30 June 2006 (six months ended 30 June 2005: nil).

## 5. Profit/(loss) per share

The calculation of the basic profit/(loss) per share is based on the Group's net profit for the six months ended 30 June 2006 of approximately HK\$15,430,000 (six months ended 30 June 2005: net loss of HK\$2,306,000), and the weighted average of 137,424,641 ordinary shares (six months ended 30 June 2005: 100,780,663 ordinary shares) in issue during the six months ended 30 June 2006 after adjusting for the effects of the placing of new shares on 20 March 2006 and the share consolidation on 18 May 2006. The basic loss per share for the six months ended 30 June 2005 had been adjusted accordingly.

Diluted profit/(loss) per share for the six months ended 30 June 2006 and 2005 have not been provided as the share options outstanding during the period had an anti-dilutive effect on the basic profit/(loss) per share for the period.

**6. Trade receivables**

In general, the credit terms granted by the Group ranged from 0 to 3 months. The following is an aged analysis of trade receivables at the balance sheet date:

	As at	
	<b>30 June</b>	<b>31 December</b>
	<b>2006</b>	<b>2005</b>
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 60 days	16,965	170
61 – 90 days	–	52
91 – 180 days	–	–
>180 days	156	–
	<u>17,121</u>	<u>222</u>

**7. Trade and other payables**

	As at	
	<b>30 June</b>	<b>31 December</b>
	<b>2006</b>	<b>2005</b>
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payable	15,993	2,963
Other payable	14,859	7,956
	<u>30,852</u>	<u>10,919</u>

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

	<b>2006</b>	<b>2005</b>
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 60 days	12,989	423
61 – 90 days	–	–
91 – 180 days	–	–
>180 days	3,004	2,540
	<u>15,993</u>	<u>2,963</u>



## 8. Segment information

An analysis of the Group's income and results for the six months ended 30 June 2006 and 2005 are as follows:

### *Business segments*

The Group is primarily engaged in the provision of telephone sets subcontracting services and sales of household products.

	Provision of telephone sets subcontracting services		Sales of household products		Total	
	2006 HK\$'000 (Unaudited)	2005 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)	2005 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)	2005 HK\$'000 (Unaudited)
REVENUE						
External revenue	514	1,570	60,648	2,255	61,162	3,825
RESULTS						
Segment results	25	100	18,057	225	18,082	325
Unallocated corporate revenue					201	–
Unallocated corporate expenses					(2,819)	(2,630)
Operating loss excluding interest income/expenses					15,464	(2,305)
Interest income					2	–
Interest expenses					(36)	(1)
Loss before taxation					15,430	(2,306)
Taxation					–	–
Net profit/(loss) for the period					15,430	(2,306)

### *Geographical segments*

The following tables present revenue for the Group's geographical segments:

	2006 HK\$'000	2005 HK\$'000
Mainland China	49,001	1,570
Europe	7,659	–
North America*	4,502	2,255
	<u>61,162</u>	<u>3,825</u>

\* North America principally relates to the United States and Canada.

**D. UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006**

Set out below is the unaudited financial statements of the Group for the nine months ended 30 September 2006, which is extracted from the third quarterly report of the Company for the nine months ended 30 September 2006.

**CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

*For the three months and nine months ended 30 September 2006*

	<i>Notes</i>	<b>Three months ended</b>		<b>Nine months ended</b>	
		<b>30 September</b>		<b>30 September</b>	
		<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	52,663	5,107	113,825	8,932
Cost of sales		(37,964)	(4,608)	(81,044)	(8,108)
Gross profit		14,699	499	32,781	824
Other revenue		37	3	240	3
Administrative expenses		(1,261)	(988)	(3,893)	(3,314)
Other operating expenses		(631)	(29)	(817)	(333)
Profit/(loss) from operations		12,844	(515)	28,311	(2,820)
Finance costs		(447)	(1)	(484)	(3)
Gain on disposal of subsidiaries		6,918	–	6,918	–
Profit/(loss) before taxation		19,315	(516)	34,745	(2,823)
Taxation	3	–	–	–	–
Profit/(loss) after taxation		19,315	(516)	34,745	(2,823)
Minority interests		–	–	–	–
Net profit/(loss) for the period		<u>19,315</u>	<u>(516)</u>	<u>34,745</u>	<u>(2,823)</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Profit/(loss) per share – basic	5	<u>16.1</u>	<u>(0.5)</u>	<u>29</u>	<u>(2.5)</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 2006

	Share Capital <i>HK\$'000</i>	Share Premium <i>HK\$'000</i>	Contributed Surplus <i>HK\$'000</i>	Convertible Notes Equity Reserve <i>HK\$'000</i>	Accumulated Losses <i>HK\$'000</i>	Exchange Reserve <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2005	23,690	22,859	36,527	-	(79,696)	-	3,380
Capital reduction	(23,099)	-	-	-	23,099	-	-
Open offer	594	2,961	-	-	-	-	3,555
Placing of new shares	237	1,185	-	-	-	-	1,422
Net loss for the nine months ended 30 September 2005	-	-	-	-	(2,823)	-	(2,823)
At 30 September 2005	<u>1,422</u>	<u>27,005</u>	<u>36,527</u>	<u>-</u>	<u>(59,420)</u>	<u>-</u>	<u>5,534</u>
At 1 January 2006	1,421	26,650	36,527	-	(70,734)	(140)	(6,276)
Placing of new shares	284	-	-	-	-	-	284
Premium arising from placing of new shares, net of expenses	-	1,419	-	-	-	-	1,419
Exchange difference arising from translation of financial statements of subsidiaries	-	-	-	-	-	369	369
Exchange difference realised on disposal of subsidiaries	-	-	-	-	-	(60)	(60)
Equity component of convertible notes	-	-	-	500	-	-	500
Net profit for the nine months ended 30 September 2006	-	-	-	-	34,745	-	34,745
At 30 September 2006	<u>1,705</u>	<u>28,069</u>	<u>36,527</u>	<u>500</u>	<u>(35,989)</u>	<u>169</u>	<u>30,981</u>

Notes:

### 1. Basis of preparation

The consolidated results are not audited but have been reviewed by the audit committee of the Board.

The unaudited financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Companies Ordinance (Chapter 32, Laws of Hong Kong) and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules.

### 2. Turnover

The Group's turnover represents the net invoiced value of household products sold and the income received from provision of telephone sets subcontracting services, after allowance for returns and trade discounts where applicable. An analysis of the Group's turnover is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Sales of household products	52,563	4,456	113,211	6,712
Provision of telephone sets subcontracting services	100	651	614	2,220
	<u>52,663</u>	<u>5,107</u>	<u>113,825</u>	<u>8,932</u>

### 3. Taxation

No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits for the nine months ended 30 September 2006 (nine months ended 30 September 2005: nil).

No provision for the Company's PRC subsidiary tax had been made because it did not derive any assessable profits during the current and the prior corresponding period.

Deferred tax had not been provided as there were no significant timing differences at the period-end date (nine months ended 30 September 2005: nil).

### 4. Dividend

No dividends have been paid or declared by the Company for the nine months ended 30 September 2006 (nine months ended 30 September 2005: nil).

## 5. Profit/(loss) per share

The calculation of the basic profit/(loss) per share is based on the Group's net profit for the nine months ended 30 September 2006 of approximately HK\$34,745,000 (nine months ended 30 September 2005: net loss of approximately HK\$2,823,000), and the weighted average of 119,852,088 ordinary shares (nine months ended 30 September 2005: 112,809,524 ordinary shares) in issue during the nine months ended 30 September 2006 after adjusting for the effects of the placing of new shares on 20 March 2006 and the share consolidation on 18 May 2006. The basic loss per share for the nine months ended 30 September 2005 had been adjusted accordingly.

Diluted profit/(loss) per share for the nine months ended 30 September 2006 and 2005 have not been provided as the share options outstanding during the period had an anti-dilutive effect on the basic profit/(loss) per share for the period.

## 6. Segment information

An analysis of the Group's income and results for the nine months ended 30 September 2006 and 2005 are as follows:

### *Business segments*

During the reporting period, the Group is primarily engaged in the sales of household products and provision of telephone sets subcontracting services. Since 28 August 2006, the Group has been primarily engaged in the sales of household products.

	Provision of telephone sets subcontracting services		Sales of household products		Total	
	2006 HK\$'000 (unaudited)	2005 HK\$'000 (unaudited)	2006 HK\$'000 (unaudited)	2005 HK\$'000 (unaudited)	2006 HK\$'000 (unaudited)	2005 HK\$'000 (unaudited)
REVENUE						
External revenue	614	2,220	113,211	6,712	113,825	8,932
RESULTS						
Segment results	31	(839)	32,750	507	32,781	(332)
Unallocated corporate revenue					228	-
Unallocated corporate expenses					(4,710)	(2,491)
Operating profit/ (loss) excluding interest income/ expenses					28,299	(2,823)
Interest income					12	3
Interest expenses					(484)	(3)
Income from disposal of subsidiaries					6,918	-
Gain/(Loss) before taxation					34,745	(2,823)
Taxation					-	-
Gain/(Loss) after taxation					34,745	(2,823)
Minority interests					-	-
Net profit/(loss) for the period					34,745	(2,823)

*Geographical segments*

The following tables present the geographical segments of the revenue of the Group:

	<b>2006</b> <i>HK\$'000</i>	<b>2005</b> <i>HK\$'000</i>
Mainland China	85,021	2,220
Europe	17,737	–
North America*	11,067	6,712
	<u>113,825</u>	<u>8,932</u>

\* *North America principally relates to the United States and Canada.*

**E. MANAGEMENT DISCUSSION AND ANALYSIS**

The following is the management and discussion analysis extracted from the annual report of the Group for the years ended 31 December 2003, 2004 and 2005 and the interim report of the Group for the six month ended 30 June 2006.

**Overall Financial and Business Review**

*For the six months ended 30 June 2006*

For the six months ended 30 June 2006, the Group's turnover amounted to approximately HK\$61,162,000 (six months ended 30 June 2005: HK\$3,825,000) while the net profit attributable to the shareholders amounted to approximately HK\$15,430,000 (six months ended 30 June 2005: net loss of HK\$2,306,000). The improvement in turnover was mainly the result of the increase in the sales of household products in the PRC and overseas market.

Although income from the provision of telephone sets subcontracting services decreased from HK\$1,570,000 during the six months ended 30 June 2005 to HK\$514,000 during the six months ended 30 June 2006, the sales of household products in PRC and foreign countries has broadened the revenue base of the Group and also brought in conspicuous revenue to the Group's investments.

**Liquidity and Financial Resources**

All the Group's funding and treasury activities are currently managed and controlled by the senior management. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report.

As at 30 June 2006, cash and bank balances of the Group was approximately HK\$9,299,000. The Group has no bank borrowings.

**Capital Structure**

By an ordinary resolution approved by the shareholders attended the special general meeting held on 17 May 2006, every two (2) issued shares in the Company are consolidated into one (1) consolidated share. Accordingly, the issued share capital of the Company was consolidated from 170,560,000 shares of HK\$0.01 each into 85,280,000 shares of HK\$0.02 each. The capital of the Company comprises only ordinary shares. The Company and the Group has no bank borrowings as at 30 June 2006.

**Significant investments and material acquisitions and disposals**

During the six months ended 30 June 2006, the Group had not made any significant investments and material acquisitions and disposals.

**Employees Information**

During the period, the Group had an average number of employees of 400 (six months ended 30 June 2005: 7). They were remunerated in accordance with their performance and market condition. Other benefits available to eligible employees include retirement benefits and medical insurance schemes.

**Contingent liabilities**

As at 30 June 2006, the Group has the following contingent liabilities:

On 2 March 2000, an independent third party executed a Deed of Guarantee in favour of a wholly-owned subsidiary, Sun-iOMS Maintenance Limited, guaranteeing that the income accrued to the wholly-owned subsidiary arising from the sales of iOMS Millennium Edition Software for a period of 18 months from the date of the guarantee would not be less than HK\$15,000,000. However, the aforesaid independent third party has not fulfilled his commitment under the Deed of Guarantee. Hence, the wholly-owned subsidiary and the Company took legal action against the abovementioned independent third party and two executive directors resigned in 2001 in respect of the breach of the Deed of Guarantee and their fiduciary duties accordingly. Up to the date of approval of the financial statements for the six months ended 30 June 2006 on 26 July 2006, the case is pending for hearing. In the opinion of the Company's legal advisors, it is difficult to predict the outcome of the proceedings at this stage. In the opinion of the directors of the Company, no provision for legal costs is considered necessary by the directors at 30 June 2006.

Save as disclosed above, the Group had no contingent liabilities as at 30 June 2006.



**Charge on group assets**

The Group did not have any charge on its assets during the six months ended 30 June 2006.

**Foreign currency risk**

As most of the Group's monetary assets and liabilities were denominated in Renminbi, Hong Kong dollars and US dollars, the exchange rate risks of the Group were considered to be minimal. As at 30 June 2006, no related hedges were made by the Group.

**Overall Financial and Business Review***For the year ended 31 December 2005*

For the year ended 31 December 2005, the Group's turnover amounted to approximately HK\$25,985,000 (2004: HK\$2,287,000) while the net loss attributable to the shareholders amounted to approximately HK\$14,136,000 (2004: net loss of HK\$14,023,000). The improvement in turnover was mainly the result of the increase in the phone sets subcontracting business in the PRC and sales of household products. The decrease in net loss was the result of the increase in new business of sale of household products and effective cost control implemented by the Group.

The turnover of telephone sets subcontracting services recorded a healthy growth. Owing to the small operation scale, the telephone sets subcontracting business did not generate profit yet. On the other hand the fast growing and effective cost control in household products trading resulted from a profit.

**Liquidity and financial resources**

All the Group's funding and treasury activities are basically managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report.

As at 31 December 2005, cash and bank balances of the Group was approximately HK\$392,000 (2004: HK\$641,000), The Group has no bank borrowings throughout the year under review.

Total borrowing of the Group amounted to approximately HK\$39,000 (2004: HK\$50,000), representing obligation under a finance lease contract with an interest rate of approximately 4.5% per annum and average lease term of approximately five years. Except for the finance lease contract for the Group's office equipment, the Group did not have any mortgage or charge on assets as at 31 December 2005 (2004: Nil).

As at 31 December 2005, the Group's gearing ratio was 0.48% representing a percentage of long term liabilities over total assets (2004: 0.30%).

### **Capital Structure**

On 10 January 2005, every forty (40) issued shares in the Company are consolidated into one (1) consolidated share. The nominal value of each issued consolidated share was then reduced from HK\$0.40 each to HK\$0.01 each by way of a reduction of capital pursuant to the Companies Act of Bermuda. Accordingly, the issued share capital of the Company was reduced from an amount of HK\$23,690,000 to HK\$592,250 represented by 59,225,000 consolidated shares.

On 22 July 2005, the Company has placed under the general mandate a total of 23,690,000 new shares to eight places at a price of HK\$0.06 per share. Proceeds of approximately HK\$1.42 million were being raised as working capital. The total issued share capital of the Company after the placing of new shares are 142,140,000 shares.

The Company and the Group has no bank borrowings as at 31 December 2005.

### **Significant investments and material acquisitions and disposals**

During the year ended 31 December 2005, the Group did not have any significant investments and material acquisitions and disposals.

### **Employees Information**

During the year ended 31 December 2005, the Company had an average number of employees of 5 (2004: 5). They were remunerated in accordance with their performance and market condition. Other benefit available to eligible employees includes retirement benefits.

### **Charge on group assets**

The Group did not have any charge on its assets during the year ended 31 December 2005.

### **Foreign currency risk**

As most of the Group's monetary assets and liabilities were denominated in Renminbi, Hong Kong dollars and US dollars, the exchange rate risks of the Group were considered to be minimal. As at 31 December 2005, no related hedges were made by the Group.

### **Contingent Liabilities**

As at 31 December 2005, the Group has the following contingent liabilities:

- (a) A wholly-owned subsidiary of the Company, Sun-iOMS Limited, was a defendant of a legal action brought by its customer. The directors consider that, after obtaining legal advice, the aforesaid subsidiary has a strong case in the aforesaid action. In addition, an ex-director of the Company, Mr. Yue Chung Wing, Patrick, has indemnified the Group in respect of all liabilities that may arise out of or in connection with any of the claims and legal costs that may be payable to the plaintiff and any legal cost to be incurred in respect of the abovementioned claim. In view of the above, the directors are of the opinion that the above legal action would not have any significant impact on the financial position of the Group, hence, no provision is considered necessary by the directors at 31 December 2005.
- (b) On 2 March 2000, an independent third party executed a Deed of Guarantee in favour of a wholly-owned subsidiary, Sun-iOMS Maintenance Limited, guaranteeing that the income accrued to the wholly-owned subsidiary arising from the sales of iOMS Millennium Edition Software for a period of 18 months from the date of the guarantee would not be less than HK\$15,000,000. However, the aforesaid independent third party has not fulfilled his commitment under the Deed of Guarantee. Hence, the wholly-owned subsidiary and the Company took legal action against the abovementioned independent third party and two executive directors resigned in 2001 in respect of the breach of the Deed of Guarantee and their fiduciary duties accordingly. The case was dismissed during the year. The wholly-owned subsidiary and the Company are in the course of appealing the Order of dismissal. If the appeal is unsuccessful, the wholly-owned subsidiary and the Company shall be required to pay the legal costs of the defendants. The estimated legal costs of the defendants are approximately HK\$1,390,000 (subject to taxation). Up to the date of approval of these financial statements, the case is pending for hearing. In the opinion of the Company's legal advisors, it is difficult to predict the outcome of the proceedings at this stage. In the opinion of the directors of the Company, no provision for legal costs is considered necessary by the directors at 31 December 2005.

Save as disclosed above, the Group had no contingent liabilities as at 31 December 2005.

### **Overall Financial and Business Review**

#### *For the year ended 31 December 2004*

During the year ended 31 December 2004, in addition to the provision of manufacturing decision support system and computerization consulting services and licensing to manufacturers and traders in Hong Kong and other regions in the PRC, the Group has diversified itself into the business of providing telephone sets subcontracting services in the PRC during the year under review. Besides, the Group is also involved in the provision of information technology consultancy services, customized software development services, computer system integration, system development support services and investment holding.

Owing to the unfavourable market sentiments prevailing in the information technology market, operations in sales of software licence and related services and provision of maintenance services were ceased during the year under review. The management has put forth considerable efforts in regaining the vitality of the Company. The introduction of telephone sets subcontracting services has broadened the revenue base of the Group and diversified the Group's investment. Hence, relatively steady revenue inflow has been generated though time is needed to bring such new operations in harmonious conformity with the Group's existing investments.

### **Liquidity and financial resources**

All the Group's funding and treasury activities are basically managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report.

Being part of the HK\$11,590,000 consideration, cash amounted to HK\$9,500,000 was being applied for acquiring certain telephone sets subcontracting services business during the year. Such acquisition was being financed by internal resources of the Group.

As at 31 December 2004, cash and bank balances of the Group was approximately HK\$641,000 (2003: HK\$9,618,000), The Group has no bank borrowings throughout the year under review.

Total borrowing of the Group amounted to approximately HK\$50,000 (2003: HK\$61,000), representing obligation under a finance lease contract with an interest rate of approximately 4.5% per annum and average lease term of approximately five years. Except for the finance lease contract for the Group's office equipment, the Group did not have any mortgage or charge on assets as at 31 December 2004 (2003: Nil).

As at 31 December 2004, the Group's gearing ratio was 0.30% representing a percentage of long term liabilities over total assets (2003: 0.31%).

### **Capital Structure**

On 10 January 2005, every forty (40) issued shares in the Company are consolidated into one (1) consolidated share by a special resolution approved by members of the Company in a special general meeting. The nominal value of each issued consolidated share was then reduced from HK\$0.40 each to HK\$0.01 each by way of a reduction of capital pursuant to the Companies Act of Bermuda. Accordingly, the issued share capital of the Company was reduced from an amount of HK\$23,690,000 to HK\$592,250 represented by 59,225,000 consolidated shares. Details of the capital reorganization have been set out on a circular of the Company dated 17 December 2004.

**Significant investments and acquisition**

During the year ended 31 December 2004, the Company through its wholly-owned subsidiary, Grandmass Global Investment Limited, entered into a sale and purchase agreement dated 23 March 2004 to acquire from Favourite Success Trading Limited, an independent third party, the entire issued share capital of Lucky Force Development Limited (“Lucky Force”) at a consideration of HK\$11,590,000. Lucky Force is an investment holding company with 66.67% equity interest in Shenzhen Xinhongmao Technology Limited, a sino-foreign joint venture company principally engaged in original equipment manufacturing of telephone sets for wholesalers who distribute products to the United States and Europe under different labels and brand names.

**Employees Information**

During the year ended 31 December 2004, the Company had an average number of employees of 5 (2003: 7). They were remunerated in accordance with their performance and market condition. Other benefit available to eligible employees includes retirement benefits.

**Charge on group assets**

The Group did not have any charge on its assets during the year ended 31 December 2004.

**Foreign currency risk**

As most of the Group’s monetary assets and liabilities were denominated in Renminbi, Hong Kong dollars and US dollars, the exchange rate risks of the Group were considered to be minimal. As at 30 June 2006, no related hedges were made by the Group.

**Contingent Liabilities**

At 31 December 2004, the Group has the following contingent liabilities:

- (a) A wholly-owned subsidiary of the Company, Sun-iOMS Limited (formerly known as Grandmass Technology Limited), was a defendant of a legal action brought by its customer. The Directors, after obtaining legal advice, consider that the subsidiary has a strong case in the aforesaid action. In addition, an ex-director of the Company, Mr. Yue Chung Wing, Patrick, has indemnified the Group in respect of all liabilities that may arise or any legal cost that may incur. Therefore, the Directors consider that the above legal case would not have any significant impact on the financial position of the Group, hence, no provision is considered necessary at 31 December 2004.

- (b) On 2 March 2000, an independent third party executed a Deed of Guarantee in favour of a wholly-owned subsidiary, Sun-iOMS Maintenance Limited (formerly known as iOMS Grandmass Limited), guaranteeing that the income accrued to the wholly-owned subsidiary arising from the sales of iOMS Millennium Edition Software for a period of 18 months from the date of the guarantee would not be less than HK\$15,000,000. However, the aforesaid independent third party has not fulfilled his commitment under the Deed of Guarantee. Hence, the wholly-owned subsidiary and the Company took legal action against the abovementioned independent third party and two ex-directors who resigned in 2001 in respect of the breach of the Deed of Guarantee and their fiduciary duties accordingly. The Directors are of the opinion that the above legal action would not have any significant impact on the financial position of the Group, hence, no provision for legal costs are considered necessary at 31 December 2004.
- (c) The wholly-owned subsidiaries of the Company, Sun-iOMS Limited and Sun-iOMS Maintenance Limited, claimed against two former employees for damages for breach of employment contract, duty of good faith and fidelity, fiduciary duties and duty of confidence. The directors are of the opinion that the above legal action would not have any significant impact on the financial position of the Group, hence, no provision for legal costs are considered necessary by the directors at 31 December 2004.

Save as disclosed above, the Group had no contingent liabilities as at 31 December 2004.

### **Overall Financial and Business Review**

#### *For the year ended 31 December 2003*

During the year ended 31 December 2003, the Group continued to engage in the provision of manufacturing decision support system and computerization consulting services and licensing to manufacturers and traders in Hong Kong and other regions in the PRC. The Group is also involved in the provision of information technology consultancy services, customized software development services, computer system integration, system deployment support services and investment holding.

Our operations encountered a difficult and disappointing financial year. Our operations were badly affected by the unexpected attack of the Severe Acute Respiratory Syndrome (“SARS”) epidemic. The SARS epidemic had evolved into a crisis over the world. Many businesses in Hong Kong and other regions in the PRC had been ground to an almost stand still situation during the SARS crisis. The subsequent unfavourable business atmosphere had an adverse effect on the Group’s performance during the year under review.

The Group considered that the performance and business growth of some of the subsidiaries and associates were below expectation and substantially behind the original valuation. The Board has decided to adopt prudent accounting management to evaluate investment projects, and to make a one-off full provision for impairment loss on the goodwill of Grandmass iOMS Limited and a partial provision for impairment loss on the goodwill of Signking Science Limited in this financial year, amounting to HK\$1,797,000 and HK\$1,000,000 respectively.

The two items of provision for impairment loss mentioned above totaled HK\$2,797,000, resulting in a loss attributable to shareholders of HK\$9,840,000 for this financial year. However, there was no impact on the Group's operating cash flow. The Board believes that the provisions can better reflect the Group's current and future operating conditions. With the experience gained, the Group is committed to adopting a more cautious and prudent approach in evaluating new investment projects' potential and opportunity cost.

While Hong Kong's economy is on a path of recovery, the Group will look for potential investment opportunities to broaden its earning base and strive for better returns for our shareholders.

### **Liquidity and financial resources**

All the Group's funding and treasury activities are currently managed and controlled at the corporate level. There is no significant change in respect of treasury and financing policies from the information disclosed in the Group's latest annual report.

On 5 March 2003, the Group had disposed 51% equity interest of Sun-iOMS Technology Holdings Limited ("Sun-iOMS") to CEC-Technology Limited, this business arrangement had greatly reduced the cash outflows of the Group and would further strengthen the competitiveness of the Group within the ERP market.

The Rights Issue in November 2003 enabled the Company to strengthen its equity base and obtain additional cash resources in order to support the continuing development of the Group's existing business activities and new business growth.

As at 31 December 2003, cash and bank balances of the Group were approximately HK\$9,618,000. The Group has no bank borrowings.

Total borrowing of the Group amounted to approximately HK\$61,000, representing obligation under a finance lease contract with an interest rate of approximately 4.5% per annum and average lease term of approximately five years. Except for the finance lease contract for the Group's office equipment, the Group did not have any mortgage or charge on assets as at 31 December 2003.

As at 31 December 2003, the Group's gearing ratio was 0.31% representing a percentage of long term liabilities over total assets.

Since the functional currencies of the Group's operations are HK Dollars and RMB, the Board considers that the exchange rate risk of the Group is minimal.

**Capital Structure**

By a resolution passed on the special general meeting held on 20 October 2003, the Company issued 360,000,000 ordinary shares of HK\$0.01 each by way of rights issue (“Rights Issue”) in the proportion of one rights share for every four shares held with bonus shares issued with rights shares on the basis of one bonus share for every one rights share. 360,000,000 bonus shares were issued and were credited as fully paid (“Bonus Issue”) by debiting the share premium account of the Company. The number of shares of the Company increased from 1,440,000,000 as at 31 December 2002 to 2,160,000,000 as at 31 December 2003 after the Rights Issue and Bonus Issue, of 720,000,000 shares in aggregate during the year. The issued share capital increased from HK\$14,400,000 as at 31 December 2002 to HK\$21,600,000 as at 31 December 2003. The Company and the Group has no bank borrowings throughout the year under review.

**Significant investments and acquisitions**

During the year ended 31 December 2003, the Group had not made any significant investments and material acquisitions.

**Employees Information**

During the year ended 31 December 2003, the Company had an average number of employees of 7 (2002: 40). They were remunerated in accordance with their performance and market condition. Other benefit available to eligible employees includes retirement benefits.

**Material disposals**

On 1 March 2003, the Group entered into a share subscription agreement with an independent investor to allot and issue 51 new shares at par value of HK\$5,000 each totalled HK\$255,000 representing 51% of the enlarged issued capital of Sun-iOMS Technology Holdings Limited, the then wholly-owned subsidiary. Consequently, the Group had effectively disposed of its 51% equity interest in Sun-iOMS Technology Holdings Limited under the abovementioned share subscription arrangement. On the other hand, pursuant to a share sales agreement and a shareholders and share subscription agreement both dated 12 November 2002 with several independent investors, the Group’s equity interest in Grand Teton Limited was gradually reduced from 56% to 39.5%.

For the period from 1 January 2003 to the respective dates of disposal, the above subsidiaries were engaged in sale of software licence and related services and provision of computer consultancy services, contributed approximately HK\$1,020,000 (2002: HK\$3,337,000) to the Group’s turnover and approximately HK\$857,000 (2002: HK\$4,646,000) to the Group’s loss before taxation.

**Charge on group assets**

The Group did not have any charge on its assets during the year ended 31 December 2003.

**Foreign currency risk**

As most of the Group’s monetary assets and liabilities were denominated in Renminbi, Hong Kong dollars and US dollars, the exchange rate risks of the Group were considered to be minimal. As at 31 December 2003, no related hedges were made by the Group.



## Contingent Liabilities

At 31 December 2003, the Group has the following contingent liabilities:

- (a) A wholly-owned subsidiary of the Company, Sun-iOMS Limited (formerly known as Grandmass Technology Limited), was a defendant of a legal action brought by its customer. The Directors, after obtaining legal advice, consider that the subsidiary has a strong case in the aforesaid action. In addition, an ex-director of the Company, Mr. Yue Chung Wing, Patrick, has indemnified the Group in respect of all liabilities that may arise or any legal cost that may incur. Therefore, the Directors consider that the above legal case would not have any significant impact on the financial position of the Group, hence, no provision is considered necessary at 31 December 2003.
- (b) On 2 March 2000, an independent third party executed a Deed of Guarantee in favour of a wholly-owned subsidiary, Sun-iOMS Maintenance Limited (formerly known as iOMS Grandmass Limited), guaranteeing that the income accrued to the wholly-owned subsidiary arising from the sales of iOMS Millennium Edition Software for a period of 18 months from the date of the guarantee would not be less than HK\$15,000,000. However, the aforesaid independent third party has not fulfilled his commitment under the Deed of Guarantee. Hence, the wholly-owned subsidiary and the Company took legal action against the abovementioned independent third party and two ex-directors who resigned in 2001 in respect of the breach of the Deed of Guarantee and their fiduciary duties accordingly. The Directors are of the opinion that the above legal action would not have any significant impact on the financial position of the Group, hence, no provision for legal costs are considered necessary at 31 December 2003.

Save as disclosed above, the Group had no contingent liabilities as at 31 December 2003.

## F. STATEMENT OF INDEBTEDNESS

### Borrowings

As at the close of business on 31 October 2006, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$18,029,000 comprising the following:

- (i) the convertible notes with a principal amount of HK\$18,000,000 (the "Convertible Notes") issued by the Company on 28 July 2006 to seven Independent Third Parties. The Convertible Notes bear interest at 2% per annum payable half yearly in arrears. The maturity date of the Convertible Notes is the date immediately preceding the first anniversary of the date of issue of the Convertible Notes. The Convertible Notes were secured by (1) a deed of guarantee dated 28 July 2006 and executed by Ms. Huang Ye Hua (a substantial shareholder of the Company) and (2) a share mortgage dated 28 July 2006 and executed by True Allied Assets Limited which held approximately 22.3% of the issued share capital of the Company as at 28 July 2006 to secure the obligations of the Company under the Convertible Notes; and

- (ii) Obligations under finance leases of approximately HK\$29,000 of which approximately HK\$14,000 is repayable within one year, approximately HK\$14,000 is repayable in the second year and the remaining balance of approximately HK\$1,000 is repayable in the third year.

### **Contingent liabilities**

As at 31 October 2006, the Group has the following contingent liabilities:

On 2 March 2002, an independent third party executed a Deed of Guarantee in favour of Sun-iOMS Maintenance Limited, a former indirect wholly-owned subsidiary disposed of by the Group on 27 July 2006, guaranteeing that the income accrued to Sun-iOMS Maintenance Limited arising from sales of iOMS Millennium Edition Software for a period of 18 months from the date of the guarantee would not be less than HK\$15,000,000. However, the aforesaid independent third party has not fulfilled his commitment under the Deed of Guarantee. Hence, Sun-iOMS Maintenance Limited and the Company took legal action against the abovementioned independent third party and two executive directors resigned in 2001 in respect of the breach of the Deed of Guarantee and their fiduciary duties accordingly. As at 31 October 2006, the case was pending for hearing. In the opinion of the Company's legal advisors for this litigation, there is no outstanding liability against the Company at this stage. In the opinion of the Directors of the Company, no provision for legal costs was required at 31 October 2006.

Save as disclosed above, the Group had no contingent liabilities at 31 October 2006.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables, as at the close of business on 31 October 2006, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

Subsequent to 31 October 2006, on 1 December 2006, 14,999,997 ordinary shares were issued by the Company as a result of the exercise of the conversion rights attached to the Convertible Notes of an aggregate principal amount of HK\$18,000,000 issued by the Company on 28 July 2006.

Save as disclosed above, the Directors have confirmed that there is no significant change in indebtedness and contingent liabilities of the Group from 31 October 2006 up to the Latest Practicable Date.

### **G. WORKING CAPITAL**

As at the Latest Practicable Date, the Directors were of the opinion that, after taking into account the Group's internal resources, the net proceeds of approximately HK\$17 million received by the Company from the issue of the Convertible Notes which were subsequently converted into 14,999,997 ordinary shares of the Company on 1 December 2006 and the present available loan facilities, the Group has sufficient working capital for its present requirements in the next 12 months from the date of this circular.

**H. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2005, being the date to which the latest published audited financial statements of Group were made up.

**I. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group has successfully transformed into a company principally engaged in the design, manufacture and sale of solid wood furniture. For the nine-month period ended 30 September 2006, the Group recorded an unaudited revenue of HK\$113,825,000, and a net profit attributable to shareholders of approximately HK\$34,745,000.

In order to fully capture the growth in the furniture market in the PRC and the growth in the trade of furniture around the world, the Group makes use of the opportunity this time from the Acquisition of production equipment to further enhance its design and manufacture of solid wood furniture capacities, broaden the sales and distribution network of the solid wood furniture market in the PRC as well as expand exports trading of furniture to the USA, Europe and the Middle East.

The Board is optimistic about the financial and business prospects of the Group.

*The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, HLB Hodgson Impey Cheng, Chartered Accountants, Certified Public Accountants, Hong Kong.*



國衛會計師事務所  
**Hodgson Impey Cheng**

Chartered Accountants  
Certified Public Accountants

31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

3 January 2007

The Board of Directors  
**FAVA International Holdings Limited**

Dear Sirs,

We set out below our report on the financial information (the “Financial Information”) regarding the Acquired Machineries (as defined herein) for each of the three years ended 31 December 2003, 2004 and 2005 and the nine months ended 30 September 2005 and 2006 (the “Relevant Periods”) prepared on the basis set out in Section 1 below, for inclusion in the circular of FAVA International Holdings Limited (the “Company”) dated 3 January 2007 (the “Circular”) in relation to the acquisition of certain machineries and equipment for the manufacturing of furniture (the “Acquired Machineries”), pursuant to a conditional sales and purchase agreement (the “Acquisition Agreement”) entered into between 廊坊華日家具股份有限公司 (Lang Fang Huari Furniture Joint Stock Co., Ltd, for identification purpose only) (“Huari Furniture”) and 廊坊天誠家具有限公司 (Lang Fang Tian Cheng Furniture Co., Ltd., for identification purpose only) (“Lang Fang Tian Cheng Furniture”), and the Company’s indirect wholly owned subsidiary, 廊坊天豐家居有限公司 (Lang Fang Tian Feng Home Co., Ltd., for identification purpose only), on 29 November 2006 (the “Acquisition”). Particulars of the Acquired Machineries are set out in Section 3 below.

The Financial Information of the Acquired Machineries has been prepared based on the management accounts of Huari Furniture and Lang Fang Tian Cheng Furniture, which have adopted 31 December as their financial year end date. Huari Furniture and Lang Fang Tian Cheng Furniture maintained their books and records in accordance with the relevant accounting principles and financial regulations applicable to the PRC enterprises (“PRC GAAP”).

For the purpose of the Acquisition, the directors of Huari Furniture and Lang Fang Tian Cheng Furniture have prepared the Financial Information of the Acquired Machineries in accordance with accounting policies which are in compliance with HK GAAP (as defined in Section 2 below) for the Relevant Periods. The accounting policies adopted in the preparation of the Financial Information of the Acquired Machineries are the same as those used in the consolidated financial statements of the Company and its subsidiaries, where applicable.

For the purpose of this report, we have reviewed the Financial Information in accordance with the relevant requirements of Hong Kong Standard on Review Engagements 2400 “Engagements to Review Financial Statements” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Directors of the Company are responsible for the preparation of the Financial Information. It is our responsibility to review the Financial Information and to report our review conclusion to you.

Based on our review, nothing has come to our attention that causes us to believe that the Financial Information is not properly prepared, in all material respects, in accordance with the basis of presentation as set out in Section 1.

## **1. BASIS OF PRESENTATION**

Pursuant to the Acquisition Agreement, the Acquired Machineries comprised of 1,391 items of plant and machineries for the manufacturing of furniture. The Acquired Machineries are currently owned by Huari Furniture and Lang Fang Tian Cheng Furniture.

The Financial Information of the Acquired Machineries is prepared based on the management accounts of Huari Furniture and Lang Fang Tian Cheng Furniture on a continuing basis as if the Acquired Machineries have been under the same ownership with effect from 1 January 2003.

For the purpose of inclusion in the Financial Information, the financial information on the operating results of the Acquired Machineries has been extracted from the management accounts of Huari Furniture and Lang Fang Tian Cheng Furniture. The Financial Information only includes income and expenses which are directly attributable to the operation of the Acquired Machineries, such as sales of products, leasing of machineries and operating costs for the Acquired Machineries. Indirect income and expenses such as selling expenses, general and administrative expenses, finance costs for working capital and non-operating income and expenses, have not been included. Income tax has not been included as it is calculated and levied on an entity level. The Financial Information of the Acquired Machineries has been adjusted to comply with the accounting policies as disclosed in Section 2 which are in compliance with HK GAAP.

The Financial Information does not necessarily reflect the results of operations of the Acquired Machineries that would have been recorded had they been operated under a stand-alone entity during the Relevant Periods because they have historically been operated by Huari Furniture and Lang Fang Tian Cheng Furniture and indirect income and expenses and income tax have not been considered.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

The Financial Information of the Acquired Machineries has been prepared in accordance with accounting policies which are in compliance with accounting principles generally accepted in Hong Kong (“HKGAAP”). The Financial Information has been prepared under the historical cost convention.

All material transactions among Huari Furniture and Lang Fang Tian Cheng Furniture in relation to the Acquired Machineries have been eliminated in preparation of the Financial Information of the Acquired Machineries.

### Machineries and depreciation

Machineries are stated at cost less accumulated depreciation and any impairment losses. The cost of a machine comprises its purchase price, costs transferred from construction in progress, any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after machineries have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the machine, the expenditure is capitalised as an additional cost of that machine.

Depreciation of machineries is calculated to write off their cost less directors’ estimate of their residual values on a straight-line basis over their estimated useful lives. The principal annual rates used for this purpose are as follows:

Machineries	6 to 10 years
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### Impairment of assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories), the asset’s recoverable amount is estimated. An asset’s recoverable amount is calculated as the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a per-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the

income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decrease. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to Huari Furniture and Lang Fang Tian Cheng Furniture and when the revenue can be measured reliably, on the following bases:

- (a) from sales of products, when the significant risks and rewards of ownership have been transferred to the buyers, provided that Huari Furniture and Lang Fang Tian Cheng Furniture maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and
- (b) from leasing of machineries, on a straight-line basis over the lease terms.

### **Foreign currencies**

The Financial Information of the Acquired Machineries is stated in Renminbi (“RMB”).

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates.

On combination, the income statements of those Acquired Machineries which are denominated in foreign currencies are translated into Renminbi, at the weighted average rates for the year, for inclusion in the Financial Information.

### **Provisions**

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

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

### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### Depreciation of machineries

The depreciation amount of machineries is determined based on the estimated useful lives and residual values, which are reviewed at each balance sheet date. The principal assumptions for the estimation of the useful lives and residual values include those related to the mode of operations, government regulations and scrap value of machineries in future. The carrying amount of the Acquired Machineries as at 30 September 2006 was approximately RMB68,333,000 in accordance with the unaudited management accounts of Huari Furniture and Lang Fang Tian Cheng Furniture.

## 3. PARTICULARS OF THE ACQUIRED MACHINERIES

Particulars of the Acquired Machineries are as follows:

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1	單立軸銑	T120	台灣遠銘	1
2	單立軸銑	YS-104	台灣遠銘	1
3	海綿刨切刀	刀長500	德國	1
4	風機	6-465A	高碑店風機廠	1
5	電機	11KW YB160L-6	天津電機廠	1
6	30KW電機	30KW YB250	天津電機廠	1
7	木工帶鋸機	MJ344	北京朝陽區明華木 工機械廠	1
8	木工帶鋸機	MJ344	北京朝陽區明華木 工機械廠	1
9	削皮機	TY-801	德國	1
10	旋風分離器	除塵用	天津	1
11	無機調速機總成		北京大興風機廠	1
12	無機變速機		北京大興風機廠	1
13	全自動電腦表控鑽空機	BOF41/30/R	西德豪邁金田木業 機械	1
14	車床	X616-1	濟南第一機床製造廠	1
15	四面刨床	P23EC	FEDERAL REPUOLIC	1
16	不銹鋼料桶	1150*1100	秦皇島市撫寧化工 機械有限公司	4



	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
17	衝床 (40型開式雙柱)	JB23-40B	山東淄州衝壓機床廠	1
18	衝床 (16型開式雙柱)	JB23-16	山東淄州衝壓機床廠	1
19	立式砂光機	MM2420A	廣東順德馬式木工機械 有限公司	1
20	立式砂光機	MM2420A	廣東順德馬式木工機械 有限公司	1
21	砂光機	SDA1300	青島千川木業設備 有限公司	1
22	全自動油漆乾燥生產線	JAL SPRAY1300ETC 3/2-	德國	1
23	烘乾窯	CA-6	意大利	6
24	單軸木工銑床	MX120	廣東南海市明興木 工機械廠	1
25	高頻壓機	GJII-20K, 4- φ 250	香河	1
26	高頻壓機	GJII-20K, 4- φ 250	香河	1
27	高頻機	GJII-20K, 4- φ 320	香河	2
28	風機	12C	北京大興風機廠	1
29	軸流風機	φ 500	北京大興風機廠	1
30	電焊機 (交流弧焊機)	BX3-300型	河北衡水電焊機廠	1
31	大鋸 (跑車帶鋸機床)	MJ3212A	瀋陽帶鋸機床廠	2
32	推台鋸	MJ145	瀋陽木工機械廠	1
33	減速機		天津減速機廠	1
34	木工多排鑽	SIGMA 2TA	意大利	1
35	重型縫紉機	縫皮子	德國	1
36	重型縫紉機	縫皮子	德國	1
37	四面刨床	P23EC	煙台邁克威力機械 有限公司	1
38	移動萬向搖臂鑽床	ZJA3725X8/1	北京第三機床廠	1
39	砂光機	SDA1300	青島千川木業設備 有限公司	3
40	單軌葫蘆吊 (電動葫蘆)	3T	天津起重機廠	1
41	萬能工具磨床	M6025K	北京	1
42	磨刀機		牡丹江木工機械廠	1
43	平台	1000*1000	泊頭白雲環保設備 有限責任公司	1
44	萬能升降銑床	XA6132	北京第一機床廠	1
45	金屬圓鋸機	MC-275	張家港市亞青機械 有限公司	1
46	單立軸銑	T200	GRIGGIO	1
47	水箱	1500*3000*1200	自製	1
48	水簾噴漆台	3000*1600	自製	12
49	水簾噴漆台	3000*1600	自製	2

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
50	水簾噴漆台	3000*1600	自製	1
51	水簾噴漆台	3000*1600	自製	1
52	水簾噴漆台	3000*1600	自製	9
53	縫紉機	GC6-6 GC6-5	標準縫紉機莞平機械 有限公司	15
54	縫紉機	GC6-6 GC6-5	標準縫紉機莞平機械 有限公司	4
55	縫紉機	GC6-6 GC6-5	標準縫紉機莞平機械 有限公司	3
56	縫紉機	GC6-6 GC6-5	標準縫紉機莞平機械 有限公司	3
57	縫紉機	GC6-6 GC6-5	標準縫紉機莞平機械 有限公司	5
58	木工榫槽萬能機床	MSW362F	青島木工機床廠	1
59	掛面槍	做床墊用	日本	1
60	冷壓機	4000*1200	自製	1
61	貼面機(貼紙機)	MQ-DJ1300D	廣東順德市何式機械製造 有限公司	1
62	多片鋸	MJ143-A	牡丹江木工機械廠	1
63	銑齒機	PZ-530A	德國	1
64	榫頭機	TEAM	意大利金田木業	1
65	三用機	鑽、銑、截料 電子控機用	意大利金田木業	1
66	布袋吸塵機(單桶布袋吸塵機)	NF9020	廣東順德市倫敦國際 木工機械公司	1
67	電動單樑起重機	16.5M*5T	天津起重機廠	1
68	自動帶鋸磨鋸機	MR11/A	瀋陽木工機床廠	2
69	鋸條鋸壓機	MR417	瀋陽木工機械廠	1
70	玻璃異型機	FDM1213A	廣東富山玻璃機械 有限公司	1
71	玻璃異型機	FDM1214A	廣東富山玻璃機械 有限公司	1
72	串條機	做床墊用	天津	3
73	異型機真空泵(直邊機附屬件)		廣東	1
74	玻璃鑽孔機	FZ1013	廣東富山玻璃機械 有限公司	1
75	玻璃噴雕機	玻璃噴雕專用	廣東富山玻璃機械 有限公司	1
76	指接機	PZ-45AP	德國	1
77	單板刨切機	BB127A	牡丹江木工機械廠	1
78	變壓器	800KVA , 10000/400	北京變壓器廠	2

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
79	變壓器	500KVA , 10000/400	北京變壓器廠	1
80	刨圓邊機	MX120	廣東南海	1
81	熱壓機	2500*1400	牡丹江木工機械廠	1
82	高頻液壓機	曲木壓彎用	香河	1
83	空氣壓縮機	ZW-0.8/10	柳州空壓機廠	1
84	變壓器	630KVA , 1000/400	北京變壓器廠	3
85	通風機	φ800	高碑店風機廠	1
86	軸流風機	φ400	北京大興風機廠	1
87	減速器		天津減速機廠	1
88	減速機		天津減速機廠	1
89	配電設備(高低壓成套)	PGL1-27	石油管道廊坊開關總廠	1
90	配電瓶	P611-27	廊坊長虹電控設備廠	1
91	配電箱(動力配電箱)	XL-21	廊坊航天機電設備廠	1
92	發電機組(同步交電機)	T2S 75KW	中華人民共和國綏化 電機廠	1
93	電機	110KW YB355 MR-10	天津電機廠	1
94	交流弧焊機	BX-300型	河北衡水電焊機廠	1
95	除塵機	48個布袋	泊頭除塵器公司	1
96	大鋸(跑車帶鋸機床)	MJ3212A	瀋陽木工機械廠	1
97	啟動箱(電器櫃)	專用	瀋陽開關廠	1
98	塗膠機	鋸長400*1400	瀋陽木工機械廠	1
99	電錘	φ35	日本日立牌	1
100	鋸磨機(自動帶鋸磨鋸機)	MR1120	牡丹江木工機械廠	1
101	開料機	加工鋸運用	瀋陽木工機械廠	1
102	推台鋸	Z320	金田木業	1
103	台式電鑽	φ16	浙江	1
104	台式電鑽	φ16	浙江	1
105	台式鑽床	T16-J	騰州科林電動工具 有限公司	1
106	刨床	MB504B	牡丹江木工機械廠	1
107	砂光機	SA-3300-1350	荷蘭	1
108	網帶式乾燥機	2800*27000	牡丹江木工機械廠	1
109	手絲網機平台(台式攻絲)	SWJ-16MOP2-L	中國杭州西湖台鑽 有限公司	1
110	直線封邊機	長度4米	牡丹江木工機械廠	1
111	剪切機	剪切長度2200	牡丹江木工機械廠	1
112	榫眼機	AF24L	金田木業	1
113	玻璃直邊機	FZM10	廣東富山玻璃機械公司	1
114	木工帶鋸機	MJ344	北京朝陽區明華木工機械廠	2

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
115	二級高效冷卻器	空壓機冷卻用	柳州空壓機廠	1
116	變速機	MBF15-Y15-CA	浙江通力變速機 有限公司	1
117	壓力罐	2M3	柳州空壓機廠	1
118	拼版機	1200*3500	青島膠南華春機械廠	1
119	液壓控制站	12PA	石家莊紀元電器公司	1
120	電器櫃	配電箱	石家莊紀元電器公司	1
121	夾具一套160個	夾板用 (與拼板機配套)	青島膠南華春機械廠	1
122	風機(90KW)	Y6-41-11.2 2D	北京	1
123	風機(37KW)	G5-56-11 9A	北京	1
124	鍋爐(20T水火管蒸汽爐)	DZL20-1.25 1/2	山東泰安鍋爐廠	1
125	全自動封邊機	TOPGUN-518L	日本丸仲機械設備廠	1
126	二牛頓傾向力加載器	壓線接頭用	天津	1
127	減速機	BWE2715-187	天津	1
128	刨切機	長度400	牡丹江木工機械廠	1
129	配電櫃	專用	天津	1
130	膠罐		天津	2
131	全自動封邊機	TOP-518L	日本	1
132	高頻機發生器	GJII-20K φ 200	石家莊紀元電器公司	2
133	高頻機發生器	GJII-20K φ 320	石家莊紀元電器公司	1
134	玻璃熱彎爐	HDW-1525	青島亨達海物機械 有限公司	1
135	雙端銑配件		金田木業	1
136	電機(75W)	Y280S-4	天津市機電總廠	1
137	推台鋸	Z2500	義年益機械有限公司	1
138	高純氫氣發生器	GCD-300G	北京溫嶺儀器有限公司	1
139	過濾機	KL0.5-8	江蘇洪流化工機械 有限公司	1
140	過濾機	KL0.5-8	江蘇洪流化工機械 有限公司	1
141	上海減切刀	2750*120*12	中國林業機械上海公司	1
142	梳齒開榫機(開槽機)	3510A3	山西平遙	1
143	日本刨切刀	V271310	中國林業機械上海公司	2
144	玻璃熱彎爐	HDW-1525	青島亨達海物機械 有限公司	1
145	立銑鏤花機(手提刨)		溫州	1
146	鏤銑機手提刨	506B氣動	溫州	1
147	鏤銑機手提刨	506B氣動	溫州	1
148	單面壓刨	106	牡丹江木工機械廠	1
149	單面壓刨	105	牡丹江木工機械廠	1
150	單面壓刨	104	牡丹江木工機械廠	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
151	單面壓刨	104E	牡丹江木工機械廠	1
152	單面壓刨	103E	牡丹江木工機械廠	1
153	BOF-12機(數控木工機)	BP12/W/OFTMAT	意大利	1
154	曲線封邊機	KTD18ZH	北京恒信達工貿 有限公司	1
155	乾燥設備	RGK-32	北京辰帆商貿有限公司	2
156	烘乾設備	CA-6	北京辰帆商貿有限公司	1
157	雙邊鋸	FL0-23-26	天津永順達實業發展 有限公司	1
158	自動噴塗	ETC3/2-5500	北京中瑞行工貿有限 責任公司	1
159	立式雙頭海棉輪磨光機	MM2115	天津永順達實業發展 有限公司	1
160	立式雙頭海棉輪磨光機	MM2115	天津永順達實業發展 有限公司	1
161	除塵設備	吸鋸末用	泊頭白雲環保設備有限 責任公司	1
162	玻璃直邊磨邊機	DE242A	中山市迪威機械製造 有限公司	1
163	牛頭刨床	B6066	天津永順達實業發展 有限公司	1
164	木工多排鑽	SIGMA 2TA		1
165	單板刨切機	BB1127A	北京恒信達工貿 有限公司	1
166	玻璃斜邊磨邊機	FXM371	天津永順達實業發展 有限公司	1
167	木工單排鑽	21軸	天津永順達實業發展 有限公司	1
168	調速電機	YMT160-4A-VA	北京賅力機電有限公司	1
169	日本刨切刀	V271310	中國福馬林業機械上海 有限公司	2
170	夾馬槍	M668	南方四方床墊機械廠	1
171	棕片槍	P88	南方四方床墊機械廠	1
172	變速機	CA143	牡丹江木工機械廠	1
173	高速分散機	GFS1200RN22Y	秦皇島市撫寧化工機械 有限公司	1
174	高速分散機	GFS1000RN11Y	秦皇島市撫寧化工機械 有限公司	1
175	實驗分散機	F-0.4	秦皇島市撫寧化工機械 有限公司	1
176	不銹鋼料桶	800*1000	秦皇島市撫寧化工機械 有限公司	2

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
177	不銹鋼料桶	900*1000	秦皇島市撫寧化工機械 有限公司	2
178	供水設備			1
179	潛水泵			2
180	水泵	BJ331		1
181	汽油機	4910		1
182	電動門			1
183	配電櫃	專用	天津	1
184	900東寶岡板	EI3801GS	浙江	4
185	車床	CA6150	瀋陽第一機床廠	1
186	砂光機		自製	1
187	烘乾設備		北京晨帆商貿有限公司	4
188	烘乾設備		北京晨帆商貿有限公司	6
189	乾燥箱	2026*80*800mm	上海精科儀器有限公司	1
190	空壓機	HTA-120	北京友通複盛機械設備 有限公司	1
191	機體組立(空壓機配件)	SA-4	北京友通複盛機械設備 有限公司	1
192	氣壓砂光機	YDS-101A	北京祥銘機械設備 有限公司	1
193	馬達(BP-12配件)		東莞市厚街金田木業機 械門市部	1
194	控制裝置(雙邊鋸配件)		東莞市厚街金田木業機 械門市部	4
195	閥(樺眼機配件)	樺眼閥	東莞市厚街金田木業機 械門市部	5
196	閥(封邊機配件)	998閥	東莞市厚街金田木業機 械門市部	4
197	皮帶(四面刨配件)		東莞市厚街金田木業機 械門市部	1
198	操作盤(BOF-41配件)		東莞市厚街金田木業機 械門市部	1
199	變頻器(BOF-41配件)		東莞市厚街金田木業機 械門市部	1
200	BOF-41配件		東莞市厚街金田木業機 械門市部	1
201	熱水深井泵	200QJR500-117/9	廊坊開發區金源道雙博 給水設備經	1
202	空壓機	HTA-120	北京友通複盛機械設備 有限公司	1
203	布袋	130*2500MM	泊頭白雲環保設備有限 責任公司	256

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
204	氣源三連體		泊頭白雲環保設備有限 責任公司	1
205	骨架	£120*2450	泊頭白雲環保設備有限 責任公司	256
206	汽缸		泊頭白雲環保設備有限 責任公司	4
207	脈衝閥		泊頭白雲環保設備有限 責任公司	1
208	電控櫃		泊頭白雲環保設備有限 責任公司	1
209	風機		泊頭白雲環保設備有限 責任公司	1
210	變電箱		廊坊開發區送變電有限 公司	1
211	出渣機	20噸	廊坊市光明東道長泰鍋 爐維修部	2
212	大、小輪(刨切機配件)		天津市南開區牡聯木工 機械經銷部	1
213	主軸瓦座(壓刨配件)		天津市南開區牡聯木工 機械經銷部	1
214	膠輥(油漆線配件)		河北冀州春風銀星膠輥 有限公司	1
215	風機葉輪(鍋爐配件)	Y6-41 10C/12.2D	北京西山風機有限公司	2
216	傳動組(鍋爐配件)	Y6-41 10C	北京西山風機有限公司	1
217	馬達(BP-41配件)		東莞市厚街金田木業機 械門市部	1
218	除塵器	Jul-64	泊頭白雲環保設備有限 責任公司	1
219	除塵器	Jul-64	泊頭白雲環保設備 有限公司	1
220	除塵器配件		泊頭白雲環保設備 有限公司	1
221	傳動組(鍋爐配件)	21T	北京西山風機有限公司	1
222	減速機(拼板機配件)	BWE-2715	天津市通達氣動液壓 銷售公司	1
223	減速機(液壓控制站配件)	BWE-2715	天津市通達氣動液壓 銷售公司	1
224	除塵器		泊頭白雲環保設備有限 責任公司	1
225	平刨		順德市倫敦區科豪 木工機械	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
226	小台鑽		順德市倫敦區科豪 木工機械	1
227	小台鑽		順德市倫敦區科豪 木工機械	1
228	小台鑽		順德市倫敦區科豪 木工機械	1
229	手押砂		順德市倫敦區科豪 木工機械	1
230	雙端氣鼓砂		順德市倫敦區科豪 木工機械	3
231	曲線封邊機		順德市倫敦區科豪 木工機械	1
232	線鋸		順德市倫敦區科豪 木工機械	1
233	單立軸		順德市倫敦區科豪 木工機械	1
234	壓刨		順德市倫敦區科豪 木工機械	1
235	風剪		順德市倫敦區科豪 木工機械	1
236	風剪		順德市倫敦區科豪 木工機械	1
237	單片鋸		順德市倫敦區科豪 木工機械	1
238	方孔機		順德市倫敦區科豪 木工機械	1
239	雙面刨	600MM	順德市倫敦區科豪 木工機械	1
240	裁板機		順德市倫敦區科豪 木工機械	1
241	空壓機	HTA-120	廊坊市長慶五金 機械公司	1
242	電動葫蘆		廊坊市長慶五金 機械公司	1
243	單桶吸塵器		廊坊市長慶五金 機械公司	1
244	單桶吸塵器		廊坊市長慶五金 機械公司	1
245	單桶吸塵器		廊坊市長慶五金 機械公司	1
246	氬弧焊機		廊坊市長慶五金 機械公司	1



	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
247	泵頭		廊坊市長慶五金 機械公司	1
248	空壓機	120	廊坊市長慶五金 機械公司	1
249	壓刨		廊坊市長慶五金 機械公司	2
250	壓刨床	MB106K	廊坊市長慶五金 機械公司	1
251	小型空壓機	0036-7	廊坊市長慶五金 機械公司	1
252	小空壓機	V0.036-7	廊坊市長慶五金 機械公司	2
253	小空壓機	V0.12-7	廊坊市長慶五金 機械公司	1
254	壓縮機	EHP	廊坊市長慶五金 機械公司	1
255	切割機	牧田1440	廊坊市長慶五金 機械公司	1
256	台鑽	Z516-2A	廊坊市長慶五金 機械公司	1
257	轉台式切割機		廊坊市長慶五金 機械公司	1
258	馬達 (BP-41配件)		東莞市厚街金田木業 機械門市部	1
259	減速總成 (封邊機配件)		東莞市厚街金田木業 機械門市部	1
260	膠鍋 (拼板機配件)		東莞市厚街金田木業 機械門市部	1
261	換熱器	£1.4	廊坊市長慶五金 鍋爐維修部	1
262	熱壓機	By215×20(5)8	榆次億利達液壓機械 有限公司	1
263	拼板機	my-2500	青島膠南華春機械廠	1
264	拼板機	my-2500	青島膠南華春機械廠	1
265	細木工芯板拼板機	MPH-2500	青島膠南華春機械廠	1
266	凝水回收器		北京凝汽動力技術 有限公司	1
267	清水泵	ISG150-160	廊坊市長慶五金 鍋爐維修部	1
268	清水泵	ISR50-32-160	廊坊市長慶五金 鍋爐維修部	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
269	污水泵	50DML-3	廊坊市光明東道長 泰鍋爐維修部	2
270	齊邊鋸		廊坊市文安縣安里屯 慶鋒機械廠	1
271	側壓熱壓機		廊坊市文安縣安里屯 慶鋒機械廠	1
272	塗膠機	單面1.3米	廊坊市文安縣安里屯 慶鋒機械廠	2
273	夾心整平機	1.3*2.8米	廊坊市文安縣安里屯 慶鋒機械廠	1
274	貼面重型壓機	六層板 板為60厚	廊坊市文安縣安里屯 慶鋒機械廠	1
275	拼板機	2.5*4.7米	廊坊市文安縣安里屯 慶鋒機械廠	1
276	截鋸	帶活動桌面	廊坊市文安縣安里屯 慶鋒機械廠	6
277	集成材縱接機	PZ-45AP	哈爾濱凱龍木工機械 有限責任公司	1
278	指型切削機	PZ-530A	哈爾濱凱龍木工機械 有限責任公司	1
279	蒸汽鍋爐	DEL20-1.25-AII	本溪鍋爐有限責任公司	1
280	冷壓機	MH 318	上海中業木工機械製造 有限公司	1
281	冷壓機	MH 318	上海中業木工機械製造 有限公司	1
282	塗膠機		廣州番禺沙灣和順橡膠 機械有限公司	1
283	凝水回收器		北京凝汽動力技術 有限公司	1
284	高頻機配件	20	石家莊開發區紀元 電器有限公司	1
285	凝結水回收器		北京凝汽動力技術 有限公司	1
286	變頻器(噴雕機配件)		北京木樨園永年五金 建材商店	1
287	塗膠機	820雙面	廣州市番禺區沙灣和 順橡膠機械廠	1
288	液壓站	壓機液壓站 200/1-Y	海門市油威力液壓 工業有限公司	1
289	推台鋸	F92	北京金田豪邁商貿 有限公司	1
290	攪拌器		北京瑞科噴塗測控 技術有限公司	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
291	雙紋管換熱器	SHO7600-1.0-37-1	山東北辰集團有限公司 冷暖設備廠	1
292	制塊機		天津開發區森幫木工 機械有限公司	1
293	挖補機		天津開發區森幫木工 機械有限公司	1
294	玻璃直線斜邊機	DB3710D	中山市迪威機械製造 有限公司	1
295	推台鋸	F92	北京金田豪邁商貿 有限公司	1
296	花崗石脫硫除塵器	20T	福建省連江縣鴻樂環保 石材設備廠	2
297	自動袋裝彈簧機	DZ-7	佛山市源田床具機械 有限公司	1
298	數控袋裝膠粘機	DN-3	佛山市源田床具機械 有限公司	1
299	汽動布袋槍	AC52	佛山市源田床具機械 有限公司	1
300	汽動布袋機	AC31	佛山市源田床具機械 有限公司	1
301	數控面料紵縫機	HF-3	佛山市源田床具機械 有限公司	1
302	圍邊機	WB-2	佛山市源田床具機械 有限公司	1
303	自動卷簧機	JH-3	佛山市源田床具機械 有限公司	2
304	打結機	DJ-3	佛山市源田床具機械 有限公司	4
305	支力簧機	ZH-1	佛山市源田床具機械 有限公司	1
306	燃燒式烘爐	RH-1	佛山市源田床具機械 有限公司	1
307	直線機	ZX-1	佛山市源田床具機械 有限公司	1
308	四角彎邊框機	QW-4	佛山市源田床具機械 有限公司	1
309	連接套管模具		佛山市源田床具機械 有限公司	1
310	半自動串網機	CW-2	佛山市源田床具機械 有限公司	1
311	夾碼槍(進口)	M66	佛山市源田床具機械 有限公司	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
312	棕氈槍 (進口)	P88	佛山市源田床具機械 有限公司	1
313	烘乾窑	X46-150C	哈爾濱興華木材乾燥 設備有限公司	10
314	空壓機	SA-475A	北京友通複盛機械 有限公司	1
315	空壓機	SA-475A	北京友通複盛機械 有限公司	1
316	壓縮空氣乾燥機	JAD-120NE	杭州嘉美淨化設備 有限公司	1
317	單立軸銑	T120		1
318	四面刨	U-GOLDC	邁克威力 (煙台) 機械 有限公司	1
319	推台鋸	Z320	秦皇島	1
320	榫眼機		順德森木木工機械廠	1
321	榫頭機			1
322	推台鋸			1
323	除塵機		泊頭白雲環保設備 有限責任公司	1
324	除塵機		泊頭白雲環保設備 有限公司	1
325	拋光機			1
326	除塵器			1
327	拼板機			1
328	多片鋸	MJ143A	廣東富豪木工機械廠	1
329	除塵器			1
330	寬帶砂光機	QSD1300		1
331	除塵器			1
332	多片鋸			1
333	空氣壓縮機	ZW-6/7		1
334	旋切機	大號	文安金海機械	1
335	推台鋸			1
336	帶鋸			1
337	帶鋸			1
338	帶鋸			1
339	減速機 (單板刨切機配件)	P型-3-1-1000型	天津市富盛達五金機 電商貿中心	1
340	高頻機發生器	20kw	石家莊開發區紀元電器 有限公司	1
341	除塵器	Jul-64	泊頭市三元環保設備 有限公司	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
342	打鈕機		佛山市源田床具機械 有限公司	1
343	配件		佛山市源田床具機械 有限公司	1
344	旋膜除氧器(鍋爐配件)	xmc-200	濟南陸豐容器機電成套 設備公司	1
345	鈉離子交換器(鍋爐配件)	GN-1500	濟南陸豐容器機電成套 設備公司	1
346	塗膠機		廣州番禺區沙灣合順橡 膠機械廠	1
347	旋切機	2300型	邢台科興裕機械製造 有限公司	1
348	風板機		青島華春木業機械 有限公司	2
349	銑齒機	PZ-530A	台圳興業有限公司	1
350	指接機	PZ-45AP	台圳興業有限公司	1
351	吸塵器	威力9060	北京市恒達利五金機械 有限公司	1
352	吸塵器	威力9060	北京市恒達利五金機械 有限公司	1
353	吸塵器	威力9060	北京市恒利達五金機械 有限公司	1
354	吸塵器	威力9060	北京市恒利達五金機械 有限公司	1
355	吸塵器	威力9060	北京市恒利達五金機械 有限公司	1
356	台鑽	Z4116	北京雲華翔機電有限 責任公司	1
357	台鑽	Z4116	北京雲華翔機電有限 責任公司	1
358	手推式高壓噴漆泵設備		北京瑞科噴塗測控技術 有限公司	1
359	空壓機	SA-60A	天津市北複盛機械設備 有限公司	1
360	軌壓磨鋸開齒機		瀋陽市利得木工機械 製造廠	1
361	多片鋸	MJ143	濟南永泰機械有限公司	1
362	冷壓機		濟南永泰機械有限公司	1
363	三頭印刷機油漆淋塗生產線	VAL-S3	德國	1
364	木工多排鑽	BST500	德國	1
365	單針長臂縫紉機	DC-1	佛山市源田床具機械 有限公司	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
366	砂光機	QSD1300B	青島千川機械製造 有限公司	1
367	冷壓機		濟南永泰機械有限公司	2
368	冷壓機		濟南永泰機械有限公司	1
369	推台鋸	F92	北京金田豪邁商貿 有限公司	1
370	推台鋸	F92	北京金田豪邁商貿 有限公司	1
371	拼板機	MY-2500型	青島華春木業機械 有限公司	1
372	蜂窩拉伸乾燥機	DEX-1200/4	荷力勝(廣州)蜂窩製品 有限公司	1
373	自動送料七排木工鑽床	BJK152A	南通國全木工機械製造 有限公司	1
374	車床	CA6150B/1000	北京金手指科技 有限公司	1
375	削皮機	“大王”牌	廣州潤枝貿易有限公司	1
376	除塵器	PPDC64-5	泊頭市三元環保設備 有限責任公司	1
377	拼板機	MY-2500型	青島華春木業機械 有限公司	1
378	熱壓機	BY214X8/20(4)Z	榆次億利達液壓機械 有限公司	1
379	砂光機	QSD1300B	青島千川機械製造 有限公司	1
380	砂光機	QSD1300B	青島千川機械製造 有限公司	1
381	砂光機	QSRRP600	青島千川機械製造 有限公司	1
382	曲型砂	GB-800B	北京市建鴻銘木工機械 配件商店	1
383	引風機	Y6-41 12.2D	北京西山風機有限公司	1
384	全自動電腦表鑽空機	BOF41/30/R	西德豪邁	1
385	拼板機	My-2500*40	青島華春木業機械 有限公司	1
386	砂光機	SRP600	青島千川機械製造 有限公司	1
387	砂光機	SRP1300	青島千川木業設備 有限公司	1
388	砂光機	SRP1300	青島千川木業設備 有限公司	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
389	砂光機	SRP1300	青島千川木業設備 有限公司	1
390	木門加工機	MDK4120	上海躍通木工機械設備 銷售公司	1
391	工業縫紉機	CS-6104N	天津市百盛縫紉機商貿 有限公司	1
392	升降機	3T		1
393	圓鋸機	自製	自製	1
394	開槽機	自製	自製	1
395	氣動台鑽			1
396	送材機	四軸		1
397	送材機	六軸		1
398	圓鋸機	自製	自製	6
399	帶砂機	自製	自製	1
400	帶砂機	自製	自製	1
401	送材機	YM-48	建銘工業股份有限公司	1
402	送材機	MX48		1
403	送材機			1
404	帶砂機	自製	自製	1
405	木工車床	自製		1
406	升降機	3T		1
407	升降機	2T		1
408	圓鋸機	自製		1
409	圓鋸機	自製		1
410	圓鋸機	自製		1
411	圓鋸機	自製		1
412	圓鋸機	自製		1
413	圓鋸機	自製		1
414	包縫機	雙GX16-3	廊坊市廣陽區振興縫紉 機商店	1
415	吸塵機	單桶		1
416	電鏈鋸	5016B		1
417	電鏈鋸	5016B		1
418	縫紉機			1
419	縫紉機			1
420	縫紉機			1
421	縫紉機			1
422	縫紉機			1
423	縫紉機			1
424	縫紉機			1
425	縫紉機			1
426	縫紉機			1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
427	縫紉機			1
428	木工多用機床	WQ432D		1
429	木工多用機床	WKO431B-1		1
430	木工多用機床	WKO431B-1		1
431	木工多用機床	WKO431B-1		1
432	木工多用機床	WKO431B-1		1
433	木工多用機床	WKO431B-1		1
434	木工多用機床	WKO431B-1		1
435	木工多用機床	WKO431B-1		1
436	木工多用機床	WKO431B		1
437	木工多用機床	WKO431B		1
438	木工多用機床	WKO431B		1
439	木工多用機床	WKO431B		1
440	圓鋸機	自製		4
441	氣泵	巨霸		1
442	接長機(指接機)	MH1525	濟南永泰機械有限 公司(馬氏)	1
443	塗膠機		廣東順德新馬木工 機械廠	1
444	台鑽			1
445	台鑽			1
446	旋切機		左各莊鎮燕德機械廠	1
447	旋切機	四尺台		1
448	雙壓刨			1
449	立刨+送料器	台灣貝特		1
450	送材機			1
451	圓鋸機	自製		1
452	圓鋸機	自製		8
453	圓鋸機	自製小型		1
454	帶砂機	自製	自製	1
455	帶砂機	自製	自製	1
456	帶砂機	自製	自製	1
457	全自動噴塗機		意大利 VARTORTA	2
458	熱壓機(油壓)	1.4*2.5米	牡丹江木工機械廠	1
459	履動式氣動拼板機	8*20	青島	1
460	履動式氣動拼板機	8*20	青島	1
461	履動式氣動拼板機	8*20	青島	1
462	實木樣板機(拼版機)	8*20	台灣川力公司	1
463	單立軸機	T120	金田木業機械有限公司	1
464	單立軸機	T120	金田木業機械有限公司	1
465	三頭定原砂光機(千川砂光)	QSD1300	青島木工機械廠	1



	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
466	裁切機	S-745	台灣遠銘工業股份有限公司	1
467	雙邊鋸	FL023/26	德國豪邁機械	1
468	雙邊鋸	FL023/26	德國豪邁機械	1
469	全自動電腦多功能鑽空機	BST400/25/C	德國WEEKE公司	1
470	液壓裁剪機	TSA/02600	台灣遠銘機械有限公司	1
471	重型圓軸銑床(單立軸銑)	YS-104	台灣遠銘工業股份有限公司	1
472	全自動直線封邊機	KL76/QA	德國豪邁機械	1
473	三用機(樺、孔、截)		金田木業機械有限公司	1
474	多片鋸	MJ143-A	牡丹江木工機械廠	1
475	液壓機	WPS-170	台灣遠銘工業股份有限公司	1
476	變壓器	2*630KVA	天津礦山電力	1
477	砂光機	QSD1300	青島木工機械廠	1
478	印刷輥(滾塗線附屬件)		意大利	1
479	六排鑽	BST400/25/C	金田木業機械有限公司	1
480	單頭打溝機(木工車床)	WPS-170	台灣遠銘工業股份有限公司	1
481	重型單片鋸(單片鋸縱鋸機)	YMS-18	台灣遠銘工業股份有限公司	1
482	組裝機(8個油缸)	1.2*3米台面		1
483	砂磨機		台灣遠銘工業股份有限公司	1
484	手動雙端圓鋸(雙頭鋸)		台灣遠銘工業股份有限公司	1
485	漆裝線		台灣旗昌機械公司	1
486	15貝特送料器	YM-114P	台灣遠銘工業股份有限公司	1
487	單立軸機	T120	意大利GRIGGIO	1
488	砂光機		自製	1
489	鏈式布膠機(塗膠機)	BS33415A	青島木工機械廠	1
490	木工機床		自製	1
491	單板剪切機	S-745 (BJI525A)	牡丹江木工機械廠	1
492	單板剪切機	S-745 (BJI525A)	牡丹江木工機械廠	1
493	噴塗機(漆裝線附屬件)		意大利	1
494	樺頭機		金田木業機械有限公司	1
495	電腦刨花機(壓花機)		台灣遠銘工業股份有限公司	1
496	組裝機(氣動)	PH-4-ESP	SFAIN公司	1
497	電腦數控鏤(電腦加工中心)	BP12/BOF41	德國WEEKE (HOMAG公司)	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
498	電腦數控鏤 (電腦加工中心)	BP12/BOF41	德國 WEEKE (HOMAG公司)	1
499	電腦數控鏤 (電腦加工中心)	BP12/BOF41	德國 WEEKE (HOMAG公司)	1
500	電腦數控鏤 (電腦加工中心)	BP12/BOF41	德國 WEEKE (HOMAG公司)	1
501	電腦數控鏤 (電腦加工中心)	BP12/BOF41	德國 WEEKE (HOMAG公司)	1
502	多片鋸	YM-610	台灣遠銘工業股份 有限公司	1
503	萬能磨刀機		北京利威誠信機械 有限公司	1
504	納迪牌乾燥窯		金田木業機械有限公司	2
505	自動電子分段定厚砂光機	QSD1300	青島千川機械	1
506	自動電子分段寬帶砂光機	MFA-8	金田木業機械有限公司	1
507	自動電子分段寬帶砂光機	MFA-8	金田木業機械有限公司	1
508	液壓組裝機	PH-4-ESP	金田木業機械有限公司	1
509	四面刨		WDDKIN	1
510	四面刨		WDDKIN	1
511	印刷輥 (漆裝線附屬件)		金田木業機械有限公司	3
512	全自動重型雙邊銑及開榫機	FL023/26	金田木業機械有限公司	1
513	雙邊鋸	YMS-226SN	台灣遠銘機械有限公司	1
514	鑽孔機 (萬能鑽)	BH-20	台灣遠銘機械有限公司	1
515	鑽孔機 (萬能鑽)	BH-20	台灣遠銘機械有限公司	1
516	熱壓機		台灣遠銘機械有限公司	1
517	重型單片鋸 (單片鋸縱鋸機)	YMS-18	台灣遠銘機械有限公司	1
518	背刀車床	YBL-1250A	台灣遠銘機械有限公司	1
519	全自動仿型銑	MX7116	台灣遠銘機械有限公司	1
520	台鑽	YSP-104	台灣遠銘機械	1
521	萬能鑽	BH-20	台灣遠銘工業股份 有限公司	2
522	棒榫機 (打木榫機)	F-36	全線木工機械	1
523	指接機+銑齒機	TTC-46-T-H	台灣乙特興公司	2
524	立砂		忠興機械有限公司	1
525	水簾	3.5*1.5*3.6	自製	12
526	水簾	3.5*1.5*3.6	自製	6
527	方空鑽床	YSP-104	台灣遠銘工業股份 有限公司	1
528	鏤銑機			1
529	萬能鑽	BH-20	台灣遠銘工業股份 有限公司	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
530	萬能鑽	BH-20	台灣遠銘工業股份有限公司	1
531	榫眼機	PRAGMA	意大利BALESTRINI	1
532	榫眼機	PRAGMA	意大利BALESTRINI	1
533	指接機	TZ-530A	台圳機械	1
534	推台鋸	F92T	牡丹江	1
535	單排鑽	JD11/21	德國JONSDORF	1
536	推台鋸	F92T	牡丹江	1
537	縫紉機		上海	1
538	細木工帶鋸機	MJ344	牡丹江	1
539	木工銑床(馬式木線雕花機)	MC-700	馬式精達木製品廠	2
540	鏤銑機		牡丹江	1
541	馬式砂光機立砂		廣東順德	1
542	馬式砂光機立砂		廣東順德	1
543	馬式砂光機平面砂		廣東順德	1
544	馬式砂光機平面砂		廣東順德	1
545	平刨	MB504B	牡丹江木工機械廠	1
546	推台鋸	Z250	意大利ROBLAND	1
547	推台鋸	Z250	意大利ROBLAND	1
548	推台鋸	Z250	意大利ROBLAND	1
549	後成型機(後成型機)	RL2500-1A	廣東順德	1
550	椅坐板成型機		金田木業機械有限公司	1
551	推台鋸	F92	金田木業機械有限公司	1
552	台式鑽床	ST-25A	上海義豐實業	1
553	布袋吸塵器		泊頭市	1
554	單板裁切機	L25/2E-3050	金田木業機械有限公司	1
555	單板裁切機	L25/2E-3050	金田木業機械有限公司	1
556	供油泵(日野車配件)		日本	1
557	加熱器(直線封邊機附屬件)		德國	1
558	減壓啟動控制櫃			1
559	空壓機(鏢杆式)	10立方	北京友通複盛機械有限公司	1
560	空氣乾燥機		北京友通複盛機械有限公司	1
561	空壓機		北京複盛	1
562	立砂		忠興機械有限公司	1
563	氣動式截鋸機(氣動式截料機)	MJ247	廣東順德	1
564	四面刨	P23	德國	1
565	台式攻絲機	S4116	杭州雙龍機械	1
566	台式攻絲機	S4116	杭州雙龍機械	1
567	台鑽	YSP-104	台灣遠銘工業股份有限公司	2

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
568	除塵器	布袋	泊頭白雲環保設備 有限責任公司	1
569	細木工帶鋸機	MJ344	北京朝陽明華木工	1
570	細木工帶鋸機	MJ344	北京朝陽明華木工	1
571	組裝機(8個油缸)	102*3台面		2
572	壓力罐(空壓機附屬件)	3立方、2立方、 0.6	北京	3
573	截鋸機(氣動)		牡丹江	1
574	軸流風機(水簾附屬件)	直徑600		2
575	調速電機(漆裝線附屬件)		北京颯力機電有限 責任公司	1
576	減速機			1
577	剪板機	Q11-2米	南京	1
578	折彎機	6.3*2米	南京	1
579	吸塵吸水機			1
580	自動單板縱向拼縫機	FL1	金田木業機械有限公司	1
581	電子開料鋸	OPT HPP 82/38GE	金田木業機械有限公司	1
582	手動曲線封邊機	KCB-888	金田木業機械有限公司	1
583	四排鑽孔機	LB-ZT0	台灣旗昌機械有限公司	1
584	萬能鑽孔機	BH-20	台灣旗昌機械有限公司	1
585	直線曲線砂光機		台灣旗昌機械有限公司	1
586	油漆線配件(漆裝線附屬件)		台灣旗昌機械有限公司	1
587	除塵設備		泊頭市環保設備有限 責任公司	1
588	燕尾榫機	OZ02075/18 F11	金田豪邁木業機械 有限公司	1
589	燕尾榫機	OZ02075/18 F11	金田豪邁木業機械 有限公司	1
590	分離器(BOF41附屬件)		東莞市後街金田木業機械	1
591	除塵器		泊頭市環保設備有限 責任公司	1
592	運輸車		天津	1
593	馬達		東莞市後街金田木業機械	1
594	驅動模塊		東莞市後街金田木業機械	1
595	驅動模塊		東莞市後街金田木業機械	1
596	除塵器		泊頭市環保設備有限 責任公司	1
597	除塵器		泊頭市環保設備有限 責任公司	1
598	燕尾榫機(運費)		金田木業機械有限公司	2
599	風幕機	SRM1512	北京極地辰星商貿中心	4

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
600	推台鋸	E2300	北京東葦路新中木工 機械銷售部	1
601	推台鋸	E257	北京東葦路新中林木工 機械有限公司	1
602	圓棒榫機及切斷倒角機		北京東葦路新中林木工 機械有限公司	1
603	全自動多軸六排鑽機	BST 500/C	德國“WEEKE”	1
604	全自動直線封邊機	OPTIMAT KL78/A20/S2/Z	德國“HOMAG”	1
605	自動單邊鋸切及銑刨機	LZ5/2E	奧地利“LANGZAUNER”	1
606	六頭臥鑽	BH-26	北京祥銘機械設備 有限公司	1
607	熱壓板(熱壓機配件)	1400*2560*45	昆山市振昆熱壓板 有限公司	5
608	意大利三排鑽	master wood	意大利	1
609	薄木剪板機		青島興隆機械	1
610	意大利單排鑽	master wood	意大利	1
611	意大利封邊機		意大利	1
612	意大利榫頭榫眼機	PBACCI	意大利	1
613	往復式雙端銑		台灣邵展	1
614	意大利雙面塗膠機	FIN	意大利	1
615	意大利三排鑽		順德市倫敦區科豪木工 機械有限公司	1
616	意大利單排鑽		順德市倫敦區科豪木工 機械有限公司	1
617	德國直線封邊機	KS23	順德市倫敦區科豪木工 機械有限公司	1
618	德國直線封邊機		順德市倫敦區科豪木工 機械有限公司	1
619	日本丸仲雙端銑		順德市倫敦區科豪木工 機械有限公司	1
620	車枳抽榫機		台灣遠銘工業股份 有限公司	1
621	萬能角度鑽孔機		台灣遠銘工業股份 有限公司	1
622	萬能臥式鑽孔機		台灣遠銘工業股份 有限公司	1
623	萬能臥式鑽孔機(運費)		台灣遠銘工業股份 有限公司	1
624	平盤式噴漆線		台灣旗昌	1
625	編碼器		東莞厚街金田木業 有限公司	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
626	調速電機(推台鋸配件)	YMT160-4A-B5	北京魅力機電有限 責任公司	1
627	除塵器	PPC64-7	泊頭市白雲環保設備 有限責任公司	1
628	除塵器	PPC96-7	泊頭市白雲環保設備 有限責任公司	1
629	除塵器	PPC64-7	泊頭市白雲環保設備 有限責任公司	1
630	除塵器	PPC96-6	泊頭市白雲環保設備 有限責任公司	1
631	自動雙端四鋸機	HH-6T	台灣環弘設備廠	1
632	自動上下圓鋸附立軸機	HH-6STA	台灣環弘設備廠	1
633	自動上下圓鋸附立軸機	HH-6STA	台灣環弘設備廠	1
634	自動上下圓鋸附立軸機	HH-8STA	台灣環弘設備廠	2
635	雙頭鑽孔機	HH-BH-21	台灣環弘設備廠	1
636	六軸橫式多孔機	HH-BH-26	台灣環弘設備廠	1
637	橫式鑽孔機	HH-BH-24	台灣環弘設備廠	1
638	單邊鋸		台灣環弘設備廠	1
639	單立軸銑機	HH-142	台灣環弘設備廠	1
640	單立軸銑機	HH-142	台灣環弘設備廠	1
641	單立軸銑機	HH-142	台灣環弘設備廠	1
642	單立軸銑機	HH-142	台灣環弘設備廠	1
643	單立軸銑機	HH-142	台灣環弘設備廠	1
644	雙立軸銑	HH-227	台灣環弘設備廠	1
645	圓盤鋸	HH14	台灣環弘設備廠	1
646	立軸刨花機	HH-TR-60	台灣環弘設備廠	1
647	立軸刨花機	HH-TR-60	台灣環弘設備廠	1
648	立軸刨花機	HH-TR-60	台灣環弘設備廠	1
649	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
650	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
651	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
652	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
653	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
654	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
655	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
656	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
657	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
658	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
659	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
660	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
661	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
662	變速氣囊砂	HH-310-1	台灣環弘設備廠	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
663	變速氣囊砂	HH-310-1	台灣環弘設備廠	1
664	拼板機	MY-2500	青島膠南華春機械廠	1
665	四面刨銑機	UNIMCTTGOLDC	北京力威誠信機械 有限公司	1
666	萬向鋼珠台	1200*600*650	上海鑾新輸送機械 有限公司	4
667	擱板鏈條輸送機	16000*600*650	上海鑾新輸送機械 有限公司	7
668	皮帶輸送機	6000*1000*900	上海鑾新輸送機械 有限公司	4
669	無動力滾筒輸送機	16000*600*650	上海鑾新輸送機械 有限公司	2
670	除塵器	PPC65-7	泊頭白雲環保設備 有限公司	1
671	雙軸大鏤機	MX5317	廣東順德新馬木工 機械廠	1
672	雙軸大鏤機	MX5317	廣東順德新馬木工 機械廠	1
673	雙軸大鏤機	MX5317	廣東順德新馬木工 機械廠	1
674	雙軸大鏤機	MX5317	廣東順德新馬木工 機械廠	1
675	雙軸大鏤機	MX5317	廣東順德新馬木工 機械廠	1
676	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
677	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
678	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
679	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
680	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
681	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
682	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
683	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
684	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
685	新型腳動吊鏤	MX5057	廣東順德新馬木工 機械廠	1
686	新型咀鏤機	MXS5115A3	廣東順德新馬木工 機械廠	1
687	氣動吊鏤	MX5068	廣東順德新馬木工 機械廠	1
688	氣動吊鏤	MX5068	廣東順德新馬木工 機械廠	1
689	氣動吊鏤	MX5068	廣東順德新馬木工 機械廠	1
690	帶鋸	MJ346	廣東順德新馬木工 機械廠	1
691	帶鋸	MJ346	廣東順德新馬木工 機械廠	1
692	帶鋸	MJ346	廣東順德新馬木工 機械廠	1
693	帶鋸	MJ346	廣東順德新馬木工 機械廠	1
694	單排鑽	MZ7121W	廣東順德新馬木工 機械廠	1
695	單排鑽	MZ7121W	廣東順德新馬木工 機械廠	1
696	立式液壓群鑽	MZ54110	廣東順德新馬木工 機械廠	1
697	立式液壓群鑽	MZ54110	廣東順德新馬木工 機械廠	1
698	新型齒切機	MH3510	廣東順德新馬木工 機械廠	1
699	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	1
700	指接機	MH1525	廣東順德新馬木工 機械廠	1
701	單片鋸		廣東順德新馬木工 機械廠	1
702	空壓機		廊坊長慶五金電料 經銷處	1
703	漆裝線變速箱總成		煙台邁克威力機械 有限公司	1
704	空壓機組件		廊坊天發機電儀錶 電器公司	1
705	擱板鏈條輸送機	10M2*700W*350H	上海鑾新輸送機械 有限公司	4



	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
706	擱板鏈條輸送機	10M2*700W*650H	上海鑾新輸送機械 有限公司	2
707	擱板鏈條輸送機	10M2*700W*500H	上海鑾新輸送機械 有限公司	5
708	VS馬達	Y.S	台灣旗昌	1
709	電磁閥		台灣旗昌	2
710	四面刨	Unimat Gold C	北京力威誠信機械 有限公司	1
711	平盤式噴漆線 (運費)	PC-121	台灣旗昌機械	121
712	單排鑽	HH-211	台灣環弘機械	1
713	單片鋸	HH-JR18	台灣環弘機械	1
714	端頭成型機	HH-S1	台灣環弘機械	1
715	角釘機	HH-CF-30	台灣環弘機械	2
716	立式雙面震盪砂光機	HH-GB-900,2M	台灣環弘機械	1
717	立式雙面震盪砂光機	HH-GB-900,2M	台灣環弘機械	1
718	六軸自動靠模機	HH-85-6TA	台灣環弘機械	1
719	六軸雙頭鋸	HH-8SAT	台灣環弘機械	1
720	六軸雙頭鋸	HH-8SAT	台灣環弘機械	1
721	六軸雙頭鋸	HH-8SAT	台灣環弘機械	1
722	六軸雙頭鋸	HH-8SAT	台灣環弘機械	1
723	六軸鑽	HH-BH-26	台灣環弘機械	1
724	鏤銑機	HH-RI	台灣環弘機械	1
725	鏤銑機	HH-RI	台灣環弘機械	1
726	鏤銑機	HH-RI	台灣環弘機械	1
727	螺母機	HH-CP-801	台灣環弘機械	1
728	雙立軸	HH-227	台灣環弘機械	2
729	雙立軸	HH-227	台灣環弘機械	1
730	雙立軸	HH-227	台灣環弘機械	1
731	雙式雙面震盪砂光機	HH-GB-900,1.8M	台灣環弘機械	1
732	雙面刨	HH-SK-450	台灣環弘機械	1
733	雙面刨	HH-SK-450	台灣環弘機械	1
734	雙排鑽	HH-BH-21	台灣環弘機械	1
735	雙排鑽	HH-BH-21	台灣環弘機械	1
736	雙排鑽	HH-BH-21	台灣環弘機械	1
737	雙排鑽	HH-BH-21	台灣環弘機械	1
738	雙排鑽	HH-BH-21	台灣環弘機械	1
739	雙排鑽	HH-BH-21	台灣環弘機械	1
740	雙頭鋸	HH-SYT-250-A8	台灣環弘機械	1
741	雙頭鋸	HH-SYT-250-A8	台灣環弘機械	1
742	水平鑽	3'X6',12軸	台灣環弘機械	1
743	四頭鑽	HH-BH-24	台灣環弘機械	1
744	臥式多孔機	HH-100C	台灣環弘機械	1

	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
745	銑孔機	HH-HD-812	台灣環弘機械	1
746	銑孔機	HH-HD-812	台灣環弘機械	1
747	圓盤鋸	HH-MBS-300	台灣環弘機械	1
748	圓盤鋸	HH-MBS-300	台灣環弘機械	1
749	圓盤鋸	HH-MBS-300	台灣環弘機械	1
750	圓盤鋸	HH-MBS-300	台灣環弘機械	1
751	圓盤鋸	HH-MBS-300	台灣環弘機械	1
752	圓盤鋸	HH-MBS-300	台灣環弘機械	1
753	圓盤鋸	HH-MBS-300	台灣環弘機械	1
754	圓盤鋸	HH-MBS-300	台灣環弘機械	1
755	圓盤鋸	HH-MBS-300	台灣環弘機械	1
756	計數器 (雙邊鋸配件)		東莞市後街金田 木業機械	6
757	軸 (四面刨配件)		東莞市後街金田 木業機械	3
758	環 (四面刨配件)		東莞市後街金田 木業機械	15
759	塗膠系統 (封邊機配件)		東莞市後街金田 木業機械	1
760	軟體 (BOF-41配件)		東莞市後街金田 木業機械	2
761	線圈 (噴漆線配件)		東莞市後街金田 木業機械	24
762	馬達 (BP-12配件)		東莞市後街金田 木業機械	1
763	電子器件 (單邊鋸切銑 刨機配件)		東莞市後街金田 木業機械	1
764	實木寬帶砂光機	SD-2-1300	台灣遠銘股份有限 公司 (振蕭)	1
765	貼面板砂光機	SDF-2-1300	台灣遠銘股份有限 公司 (振蕭)	1
766	貼面板砂光機	SDF-2-1300	台灣遠銘股份有限 公司 (振蕭)	1
767	重型單片鋸	YMS-18T	台灣遠銘股份有限 公司 (喬偉)	1
768	重型單片鋸	YMS-18T	台灣遠銘股份有限 公司 (喬偉)	1
769	單片鋸	YMS-18	台灣遠銘股份有限 公司 (喬偉)	1
770	水平多孔鑽	HD-106	台灣遠銘股份有限 公司 (遠銘)	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
771	水平多孔鑽	HD-106	台灣遠銘股份有限 公司(遠銘)	1
772	水平多孔鑽	HD-106	台灣遠銘股份有限 公司(遠銘)	1
773	單排鑽	DL-211C	台灣遠銘股份有限 公司(遠銘)	1
774	單排鑽	DL-211C	台灣遠銘股份有限 公司(遠銘)	1
775	單排鑽	DL-211C	台灣遠銘股份有限 公司(遠銘)	1
776	單排鑽	DL-211C	台灣遠銘股份有限 公司(遠銘)	1
777	床刀切槽打孔機	MK-7	台灣遠銘股份有限 公司(遠銘)	1
778	萬能鑽	BH-20	台灣遠銘股份有限 公司(遠銘)	1
779	萬能鑽	BH-20	台灣遠銘股份有限 公司(遠銘)	1
780	萬能鑽	BH-20	台灣遠銘股份有限 公司(遠銘)	1
781	雙面震盪砂光機	GB-72C2E	台灣遠銘股份有限 公司(金昭盛)	1
782	單面震盪砂光機	GB-72D	台灣遠銘股份有限 公司(金昭盛)	1
783	單面震盪砂光機	GB-72D	台灣遠銘股份有限 公司(金昭盛)	1
784	剪鑽機	YM-180	台灣遠銘股份有限 公司(計利)	1
785	剪鑽機	YM-150	台灣遠銘股份有限 公司(計利)	1
786	雙面刨	YM-610A	台灣遠銘股份有限 公司(耀登)	1
787	重型雙面刨	YM-400BT	台灣遠銘股份有限 公司(耀登)	1
788	裁板鋸	YMS-08	台灣遠銘股份有限 公司(邵展)	1
789	抽屜側板作榫機	YRH-63A	台灣遠銘股份有限 公司	1
790	多片鋸	YMS-320	台灣遠銘股份有限 公司(喬偉)	1
791	鏈條式布膠機	YM-114P	台灣遠銘股份有限 公司(一帆)	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
792	雙面薄片布膠機	YM-30S	台灣遠銘股份有限 公司(專男)	1
793	循環式高頻拼板機	CH-600-20K3	台灣遠銘股份有限 公司(建承)	1
794	萬能磨刀機	YTG-260	台灣遠銘股份有限 公司(嘉全)	1
795	平刀磨刀機	YKG-600	台灣遠銘股份有限 公司(嘉全)	1
796	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
797	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
798	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
799	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
800	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
801	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
802	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
803	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
804	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
805	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
806	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
807	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
808	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
809	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
810	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
811	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
812	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
813	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
814	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
815	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
816	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
817	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
818	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
819	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
820	六軸六速送料機	TF-66	台灣遠銘股份有限 公司(貝特)	1
821	帶鋸磨鋸機	YM-180	台灣遠銘股份有限 公司(巨岱)	1
822	油壓鎖緊式拼板機	KCCKMO-301538 -4600	台灣遠銘股份有限 公司(坤拓)	1
823	單板裁切機	K-VG-9A	台灣遠銘股份有限 公司(金瑞文)	1
824	四軸鑽	BH-24	台灣遠銘股份有限 公司(遠銘)	1
825	四軸鑽	BH-24	台灣遠銘股份有限 公司(遠銘)	1
826	直線自動仿型銑砂光機	GB-280PA1FS	台灣遠銘股份有限 公司(金昭盛)	1
827	單輥仿型送料機	AF-14R	台灣遠銘股份有限 公司(貝特)	6
828	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
829	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
830	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
831	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
832	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
833	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
834	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
835	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
836	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
837	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
838	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
839	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
840	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
841	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
842	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
843	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
844	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
845	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
846	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
847	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
848	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
849	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
850	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
851	四輥八速送料機	MX-48	台灣遠銘股份有限 公司(貝特)	1
852	X-458鏈條平盤噴漆線	PC-314	台灣旗昌機械有限 公司	315
853	7.5HPV.S馬達比例聯動 控制箱3台	BC-75-3	台灣旗昌機械有限 公司	1
854	平盤3×7FT	PT-3-7	台灣旗昌機械有限 公司	255

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
855	蒸汽式熱能設備 (60萬卡)	SH-600	台灣旗昌機械有限公司	1
856	蒸汽式熱能設備 (40萬卡)	SH-400	台灣旗昌機械有限公司	1
857	IR短波紅外線熱能設備	IR-18C	台灣旗昌機械有限公司	1
858	爐體	OV-1650	台灣旗昌機械有限公司	2
859	除塵器	128-9	泊頭白雲環保設備 有限責任公司	2
860	除塵器	Sep-96	泊頭白雲環保設備 有限責任公司	3
861	除塵器	Jul-64	泊頭白雲環保設備 有限責任公司	1
862	除塵器	Jun-96	泊頭白雲環保設備 有限責任公司	5
863	實木寬帶砂光機	SD-2-600	台灣遠銘工業股份 有限公司	1
864	單板定厚砂光機	SD-2-1300	台灣遠銘工業股份 有限公司	1
865	履帶式自動雙頭鋸	DET-84A	台灣遠銘工業股份 有限公司	1
866	四面四軸刨木機	GM-420	台灣遠銘工業股份 有限公司	1
867	實木寬帶砂光機	SD-2-900	台灣遠銘工業股份 有限公司	1
868	四面六軸刨木機	GM-620A	台灣遠銘工業股份 有限公司	1
869	四面六軸刨木機	GM-620B	台灣遠銘工業股份 有限公司	1
870	四面七軸刨木機	GA-723BU	台灣遠銘工業股份 有限公司	1
871	自動雙邊靠模仿削機	HH-85-6TA	台灣環弘工業有限 公司	1
872	履帶式雙端坐樺機	HH-DET-46HP	台灣環弘工業有限 公司	1
873	曲線封邊機	HH-COMPACT-CE	台灣環弘工業有限 公司	1
874	半自動銑齒機	HH-RL-530A	台灣環弘工業有限 公司	1
875	曲木砂光機	HH-900	台灣環弘工業有限 公司	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
876	曲木砂光機	HH-900	台灣環弘工業有限公司	1
877	軸傾斜圓鋸機	HH-MBS-300	台灣環弘工業有限公司	1
878	軸傾斜圓鋸機	HH-MBS-300	台灣環弘工業有限公司	1
879	角釘機	HH-CF-30	台灣環弘工業有限公司	1
880	打包機	HH-S-168	台灣環弘工業有限公司	2
881	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
882	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
883	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
884	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
885	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
886	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
887	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
888	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
889	雙孔可調台鑽	HH-VS-102	台灣環弘工業有限公司	1
890	手動雙圓鋸附立軸機	HH-6S	台灣環弘工業有限公司	1
891	手動雙圓鋸	HH-6T	台灣環弘工業有限公司	1
892	手動雙圓鋸	HH-6T	台灣環弘工業有限公司	1
893	手動雙圓鋸	HH-6T	台灣環弘工業有限公司	1
894	手動雙端四鋸附立軸機	HH-6ST	台灣環弘工業有限公司	1
895	升降頭刨花機	HH-750	台灣環弘工業有限公司	1
896	端頭成型機	HH-S1	台灣環弘工業有限公司	1



	Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
897	熱熔膠機		台灣環弘工業有限公司	2
898	焊機		廊坊市瑞達機電物資有限公司	1
899	光電開關(單片鋸配件)		東莞市後街金田木業機械	2
900	減速機(封邊機配件)	2.2KW	青島千川機械製造有限公司	1
901	膠定後輓(砂光機配件)		青島千川機械製造有限公司	1
902	減速機(封邊機配件)	2.2KW	青島千川機械製造有限公司	1
903	馬達(稅款)		台灣旗昌	1
904	單片鋸	MJ154	廣東富豪木工機械廠	1
905	四面刨	MB4023	廣東富豪木工機械廠	1
906	冷壓機		順德市倫教區森木木工機械商行二	1
907	線鋸機		順德市倫教區森木木工機械商行二	1
908	四面四軸刨木機	GB-420	台灣遠銘工業股份有限公司	1
909	剪鑽機	YM-180	台灣遠銘工業股份有限公司	1
910	水平多孔鑽	HD-106	台灣遠銘工業股份有限公司	1
911	四軸鑽	BH-24	台灣遠銘工業股份有限公司	1
912	單片鋸	YMS-18	台灣遠銘工業股份有限公司	2
913	20毫米實木封邊機	OPTIMAT KL75/A20	金田－德國HOME	1
914	20毫米實木封邊機	OPTIMAT KL75/A20	金田－德國HOME	1
915	排鑽生產線	BST500	金田－德國WEEKE	1
916	雙頭寬帶砂光機	SUPER 213RL	金田－德國“Butfering” 比飛靈秦	1
917	雙頭寬帶砂光機	SUPER 213RL	金田－德國“Butfering” 比飛靈秦	1
918	雙頭寬帶砂光機	SUPER 213RL	金田－德國“Butfering” 比飛靈秦	1
919	雙頭寬帶砂光機	SUPER 213RL	金田－德國“Butfering” 比飛靈秦	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
920	雙頭寬帶砂光機	SUPER 213RL	金田－德國“Butfering” 比飛靈泰	1
921	電腦數控多功能鑽孔 加工中心	OPTIMAT BHC250	金田－德國“WEEKE” 威怡公司	1
922	燕尾榫機	F11CN	金田－意大利“OMEC” 公司	1
923	木材乾燥窯	150立方米(不含 窯體和大門)	金田－意大利“NARDI” 公司	21
924	連接木打孔機(氣動雙頭鑽)	MK-2	台灣遠銘工業股份 有限公司	1
925	墊角打孔機氣動三頭鑽 (斜孔)	MK-1	台灣遠銘工業股份 有限公司	1
926	圓棒榫截斷機		順德市倫敦區森木木工 機械商行二	1
927	四面刨(四面杠刨床)	MB4015	廣東富豪木工機械廠	1
928	自動單邊鋸切及銑刨機 (鋸銑機)	LZ5/2E	金田－奧地利“LAN GZAUNER”	1
929	自動單邊鋸切及銑刨機 (鋸銑機)	LZ5/2E	金田－奧地利“LAN GZAUNER”	1
930	塗膠機(異性塗膠機)	KLM	金田－德國“KUPER” 庫柏公司	1
931	自動單板縱向拼縫機 (拼縫機)	FL1NNOVATION	金田－德國“KUPER” 庫柏公司	1
932	自動單板縱向拼縫機 (拼縫機)	FL1NNOVATION	金田－德國“KUPER” 庫柏公司	1
933	自動單板縱向拼縫機 (拼縫機)	FL1NNOVATION	金田－德國“KUPER” 庫柏公司	1
934	實木寬帶砂光機	SD-2-900	台灣遠銘工業股份 有限公司	1
935	五層熱壓機(熱壓機)	BY214×8/12(5) HK	山西榆次秋林機械	1
936	20毫米實木封邊機	OPTIMAT KL75/A20	金田－德國HOMAG	1
937	裁板鋸	MJ6225	廣東順德新馬木工 機械廠	1
938	自動單板縱向拼縫機 (拼縫機)	FL1NNOVATION	金田－德國“KUPER” 庫柏公司	1
939	臥式單頭鏤銑機 (手動榫眼機)	YM-650C	台灣遠銘工業股份 有限公司	1
940	臥式單頭鏤銑機 (手動榫眼機)	YM-650C	台灣遠銘工業股份 有限公司	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
941	專用雙角切角機(450鋸)	V235	金田－意大利 “OMGA”公司	1
942	自動開榫頭銑機(榫頭機)	PICO	金田－意大利 “BALESTRINI”巴利維	1
943	專用雙角切角機(450鋸)	V235	金田－意大利 “OMGA”公司	1
944	抽屜側板加工機(立式 雙面刨)	MK-4	台灣遠銘工業股份 有限公司	1
945	燕尾榫機(燕尾榫)	F11CN	金田－意大利 “OMEC”公司	1
946	燕尾榫機(燕尾榫)	F11CN	金田－意大利 “OMEC”公司	1
947	刨花機(木工鏤銑機)	MX5068	廣東順德新馬木工 機械廠	1
948	異型門板砂光機(800 砂光機)	PRO-800/4	金田－丹麥 “QUICKWOOD”特活牌	1
949	無動力滾筒輸送機(砂光 傳送帶)	3條共18米	上海鑾新輸送機械 有限公司	1
950	無動力滾筒輸送機(砂光 傳送帶)	3條共18米	上海鑾新輸送機械 有限公司	1
951	無動力滾筒輸送機(砂光 傳送帶)	3條共18米	上海鑾新輸送機械 有限公司	1
952	雙端銑	OPTIMAT NFL26/4/25(4+4)	金田－德國豪邁集團 “HOMAG Machin	1
953	雙頭鑽(氣動雙頭鑽)	BH-22	台灣遠銘工業股份 有限公司	1
954	刨花機(木工鏤銑機)	MX5068	廣東順德新馬木工 機械廠	1
955	計算機數控多功能銑型 加工中心	OPTIMAT BHC250	金田－德國“WEEKE” 威怡公司	1
956	計算機數控多功能銑型 加工中心	OPTIMAT BHC250	金田－德國“WEEKE” 威怡公司	1
957	計算機數控多功能銑型 加工中心	OPTIMAT BHC250	金田－德國“WEEKE” 威怡公司	1
958	空氣壓縮機	SA-120A	廊坊市瑞達機電物資 有限公司	1
959	精密過濾器		廊坊市瑞達機電物資 有限公司	1
960	空氣壓縮機	SA-120A	廊坊市瑞達機電物資 有限公司	1
961	壓縮空氣乾燥機	LS2-027	廊坊市瑞達機電物資 有限公司	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
962	壓縮空氣乾燥機	JS-150AC	廊坊市瑞達機電物資 有限公司	1
963	精密過濾器	RF-400×20FQ	廊坊市瑞達機電物資 有限公司	1
964	電力變壓器		北京二變電電器製造 股份有限公司	3
965	自動直線封邊機	HOMAG MACHINERY	北京金田豪邁商貿 有限公司	1
966	自動直線封邊機	HOMAG MACHINERY	北京金田豪邁商貿 有限公司	1
967	威力四面刨	Unimat Gold C001	北京力威誠信機械 有限公司	1
968	中央循環供漆系統噴塗設備		北京瑞科噴塗測控技術 有限公司	1
969	木材輸送機及料台		東台市唐洋帶鋸機械 有限責任公司	1
970	木工半自動跑車帶鋸機	MJ3212B型	東台市唐洋帶鋸機械 有限責任公司	1
971	木工半自動跑車帶鋸機	MJ3215B型	東台市唐洋帶鋸機械 有限責任公司	1
972	木工帶鋸機	MJ3110A型	東台市唐洋帶鋸機械 有限責任公司	1
973	木工帶鋸機	MJ3110型	東台市唐洋帶鋸機械 有限責任公司	1
974	二手容器		固安縣鼎力壓力容器 製造有限公司	1
975	900滾筒輸送機	900L*700W*400H	上海鑾新輸送機械 有限公司	2
976	擱板鏈條輸送機	25000L*600W*450H	上海鑾新輸送機械 有限公司	3
977	擱板鏈條輸送機	24000L*600W*450H	上海鑾新輸送機械 有限公司	1
978	擱板鏈條輸送機	30000L*600W*400H	上海鑾新輸送機械 有限公司	2
979	擱板鏈條輸送機	25000L*600W*400H	上海鑾新輸送機械 有限公司	2
980	擱板鏈條輸送機	4400L*600W*400H	上海鑾新輸送機械 有限公司	1
981	皮帶輸送機	6000L*1000W*900H	上海鑾新輸送機械 有限公司	4
982	傾斜無動力滾筒輸送機	10000L*600W*400H	上海鑾新輸送機械 有限公司	1

	<b>Particulars of the Acquired Machineries</b>	<b>Model Number</b>	<b>Manufacturer</b>	<b>Quantity</b>
983	萬向鋼珠台	8400L600W450H	上海鑾新輸送機械 有限公司	2
984	萬向鋼珠台	3400L600W450H	上海鑾新輸送機械 有限公司	1
985	萬向鋼珠台	2000L600W450H	上海鑾新輸送機械 有限公司	1
986	萬向鋼珠台	2900L600W400H	上海鑾新輸送機械 有限公司	1
987	無動力滾筒輸送機	6000L*600W*450H	上海鑾新輸送機械 有限公司	10
988	無動力滾筒輸送機	3300L*600*W450H	上海鑾新輸送機械 有限公司	2
989	無動力滾筒輸送機	2000L*600W*450H	上海鑾新輸送機械 有限公司	1
990	無動力滾筒輸送機	2100L*600W*400H	上海鑾新輸送機械 有限公司	2
991	鍋爐	DEL20-1.25-AII	泰山集團股份有限公司	1
992	熱壓機		榆次億利達液壓機械 有限公司	1
993	熱壓機		榆次億利達液壓機械 有限公司	1
994	風鋸	MJ274	廣東順德新馬木工 機械廠	1
995	雙面刨		江佳(濟南永泰)	1
996	方孔機	MS3615	廣東順德新馬木工 機械廠	1
997	平刨	MB504	廣東順德新馬木工 機械廠	1
998	單立軸(立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
999	單立軸(立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1000	圓盤鋸	MJ143	廣東順德新馬木工 機械廠	2
1001	雙速電機		廣東順德新馬木工 機械廠	2
1002	圓盤鋸(可傾台面萬能 圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1
1003	圓盤鋸(可傾台面萬能 圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1
1004	圓盤鋸(可傾台面萬能 圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1005 銑齒指接線	FJ.L150-4	廣東富豪木工機械廠 (濟南永泰)	1
1006 圓棒機	MC908	煙台牟平(濟南永泰)	1
1007 圓棒樺截斷機	MJ27	煙台牟平(濟南永泰)	1
1008 壓刨(單面杠刨床)	MB106C	江佳(中國金華杠) (濟南永泰)	1
1009 帶鋸(小帶鋸)	MJ346	廣東順德新馬木工 機械廠	1
1010 帶鋸(小帶鋸)	MJ346	廣東順德新馬木工 機械廠	1
1011 手動四軸雙頭鋸 (雙頭鋸銑機)		廣東順德新馬木工 機械廠	1
1012 雙立軸(雙軸木工銑床)	MX5317	廣東順德新馬木工 機械廠	1
1013 帶鋸(小帶鋸)	MJ346	廣東順德新馬木工 機械廠	1
1014 車床(仿型木工車床)	MCL3022	廣東順德新馬木工 機械廠	1
1015 車床(仿型木工車床)	MCL3022	廣東順德新馬木工 機械廠	1
1016 車床(仿型木工車床)	MCL3022	廣東順德新馬木工 機械廠	1
1017 車床(仿型木工車床)	MCL3022	廣東順德新馬木工 機械廠	1
1018 車床(仿型木工車床)	MCL3022	廣東順德新馬木工 機械廠	1
1019 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1
1020 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1
1021 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1
1022 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1
1023 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1
1024 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1
1025 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1
1026 雙端氣鼓砂(雙速電機)		廣東順德新馬木工 機械廠	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1027 立式砂 (立臥帶砂)		廣東順德新馬木工 機械廠	1
1028 砂床 (車床式砂光機)		廣東順德新馬木工 機械廠	1
1029 砂床 (車床式砂光機)		廣東順德新馬木工 機械廠	1
1030 砂床 (車床式砂光機)		廣東順德新馬木工 機械廠	1
1031 砂床 (車床式砂光機)		廣東順德新馬木工 機械廠	1
1032 砂床 (車床式砂光機)		廣東順德新馬木工 機械廠	1
1033 單立軸 (立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1034 圓盤鋸 (可傾台面萬能圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1
1035 單立軸 (立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1036 雙立軸 (立式雙軸銑)	MX5317	廣東順德新馬木工 機械廠	1
1037 雙立軸 (立式雙軸銑)	MX5317	廣東順德新馬木工 機械廠	1
1038 手動兩軸雙頭鋸 (氣動雙端截料鋸)	MJ123	廣東順德新馬木工 機械廠	1
1039 帶鋸 (小帶鋸)	MJ346	廣東順德新馬木工 機械廠	1
1040 帶鋸 (小帶鋸)	MJ346	廣東順德新馬木工 機械廠	1
1041 單立軸 (立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1042 雙立軸 (立式雙軸銑)	MX5317	廣東順德新馬木工 機械廠	1
1043 圓盤鋸 (可傾台面萬能圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1
1044 刨花機 (木工鏤銑機)	MX5057	廣東順德新馬木工 機械廠	1
1045 單立軸 (立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1046 單立軸 (立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1047 單立軸 (立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1048 圓盤鋸(可傾台面萬能圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1
1049 雙頭鑽(臥式多軸木工鑽床)	MZ9416	廣東順德新馬木工 機械廠	1
1050 圓盤鋸(可傾台面萬能圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1
1051 帶鋸(小帶鋸)	MJ346	廣東順德新馬木工 機械廠	1
1052 單立軸(立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1053 手動四軸雙頭鋸		廣東順德新馬木工 機械廠	1
1054 雙頭鑽(立式多軸木工鑽床)	MZ9416 (MZ54110)	廣東順德新馬木工 機械廠	1
1055 雙立軸(立式雙軸銑)	MX5317	廣東順德新馬木工 機械廠	1
1056 雙立軸(立式雙軸銑)	MX5317	廣東順德新馬木工 機械廠	1
1057 單立軸(立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1058 單立軸(立式單軸銑)	MX5116D (MX5117A)	廣東順德新馬木工 機械廠	1
1059 立砂機		廣東順德新馬木工 機械廠	1
1060 風鋸(氣動截料鋸)	MJ274	廣東順德新馬木工 機械廠	1
1061 風鋸(氣動截料鋸)	MJ274	廣東順德新馬木工 機械廠	1
1062 圓盤鋸(可傾台面萬能圓鋸機)	MJ143	廣東順德新馬木工 機械廠	1
1063 傢俱輸送設備		喬豐行股份有限公司	1
1064 雙孔可調台鑽	HH-VS-120	台灣環弘工業股份 有限公司	2
1065 雙孔可調台鑽	HH-VS-120	台灣環弘工業股份 有限公司	1
1066 雙孔可調台鑽	HH-VS-121	台灣環弘工業股份 有限公司	1
1067 軸傾斜圓鋸機	HH-MBS-300	台灣環弘工業股份 有限公司	1
1068 軸傾斜圓鋸機	HH-MBS-300	台灣環弘工業股份 有限公司	1
1069 打包機	HH-S-168	台灣環弘工業股份 有限公司	1



Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1070 多片鋸	MJ143	廣東富豪木工機械廠	1
1071 梳齒機		廣東順德新馬木工 機械廠	1
1072 木工機床		濟南永泰機械製造 有限公司	1
1073 三相自動穩壓器	30KA	廊坊市廣陽區東安 市場長慶五金電	4
1074 除塵器	PPDC64-7	泊頭白雲環保設備 有限責任公司	1
1075 除塵器－風機	G4-73-11-75KW	泊頭白雲環保設備 有限責任公司	2
1076 除塵器－風機	G4-73-10D-55KW	泊頭白雲環保設備 有限責任公司	1
1077 除塵器－風機	G4-73-9D-37KW	泊頭白雲環保設備 有限責任公司	1
1078 輸送帶		青島千川機械製造 有限公司	1
1079 手截鋸		廊坊市海螺工貿 有限公司	1
1080 馬達		東莞市厚街金田木業 機械門市部	2
1081 馬達		東莞市厚街金田木業 機械門市部	4
1082 膠窩		東莞市厚街金田木業 機械門市部	1
1083 螺桿機SA-60A/W	SA-120A/W	北京友通複盛機械 有限公司	1
1084 變頻器	2hpx380vx4p	上海鑾新輸送機械 有限公司	2
1085 雙紋管換熱器	SHKT200-1.0-3.6-1	山東北辰集團有限公司 冷暖設備公司	1
1086 油分離器(配件)		廊坊市海螺工貿 有限公司	3
1087 電磁閥(配件)		順德市倫教區維高木工 機械門市部	4
1088 自動槍及配件(配件)		北京瑞科噴塗測控技術 有限公司	4
1089 計數器(配件)		東莞市厚街金田木業 機械門市部	10
1090 心軸(配件)		東莞市厚街金田木業 機械門市部	1
1091 噴吹系統		泊頭市白雲環保設備 有限責任公司	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1092 鏈塊		東莞市厚街金田木業 機械門市部	16
1093 冷壓機壓板		濟南永泰機械有限公司	1
1094 臥式砂光機	YM-334D4	台灣遠銘工業股份 有限公司	1
1095 臥式砂光機	YM-334D4	台灣遠銘工業股份 有限公司	1
1096 臥式砂光機	YM-334D4	台灣遠銘工業股份 有限公司	1
1097 臥式砂光機	YM-334D4	台灣遠銘工業股份 有限公司	1
1098 臥式砂光機	YM-334D4	台灣遠銘工業股份 有限公司	1
1099 自動雙端銑	DET-86HP	台灣遠銘工業股份 有限公司	1
1100 磨刀機	JF-168A	台灣遠銘工業股份 有限公司	1
1101 雙面薄片布膠機	YM-30S	台灣遠銘工業股份 有限公司	1
1102 自動雙頭作榫機	YRT-215A	台灣遠銘工業股份 有限公司	1
1103 單面震盪砂光機	GB-72D	台灣遠銘工業股份 有限公司	1
1104 橫式震盪砂光機		台灣遠銘工業股份 有限公司	1
1105 立式鑽孔及攻牙機		台灣遠銘工業股份 有限公司	1
1106 臥式鑽孔及攻牙機		台灣遠銘工業股份 有限公司	1
1107 傾斜攔板鏈條輸送機	18.27ml*1.3mw	上海鑾新輸送機械 有限公司	1
1108 無動力滾筒輸送機	8.5ml*1.3mw*200h	上海鑾新輸送機械 有限公司	1
1109 裝卸小車	1.3ml*500w*450	上海鑾新輸送機械 有限公司	1
1110 旋膜除氧器(鍋爐配件)	xmc-200	濟南陸豐容器機電 成套設備公司	1
1111 噴塗設備		北京市瑞科噴塗測控 技術有限公司	1
1112 噴吹除塵器(除塵器改造)		泊頭市白雲環保設備 有限公司	2
1113 傢俱塗裝輸送設備		喬豐行股份有限公司	1
1114 熱壓機		濟南永泰機械有限公司	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1115 塗膠機	MH6213B	濟南永泰機械有限公司	1
1116 門鎖開孔機	重型	天津開發區森幫木工 機械有限公司	1
1117 激光標線水平儀		天津開發區森幫木工 機械有限公司	2
1118 刨平機		天津開發區森幫木工 機械有限公司	1
1119 包覆機		濟南永泰機械有限公司	1
1120 燕尾榫連接機	MV-2Z	天津開發區森幫木工 機械有限公司	1
1121 推台鋸	F92	北京金田豪邁商貿 有限公司	1
1122 拼板機	MY-2500型	青島華春木業機械 有限公司	1
1123 高壓計量箱		廊坊市高壓開關廠	1
1124 皮帶輸送機	3500*1600*900H	上海花世自動化設備 配套有限公司	1
1125 皮帶輸送機	4000*1600*900H	上海花世自動化設備 配套有限公司	1
1126 皮帶輸送機	4000*1300*900H	上海花世自動化設備 配套有限公司	1
1127 升降台	2500*1300*700H	上海花世自動化設備 配套有限公司	1
1128 四面刨		濟南永泰機械有限公司	1
1129 多片鋸		濟南永泰機械有限公司	1
1130 多片鋸		濟南永泰機械有限公司	1
1131 單排鑽		北京金天利馬木工 機械經營部	1
1132 單排鑽		北京金天利馬木工 機械經營部	1
1133 單排鑽		北京金天利馬木工 機械經營部	1
1134 圓盤鋸		北京金天利馬木工 機械經營部	1
1135 單立軸銑		北京金天利馬木工 機械經營部	1
1136 單立軸銑		北京金天利馬木工 機械經營部	1
1137 立臥三頭鑽		北京金天利馬木工 機械經營部	1
1138 臥式四頭鑽		北京金天利馬木工 機械經營部	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1139 齒切機		北京金天利馬木工 機械經營部	1
1140 手拉鋸		北京金天利馬木工 機械經營部	4
1141 手拉鋸		北京金天利馬木工 機械經營部	1
1142 手拉鋸		北京金天利馬木工 機械經營部	1
1143 台鏤機		北京金天利馬木工 機械經營部	1
1144 可傾斜單立軸		北京金天利馬木工 機械經營部	1
1145 截板鋸		北京金天利馬木工 機械經營部	3
1146 木皮剪切機		北京金天利馬木工 機械經營部	1
1147 封邊機		北京金天利馬木工 機械經營部	1
1148 羅馬栓車床		北京金天利馬木工 機械經營部	1
1149 加大打眼機		北京金天利馬木工 機械經營部	2
1150 氣動截料鋸		北京金天利馬木工 機械經營部	1
1151 氣動截料鋸		北京金天利馬木工 機械經營部	1
1152 鏤銑機	MX5068	北京金天利馬木工 機械經營部	1
1153 臥式六頭鑽		北京金天利馬木工 機械經營部	1
1154 傾斜圓盤鋸		北京金天利馬木工 機械經營部	1
1155 雙立軸銑		北京金天利馬木工 機械經營部	1
1156 振動砂		北京金天利馬木工 機械經營部	1
1157 臥式四頭鑽		北京金天利馬木工 機械經營部	1
1158 冷乾燥機		廊坊市廣陽區長慶 五金電料經銷部	1
1159 冷乾燥機		廊坊市廣陽區長慶 五金電料經銷部	1
1160 空壓機	120A	廊坊市廣陽區長慶 五金電料經銷部	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1161 空壓機	120A	廊坊市廣陽區長慶 五金電料經銷部	1
1162 木工雙邊銑床	MX3825F	北京聯中聯木工機械 有限公司	1
1163 木工雙邊鋸銑機	MX3825F	北京聯中聯木工機械 有限公司	1
1164 燕尾榫機	F11CN	金田豪邁木業機械 有限公司	2
1165 萬能鑽	BH-20	北京市建鴻銘木工 機械配件商行	1
1166 IR短波紅外線熱能設備		旗昌機械有限公司	1
1167 引風機	Y6-41 12.2D	北京西山風機有限公司	1
1168 鼓風機	G5-56 9A	北京西山風機有限公司	1
1169 包覆機		北京金天利馬木工 機械經營部	1
1170 拼縫機		北京金天利馬木工 機械經營部	1
1171 直線封邊機	R6C	北京華力森德機械 銷售有限公司	1
1172 氣壓組裝機		自製	1
1173 氣壓組裝機		自製	1
1174 台鑽	Z516B	上海	2
1175 吸塵風機	5.5KW四袋	江蘇	1
1176 四面木工刨床	MB4015	廣東富豪	1
1177 攪拌機		自製	1
1178 開槽機		自製	1
1179 液壓組裝機		自製	1
1180 液壓組裝機		自製	1
1181 曲線砂光機	YM-104	台灣遠銘機械	1
1182 單袋吸塵器	MF9020	瀋陽	1
1183 除塵器	7.5KW箱式	改制	1
1184 升降機	2T	自製	1
1185 除塵器	55KW	河北泊頭	1
1186 單桶吸塵機	MF9020	瀋陽	1
1187 電動葫蘆	9米1噸	河南新鄉	2
1188 單板刨切機		二手舊設備	1
1189 電動葫蘆	2噸九米	河南新鄉	3
1190 氣暖烘乾機		牡丹江木工機械廠	1
1191 單桶吸塵器	MF9020	北京龍雙利五金	4
1192 熱壓機	二手設備		3
1193 雙邊鋸	京港買回舊(未用)	牡丹江木工機械廠	1
1194 台鑽		北京前門大街 購買10.2出庫	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1195 乾燥箱	大		1
1196 乾燥箱	小		1
1197 推台鋸		自製	1
1198 液壓式木材萬能試驗機	MWE-40		1
1199 圓鋸機		自製	6
1200 車床	木工車床	自製	1
1201 除塵器	7.5KW箱式	改制	1
1202 單軸榫槽機	MS362	廣東順德新馬木工 機械廠	1
1203 單軸榫槽機	MS362	廣東順德新馬木工 機械廠	1
1204 立砂機	YM-108	台灣遠銘機械	1
1205 立砂機	YM-108	台灣遠銘機械	1
1206 曲面砂光機	YM-104	廣東順德新馬木工 機械廠	1
1207 雙袋吸塵器	MF9025	北京雙利五金	1
1208 台式多用鑽床	Z516-1A		1
1209 塗膠機(雙面塗膠機)	HS-J		2
1210 吸塵器	單袋/MF9020		4
1211 液壓組裝機		自製	1
1212 穿套機			1
1213 海綿切割鋸		自製	1
1214 鎖邊機	GN6-3		2
1215 鎖邊機	GN6-3	美華機械	1
1216 小氣泵			1
1217 椅墊機		新群力機械	2
1218 升降機	2T		1
1219 鎖邊機	MS412	佛山市源田床具機械	1
1220 台式封邊機	ESF002A	佛山市源田床具機械	1
1221 圍邊機	WB-2	佛山市源田床具機械	1
1222 壓模封邊機	ESF002	佛山市源田床具機械	1
1223 木工多用機床	MQ431B-1		1
1224 升降機	3T	自製	1
1225 小氣泵			1
1226 真空泵	X-100A		1
1227 自動攪拌機		自製	1
1228 大帶鋸	MJ31102		1
1229 鋸條輓壓機			1
1230 乾燥箱	大		1
1231 空壓機	HTA-120	北京複盛	1
1232 單軸仿形銑	YS-104	台灣遠銘機械	1
1233 椅面挖凹機	AD-708	台灣遠銘機械	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1234 升降機		自製	2
1235 攪拌機		自製	1
1236 兩袋吸塵機	MF-9025		1
1237 兩袋吸塵機	MF-9025		1
1238 帶砂		自製	3
1239 水簾	大	自製	2
1240 水簾	小	自製	12
1241 吸塵風機	11KW箱式		1
1242 吸塵風機	55KW箱式		1
1243 吸塵風機	55KW箱式 4-73-10D	北京鼓風機廠	1
1244 圓盤鋸		自製	4
1245 單面壓刨	HH-CM-24R	台灣環弘工業股份有限公司	2
1246 吸塵器	單袋		1
1247 推台鋸	MJ6132	廣東順德新馬木工機械廠	1
1248 推台鋸	MJ6132	廣東順德新馬木工機械廠	1
1249 背刀車床	WBK-130	台灣遠銘機械	1
1250 打溝機	WSG-31	台灣遠銘機械	1
1251 吸塵器	單袋1.5KW MF9020		1
1252 帶砂		自製	2
1253 攪拌機		自製	1
1254 曲線砂磨機	HH-900	台灣環弘工業股份有限公司	1
1255 立臥帶式砂光機	MM2420A	廣東順德新馬木工機械廠	1
1256 帶砂		自製	2
1257 液壓組裝機		自製	1
1258 立式單軸榫槽機	MS362	廣東順德新馬木工機械廠	1
1259 液壓組裝機		自製	1
1260 帶砂		自製	1
1261 液壓組裝機	PH-4ESP	自製	1
1262 立臥式砂磨機	MM2420A	廣東順德新馬木工機械廠	1
1263 帶砂		自製	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1264 單袋吸塵機	MF9020		1
1265 水簾	大	自製	1
1266 水簾	小	自製	2
1267 單袋吸塵機	MF9020		1
1268 帶砂		自製	1
1269 空壓機	SA-55A	北京複盛	1
1270 沖床	10T		1
1271 多用車床	CQ-9107	山東	1
1272 氬弧焊機		山東	1
1273 金屬帶鋸機		江蘇	1
1274 萬能工具磨床	M6025	遼寧營口	1
1275 台鑽	舊改		1
1276 台鑽	舊改		1
1277 車床	CA6150B	瀋陽機床廠	1
1278 砂輪機		自製	1
1279 砂輪機		自製	1
1280 台鑽	舊改		1
1281 台鑽	舊改		1
1282 台鑽	舊改		1
1283 台鑽	舊改		1
1284 台鑽	舊改		1
1285 除塵器	4#除塵器		1
1286 泰安鍋爐	DZL20-1.25-AII	泰安	1
1287 翻斗車	Y20	廊坊市華北商貿	1
1288 立臥帶式砂磨機	MM2420A	廣東順德	1
1289 氣動截鋸	MJ274	廣東順德新馬木工 機械廠	1
1290 氣動截鋸	MJ274	廣東順德新馬木工 機械廠	1
1291 推台鋸	1211- TILARBORSAW	台灣環弘工業股份 有限公司	1
1292 小截鋸		自製	1
1293 液壓組裝機		自製	1
1294 圓盤鋸		自製	1
1295 圓盤鋸		自製	1
1296 圓盤鋸		自製	1
1297 攪拌機		自製	1
1298 熱壓機	BY214*8/12 (5) HK		1
1299 推台鋸	MJ6132	廣東順德新馬木工 機械廠	1
1300 帶砂		台灣遠銘機械	1
1301 液壓組裝機	自製		1



Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1302 臥砂		台灣遠銘機械	1
1303 臥砂		台灣遠銘機械	1
1304 液壓組裝機		自製	1
1305 自動輸送帶		自製	1
1306 單軸榫槽機	MS362	廣東順德新馬木工 機械廠	1
1307 液壓組裝機		自製	1
1308 砂光機	SD-2-600	台灣遠銘機械	1
1309 背刀車床	YBL-1150	台灣遠銘機械	1
1310 帶扣機	YCT-101	台灣遠銘機械	1
1311 氣壓組裝機		自製	1
1312 大水簾	大	自製	4
1313 小水簾	大	自製	3
1314 電梯	BS3-22液壓單缸		1
1315 乾燥機		北京複盛	1
1316 空壓機	SA-120A	北京複盛	1
1317 電梯	BS3-22		1
1318 升降機	3T		2
1319 帶砂機		自製	1
1320 乾燥機	DEX-1200/4A		1
1321 金屬遠紅外線熱收縮包裝機	HCP-1200型		1
1322 噴漆機			1
1323 全壓式無塵傢俱噴漆房		四川成都	1
1324 水簾	大	自製	5
1325 推台鋸	F92		1
1326 防爆葫蘆		廊坊市廣陽區光明道 新起起重設備銷售部	1
1327 夾式氣動攪拌器			1
1328 三輥機	S260	江蘇如皋市機械廠	1
1329 升降機			1
1330 三輥機	SC-651	天津天東聯營	1
1331 砂磨機	-40	江蘇如皋市機械廠	1
1332 小砂磨機	CM-II	天津	1
1333 分光光度計	LENGGUANG	天津	1
1334 漆膜磨耗儀	SM-III	天津	1
1335 顯微儀		北京	1
1336 機械加碼分析天平	JG328A	北京	1
1337 台式乾燥箱	WG2003S	重慶萬達儀器公司	1
1338 漆膜衝擊器		重慶	1
1339 高剪切混合浮化機	BEM100L	上海威寧	1
1340 膠體磨	CLO-80	溫州市鹿城	1
1341 海爾冷櫃	BD-100LT	天津恩達製冷新技術 有限公司	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1342 液壓組裝機		自製	1
1343 帶砂機		自製	1
1344 水簾	小	自製	1
1345 水簾	小	自製	1
1346 水簾	小	自製	1
1347 空壓機	HTA-120	北京複盛	1
1348 台鑽	Z4116	西陵	1
1349 吸塵器	MF9020	江佳	1
1350 切割鋸	1440	牧田	1
1351 吸塵器	MF9020	江佳	1
1352 圓盤鋸	4KW	自製	1
1353 圓盤鋸	4KW	自製	1
1354 線鋸			1
1355 線鋸			1
1356 多功能木工機床		山東工友	1
1357 大平刨	MB12	牡丹江木工機械廠	2
1358 臥式銑床			1
1359 雙軸立銑	MF5117	台灣遠銘機械	1
1360 立軸木工多功能銑槽機			1
1361 設備(小)			1
1362 小氣泵			1
1363 塗膠機		廣東順德新馬木工 機械廠	1
1364 四面刨	P23E	煙台邁克威力機械 有限公司	1
1365 台鑽			2
1366 小壓刨	二手	牡丹江木工機械廠	1
1367 液壓站	無標		1
1368 無標設備			1
1369 半自動打孔機	MK-2	台灣環弘工業股份 有限公司	1
1370 單排鑽			1
1371 無標設備	CF-526	廣東順德新馬木工 機械廠	1
1372 自動輸送帶隔板式	3米	牡丹江木工機械廠	1
1373 大平刨	MB-504	廣東順德新馬木工 機械廠	1
1374 三角榫機	DE-8	台灣環弘工業股份 有限公司	1
1375 封邊機			1
1376 液壓鑽(小)			1
1377 台鑽			1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1378 梳齒開齒機		廣東順德新馬木工 機械廠	1
1379 液壓組裝機		自製	1
1380 熱壓機	GH-500P300	廣東順德新馬木工 機械廠	1
1381 推台鋸			1
1382 木工多用機床	GB143-1	山東工友	1
1383 自製圓鋸機		自製	1
1384 空壓機	HTA-120	北京複盛	1
1385 空壓機	HTA-120	北京複盛	1
1386 空壓機	HTA-120	北京複盛	1
1387 吸塵打磨台		四川成都	1
1388 空壓機	HTA-120	北京複盛	1
1389 油漆塗裝生產線			1
1390 移動式油壓升降台	MHL-1.5	台灣居瑞自動機械 股份有限公司	1
1391 六頭砂光機	20CM	浙江	1

## 4. COMBINED RESULTS

The following is a summary of the combined results of the Acquired Machineries for the Relevant Periods, which have been prepared on the basis set out in Section 1.

	Year ended 31 December			Nine months ended	
	2003	2004	2005	30 September 2005	2006
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
REVENUE	242,118	252,118	227,666	159,695	75,599
Costs of goods sold	(175,278)	(207,636)	(181,045)	(125,818)	(56,278)
Gross profit	66,840	44,482	46,621	33,877	19,321
Other revenue	–	–	60	–	1,350
Other expenses	(7,191)	(7,466)	(6,148)	(4,300)	(1,904)
PROFIT BEFORE TAX	<u>59,649</u>	<u>37,016</u>	<u>40,533</u>	<u>29,577</u>	<u>18,767</u>

## a. Segment information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The businesses of the Acquired Machineries are structured and managed separately, according to the nature of their operations and the products they produce. Each of the business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The business segments of the Acquired Machineries are categorised as follows:

- (a) D series – furniture made in Chinese catalpa (楸木);
- (b) H series – furniture made in Manchurian ash (水曲柳);
- (c) SF series – sofa; and
- (d) OEM series.

In determining the geographical segments of the Acquired Machineries, revenues and results are attributed to the segments based on the location of the customers, i.e. domestic sales (sales in the PRC) and overseas sales.

**Business segments**

The following table presents revenue and results information for the Acquired Machineries' business segments.

*Year ended 31 December 2003*

	<b>Series</b>					<b>Total</b>
	<b>D</b>	<b>H</b>	<b>SF</b>	<b>OEM</b>	<b>Others</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:						
Turnover	<u>26,679</u>	<u>93,543</u>	<u>24,724</u>	<u>63,877</u>	<u>33,295</u>	<u>242,118</u>
Segment results	7,830	29,118	3,133	20,684	6,075	66,840
Other expenses						<u>(7,191)</u>
Profit before tax						<u>59,649</u>

*Year ended 31 December 2004*

	<b>Series</b>					<b>Total</b>
	<b>D</b>	<b>H</b>	<b>SF</b>	<b>OEM</b>	<b>Others</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:						
Turnover	<u>31,838</u>	<u>96,725</u>	<u>29,481</u>	<u>65,858</u>	<u>28,216</u>	<u>252,118</u>
Segment results	5,203	20,346	1,423	14,968	2,542	44,482
Other expenses						<u>(7,466)</u>
Profit before tax						<u>37,016</u>

*Year ended 31 December 2005*

	Series					Total
	D	H	SF	OEM	Others	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:						
Turnover	<u>29,202</u>	<u>51,392</u>	<u>17,511</u>	<u>104,155</u>	<u>25,406</u>	<u>227,666</u>
Segment results	7,709	11,956	3,257	16,917	6,782	46,621
Other revenue						60
Other expenses						<u>(6,148)</u>
Profit before tax						<u>40,533</u>

*Nine months ended 30 September 2005*

	Series					Total
	D	H	SF	OEM	Others	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:						
Turnover	<u>20,934</u>	<u>36,968</u>	<u>11,599</u>	<u>72,408</u>	<u>17,786</u>	<u>159,695</u>
Segment results	5,517	8,110	1,852	14,128	4,270	33,877
Other expenses						<u>(4,300)</u>
Profit before tax						<u>29,577</u>

*Nine months ended 30 September 2006*

	Series					Total
	D	H	SF	OEM	Others	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:						
Turnover	<u>5,027</u>	<u>14,284</u>	<u>3,873</u>	<u>41,594</u>	<u>10,821</u>	<u>75,599</u>
Segment results	1,435	3,246	1,096	10,649	2,895	19,321
Other income						1,350
Other expenses						<u>(1,904)</u>
Profit before tax						<u>18,767</u>

### Geographical segments

*Year ended 31 December 2003*

	Revenue	Contribution
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Domestic	178,241	46,156
International	<u>63,877</u>	<u>20,684</u>
	<u>242,118</u>	66,840
Other expenses		<u>(7,191)</u>
Profit before tax		<u>59,649</u>

*Year ended 31 December 2004*

	<b>Revenue</b> <i>RMB'000</i> (Unaudited)	<b>Contribution</b> <i>RMB'000</i> (Unaudited)
Domestic	186,260	29,514
International	65,858	14,968
	<u>252,118</u>	<u>44,482</u>
Other expenses		<u>(7,466)</u>
Profit before tax		<u>37,016</u>

*Year ended 31 December 2005*

	<b>Revenue</b> <i>RMB'000</i> (Unaudited)	<b>Contribution</b> <i>RMB'000</i> (Unaudited)
Domestic	123,511	29,704
International	104,155	16,917
	<u>227,666</u>	<u>46,621</u>
Other revenue		60
Other expenses		<u>(6,148)</u>
Profit before tax		<u>40,533</u>



*Nine months ended 30 September 2005*

	<b>Revenue</b> <i>RMB'000</i> (Unaudited)	<b>Contribution</b> <i>RMB'000</i> (Unaudited)
Domestic	87,287	19,749
International	72,408	14,128
	<u>159,695</u>	<u>33,877</u>
Other expenses		<u>(4,300)</u>
Profit before tax		<u>29,577</u>

*Nine months ended 30 September 2006*

	<b>Revenue</b> <i>RMB'000</i> (Unaudited)	<b>Contribution</b> <i>RMB'000</i> (Unaudited)
Domestic	34,005	8,672
International	41,594	10,649
	<u>75,599</u>	<u>19,321</u>
Other revenue		1,350
Other expenses		<u>(1,904)</u>
Profit before tax		<u>18,767</u>

**b. Revenue and other revenue**

Revenue represents gross revenue arising from sales of products. It is stated net of value added tax of approximately RMB30,299,000, RMB31,667,000, RMB21,002,000, RMB14,841,000 and RMB5,781,000 respectively for the years ended 31 December 2003, 2004, 2005 and nine months period ended 30 September 2005 and 2006 respectively. Value added tax is accrued at 17% of the gross sales revenue from sales of products to domestic customers.

Other revenue represents rental income arising from leasing of machineries, net of business taxes. Pursuant to various tax rules and regulations in the PRC, revenue derived from leasing of machineries is subject to business tax at a rate of 5%. Business taxes charged to the income statement for the years ended 31 December 2003, 2004, 2005 and nine months period ended 30 September 2005 and 2006 amounted to approximately RMB Nil, RMB Nil, RMB3,000, RMB Nil and RMB67,000 respectively.

An analysis of revenue and other revenue is as follows:

	Year ended 31 December			Nine months ended	
	2003	2004	2005	30 September 2005	2006
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>					
D series	26,679	31,838	29,202	20,934	5,027
H series	93,543	96,725	51,392	36,968	14,284
SF series	24,724	29,481	17,511	11,599	3,873
OEM series	63,877	65,858	104,155	72,408	41,594
Others	33,295	28,216	25,406	17,786	10,821
	<u>242,118</u>	<u>252,118</u>	<u>227,666</u>	<u>159,695</u>	<u>75,599</u>
<b>Other revenue</b>	<u>–</u>	<u>–</u>	<u>60</u>	<u>–</u>	<u>1,350</u>

## c. Profit before tax

The Acquired Machineries' profit before tax is arrived at after charging:

	Year ended 31 December			Nine months ended	
	2003	2004	2005	30 September 2005	2006
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of goods sold					
– Raw materials	145,945	162,462	135,705	93,464	40,281
– Direct labours	9,359	12,102	7,557	5,646	3,911
– Depreciation	9,061	10,480	19,754	15,165	7,245
– Electricity	5,537	8,931	8,324	6,067	1,566
– Others	5,376	13,661	9,705	5,476	3,275
	<u>175,278</u>	<u>207,636</u>	<u>181,045</u>	<u>125,818</u>	<u>56,278</u>
Other expenses					
– Insurance	106	162	157	119	108
– Transportation cost	2,465	2,738	3,691	2,788	1,433
– Other taxes	1,671	1,608	220	111	–
– Staff costs					
Pension scheme contribution	2,949	2,958	2,080	1,282	363
	<u>7,191</u>	<u>7,466</u>	<u>6,148</u>	<u>4,300</u>	<u>1,904</u>

Yours faithfully,

**HLB Hodgson Impey Cheng**  
Chartered Accountants  
Certified Public Accountants  
Hong Kong

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## **APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE ENLARGED GROUP**

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### **A.      UNAUDITED PRO FORMA COMBINED PROFIT AND LOSS STATEMENT AND BALANCE SHEET OF THE ENLARGED GROUP UPON COMPLETION OF THE ACQUISITION**

The following unaudited pro forma combined profit and loss statement and balance sheet (hereinafter collectively referred to as the “Unaudited Pro Forma Financial Information”) of the Enlarged Group (being the Group immediately after the completion of the acquisition of the Acquired Machineries (as defined in Appendix II to this circular)) have been prepared to illustrate the effect of the Acquisition.

The unaudited pro forma combined profit and loss statement is prepared based on the audited consolidated income statement of the Group for the year ended 31 December 2005 extracted from the Company’s annual report as set out in Appendix I to this circular, and the unaudited profit and loss statement of the Acquired Machineries for the year ended 31 December 2005 as set out in Appendix II to this circular after translation into Hong Kong dollars at exchange rate of HK\$1=RMB1.03, after making pro forma adjustments relating to the Acquisition as if the Acquisition had been completed on 1 January 2005.

The unaudited pro forma combined balance sheet is prepared based on the unaudited consolidated balance sheet of the Group as at 30 June 2006 extracted from the interim report of the Company as set out in Appendix I to this circular, after making pro forma adjustments relating to the Acquisition as if the Acquisition had been completed on 30 June 2006.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared in accordance with, and to comply with, the requirements of Rule 7.31 of the GEM Listing Rules for the purpose of illustrating how the Acquisition might have affected the financial information presented. The Unaudited Pro Forma Financial Information is prepared after making pro forma adjustments that are directly attributable to the transactions, expected to have a continuing impact on the Enlarged Group and factually supportable.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only. It is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and because of its nature, it does not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Acquisition been completed on 30 June 2006, or the results of the Enlarged Group that would have been attained had the Acquisition been completed on 1 January 2005. The Unaudited Pro Forma Financial Information may not be indicative of the financial position of the Enlarged Group as at the date to which they are made up to or at any future date.

**APPENDIX III      UNAUDITED PRO FORMA      FINANCIAL INFORMATION ON  
THE ENLARGED GROUP**

**Unaudited pro forma combined profit and loss statement for the year ended 31 December 2005**

	<b>The Group: For the year ended 31 December 2005 <i>HK\$'000</i></b>	<b>The Acquired Machineries: For the year ended 31 December 2005 <i>HK\$'000</i></b>	<b>Combined adjustment: pro forma  <i>HK\$'000</i></b>	<b>Enlarged Group: unaudited pro forma  <i>HK\$'000</i></b>
Turnover	25,985	221,036		247,021
Cost of sales	<u>(23,111)</u>	<u>(175,772)</u>		<u>(198,883)</u>
Gross profit	2,874	45,264		48,138
Other revenue	3	58		61
Other income	793	–		793
Administrative expenses	(6,898)	–		(6,898)
Impairment loss in respect of a subsidiary	(9,948)	–		(9,948)
Provision for amounts due from associates	(3)	–		(3)
Other operating expenses	<u>(954)</u>	<u>(5,969)</u>		<u>(6,923)</u>
Loss from operations	(14,133)	39,353		25,220
Finance costs	(3)	–		(3)
Share of results of associates	<u>–</u>	<u>–</u>		<u>–</u>
Loss before taxation	(14,136)	39,353		25,217
Taxation	<u>–</u>	<u>–</u>		<u>–</u>
Loss for the year	<u><u>(14,136)</u></u>	<u><u>39,353</u></u>		<u><u>25,217</u></u>
Attributable to:				
– Equity holders of the parent	(14,136)	39,353		25,217
– Minority interests	<u>–</u>	<u>–</u>		<u>–</u>
	<u><u>(14,136)</u></u>	<u><u>39,353</u></u>		<u><u>25,217</u></u>

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION ON  
THE ENLARGED GROUP**

Unaudited pro forma combined balance sheet as at 30 June 2006

	<b>The Group: Unaudited HK\$'000</b>	<b>The Acquired Machineries: HK\$'000</b>	<i>Notes</i>	<b>Enlarged Group: unaudited pro forma HK\$'000</b>
<b>Non-current assets</b>				
Fixed assets	357	73,202	(1)	73,559
<b>Current assets</b>				
Inventories	13,249			13,249
Trade receivables	17,121			17,121
Prepayments and deposit	3,735			3,735
Cash and bank balances	9,299	(14,640)	(1), (2)	(5,341)
	43,404			28,764
<b>Less: Current liabilities</b>				
Trade and other payables	30,852	58,562	(1)	89,414
Amount due to an associate	2			2
Tax payable	823			823
Amount due to a shareholder	700			700
Obligations under finance lease – due within one year	13			13
	32,390			90,952
<b>Net current assets/(liabilities)</b>	11,014			(62,188)
<b>Total assets less current liabilities</b>	11,371			11,371
<b>Less: Non-current liabilities</b>				
Obligations under finance lease – due after one year	19			19
<b>Net assets</b>	11,352			11,352
<b>Equity</b>				
Capital	1,705			1,705
Reserves	9,647			9,647
<b>Equity attributable to equity holders of the parent</b>	11,352			11,352

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## APPENDIX III      UNAUDITED PRO FORMA   FINANCIAL INFORMATION ON THE ENLARGED GROUP

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*Notes:*

1. According to the Acquisition Agreement (as defined in Appendix II to this circular), the purchase price of the Acquired Machineries has been agreed at RMB75,398,100 (equivalent to approximately HK\$73,202,000), as compared with their carrying value of approximately RMB68,333,000 as disclosed in the Financial Information in Appendix II to this circular. The purchase price has been determined by reference to the appraised value of the Acquired Machineries as revalued by Beijing Zhongchengming Asset Valuation Company Limited\* (北京中誠銘資產評估有限責任公司). The consideration shall be satisfied in cash (i) not less than 20% the purchase consideration, being not less than RMB15,079,620 (equivalent to approximately HK\$14,640,000) on the Completion Date (as defined in this circular) and (ii) the remaining balance of not more than RMB60,318,480 (equivalent to approximately HK\$58,562,000) shall be paid within 180 days immediately after the Completion Date. Therefore, a pro forma adjustment was raised to debit the fixed assets account by HK\$73,202,000 and credit the cash and bank balance by HK\$14,640,000 and the other payables account by HK\$58,562,000.
2. Notwithstanding that a negative cash and bank balances of HK\$5,341,000 was shown on the unaudited pro forma combined balance sheet taking into account the partial settlement of the purchase consideration of not less than RMB15,079,620 on the Completion Date, the Group subsequently issued convertible notes on 28 July 2006 and received net proceeds of approximately HK\$17 million to make good the negative cash and bank balances and to provide for general working capital.

\* *For identification purpose only*

**B.      LETTER FROM THE REPORTING ACCOUNTANTS**

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, HLB Hodgson Impey Cheng, Chartered Accountants, Certified Public Accountants, Hong Kong.



**國 衛 會 計 師 事 務 所**  
**Hodgson Impey Cheng**

Chartered Accountants  
Certified Public Accountants

31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

3 January 2007

*The Board of Directors*

**FAVA International Holdings Limited**

Dear Sirs,

We report on the unaudited pro forma financial information (“Unaudited Pro Forma Financial Information”) of the Enlarged Group (being the Group (as defined herein) together with the Acquired Machineries, as defined in Appendix II to this circular) set out in Section A of Appendix III to this circular dated 3 January 2007 of FAVA International Holdings Limited (the “Company”, and together with its subsidiaries referred to as the “Group”), solely for illustrative purpose, to provide information about how the Acquisition (as defined in Appendix II to this circular) might have affected the historical financial information in respect of the Group. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Section A of Appendix III to this circular.

**Respective responsibilities of the directors of the Company and the reporting accountants**

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to AG 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion solely to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.



**Basis of opinion**

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to 7.31(1) of the GEM Listing Rules.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not provide any such audit or review assurance on the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgments and assumptions made by the directors of the Company and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 30 June 2006 or any future date; or
- the results of the Group for the year ended 31 December 2005 or any future periods.

**Opinion**

In our opinion:

- (a) the accompanying Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

**HLB Hodgson Impey Cheng**  
*Chartered Accountants*  
*Certified Public Accountants*  
Hong Kong

*The following is the text of a letter and summary of values, prepared for the purpose of incorporation in this circular received from Sallmanns (Far East) Limited, an independent valuer, in connection with their valuation as at 31 October 2006 of the plant and machinery to be acquired by the Purchaser from the Vendors.*

**Sallmanns**

Corporate valuation and consultancy  
www.sallmanns.com

22nd Floor, Siu On Centre  
188 Lockhart Road  
Wanchai, Hong Kong  
Tel: (852) 2169 6000  
Fax: (852) 2528 5079

Our Ref.: 06/324/PM

3 January 2007

*The Board of Directors*

**FAVA International Holdings Limited**

Dear Sirs,

In accordance with your instructions, we have undertaken a valuation to determine the market values of machinery & equipment assets belonging to the Vendors.

The inspection of the assets was conducted on 13 to 17 November 2006. It is our understanding that the valuation is for merger and acquisition purpose. This valuation report outlines our latest findings and conclusion. Based on the results of our investigations outlined in the report which follows, it is our opinion that the valuation of the above asset is

**RMB75,400,000 (RENMINBI SEVENTY FIVE MILLION FOUR HUNDRED THOUSAND),**  
which fairly represents the market value of the machinery and equipment as at 31 October 2006.

For and on behalf of  
**Sallmanns (Far East) Limited**

**Tony Leung**  
*Associate Director*  
Plant & Machinery Valuation

**James Lai**  
*Senior Manager*  
Plant & Machinery Valuation

## INTRODUCTION

### Assets Valued

#### *The Vendors*

Major machinery and equipment valued comprised rotary lathes, veneer dryers, clippers, glue mixing systems, glue spreaders, presses, sizer, table lifters, knife grinders, veneer jointing guillotine, trim press, wood cover gluing machines, wood polishing machines, sanders, assembly line, oven, spraying lines, specialized wood drilling machines, band saws, boiler, and machine shop equipment.

## BASIS OF VALUE

We have adopted the **Market Value for existing use** as being the most appropriate, in accordance with the following definitions:-

**Market Value** is defined herein as

“the estimated amount at which the subject assets should exchange on the date of valuation between willing buyer and a willing seller in an arm’s length transaction after proper marketing where in the parties had each acted knowledgeably, prudently, and without compulsion.”

**Market Value for existing use** is further defined as the market value of an asset based on continuation of its existing use, assuming the asset could be sold in the open market for its existing use, and otherwise in keeping with the market value definition regardless of whether or not the existing use represent the highest and best use of the asset.

This investigation is concerned solely with the values of the appraised machinery and equipment and our opinion of value is not related to the earning capacity of the business. It is assumed that prospective earnings are adequate to support the concluded value of the machinery and equipment plus the value of other assets not included in this valuation, and sufficient net working capital. It does not attempt to arrive at the value of the Company as a total business entity.

## VALUATION METHODOLOGY

There are three generally accepted approaches to value, namely:

### **The Cost Approach**

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence present (physical, functional or economical), taking into consideration past and present maintenance policy and rebuilding history. The cost approach generally furnishes the most reliable indication of value for assets without a known used market.

The term “Cost of Reproduction New” (RCN) is often used and it is defined as the amount required to reproduce in the like kind and new condition of an asset, taking into account current costs of material and labour, including all attendant costs associated with its acquisition.

### **The Market Approach**

The market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised machinery and equipment relative to the market comparative. Assets for which there is an established used market may be appraised by this approach.

### **The Income Approach**

The income approach is the present worth of the future economic benefits of ownership. This approach is generally applied to an aggregation of assets that consists of all assets of a business enterprise including working capital and tangible and intangible assets.

### **Analysis**

A combination of the three valuation approaches defined above may be used in a particular valuation, depending upon the appraisal’s objectives and the nature of the property involved.

As part of the cross checking procedures, all valuation approaches have been considered, as one or more approaches may be applicable to the subject asset. In certain situations, elements of the three approaches may be combined to reach a value conclusion. However, the relative strength, applicability, and significance of the approaches and their resulting values must be analyzed and reconciled.

In situation where we can identify and collect sufficient data on certain equipment that has direct contribution to the revenue generation, the income approach will be applied as part of the cross-checking procedure with the result from the cost approach and the market approach in arriving at our conclusion of value.

In arriving at a fair estimate of value of the equipment we have given consideration to the:–

- Cost of reproduction new of the replaceable assets;
- Current prices for similar used equipment in the second hand market,
- Accrued depreciation; and
- Age, condition, past maintenance and present and prospective serviceability in comparison with new units of like kind.
- No account was taken of selling costs

Application of the market approach involves an analysis of the used market to measure the value level of exchanges of comparable property. An estimated amount is added to or deducted from the market price to reflect the difference in condition and utility between the item appraised and its normal used market comparatives.

Where the basis is the cost approach, an estimate is made on the cost of reproduction new or replacement cost, less allowance for depreciation or loss of value arising from condition, utility, age, wear and tear, and obsolescence, taking into consideration past and present maintenance policy, and rebuilding history, if any, and current utilization.

Cost of reproduction new is the estimated amount of money needed to acquire in like kind and in new condition an asset or group of assets taking into consideration current prices of materials, manufactured equipment, labour, contractor's overhead, profit and fees, and all other attendant costs associated with its acquisition, but without provision for overtime or bonuses for labour and premium for materials.

Where elements are of foreign origin, our pricing process gives full consideration to all expenditures normally incurred in importation such as packing and crating charges, inland and ocean freight, insurance, duties and taxes, bank charges and commissions, wharfage, brokerage and handling.

## **FINDINGS**

We had carried out inspection of the assets from 13 -17 November 2006 for the Vendors in Langfang, Hebei Province, PRC.

The plant's production equipment and other assets were generally in fairly good operational condition at the time of inspection.

The majority of the production equipment were Taiwan and China made. There are also some import equipment.

**Exclusion**

We have excluded in this valuation the land, buildings, other land improvements, licensed furniture and fixture, semi-finish and finish products, company records or any current or intangible assets.

**OPINION OF VALUE**

Based on the results of our inspection and findings, it is our opinion that **RMB 75,400,000 (RENMINBI SEVENTY FIVE MILLION FOUR HUNDRED THOUSAND)** fairly representing the market value of the machinery and equipment as at 31 October 2006.

**LIMITING CONDITIONS**

This report is subject to our standard Limiting Conditions as attached.

For and on behalf of  
**SALLMANNS (FAR EAST) LIMITED**

**Tony Leung**  
*Associate Director*  
Plant & Machinery Valuation

**James Lai**  
*Senior Manager*  
Plant & Machinery Valuation

## SUMMARY OF VALUES

	<b>Net Book Value</b>	<b>Market Value</b>
<b>The Vendors</b>		
Machinery and Equipment	65,884,803**	75,398,100
<b>Rounded To</b>		<u>75,400,000</u>

*Note:*

\*\* Some Equipment are not furnished with NBV



**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**2. DISCLOSURE OF INTERESTS****(a) Directors' and chief executives interests and short positions in shares, underlying shares and debentures**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

*Long position*

Ordinary Shares of HK\$0.02 each in the capital of the Company

Name of Director/ Chief Executive	Capacity	Number of shares held	Approximate percentage of total issued share capital in the Company
Mr. Li Ge	Beneficial owner	3,606,000	3.60%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company was, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests of short positions in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV) of the SFO, that were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules.

**(b) Substantial shareholders' and other persons' interests and short positions in shares and underlying shares**

To the best knowledge of the Directors or chief executives, as at the Latest Practicable Date, the following persons (other than the Directors and chief executives of the Company) had interests or short position in the shares or underlying shares of the Company which as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

*Long position*

Ordinary Shares of HK\$0.02 each in the capital of the Company

Name	Capacity	Number of Shares held	Approximate percentage of total issued share capital in the Company
True Allied Assets Limited	Beneficial owner	25,784,500	25.71%
Ms. HUANG Ye-hua ( <i>Note 1</i> )	Interest of controlled corporation	25,784,500	25.71%
Sino Hope Investments Limited	Beneficial owner	6,243,333	6.23%
Zhao Jiangong ( <i>Note 2</i> )	Interest of controlled corporation	6,243,333	6.23%
Integrated Asset Management (Asia) Limited	Beneficial owner	5,670,666	5.65%
Yam Tak Cheung ( <i>Note 3</i> )	Interest of controlled corporation	5,670,666	5.65%

*Notes:*

1. Ms. HUANG Ye-hua is the beneficial owner of 100% of the issued share capital of True Allied Assets Limited and therefore she is deemed, or taken to be, interested in these Shares which are beneficially owned by True Allied Assets Limited.
2. Mr. ZHAO Jiangong is the beneficial owner of 100% of the issued share capital of Sino Hope Investments Limited and therefore he is deemed, or taken to be, interested in these Shares which are beneficially owned by Sino Hope Investments Limited.
3. Mr. Yam Tak Cheung is the beneficial owner of 100% of the issued share capital of Integrated Asset Management (Asia) Limited and therefore he is deemed, or taken to be, interested in these Shares which are beneficially owned by Integrated Asset Management (Asia) Limited.

Save as disclosed above, as at the Latest Practicable Date, the Board is not aware of any other persons (other than the Directors and chief executives of the Company) that had interests or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

So far as is known to the Directors or chief executives of the Company, as at the Latest Practicable Date, no person, other than the Directors or chief executives of the Company, has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or, who is expected, directly or indirectly, to be interested in 10 per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or has any options in respect of such capital.

### **3. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates competes or may compete with the business of the Group or has or may have any other conflicts of interest with the Group required to be disclosed pursuant to the GEM Listing Rules.

### **4. LITIGATION**

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors or the Company to be pending or threatened against any member of the Group.

## 5. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries after the date two years preceding the date of this circular and are or may be material:

- (1) a placing agreement entered into between the Company and Oriental Patron Asia Limited dated 20 June 2005 in relation to placing of 23,690,000 new shares at a placing price of HK\$0.06 per share in the capital of the Company, at a placing commission of 2.5% payable by the Company to Oriental Patron Asia Limited;
- (2) a placing agreement entered into between the Company and Oriental Patron Asia Limited dated 27 February 2006 in relation to placing of a maximum of 28,420,000 new shares at a placing price of HK\$0.06 per share in the capital of the Company, at a placing commission of 2.5% payable by the Company to Oriental Patron Asia Limited and a supplemental placing agreement in relation thereto entered into by the same parties pursuant to which the placing price was adjusted to HK\$0.064;
- (3) a trademark licensing agreement entered into between Huari Furniture and Lang Fang Tian Feng Home Co., Ltd, an indirectly wholly owned subsidiary of the Company, dated 31 May 2006 pursuant to which Huari Furniture, as a licensor, granted to Lang Fang Tian Feng Home Co., Ltd a non-exclusive right to use a trademark of Huari Furniture at an annual licence fee of RMB1 million;
- (4) a placing agreement entered into between the Company and Guotai Junan Securities (Hong Kong) Limited dated 6 July 2006 in relation to placing of convertible notes in an aggregate principal amount of HK\$18,000,000.00, at a placing commission of 2% payable by the Company to Guotai Junan Securities (Hong Kong) Limited;
- (5) a share sales agreement entered into between China Wealth Trading Limited, the Company and Grandmass ERP Limited dated 27 July 2006 in relation to the disposal of 100% issued share capital of Grandmass ERP Limited held by the Company to China Wealth Trading Limited at a consideration of HK\$100,000.00 together with two waiver letters of even date, one from Grandmass ERP Limited and Sun-iOMS Limited to waive payment of the debts owed by the Company and Grandmass Global Investment Limited to Grandmass ERP Limited and Sun-iOMS Limited and the other from the Company, Grandmass Global Investment Limited and Tedwood International Limited to waive payment of the debts owed by Grandmass ERP Limited, Grandmass Solutions Limited, Grandmass iOMS (Shenzhen) Company Limited, Sun-iOMS Limited, Grandmass Cyber Factory (China) Limited and Grandmass Enterprise System (Shanghai) Limited to the Company, Grandmass Global Investment Limited and Tedwood International Limited;

- (6) a share sales agreement entered into between Lippo Sun Enterprises Limited, the Company and Smart Circle Enterprises Limited dated 27 July 2006 in relation to the disposal of 100% issued share capital of Smart Circle Enterprises Limited held by the Company to Lippo Sun Enterprises Limited at a consideration of HK\$1.00 together with a waiver letter dated 10 July 2006 from the Company, Tedwood International Limited and Grandmass Solutions Limited to waive payment of the debts owed by Smart Circle Enterprises Limited and Sun-iOMS Maintenance Limited to the Company, Tedwood International Limited and Grandmass Solutions Limited;
- (7) a share sales agreement entered into between Lead Asset Holdings Limited, the Company and Grandmass Global Investment Limited dated 28 August 2006 in relation to the disposal of 100% issued share capital in Grandmass Global Investment Limited held by the Company to Lead Asset Holdings Limited at a consideration of HK\$50,000.00 together with a waiver letter of even date from the Company and Tedwood International Limited to waive payment of the debts owed by Grandmass Global Investment Limited and Lucky Force Development Limited to the Company and Tedwood International Limited.

## 6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered, or is proposing to enter, into any service contract with the Company or its subsidiaries which is not expiring or may not be terminated by the Company within a year without payment of any compensation (other than statutory compensation).

## 7. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
HLB Hodgson Impey Cheng (“HLB”)	Chartered Accountants, Certified Public Accountants
Sallmanns (Far East) Limited (“Sallmanns”)	Valuer

Each of HLB and Sallmanns has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its reports and references to its name in the form and context in which they are respectively included.

As at the Latest Practicable Date, each of HLB and Sallmanns has no shareholding in the Company, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Company.

The respective reports given by HLB and Sallmanns are given as of the date of this circular for incorporation herein.

Each of HLB and Sallmanns has no direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, the Company or are proposed to be acquired or disposed of by, or leased to, the Company since 31 December 2005, the date to which the latest published audited accounts of the Company were made up.

## 8. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors was interested in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2005, the date to which the latest published audited accounts of the Company were made up.

## 9. MATERIAL CHANGES

The Directors confirmed that there was no material adverse changes in the financial or trading position or prospects of the Group since 31 December 2005, the date to which the latest published audited consolidated accounts of the Group have been made up, up to the Latest Practicable Date.

## 10. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is situated at Room 1005, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong while the Hong Kong branch share registrar and transfer office of the Company is Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (b) The company secretary and the qualified accountant of the Company is Mr. Chan Yuk Hiu Taylor (陳玉曉先生), who is an associate member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants; and the compliance officer of the Company is Mr. Li Ge (李革先生) who is also an executive Director.
- (c) The Company has established an audit committee in July 2000 with its written terms of reference being in compliance with the relevant provisions of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group and to provide advice and comments to the Board. As at the Latest Practicable Date, the audit committee comprised three members, namely Mr. LEE Yuen Kwong, Mr. YANG Dongli and Mr. YANG Jie, being independent non-executive directors of the Company.

- (d) Details of the Directors and senior management of the Company are set out below:

**Executive Directors:**

**Mr. Li Ge**

Mr. Li Ge, aged 38, whose business address is Room 1005, C. C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong, obtained a diploma in financial accountancy and a diploma in law from Hebei University. After that, he obtained a master of science in engineering from Wuhan Industry University. Past experience includes being the CFO of Beijing Network Communication Technology Corporation, and an executive director and senior consultant of Huari Furniture. Mr. Li has experience in the management of PRC listed company and Hong Kong listed company, and in the management of production and sales of household products in China. Mr. Li became a member of Chinese Institute of Certified Public Accountants in 1994, and is now a senior consultant of Beijing China Regal United Certified Public Accountants. Mr. Li has joined the Group since March 2006. He now holds directorship in Alwin Asia Investment Limited and Tedwood International Limited which are wholly-owned subsidiaries of the Company.

**Mr. Zhao Guo Wei**

Mr. Zhao Guo Wei, aged 43, whose business address is Room 1005, C. C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong, obtained a diploma in accountancy from Shandong China Accounting Postal Tuition School, and has over twenty years of experience in management of household products manufacturing including production flow path control and production cost control. Past experience includes being a general manager of quality control department of Huari Furniture. Mr. Zhao is now the Vice General Manager of Lang Fang Tian Feng Home Co. Limited. Lang Fang Tian Feng Home Co. Limited is a wholly-owned subsidiary of the Company.

**Independent non-executive Directors:**

**Mr. Lee Yuen Kwong**

Mr. Lee Yuen Kwong, aged 46, whose business address is 14/F., Hong Kong Trade Centre, 161 Des Voeux Road Central, Hong Kong, graduated at University of Sunderland, England, is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee is now a senior director of Lynks CPA Limited. He has over twenty years of experience in accountancy and financial management.

**Mr. Yang Dongli**

Mr. Yang Dongli, aged 33, whose business address is 20 Wan Sheng South Street, Li Yuan, Tong Zhou District, Beijing, China, is currently a Production Department Manager and Senior Engineer in Beijing D&G Machinery Co., Ltd. Mr. Yang graduated in Air Industrial University North of China majoring in Management Engineering. Mr. Yang has over 10 years working experience.

**Mr. Yang Jie**

Mr. Yang Jie, aged 25, whose business address is 7/F, Jinbao Building, No. 89 Jinbao Street, Dongcheng District, Beijing 100005, China, is now an engineer of Technical Service Support Department of Epson (China) Co., Limited. Mr. Yang graduated from Beijing Petrochemistry Institute majoring in Process Equipment and Control Engineering. He has over two years of working experience. In addition, Mr. Yang has taken the training course on Human Resources Management and Listed Company Regulations held by Ren Ming University, and has also taken the training course on Business Administration held by Qing Hua University.

**Senior Management:****Mr. Chan Yuk Hiu**

Mr. Chan Yuk Hiu was appointed as company secretary and qualified accountant of the Company since 1st May 2006. Mr. Chan is an associate member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He had worked in certified public accountants firms and participated in various audit and accounting works. He has over six years experiences in professional accounting practices. His business address is Room 1005, C. C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong.

- (e) The name of the Company has been changed from “Co-winner Enterprise Limited” to “FAVA International Holdings Limited” with effect from 2 November 2006.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the principal place of business in Hong Kong of the Company at Room 1005, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (c) the annual reports of the Company for the last two financial years immediately preceding the issue of this circular;



- (d) the accountants' report prepared by HLB, the text of which is set out in Appendix II to this circular;
- (e) the report from HLB in relation to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;
- (f) the equipment valuation report prepared by Sallmanns as set out in Appendix IV to this circular;
- (g) the letters of consent referred to in the section headed "Expert and Consent" in this appendix;
- (h) the S&P Agreement;
- (i) a copy of each circular issued by the Company pursuant to the requirements set out in Chapter 19 and/or 20 which has been issued since the date of the latest published audited accounts of the Company.

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## NOTICE OF SGM

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# FAVA INTERNATIONAL HOLDINGS LIMITED

## 名家國際控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8108)

**NOTICE IS HEREBY GIVEN THAT** a special general meeting (the “SGM”) of FAVA International Holdings Limited (the “Company”) will be held at 10:00 a.m. on Friday, 26 January 2007 at Room 1005, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolution of the Company:

### ORDINARY RESOLUTION

1. **THAT**

- (a) the sales & purchase Agreement (the “S & P Agreement”) (a copy of which is produced before the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification) dated 30 November 2006 and entered into among Lang Fang Tian Feng Home Co., Ltd \*(廊坊天豐家居有限公司), an indirectly wholly-owned subsidiary of the Company as purchaser (the “Purchaser”), Lang Fang Huari Furniture Joint Stock Co., Ltd\* (廊坊華日家具股份有限公司), and Lang Fang Tian Cheng Furniture Co., Ltd\* (廊坊天誠家具有限公司) as vendors (“Vendors”) pursuant to which the Purchaser has agreed to acquire certain equipment from the Vendors at a consideration of RMB75,398,100, be and is hereby approved, confirmed and ratified, and the transactions contemplated thereunder be and are hereby approved;
- (b) any one director (“Director”) of the Company be and is hereby authorised to do or execute for and on behalf of the Company all such acts and things and such other documents under hand (and, where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and to take such steps as he or they may consider necessary, appropriate, desirable or expedient to implement or give effect to the terms of the S & P Agreement, and all transactions contemplated under the S & P Agreement and all other matters incidental thereto or in connection therewith and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith.

By order of the Board  
**FAVA International Holdings Limited**  
**Li Ge**  
*Executive Director*

Hong Kong 3 January 2007

\* For identification purpose only

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## NOTICE OF SGM

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*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business in Hong Kong:*

Room 1005  
C.C. Wu Building  
302-8 Hennessy Road, Wanchai  
Hong Kong

*Notes:*

1. Subject to the provisions of the bye-laws of the Company, any member of the Company entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of himself. A member who is the holder of two or more Shares may appoint more than one proxy to represent and vote on his behalf at the SGM. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. On a poll, votes may be given either personally or by proxy.
2. A form of proxy for use at the SGM is enclosed. Such form of proxy is also published on the website of the GEM of the Stock Exchange of Hong Kong Limited at [www.hkgem.com](http://www.hkgem.com). In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed (or a copy which has been certified by a notary) to the Hong Kong branch share registrar and transfer office of the Company, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting.
3. In the case of joint holders of Shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.
5. Pursuant to the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited, the voting on ordinary resolution at the SGM will be conducted by way of poll.