



07

年報  
ANNUAL REPORT

STRIVING FOR  
EXCELLENCE  
追求卓越



EMBRY HOLDINGS LIMITED

安莉芳控股有限公司

We have our own lingerie brands, starting from research and development, raw materials procurement, production to distribution and retail sales.

Through years of continuous supports from our valued customers, business partners and shareholders, we are dedicated to addressing customers' needs, extending nationwide sales network and aiming to become a leading ladies' lingerie producer and retailer in China.

本集團自創內衣品牌，以一站式經營內衣的研發、原材料採購、生產以至分銷及零售。

在本集團尊貴客戶、業務夥伴及股東多年來的鼎力支持下，本集團致力迎合客戶的需要；拓展全國銷售網絡；銳意成為中國首屈一指的女性內衣生產商及零售商。

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# Corporate Information

## 公司資料

### DIRECTORS AND BOARD COMMITTEES

#### Directors

##### Executive Directors

CHENG Man Tai (Chairman)  
CHENG Pik Ho Liza (Chief Executive Officer)  
NGOK Ming Chu  
HUNG Hin Kit

##### Independent Non-executive Directors

LAU Siu Ki (alias, Kevin Lau)  
LEE Kwan Hung  
Prof. LEE T.S. (alias, Lee Tien-sheng)

#### Board Committees

##### Audit Committee

LAU Siu Ki (alias, Kevin Lau) (Chairman)  
LEE Kwan Hung  
Prof. LEE T.S. (alias, Lee Tien-sheng)

##### Remuneration Committee

CHENG Pik Ho Liza (Chairman)  
LAU Siu Ki (alias, Kevin Lau)  
LEE Kwan Hung  
Prof. LEE T.S. (alias, Lee Tien-sheng)

##### Nomination Committee

CHENG Pik Ho Liza (Chairman)  
LAU Siu Ki (alias, Kevin Lau)  
LEE Kwan Hung  
Prof. LEE T.S. (alias, Lee Tien-sheng)

### COMPLIANCE OFFICER

CHENG Pik Ho Liza

### QUALIFIED ACCOUNTANT

TAM Robert

### COMPANY SECRETARY

HUI Chun Ho Eric

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7th Floor, Wyler Centre II  
200 Tai Lin Pai Road  
Kwai Chung, New Territories  
Hong Kong

### 董事及董事委員會

#### 董事

##### 執行董事

鄭敏泰(主席)  
鄭碧浩(行政總裁)  
岳明珠  
孔憲傑

##### 獨立非執行董事

劉紹基  
李均雄  
李天生教授

#### 董事委員會

##### 審核委員會

劉紹基(主席)  
李均雄  
李天生教授

##### 薪酬委員會

鄭碧浩(主席)  
劉紹基  
李均雄  
李天生教授

##### 提名委員會

鄭碧浩(主席)  
劉紹基  
李均雄  
李天生教授

### 合規主任

鄭碧浩

### 合資格會計師

譚羅拔

### 公司秘書

許俊浩

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 總辦事處及主要營業地點

香港  
新界葵涌  
大連排道200號  
偉倫中心2期7樓

#### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited  
Nanyang Commercial Bank, Limited  
Bank of China – Shenzhen Shangbu Branch  
China Construction Bank – Shenzhen Tianbei Branch  
China Merchants Bank – Shenzhen Dongmen Branch  
China Merchants Bank – Shenzhen Shekou Branch  
China Construction Bank – Shenzhen Buxin Branch

#### LEGAL ADVISERS

**As to Hong Kong law:**  
Chiu & Partners

**As to PRC law:**  
GFE Law Office

**As to Cayman Islands law:**  
Conyers Dill & Pearman

#### AUDITORS

Ernst & Young  
18th Floor  
Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

#### SHARE REGISTRARS

##### Principal Share Registrar and Transfer Office in the Cayman Islands

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

##### Branch Share Registrar and Transfer Office in Hong Kong

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

#### COMPLIANCE ADVISER

Taifook Capital Limited

#### INVESTOR RELATIONS

iPR Ogilvy Limited

#### WEBSITE

[www.embryform.com](http://www.embryform.com)

#### STOCK CODE

1388

#### 主要往來銀行

香港上海匯豐銀行有限公司  
恒生銀行有限公司  
南洋商業銀行有限公司  
中國銀行—深圳上步支行  
中國建設銀行—深圳田背支行  
招商銀行—深圳東門支行  
招商銀行—深圳蛇口支行  
中國建設銀行—深圳布心支行

#### 法律顧問

**香港法例：**  
趙不渝 馬國強律師事務所

**中國法例：**  
廣東恒益律師事務所

**開曼群島法例：**  
Conyers Dill & Pearman

#### 核數師

安永會計師事務所  
香港中環  
金融街8號  
國際金融中心2期  
18樓

#### 股份過戶登記處

於開曼群島的主要股份過戶登記處

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

於香港的股份過戶登記分處

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

#### 合規顧問

大福融資有限公司

#### 投資者關係

iPR 奧美公關

#### 網址

[www.embryform.com](http://www.embryform.com)

#### 股份編號

1388

# Sales Network 銷售網絡

## AN EXTENSIVE NETWORK CAPTURING TREMENDOUS OPPORTUNITIES IN CHINA

Embry's sales points span the whole nation, with footprints in all major cities such as Beijing, Shanghai, Guangzhou, Hong Kong and Macau. Such an extensive network drives the Group to continuously and effectively ride the wave of China's flourishing market and, at the same time, deepens its market penetration in China.

Up to December 2007, the Group had over 1,300 retail outlets, comprising more than 1,200 concessionary counters and more than 80 retail shops in the Mainland China, Hong Kong and Macau.

## 龐大網絡 中國市場潛力無限

安莉芳的銷售點遍佈全國各地，覆蓋所有主要城市，如北京、上海、廣州、香港及澳門。透過這個龐大的銷售網絡，本集團能夠有效抓緊中國市場快速增長的機遇，並且逐步加深滲透中國市場。

截至二零零七年十二月，本集團在全中國共有超過1,300個零售點，包括在中國大陸、香港及澳門約1,200個百貨公司專櫃及逾80個零售商舖。

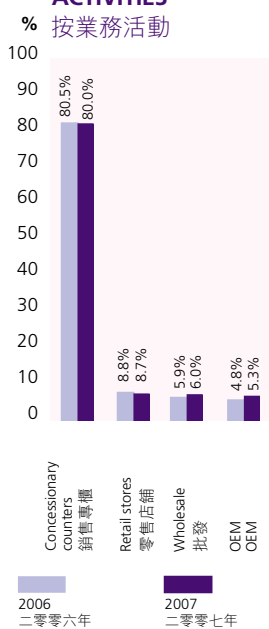


# Financial Highlights

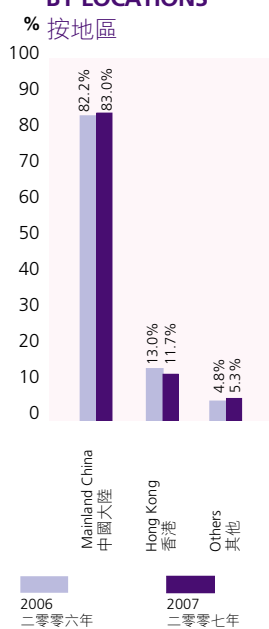
## 財務摘要

		<b>31/12/2007</b> 二零零七年 十二月 三十一日 <b>HK\$ '000</b> 千港元	31/12/2006 二零零六年 十二月 三十一日 <b>HK\$ '000</b> 千港元
Revenue	收益	<b>711,668</b>	624,324
Gross profit	毛利	<b>551,545</b>	478,743
Gross profit margin	毛利率	<b>77.5%</b>	76.7%
Profit before tax	除稅前溢利	<b>143,239</b>	102,579
Profit margin before tax	除稅前利潤率	<b>20.1%</b>	16.4%
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	<b>122,516</b>	81,105
Profit margin attributable to equity holders of the Company	本公司權益持有人應佔利潤率	<b>17.2%</b>	13.0%
Earnings per share basic (HK cents)	每股盈利—基本(港仙)	<b>30.63</b>	26.69
Earnings per share diluted (HK cents)	每股盈利—攤薄(港仙)	<b>30.29</b>	26.68
Final dividend per share (HK cents)	每股末期股息(港仙)	<b>6.0</b>	6.0

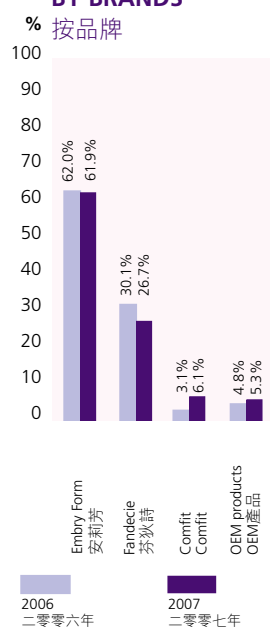
### BY BUSINESS ACTIVITIES



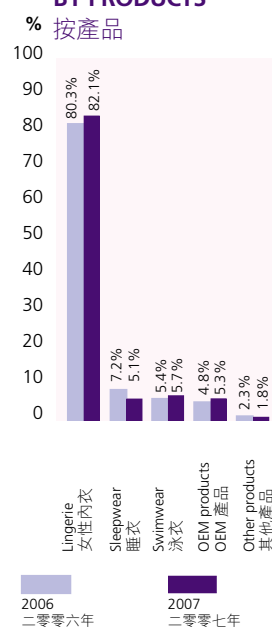
### BY LOCATIONS



### BY BRANDS



### BY PRODUCTS



The Charisma  
From Within  
魅力的呼喚





# Corporate Milestones in 2007

## 2007大事回顧

- The Group's first flagship store in Shenzhen was opened on 18 June 2007. It is situated at No. 2073 Ren Min Nan Road, Luohu District in Shenzhen, one of the prime commercial areas in the district. The Shenzhen flagship store has an area of 186 sq.m., selling the Group's different lingerie products under the brand names of **EMBRY FORM**, **FANDECIE**, **COMFIT** and **LC**. The flagship store decor creates an elegant and chic atmosphere, which allows customers to indulge themselves in a cozy and relaxing shopping environment.  
本集團在深圳的首間旗艦店於二零零七年六月十八日正式開幕。該旗艦店位於深圳羅湖區人民南路2073號，是該區繁華商業地段之一。深圳旗艦店佔地186平方米，銷售集團不同的內衣品牌—**安莉芳**、**芬狄詩**、**COMFIT**以及**LC**之產品，店舖設計方面保持了優雅時尚之風格，讓顧客能夠在輕鬆舒適的環境中盡情購物。
- The Group's flagship store in Hong Kong was opened on 16 November 2007. It is located on Granville Road in the heart of Tsim Sha Tsui. Measuring a staggering 111.5 sq.m., the store is the ultimate destination to shop for ladies' lingerie products with style and ease. It features a vast collection of high quality products from three reputable lingerie brands, **EMBRY FORM**, **FANDECIE** and **COMFIT**.  
本集團在香港的旗艦店於二零零七年十一月十六日開幕。該旗艦店，位於尖沙咀心臟地帶—加連威老道，佔地111.5平方米，地方寬敞舒適，為女士們提供一個選購內衣產品的好地方。旗艦店雲集了**安莉芳**、**芬狄詩**及**COMFIT**三大品牌專區，形象獨特鮮明，使顧客在寬敞的空間內享受購物的樂趣。
- Phase I of Embry (Shandong) Garments Industrial Park was completed and a grand opening ceremony was held on 28 December 2007. The industrial park is constructed on a piece of land located in Zhangqiu City of Shandong Province with a site area of approximately 167,870 sq.m. Completion of the first phase facilities will increase the Group's annual production capacity by approximately 12 million standard product units upon full capacity. The industrial park is an energy efficient and environmentally friendly green factory zone and is a showcase for the adoption of geothermal technology and energy conservation architecture.  
安莉芳(山東)服裝工業園第一期落成，並於二零零七年十二月二十八日舉行開幕典禮。工業園建於山東省章丘市，地盤面積約167,870平方米，第一期設施落成及全面投產後將為本集團額外提供年產能約1,200萬標準產品件。工業園是一個節能環保的綠色廠區，是地源熱泵與節能工業建築集成技術的示範工程。



# Awards in 2007

## 2007 獎項

- EMBRY FORM**  
**The 2007 Best-selling Lingerie Products in the Industry in China** as accredited by the China Industrial Information Issuing Center. It has been the twelve consecutive year for **EMBRY FORM** to rank the **first in volume, sales and market share**  
 安莉芳品牌女士內衣獲中國行業企業信息發佈中心頒授**2007年全國市場同類產品銷量、銷售額及市場佔有率第一名**，此品牌已連續十二年獲頒有關獎項
- FANDECIE**  
**Top 10 Best Sellers in the Industry in China** from 2006-2007 in two consecutive years as accredited by the China Industrial Information Issuing Centre  
 芬狄詩品牌女士內衣在中國由2006-2007年連續兩年榮獲中國行業企業信息發佈中心認證為**全國市場同類產品十大暢銷品牌**
- EMBRY FORM**  
**Hong Kong Top Brand** (2007) awarded by Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong  
 安莉芳品牌榮獲香港品牌發展局及香港中華廠商聯合會評選為**2007年度香港名牌**
- EMBRY FORM**  
**Hong Kong Superbrands** (2005-2007) awarded by Hong Kong Superbrands Council  
 安莉芳品牌榮獲香港超級品牌協會頒授**香港超級名牌稱號**
- Best Under A Billion** (the top 200 publicly listed companies with less than US\$1 billion in sales in the Asia Pacific region) awarded by Forbes Asia  
 榮獲《福布斯亞洲》頒授**Best Under A Billion**獎項(亞太區內每年營業收入低於10億美元的200家最佳中小型上市企業之一)
- iPower 500** (2007) certificate (the top 500 enterprises in informatization in China) and **The Best Enterprise Informatization Performance Prize** awarded by National Informatization Evaluation Center  
 榮獲CECA國家信息化測評中心頒授**2007年度中國企業信息化500強證書及最佳企業信息化效益獎**
- National Excellent Taxpaying, Import & Export Performance Enterprises with Foreign Investment** (2006) certificate awarded by China Association of Enterprises with Foreign Investment and Shenzhen Association of Enterprises with Foreign Investment  
 榮獲中國外商投資企業協會及深圳外商投資企業協會頒授**2006年度全國外商投資雙優企業獎狀**
- Top 100 Garment Enterprises in China** (2006) awarded by China National Garment Association  
 榮獲中國服裝協會頒授**2006年度全國服裝行業百強企業稱號**



Innovate  
to make a Difference  
創新帶來自成一格



# Chairman's Statement

## 主席報告書



## Persistently Strive for **Excellence** 追求卓越 永無止境

MR. CHENG MAN TAI 鄭敬泰先生  
Chairman 主席

Dear shareholders,

I am pleased to announce that Embry Holdings Limited (the "Company") and its subsidiaries (the "Group") have achieved encouraging results in the 2007 financial year. We have maintained our growth momentum demonstrated in 2006 and during the year under review, the Company adhered to its customer-oriented principle and continued to refine our services. Through our relentless efforts, the Company has achieved remarkable results in various aspects such as sales network optimisation, brand image, expansion of production scale, and product innovation, research and development.

### RESULTS SCALED A NEW HEIGHT WITH EARNINGS ON THE UPWARD TREND

Leveraging on the outstanding performance and benefiting from the continuous growth of China's economy and ever-rising consumers' confidence, the demand for quality lingerie products has increased and under such favourable environment, the Group's financial performance has scaled a new height in 2007. During the year under review, the Group's revenue increased by 14.0% to HK\$711.7 million. With the full utilisation of our economies of scale and the successful launch of various innovative patented products, the gross profit has climbed 15.2% to HK\$551.5 million while the net profit has increased 51.1% to HK\$122.5 million with the contribution from the gain on the disposal of subsidiaries of the Group. Net profit margin increased to 17.2%. Basic earnings per share was HK 30.63 cents, up 14.8%.

The board of directors recommends a final dividend of HK 6.0 cents per share.

各位股東：

本人欣然宣佈，安莉芳控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）於二零零七年財政年度取得理想的業績。承接二零零六年的蓬勃發展趨勢，回顧年內，本公司恪守以客為本的宗旨，不斷精益求精，繼續跨步前進，無論在銷售網絡優化、品牌形象、生產規模擴張，以至產品創新和研發方面均取得卓越成果。

### 業績再創高峰，盈利實現增長

建基於上年度的優秀表現，加上受惠中國經濟持續增長，市場消費信心不斷提升，優質女性內衣產品需求日益增加，推動本集團於二零零七年的財務表現再創高峰。回顧年度內本集團營業額上升14.0%至711,700,000港元，規模效應得到充份發揮，同時，年內成功推出多項具專利的創新產品，帶動毛利進一步攀升15.2%至551,500,000港元，而加上受惠於出售集團子公司的收益貢獻下，純利上升51.1%至122,500,000港元，純利率亦上漲至17.2%。每股基本盈利為30.63港仙，增長14.8%。

董事會建議派發末期股息每股6.0港仙。

### BUILDING CONFIDENCE AND ACHIEVING DELIGHTFUL RESULTS

Since the successful listing of the shares of the Company in December 2006, the Group has endeavoured to comply with the Code on Corporate Governance Practices and maintained transparency and as such has gained confidence, recognition and support from consumers and investors. In 2007, the Group distinguished itself for being elected as one of the "Top 200 small and medium publicly listed enterprises in the Asia Pacific region" by Forbes Asia in 2007 from more than 20,000 listed enterprises in the Asia Pacific region in recognition of our past efforts, leading position in the market as well as our corporate development strategies, and such recognition will facilitate the long term development of the Group and enable us to deliver more fruitful returns to our investors and shareholders.

### STRENGTHENED STRATEGIES FOR MULTI-BRAND OPERATION WITH RECOGNITION PROVEN BY NUMEROUS AWARDS

The Group has a comprehensive range of products renowned for its superior quality. As the signature brand of the Group, **EMBRY FORM** is well-known in China and is well-received by consumers. The fact that **EMBRY FORM** had been accredited as "The Best-selling Lingerie Products in the Industry in China" for twelve consecutive years from 1996 to 2007 has demonstrated our strong leading position in the market. On the other hand, the Group's young brand **FANDECIE** also ranked amongst the top ten most popular brands in the same product category in China for the second consecutive year. These awards and recognitions are the best evidence of the superior quality of our products and the loyalty of our consumers.

Besides **EMBRY FORM** and **FANDECIE**, **COMFIT**, a new brand launched in 2006, has built up its own customer base. On top of our existing **EMBRY FORM** and **FANDECIE** brand names, the launch of **COMFIT** has not only strengthened the overall competitiveness of our brand, but has also diversified and enhanced the product mix of the Group. Our trendy and innovative product design and patented features have not only helped to meet the demand of female customers from different market segments and age groups, but have also supported the Group to develop itself as a retailer that offers a wide range of lingerie products.

### 建立信任，創造成績

自二零零六年十二月成功上市後，本集團一直致力遵守《企業管治常規守則》及維持透明度，並成功獲得消費者及投資界的信任、認同和支持。於二零零七年，本集團能夠在20,000多家亞太區上市企業中脫穎而出，成功獲福布斯亞洲評選為二零零七年「亞太區最佳中小上市企業」200家之一，這項榮譽不但印證了本集團過去多年的努力成果及於市場建立之領導地位，同時亦肯定了我們的企業發展策略，這有助本集團於未來的長遠發展，為投資者及股東帶來更豐盛的回報。

### 深化多品牌經營策略，品牌屢獲殊榮

本集團產品系列完善，向以優質見稱。作為集團的旗艦品牌，**安莉芳**馳名中國，廣受消費者歡迎，由一九九六年至二零零七年，**安莉芳**已連續十二年榮獲「全國市場同類產品銷量第一名」，足證品牌的強勢領導地位。另外，集團的年青品牌**芬狄詩**，亦連續兩年榮列全國市場同類商品十大暢銷品牌之一。本集團旗下品牌屢獲殊榮，實在是產品質素優異和消費者忠誠度的最佳證明。

除了**安莉芳**及**芬狄詩**外，我們於二零零六年推出的新品牌—**COMFIT**，亦已開始建立一定的客戶群，再加上現有的**安莉芳**及**芬狄詩**品牌，不但有效進一步提升本集團整體的品牌競爭力，亦使本集團的產品組合更趨多元化，更見豐富。時尚創新的產品設計及專利功能不單滿足了不同市場和年齡的女士的需要，同時亦令本集團發展成為產品種類全面的女性內衣零售商。

## OUTSTANDING RESEARCH AND DESIGN CAPABILITY

Product innovation has always been the pursuit of our management and the Group has been committed to developing new products for the perfection of product quality and the satisfaction of customers' requirements. Currently, the Group owns 46 patents in total and possesses 20 registered designs. The various tailor-made patented products are all well received in the market.

During the year under review, the Group organised a nation-wide event entitled "The Path to Beauty" in several major cities in China including Hangzhou, Guangzhou, Shanghai, Beijing, Changsha, Wuhan and Shenzhen. This nation-wide roadshow has not only showcased our new elegant and trendy lingerie products, but has also featured six classic patented designs and two patented products of the Group, i.e. "Supportflex" and "Invisible Cup". The event has enhanced **EMBRY FORM's** image as a lingerie expert.

## ENHANCED PRODUCTIVITY TO MATCH UP WITH THE RAPID EXPANSION OF SALES NETWORK

The Group's sales network extends throughout China covering many major cities. During the year, our nation-wide sales network continued to expand with the number of retail outlets having net increased by 239 to 1,352. Furthermore, the Group has successfully opened flagship stores in Shenzhen and Hong Kong and such initiative helped the effective promotion of our brands while offering synergy to our sales strategy.

Apart from expanding its sales network, the Group has completed the first phase construction of a large-scale production plant in Shandong in December 2007 with a view to meeting the earnest market demand and grasping the opportunities brought about by the rapid growth of China's retail market. This plant is expected to commence operation in mid 2008 and will increase the production capability of the Group by approximately 12 million standard product units upon full capacity.

## 強大研發及設計能力

產品創新一直是安莉芳管理層堅持不懈的追求，本集團多年來專注持續開發創新產品，以求產品質素至臻完美，滿足顧客需要。目前，本集團擁有共46項專利及20項外觀設計專利，為顧客度身訂造的各项專利產品在市場推出後反應非常熱烈。

回顧年內，本集團於國內主要城市舉行了全國性的「至美安莉芳專利體驗之旅」，當中包括杭州、廣州、上海、北京、長沙、武漢及深圳。是次全國性專利內衣巡迴展不單展示本集團最新的優雅時尚內衣產品，同場亦重點介紹本集團旗下的六大經典專利設計，以及兩款專利產品－「隨身伸縮骨」及「隱形罩杯技術」，讓安莉芳的內衣專家形象更加深入民心。

## 擴大產能配合銷售網絡快速擴張

本集團的銷售點遍佈全國各地，覆蓋多個主要城市。年內，我們的全國性銷售網絡繼續不斷擴張，零售點數目淨增加239個至1,352個。同時，本集團更成功於深圳及香港開設旗艦店，配合銷售策略之餘，亦達到品牌宣傳的效益。

在拓展銷售網絡之餘，為滿足市場的殷切需求，抓緊中國零售市場的快速增長機遇，本集團已於二零零七年十二月完成在山東省興建大型生產廠房的首期工程，預計於二零零八年年中能夠正式投產；日後當廠房全面投產後，將為本集團額外提升年產能約12,000,000標準產品件。

## **BRIGHT ECONOMIC PROSPECTS AND ENORMOUS POTENTIAL OF THE CHINA MARKET**

With the continued growth of China's economy and the substantial increase in the spending power of Chinese consumers, the retail market in China is ready to embrace a bright future and offers a favourable operating environment for the Group's future development.

In light of China's huge market, the Group will continue to take advantage of its extensive sales network, diversified product lines, expertise on product innovation and nation-wide brand awareness and adhere to its customer-oriented principle in order to grasp the market opportunities and enhance our turnover and profit growth. In future, the professional management team of the Group will continue to strengthen our research and design capability and optimise our sales network through increasing the number of retail outlets in China and Hong Kong constantly. Coupled with our relentless efforts devoted to marketing activities, we believe that these measures could generate further demand and support the continuous growth of our sales.

## **CONCLUSION**

I would like to express my heartfelt gratitude to our employees for their devotion and dedication that laid the foundation for the success of the Group. I would also like to take this opportunity to thank our shareholders for their continuous support and recognition of our aspiration and strategies for our future development.

Looking forward in the coming year, the Group will make every effort to increase our overall return, develop into one of the largest brands of high-end lingerie in China and achieve flourishing results with our shareholders, business partners and customers.

**Cheng Man Tai**  
*Chairman*

Hong Kong, 16 April 2008

## **良好經濟增長勢頭，中國市場潛力無限**

國內良好經濟增長勢頭持續，人民的零售消費能力強大，中國零售市場前景光明，為本集團未來發展構建了有利的經營環境。

面對龐大的中國市場，本集團將繼續善用覆蓋全國的銷售網絡、多元化產品系列、新產品開發的專業知識及享譽全國的品牌知名度，堅守以客為本的宗旨，全力把握市場上的商機，矢志推動營業額和盈利繼續成長。未來，本集團的專業管理團隊將繼續加強研發及設計能力，繼續在中國及香港增加零售點以進一步優化銷售網絡，並積極加強市場推廣活動，我們相信此等舉措會創造更多需求，支持銷售持續增長。

## **總結**

本人謹此衷心感謝於為本集團作出貢獻的每一位員工，他們熱誠的投入，是本集團成功的基石。本人並藉此機會感謝各位股東繼續支持和認同我們未來發展的抱負及策略。

展望新一年，本集團定必繼續全力以赴，竭力提升整體回報，銳意發展成為中國最具規模的優質女性內衣品牌之一，並與股東、業務夥伴及客戶攜手同心，共同開創更光輝未來。

**鄭敏泰**  
*主席*

香港，二零零八年四月十六日



Embry  
makes you Special  
安莉芳  
使妳與眾不同



# Management Discussion and Analysis

## 管理層討論及分析

The directors of the Company (the “Board” or “Directors”) have pleasure in presenting the audited consolidated financial and operational positions of the Company and of the Group for the year ended 31 December 2007.

For the year ended 31 December 2007, the Group’s revenue amounted to HK\$711.7 million, representing an increase of 14.0% from HK\$624.3 million in the last year.

Profit before tax of approximately HK\$143.2 million was achieved for the year ended 31 December 2007 (2006: HK\$102.6 million), representing a growth of approximately 39.6%.

The Group’s audited profit attributable to equity holders of the Company for the year ended 31 December 2007 was HK\$122.5 million (2006: HK\$81.1 million), an increase of 51.1% over the last year.

Earnings per share of the Company was HK30.63 cents per share based on the weighted average number of 400,003,000 shares in issue during the year, resulting an increase of 14.8% comparing to the last year.

### REVIEW OF OPERATIONS

#### Revenue

Retail business is the major source of revenue of the Group, contributing approximately 88.7% of the Group’s total revenue during the year. The Group’s products are currently sold through the retail outlets in Mainland China, Hong Kong and Macau under the Group’s own brand names of **EMBRY FORM**, **FANDECIE** and **COMFIT**. In order to capture the booming market demand for lingerie products, the Group had expanded its sales network by net increasing 239 retail outlets during the year, which included two new flagship stores opened in Shenzhen, the People’s Republic of China (“PRC”) and in Hong Kong. As at 31 December 2007, the Group operated 1,352 retail outlets in total. Depending on the economy and market conditions, the Group may strategically and prudently adjust the number of retail outlets which the Group would operate so as to maximise sales revenue and the operating efficiency of these retail outlets in forthcoming years.

The Group also ran its wholesale business and original equipment manufacturer (“OEM”) business, which contributed 6.0% and 5.3% respectively of the total revenue of the Group during the year. The Group intentionally utilises its production capacity for producing its own brand products. The Group may accept new OEM business when there is spare capacity, or if the acceptance of which could generate reasonable profit margins or deliver other benefits such as skill, technique, design or idea to the Group.

本公司董事(「董事會」或「董事」)欣然呈列本公司及本集團截至二零零七年十二月三十一日止年度的經審核綜合財務及經營狀況。

於截至二零零七年十二月三十一日止年度，本集團的收益為711,700,000港元，較去年的624,300,000港元上升14.0%。

截至二零零七年十二月三十一日止年度錄得除稅前溢利約143,200,000港元(二零零六年：102,600,000港元)，增長率約39.6%。

於截至二零零七年十二月三十一日止年度，本公司權益持有人應佔經審核溢利為122,500,000港元(二零零六年：81,100,000港元)，較去年上升51.1%。

根據年內已發行股份的加權平均數400,003,000股計算，本公司每股盈利為每股30.63港仙，較去年增加14.8%。

#### 經營回顧

##### 收益

零售業務為本集團收益的主要來源，佔本集團於年內總收益約88.7%。本集團目前透過其於中國大陸、香港及澳門的零售點，以自家擁有品牌名稱**安莉芳**、**芬狄詩**及**COMFIT**出售產品。為了抓緊市場對女性內衣產品激增的需求，本集團已於年內拓展其銷售網絡，淨增加了239個零售點，包括兩間位於中華人民共和國(「中國」)深圳及香港的新旗艦店亦已開業。於二零零七年十二月三十一日，本集團合共經營1,352個零售點。本集團可能視乎經濟及市場情況，對本集團將會經營的零售點數目作策略性及審慎的調整，務求於未來數年從該等零售點獲取最大銷售收益及將其營運效率提升至最高水平。

本集團亦經營批發及原設備製造商(「OEM」)的業務，兩者分別佔本集團年內總收益的6.0%及5.3%。本集團擬使用其產能生產自家擁有品牌產品。當有剩餘產能時，或倘接納新OEM業務可為本集團帶來合理溢利率或如技能、技術、設計或意念等其他利益，本集團可能接納新OEM業務。

### Brand management

The Group's products are principally sold under its self-owned brand names of **EMBRY FORM**, **FANDECIE** and **COMFIT**. Revenue generated from **EMBRY FORM** and **FANDECIE** accounted for 61.9% and 26.7% respectively of the Group's revenue for the year. **COMFIT** successfully diversified the Group's product line and sales of **COMFIT** series products accounted for 6.1% of the Group's total revenue. The Directors are optimistic that **COMFIT** will continue to be a significant source of the Group's revenue and growth driver for the future.

### Production capacity

For the year ended 31 December 2007, the aggregate annual production capacity of the Group accounted for 11.8 million standard product units. In order to cope with the expansion of the Group's business, the Group has constructed a new factory in Zhangqiu City, Shandong Province (the "Shandong Factory"), the PRC, further details of which are discussed in the sub-section headed "Significant investments held and their performance" of "Review of Financial Position" below.

### 品牌管理

本集團的產品主要以其自家擁有品牌名稱**安莉芳**、**芬狄詩**及**COMFIT**出售。來自**安莉芳**及**芬狄詩**的收益分別佔本集團本年度收益的61.9%及26.7%。**COMFIT**品牌成功擴充了本集團之產品系列，**COMFIT**系列產品的銷售額佔本集團總收益的6.1%。董事有信心**COMFIT**產品將繼續成為本集團收益的重大來源，並將於日後帶動收益增長。

### 生產能力

於截至二零零七年十二月三十一日止年度，本集團的年度總產量為11,800,000個標準產品件。為配合本集團的業務擴展，本集團已於中國山東省章丘市興建一座新廠房（「山東廠房」）。有關該廠房的進一步詳情載於下文「財務狀況回顧」之「所持重大投資及其表現」分節。



### Product development

During the year, the sales of lingerie, sleepwear, swimwear, OEM products and other products accounted for approximately 82.1%, 5.1%, 5.7%, 5.3% and 1.8% respectively of the Group's total revenue for the year ended 31 December 2007. Sales of lingerie still remained the key contributor to the Group's revenue and profit.

In order to maintain its competitive advantages, the Group has a strong research and development team which focuses on practical areas that are closely related to the functionalities and features of the Group's lingerie products. In 2007, several new designs in manufacturing techniques were invented. As at 31 December 2007, the Group had 46 patent registrations and 20 outlook design registrations.

### Awards

During the year, **EMBRY FORM** was accredited as "**The 2007 Best-selling Lingerie Products in the Industry in China**" by the China Industrial Information Issuing Center (中國行業企業信息發佈中心) (the "Issuing Center") in the PRC. The Group has obtained this award consecutively in the past twelve years. Also, it was the second year that the Group's younger brand **FANDECIE** was awarded as one of the "**Top 10 Best Sellers in the Industry in China**" by the Issuing Center. Further, the Group received not only the award of "**Hong Kong Superbrands**" from Hong Kong Superbrands Council from 2005 to 2007, but also the awards of "**Hong Kong Top Brand**" by both Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong, and "**Best Under A Billion**" by Forbes Asia during the year. The above awards evidence the Group's strong reputation in the market. Further details of the awards obtained by the Group during the year are set out on page 8 of this annual report.

### 產品開發

於年內，女性內衣、睡衣、泳衣、OEM產品及其他產品的銷售額分別佔本集團截至二零零七年十二月三十一日止年度總收益約82.1%、5.1%、5.7%、5.3%及1.8%。女性內衣銷售額仍然為本集團收益及溢利的主要來源。

為了維持本集團的競爭優勢，本集團擁有強大的研究及開發隊伍，集中於與本集團女性內衣產品功能及特色密切相關的實際範圍。於二零零七年，本集團已就製造技術發明多項設計。於二零零七年十二月三十一日，本集團已取得46項專利及20項外觀設計註冊。

### 獎項

於年內，**安莉芳**品牌獲中國行業企業信息發佈中心(「發佈中心」)頒授「**2007全國市場同類產品銷量第一名**」，本集團已連續12年獲頒有關獎項。本集團的新品牌**芬狄詩**亦第二年獲發佈中心頒發中國「**全國市場同類產品十大暢銷品牌**」獎項。另外，本集團不僅於二零零五年至二零零七年獲香港超級品牌協會頒授「**香港超級品牌**」殊榮，亦於年內同時獲香港品牌發展局及香港中華廠商聯合會頒發「**香港名牌**」獎項，以及獲《福布斯亞洲雜誌》評選為「**亞太區最佳中小上市企業**」200家之一。以上獎項證明本集團於市場上的聲譽卓著。本集團於年內所獲獎項的進一步詳情載於本年報第8頁。



## REVIEW OF FINANCIAL POSITION

### Gross profit

The Group's gross profit of HK\$551.5 million for the year ended 31 December 2007 (2006: HK\$478.7 million) represented a growth of approximately 15.2% as compared to that of the last year. Benefiting from the economic booming, increasing demand for lingerie products and the appreciation of Renminbi ("RMB") in Mainland China, the Group successfully generated a growth in revenue by 14.0% during the year. Further, the Group continued to enjoy economies of scale and increase the sales of patented products which improved the profit margin generated during the year. In addition, the Group's younger brand, **COMFIT**, which was launched in 2006 and is targeting on the functional and quality lingerie market, successfully diversified the Group's product line and produced additional revenue which accounted for 6.1% of the Group's total revenue. As a result, the Group recorded a new peak of revenue and gross profit.

### Other income and gains

Other income and gains for the year ended 31 December 2007 were approximately HK\$69.2 million (2006: HK\$11.0 million). The significant increase was mainly due to the gain of HK\$42.0 million derived from the disposal of subsidiaries during the year, as further detailed under sub-section headed "Material acquisitions and disposal of subsidiaries and associated companies" below. Further, the Group earned a bank interest income of HK\$11.9 million mainly derived from the Group's time deposits. The Group also realised an exchange gain of HK\$6.7 million resulting from the appreciation of RMB derived from the business operations in Mainland China during the year.

### Operating expenditure

The selling and distribution expenses for the year ended 31 December 2007 were approximately HK\$396.8 million (2006: HK\$330.1 million), comprising mainly occupancy fees paid to department stores or shopping arcades of approximately HK\$171.8 million, salaries (including salaries and commission paid to salespersons at retail outlets) of approximately HK\$97.2 million, rental expenses of approximately HK\$24.4 million, advertising

## 財務狀況回顧

### 毛利

本集團於截至二零零七年十二月三十一日止年度的毛利為551,500,000港元(二零零六年：478,700,000港元)，較去年的毛利增長約15.2%。受惠於經濟增長、女性內衣產品市場需求日益殷切以及在中國大陸人民幣(「人民幣」)升值，本集團於年內成功錄得14.0%的收益增長。同時，本集團繼續受惠於經濟規模效應及專利產品銷售量上升，令本年度之毛利有所改善。此外，本集團新品牌**COMFIT**於二零零六年推出以來，一直以功能型及優質內衣市場為目標而成功擴充本集團的產品系列，為本集團帶來額外收益，佔本集團總收益的6.1%。因此，本集團的收益及毛利均創新高。

### 其他收入及收益

於截至二零零七年十二月三十一日止年度之其他收入及收益約為69,200,000港元(二零零六年：11,000,000港元)。其他收入及收益大幅增加主要由於於年內出售附屬公司獲得42,000,000港元之收益，相關之進一步詳情載於下文「重大收購及出售附屬公司及關聯公司」分節。此外，本集團賺取銀行利息收入11,900,000港元，主要來自本集團的定期存款。本集團亦錄得6,700,000港元之匯兌收益，此收益來自於年內在中國大陸經營業務時人民幣升值。

### 經營開支

截至二零零七年十二月三十一日止年度的銷售及分銷開支約396,800,000港元(二零零六年：330,100,000港元)，主要包括支付百貨公司或購物中心的租賃費用約171,800,000港元、薪金(包括支付零售點銷售人員的薪金及佣金)約97,200,000港元、租金開支約24,400,000港元、廣告及零售點裝飾開支約57,700,000港



and retail outlet decoration expenses of approximately HK\$57.7 million. The increase in selling and distribution expenses resulted mainly from the Group's newly opened retail outlets which incurred extra decoration expenses in the current year. The Group also spent more on advertising during the year such as conducting various fashion shows, advertisements on magazine and media board, etc. The Directors believed that these decorations and advertisements would help the Group capture the booming market demand and increasing sales in forthcoming years.

The administrative expenses for the year ended 31 December 2007 were approximately HK\$80.4 million (2006: HK\$52.7 million), comprising mainly the salaries to administrative staff of approximately HK\$31.6 million, directors' remuneration of approximately HK\$10.5 million, general office expenses of approximately HK\$21.6 million and depreciation of approximately HK\$6.8 million. The increase resulted mainly from the increment on remuneration and salary levels for directors and administrative staff in order to reward their additional workload and responsibilities they had taken after the listing of the Company's shares. Besides, the Group has spent more on consultations with various professional bodies to further strengthen the Group's corporate governance. In addition, the Group incurred equity-settled share option expenses of HK\$6.2 million, a non-cash expense resulting from the grant of share options under the pre-initial public offering share option scheme (the "Pre-IPO Scheme") in December 2006.

元。銷售及分銷開支增加主要由於本集團開設新零售點，於本年度產生額外裝飾開支。本集團於年內亦投放更多資金於廣告宣傳上，例如舉辦各類時裝表演、在雜誌及廣告板刊登廣告等。董事相信該等裝飾及廣告有助本集團於未來數年抓緊激增的市場需求及提高銷售額。

截至二零零七年十二月三十一日止年度的行政開支約80,400,000港元(二零零六年：52,700,000港元)，主要包括支付行政人員的薪金約31,600,000港元、董事酬金約10,500,000港元、一般辦公室開支約21,600,000港元及折舊約6,800,000港元。行政開支增加主要由於董事及行政人員的酬金及薪金水平提升，以嘉許彼等在本公司股份上市後所額外付出的努力及履行的職責。此外，本集團已投放更多資金於向不同的專業團體諮詢的事宜上，藉此進一步加強本集團的企業管治。另外，本集團產生以權益結算的購股權開支6,200,000港元(即來自根據於二零零六年十二月進行的首次公開發售前購股權計劃(「首次公開發售前計劃」)授出購股權的非現金開支)。



### Human resources

As at 31 December 2007, the Group had approximately 5,800 employees. The Group's total staff costs, including wages and basic salaries, commission, bonus, retirement benefits scheme contribution amounted to approximately HK\$157.1 million (2006: HK\$126.5 million). The increase was mainly due to increase in salaries and commissions paid to sales staff, which was in line with the increase in the Group's revenue during the year, and the increment to reflect the current market conditions in manpower in both Mainland China and Hong Kong.

Remuneration of employees is determined and reviewed annually with reference to the market standard, individual performance and working experience, and certain staff members are entitled to commission and share options. In addition to the basic salaries, the Group also provides, depending on the results of the Group and individual performance, discretionary bonus in order to retain quality employees.

The Group has also adopted the Pre-IPO Scheme to recognise and reward the contribution of certain directors and employees of the Group to the growth and development of the Group.

The Group has also adopted a share option scheme, the primary purpose of which is to motivate the eligible persons referred to in the scheme, which includes employees of the Group, to optimise their future contributions to the Group and to reward them for their contributions.

Details of these share option schemes are included in note 31 to the financial statements.

### 人力資源

於二零零七年十二月三十一日，本集團聘用約5,800名僱員。本集團的員工成本總額(包括工資及基本薪金、佣金、花紅及退休福利計劃供款)約為157,100,000港元(二零零六年：126,500,000港元)。升幅主要由於本集團年內收益增加，支付銷售人員的薪金及佣金亦相應增加，以及增薪以反映目前於中港兩地人力市場狀況所致。

僱員酬金乃參照市場水平、個人表現及工作經驗釐定及進行每年檢討，若干員工更可獲得佣金及購股權。除基本薪金外，本集團亦視乎本集團業績及個人表現提供酌情花紅，以挽留表現優秀的僱員。

本集團亦已採納首次公開發售前計劃，以嘉許及獎勵本集團若干對本集團增長及發展作出貢獻的董事及僱員。

本集團同時採納一項購股權計劃，主要目的為鼓勵計劃所述包括本集團僱員在內的合資格人士於日後為本集團帶來最大貢獻，並回報彼等所作出的努力。

該等購股權計劃的詳情載於財務報表附註31。



### Liquidity and financial resources

The Group generally finances its operations with internally generated cashflow and bank facilities provided by its principal bankers. The financial position of the Group remained sound and healthy during the year. As at 31 December 2007, the Group had cash and cash equivalents of approximately HK\$349.2 million (2006: HK\$431.2 million). As at 31 December 2006, the Group had secured interest bearing bank borrowings of HK\$24.5 million which had been fully repaid during the year by applying the internal working capital. The Group therefore had no outstanding interest bearing bank borrowings and remained a net cash position as at 31 December 2007. The gearing ratio, being total interest-bearing bank borrowings divided by total assets, was therefore nil as at 31 December 2007.

### Capital structure

As at 31 December 2007, the total issued share capital of the Company was HK\$4.0 million (2006: HK\$4.0 million), comprising 400,314,500 (2006: 400,000,000) ordinary shares of HK\$0.01 each. The increase in the number of issued shares resulted from the exercise of share options granted under the Pre-IPO Scheme by certain employees of the Group, details of which are set out in notes 30 and 31 to the financial statements.

### Material acquisitions and disposal of subsidiaries and associated companies

On 27 November 2007, Embry Group Limited ("EGL"), a direct wholly-owned subsidiary of the Company, entered into a disposal agreement (the "Disposal Agreement") with Sinowide Investments Limited ("Sinowide"), pursuant to which EGL agreed to sell and Sinowide agreed to purchase the entire issued share capital of Embry Development Limited ("EDL"), an indirect wholly-owned subsidiary of the Company of which the principal asset of EDL and its subsidiary (the "EDL Group") is an industrial complex which is erected on a parcel of land and is situated in Changzhou, the PRC, for a total consideration of HK\$56.0 million.

### 流動資金及財務資源

本集團一般以內部產生現金流量及其往來銀行提供的銀行融資為其營運提供資金，本集團的財務狀況於年內維持良好及穩健。於二零零七年十二月三十一日，本集團的現金及現金等價物約為349,200,000港元(二零零六年：431,200,000港元)。於二零零六年十二月三十一日，本集團的有抵押計息銀行借貸為24,500,000港元，本集團已於年內動用內部營運資金全數償還該筆銀行借貸。因此，於二零零七年十二月三十一日本集團並無未償還計息銀行借貸，維持淨現金狀況。於二零零七年十二月三十一日之資產負債比率(即計息銀行借貸總額除資產總額)為零。

### 資本結構

於二零零七年十二月三十一日，本公司的已發行股本總額為4,000,000港元(二零零六年：4,000,000港元)，包括400,314,500股(二零零六年：400,000,000股)每股面值0.01港元的普通股。已發行股份數目增加是由於本集團若干僱員行使根據首次公開發售前計劃授出的購股權所致，有關詳情載於財務報表附註30及31。

### 重大收購及出售附屬公司及關聯公司

於二零零七年十一月二十七日，本公司的直接全資附屬公司Embry Group Limited(「EGL」)與Sinowide Investments Limited(「Sinowide」)訂立一項出售協議(「出售協議」)，據此EGL同意出售而Sinowide同意購買Embry Development Limited(「EDL」)的全部已發行股本，總代價為56,000,000港元。EDL為本公司間接全資附屬公司，EDL及其附屬公司(「EDL集團」)的主要資產為建於中國常州一幅土地上的一座工業大樓。



Sinowide is a limited company incorporated in the British Virgin Islands and is wholly-owned by Ms. Cheng Pik Ho Liza (“Ms. Cheng”), Mr. Cheng Chuen Chuen and Mr. Cheng Chuen Chi in equal shares. Ms. Cheng, Mr. Cheng Chuen Chuen and Mr. Cheng Chuen Chi are the family members of Mr. Cheng Man Tai and Madam Ngok Ming Chu who are the executive Directors and major shareholders of the Company. Ms. Cheng is an executive Director of the Company and Mr. Cheng Chuen Chuen is a director of the Company’s various subsidiaries. Accordingly, the Disposal Agreement entered into between EGL and Sinowide also constituted a connected transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and was subject to independent shareholders’ approval. Further details of the above transaction were set out in a circular to shareholders of the Company dated 11 December 2007 and in note 12(b) to the financial statements.

On 28 December 2007, the independent shareholders’ approval was obtained at the extraordinary general meeting of the Company. On 31 December 2007, the disposal of the EDL Group was completed and the Group realised a gain from such disposal of HK\$42.0 million which was recorded under “Other income and gains” in the income statement.

Save as disclosed above, there was no material acquisitions and disposal of subsidiaries and associated companies during the year.

#### **Significant investments held and their performance**

In order to strengthen the production operation and further expand the production capacity, the Group established the Shandong Factory in Zhangqiu City, Shandong Province, the PRC.

Sinowide為於英屬處女群島註冊成立的有限公司，由鄭碧浩女士（「鄭女士」）、鄭傳全先生及鄭傳志先生以相等持股量全資擁有。鄭女士、鄭傳全先生及鄭傳志先生均為本公司執行董事兼主要股東鄭敏泰先生及岳明珠女士的家族成員。鄭女士為本公司執行董事及鄭傳全先生為本公司多間附屬公司之董事。因此，EGL與Sinowide訂立的出售協議亦構成香港聯合交易所有限公司證券上市規則（「上市規則」）下的關連交易，須獲得獨立股東批准。有關上述交易的進一步詳情載於於二零零七年十二月十一日刊發致本公司股東的通函及財務報表附註12(b)。

該出售協議在本公司於二零零七年十二月二十八日舉行的股東特別大會上獲獨立股東批准。出售EDL集團於二零零七年十二月三十一日完成，本集團從該出售錄得42,000,000港元收益，該收益在收益表中「其他收入及收益」項下呈列。

除上文所披露者外，於年內並無重大收購及出售附屬公司及關聯公司。

#### **所持重大投資及其表現**

為加強生產業務及進一步提升生產能力，本集團於中國山東省章丘市興建山東廠房。於本報告日期，山東廠房的第一期工程已大致完成，





At the date of this report, the first phase construction of the Shandong Factory was substantially completed and renovation work and installation of all production facilities are expected to be finished in the second quarter of 2008. Trial production has already been started and according to the current plan, the Shandong Factory will commence commercial production in mid 2008. As at 31 December 2007, the Group has utilised HK\$79.4 million for the establishment of the Shandong Factory.

Save as disclosed above, there was no other significant investment held during the year.

#### Charges on the Group's assets

As at 31 December 2007, the Group did not have any assets which were pledged to secure banking facilities granted to the Group.

#### Foreign currency exposure

The Group carries on its trading transactions mainly in Hong Kong dollars and RMB. As the Group's foreign currency risks generated from the sales and purchases can be set off with each other, the foreign currency risk is considered as minimal to the Group. It is the policy of the Group to continue maintaining the balance of its sales and purchases in the same currency. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of business.

#### Contingent liabilities

The Group had no significant contingent liabilities or any litigation or arbitration of material importance as at 31 December 2007.

內部裝修及安裝所有生產設施的工作預期於二零零八年第二季完成。試產已展開，根據目前計劃，山東廠房將於二零零八年年中投入商業生產。於二零零七年十二月三十一日，本集團動用了79,400,000港元興建山東廠房。

除上文所披露者外，於年內並無持有其他重大投資。

#### 本集團的資產抵押

於二零零七年十二月三十一日，本集團並無任何資產作為本集團獲授銀行信貸之抵押。

#### 外匯風險

本集團主要以港元及人民幣進行其貿易交易，由於本集團來自銷售及採購的外匯風險可互相抵銷，因此本集團認為集團的外匯風險不大。本集團的政策為繼續保持其以相同貨幣進行的銷售及採購之間的平衡。本集團並無採用衍生金融工具以保障本集團免受外匯交易及日常業務過程中產生的其他金融資產及負債出現波動所造成的影響。

#### 或然負債

本集團於二零零七年十二月三十一日並無重大或然負債或任何重大訴訟或訟裁。



### Use of proceeds from the Company's initial public offering

The proceeds from the Company's issue of new shares at the time of its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18 December 2006, after deduction of related issuance expenses, amounted to approximately HK\$331 million. These proceeds were applied during the year, in accordance with the proposed applications as set out in the Company's listing prospectus dated 5 December 2006, as follows:

- approximately HK\$38.8 million was used for the expansion of the Group's sales network by net increasing 239 retail outlets as at 31 December 2007;
- approximately HK\$39.9 million was used for the promotion and marketing of the Group's products;
- approximately HK\$79.4 million was used for the establishment of the Shandong Factory;
- approximately HK\$6.8 million was used for the Group's product development;
- approximately HK\$18.4 million was used for the enhancement of the Group's enterprise resources planning system and other information technology systems; and
- approximately HK\$9.3 million was used as additional general working capital of the Group.

The remaining unused net proceeds amounted to approximately HK\$138.4 million and were temporarily placed in term deposits with licensed banks in Hong Kong as at 31 December 2007.

### 本公司首次公開發售的所得款項用途

本公司於二零零六年十二月十八日在香港聯合交易所有限公司(「聯交所」)上市時發行新股份所得款項於扣除相關發行開支後約為331,000,000港元。根據本公司於二零零六年十二月五日刊發的上市招股章程所載的建議用途，該等所得款項於年內已應用於下列用途：

- 於二零零七年十二月三十一日動用約38,800,000港元淨增加了239個零售點，以擴展本集團之銷售網絡；
- 約39,900,000港元用於為本集團產品作宣傳及市場推廣；
- 約79,400,000港元用於興建山東廠房；
- 約6,800,000港元用於本集團的產品開發；
- 約18,400,000港元用於提高本集團企業資源規劃系統及其他資訊科技系統的能力；及
- 約9,300,000港元用作本集團額外之一般營運資金。

餘下未使用的所得款項淨額約138,400,000港元已於二零零七年十二月三十一日暫時存放於香港持牌銀行作為定期存款。



## PROSPECTS

The PRC economic environment has undoubtedly been improving during the past few years and is expected to be buoyant in the coming years. With more management involvement in the PRC operation and outlets, the Group is confident that the prospects of its retail business can generate satisfactory returns for shareholders of the Company.

To increase its brand business, the Group will step up marketing and promotion efforts for different brands. The Group will continue to apply creative marketing strategies which include creative retail concepts together with refined brand and store images. With stronger networking from increasing the number of retail outlets in Mainland China and Hong Kong, the Group is in a favourable position to enlarge its market share and improve its overall competitiveness.

On the production side, the Shandong Factory will give the Group additional production capacity. These extra resources allow the Group to revitalise its product lines and improve its supply chain. The Shandong Factory is strategically located in a region possessing relatively lower production and labour costs and hence safeguard the overall competitiveness of the Group.

Looking ahead, the Group will continue to explore new business opportunities in various markets. In the long run, the Group's objective is to become a leading and reputable lingerie retailer in China, which offers a wide range of products to fit the needs of customers of different age groups, having different perception and purchasing power.

## 前景

毫無疑問，中國經濟環境於過去數年一直邁步向前，預期於未來數年將持續蓬勃。隨著更多管理層參與中國之經營及零售門市業務，本集團有信心其零售業務能為本公司股東帶來理想回報。

為增加其品牌業務，本集團將為不同品牌加強市場推廣及宣傳工作。本集團將繼續採取具創意的營銷策略，包括運用創意零售概念以及建立優雅的品牌及店舖形象。憑藉於中國大陸及香港增加零售點數目，促成愈趨強大的零售網絡，本集團有極大優勢擴大其市場佔有率及加強其整體競爭力。

就生產方面而言，山東廠房將為本集團提供額外的生產能力。該等額外資源令本集團可重振其產品系列，並改良其供應鏈。本集團策略性地將山東廠房設於生產及勞工成本相對較低的地區，故本集團能保持整體競爭力。

展望將來，本集團將繼續於不同市場拓展新商機。長遠而言，本集團的目標乃成為中國頂尖及聲譽卓著的女性內衣零售商，提供多款產品，以迎合不同年齡、有著不同喜好及購買力的客戶的需求。



# Directors and Senior Management

## 董事及高級管理層

### EXECUTIVE DIRECTORS

Mr. Cheng Man Tai, aged 78, is the Chairman, founder of the Group and an executive Director. He is in charge of the Group's corporate strategy. Mr. Cheng has over 32 years of experience in the lingerie industry. Mr. Cheng graduated from Beijing Agricultural Engineering University (now known as China Agriculture University) with a bachelor degree. He is an Honorary Professor of China Agriculture University, an Adjunct Professor of China Textile University (now known as Dong Hua University) and Vice Chairman of Shanghai Garment Trade Association. Mr. Cheng obtained the World Outstanding Chinese Award and Honorary Doctorate of Business Management from Armstrong University in July 2006. Mr. Cheng is the spouse of Madam Ngok Ming Chu and the father of Ms. Cheng Pik Ho Liza.

Madam Ngok Ming Chu, aged 71, is an executive Director. She is in charge of the Group's business planning. Madam Ngok joined the Group in 1980 and has over 27 years of experience in the lingerie industry. Madam Ngok graduated from and is currently an Honorary Professor of Beijing Agricultural Engineering University (now known as China Agriculture University). Madam Ngok is the spouse of Mr. Cheng Man Tai and the mother of Ms. Cheng Pik Ho Liza.

Ms. Cheng Pik Ho Liza, aged 45, is the Chief Executive Officer of the Group and an executive Director. Ms. Cheng is also the chairman of the Remuneration Committee and Nomination Committee of the Company. She is responsible for overseeing the marketing and product development of the Group. Ms. Cheng joined the Group in 1993 and has over 15 years of experience in the lingerie industry. Ms. Cheng obtained a bachelor degree of Business Administration from University of Southern California and a master of Business Administration from the City University of Hong Kong. In 1999, Ms. Cheng was awarded the prize for Young Industrialist in Hong Kong. Ms. Cheng is the daughter of Mr. Cheng Man Tai and Madam Ngok Ming Chu.

Mr. Hung Hin Kit, aged 52, is an executive Director and the manufacturing director of the Group. He is responsible for the overall supervision of the purchasing, production and quality control function of the Group. Mr. Hung is in the process of obtaining a master degree in procurement management from University of Strathclyde, Glasgow. Mr. Hung has over 22 years of experience in the production and procurement management in Mainland China and Hong Kong. He joined the Group in 1990.

### 執行董事

鄭敏泰先生，78歲，為本集團之主席、創辦人兼執行董事。彼負責本集團的企業策略。鄭先生於女性內衣業擁有逾32年經驗。鄭先生畢業於北京農業工程大學(現稱中國農業大學)，取得本科學位。彼為中國農業大學的名譽教授、中國紡織大學(現稱東華大學)兼任教授及上海服裝行業協會副會長。鄭先生於二零零六年七月獲得世界傑出華人獎及獲Armstrong University頒發工商管理榮譽博士學位。鄭先生為岳明珠女士的配偶及鄭碧浩女士的父親。

岳明珠女士，71歲，為執行董事。彼負責本集團的業務策劃。岳女士於一九八零年加盟本集團，彼於女性內衣業擁有逾27年經驗。岳女士畢業於北京農業工程大學(現稱中國農業大學)，目前為該校的名譽教授。岳女士為鄭敏泰先生的配偶及鄭碧浩女士的母親。

鄭碧浩女士，45歲，為本集團行政總裁兼執行董事。鄭女士亦是本公司薪酬委員會及提名委員會的主席，彼負責監督本集團的市場推廣及產品開發。鄭女士於一九九三年加盟本集團，彼於女性內衣業擁有逾15年經驗。鄭女士於南加州大學取得工商管理學士學位，並於香港城市大學取得工商管理碩士學位。鄭女士於一九九九年獲頒發香港青年工業家獎。鄭女士為鄭敏泰先生及岳明珠女士的女兒。

孔憲傑先生，52歲，為本集團執行董事兼製造總監。彼負責監察本集團整體採購、生產及品質監控職能。孔先生現正修讀University of Strathclyde, Glasgow採購管理學系碩士學位課程。孔先生在中國大陸及香港於生產及採購管理方面擁有逾22年經驗。彼於一九九零年加盟本集團。

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Siu Ki, alias, Kevin Lau, aged 49, is an independent non-executive Director and the chairman of the Audit Committee of the Company. He is currently running his own management consultancy firm, Hin Yan Consultants Limited. He is also a consultant to the corporate finance division of PCP CPA Limited, a certified public accountant firm in Hong Kong. Mr. Lau has previously worked at an international accounting firm for over 15 years. He graduated from the Hong Kong Polytechnic in 1981. Mr. Lau is a member of both the Association of Chartered Certified Accountants (“ACCA”) and the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Lau is also a member of the Council of ACCA. Mr. Lau is currently the company secretary of Yeebo (International Holdings) Limited and Times Ltd. and the independent non-executive director of Carry Wealth Holdings Limited, COL Capital Limited, Comba Telecom Systems Holdings Limited, Foxconn International Holdings Limited, Greenfield Chemical Holdings Limited, Proview International Holdings Limited, Samson Holding Ltd., TCL Communication Technology Holdings Limited, the shares of the companies are listed on the Stock Exchange. Mr. Lau had been an independent non-executive director of Sys Solutions Holdings Limited (now known as Enviro Energy International Holdings Limited) and Forefront International Holdings Limited (now known as Forefront Group Limited) until his resignation on 20 December 2006 and 18 April 2007 respectively. Mr. Lau joined the Company in November 2006.

Mr. Lee Kwan Hung, aged 42, is an independent non-executive Director. He is a partner of Woo, Kwan, Lee & Lo and the chief representative of Woo, Kwan, Lee & Lo’s Beijing Office. Mr. Lee received his LL.B (Honours) degree and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and the United Kingdom in 1997. Mr. Lee is currently a non-executive director of Mirabell International Holdings Limited and GST Holdings Limited and an independent non-executive director of GZI REIT Asset Management Limited and NetDragon Websoft Inc., the shares of these companies are listed on the Stock Exchange. Besides, Mr. Lee had been an independent non-executive director of each of Magician Industries (Holdings) Limited and China Mining Resources Group Limited, the shares of these companies are listed on the Stock Exchange. Mr. Lee joined the Company in November 2006.

### 獨立非執行董事

劉紹基先生，49歲，為本公司的獨立非執行董事及審核委員會主席。彼目前管理由其擁有的管理顧問公司顯仁顧問有限公司，彼亦為香港一間執業會計師行華德匡成會計師事務所有限公司企業融資部的顧問。劉先生曾於一家國際會計師行工作逾15年，彼於一九八一年畢業於香港理工學院。劉先生為特許公認會計師公會(「ACCA」)及香港會計師公會的會員，劉先生亦為ACCA理事會理事。劉先生目前為億都(國際控股)有限公司及時代零售集團有限公司的公司秘書及恒富控股有限公司、中國網絡資本有限公司、京信通信系統控股有限公司、富士康國際控股有限公司、嘉輝化工控股有限公司、唯冠國際控股有限公司、順誠控股有限公司、TCL通訊科技控股有限公司的獨立非執行董事，該等公司的股份於聯交所上市。劉先生亦曾任軟迅科技控股有限公司(現稱為環能國際控股有限公司)及福方國際控股有限公司(現稱為福方集團有限公司)的獨立非執行董事，直至其分別於二零零六年十二月二十日及二零零七年四月十八日辭任該等職位為止。劉先生於二零零六年十一月加盟本公司。

李均雄先生，42歲，為獨立非執行董事。彼為胡關李羅律師行合夥人及胡關李羅律師行北京辦事處的首席代表。李先生分別於一九八八年及一九八九年獲得香港大學的法學士(榮譽)學位及法律深造文憑，彼其後於一九九一年取得香港執業律師資格，並於一九九七年取得英國執業律師資格。李先生目前為美麗寶國際控股有限公司及海灣控股有限公司的非執行董事及越秀房託資產管理有限公司及NetDragon Websoft Inc.的獨立非執行董事，該等公司的股份於聯交所上市。此外，李先生亦曾為通達工業(集團)有限公司及中國礦業資源集團有限公司的獨立非執行董事，該等公司的股份於聯交所上市。李先生於二零零六年十一月加盟本公司。

Prof. Lee T. S., alias, Lee Tien-sheng, aged 59, is an independent non-executive Director. Prof. Lee has been the Dean of the Faculty of Business Administration of The Chinese University of Hong Kong since 2002. Prof. Lee obtained his PhD in Business Administration and Master degree in Business Administration from the University of Missouri-Columbia, the US in 1982 and 1978 respectively. He also holds a master degree in Management Science and a Bachelor degree in Electronic Engineering from the National Chiao Tung University of Taiwan. His research and teaching interests include supply chain management, quality management and business process reengineering. He has published his research in many academic journals. Prof. Lee joined the Company in November 2006.

#### SENIOR MANAGEMENT

Mr. Tam Robert, aged 52, is the Group's finance director. He is responsible for the supervision and management of the Group's overall financial matters. Mr. Tam is also the Company's full time qualified accountant. He obtained a Bachelor of Commerce degree from the Concordia University in 1979 and a Master of Business Administration degree from the McGill University in 1982. He joined the Group in October 1994. Mr. Tam is a member of HKICPA and the American Institute of Certified Public Accountants. Mr. Tam has over 21 years of experience in auditing, financial accounting and management, and corporate finance.

Mr. Hui Chun Ho Eric, aged 33, is the company secretary and the group accounting manager. He is responsible for the Group's secretarial matter and overall financial accounting and reporting matters. He is a fellow member of ACCA and a member of HKICPA. Mr. Hui obtained a bachelor degree in accountancy from The Hong Kong Polytechnic University in 1998. Mr. Hui has 9 years of experience in auditing, financial accounting and corporate finance. Mr. Hui worked for an international accounting firm as an auditor prior to joining the Group in December 2004.

李天生教授，59歲，為獨立非執行董事。李教授自二零零二年起一直為香港中文大學工商管理學院院長。李教授分別於一九八二年及一九七八年於美國密蘇里大學哥倫比亞分校取得其工商管理博士學位及工商管理碩士學位，彼亦持有台灣國立交通大學的管理科學碩士學位及電子工程學士學位。其研究及教學興趣包括供應鏈管理、品質管理及業務程序重組，彼已於多份學術期刊發表其研究。李教授於二零零六年十一月加盟本公司。

#### 高級管理層

譚羅拔先生，52歲，為本集團的財務總監，彼負責監察及管理本集團整體財政事項。譚先生亦為本公司的全職合資格會計師。彼於一九七九年於Concordia University取得商業學士學位及於一九八二年於McGill University取得工商管理碩士學位。彼於一九九四年十月加盟本集團。譚先生為香港會計師公會及美國執業會計師公會會員。譚先生於審核、財務會計及管理，以及企業融資方面擁有逾21年經驗。

許俊浩先生，33歲，為公司秘書及集團會計經理。彼負責本集團之公司秘書事宜及整體財務會計及報告事務。彼為ACCA資深會員及香港會計師公會會員。許先生於一九九八年取得香港理工大學會計學系學士學位。許先生於審核、財務會計及企業融資方面擁有9年經驗。許先生於二零零四年十二月加盟本集團前，曾在一家國際會計師行擔任核數師。

# Corporate Governance Report

## 企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value.

On 25 November 2006, the Company adopted the Code on Corporate Governance Practices (the "CG Code") as contained in Appendix 14 to the Listing Rules as its own code of corporate governance practices.

The Company has complied with the code provisions under the CG Code so far as they are applicable and a majority of the recommended best practices under the CG Code throughout the year ended 31 December 2007 (the "Review Period"), save for the exceptions reported in the following relevant paragraphs.

### DIRECTORS

#### Board Composition

The Directors place great emphasis on the fiduciary nature of the Board's responsibilities and strive to be answerable to the shareholders of the Company as a whole.

The Board currently comprises a combination of four executive Directors and three independent non-executive Directors. The number of independent non-executive Directors represents more than one third of the Board. The biographical details of and relationships among the members of the Board are disclosed under the section headed "Directors and Senior Management" on pages 26 to 28 of the annual report.

The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business of the Group and for effective leadership as all executive Directors possess extensive experience in lingerie design, production, marketing and management. Among the independent non-executive Directors, one possesses financial expertise and the other two possess substantial knowledge and experience in legal and management aspects respectively. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the shareholders and the Company.

本公司董事會及管理層致力維持良好的企業管治常規守則及程序。本公司深信良好的企業管治能為有效的管理、健全的公司文化、成功的業務發展及股東價值的提升確立框架。

於二零零六年十一月二十五日，本公司採納上市規則附錄十四所載的《企業管治常規守則》（「企業管治守則」）作為其企業管治常規的守則。

本公司於截至二零零七年十二月三十一日止年度（「回顧期間」）內一直遵守企業管治守則的適用守則條文，以及大部份企業管治守則建議的最佳常規，惟下文各有關段落所述例外情況除外。

### 董事

#### 董事會組成

董事會非常注重董事會的受信責任，並竭力對本公司全體股東負責。

董事會目前由四名執行董事及三名獨立非執行董事組成，獨立非執行董事的人數佔董事會人數的三分之一以上。董事會成員的簡歷詳情以及彼等之間的關係已於年報第26至28頁「董事及高級管理層」資料一節內披露。

董事會相信，由於全體執行董事於女性內衣設計、生產、推廣及管理方面具備豐富經驗，而獨立非執行董事中，其中一名具備財務專業知識，另外兩名則分別具備豐富的法律及管理知識及經驗，因此董事會成員組合反映本集團業務及有效領導所需的必需技能與適當經驗兩者之間的平衡。董事會認為，董事會現時的架構可確保董事會的獨立性及客觀性，並能提供一個審查及平衡機制以保障股東及本公司的利益。

### **Appointment, re-election and removal of Directors**

Article 108 (A) of the articles of association of the Company provides that all the Directors, including the Chairman and the Chief Executive Officer, are subject to retirement from office at least once every three years at each annual general meeting and shall be eligible for re-election. Under Article 105, the office of a Director of the Company is liable to be vacated in certain circumstances and the Company may remove any Director of the Company by an ordinary resolution at a general meeting as prescribed in Article 114.

All new appointment of Directors and nomination of Directors for re-election at annual general meetings are first considered by the Nomination Committee. The recommendations of the Nomination Committee will then be put to the Board for decision. New Directors appointed by the Board are subject to re-election by shareholders at the next following annual general meeting pursuant to the Articles of Association of the Company. In considering the new appointment of Directors, the Nomination Committee will assess the candidate on the criteria set out in Rules 3.08 and 3.09 of the Listing Rules. In the case of an independent non-executive Director, he should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

### **Executive Directors**

Each of the executive Directors has entered into a service contract with the Company for a fixed term of three years with effect from 1 December 2006. Each of the executive Directors is entitled to a basic salary plus a gratuity payment equal to the amount of the then monthly salary payable in January each year. In addition, each executive Director is entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 8% of the audited combined or consolidated audited net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. An executive Director shall not vote on any resolution of the Directors regarding the amount of the management bonus payable to him/her.

### **Independent non-executive Directors**

Each of the independent non-executive Directors has been appointed for a fixed term of two years commencing from 25 November 2006 with a formal letter of appointment setting out the key terms and conditions of his appointment. Prior to their respective appointment, each of the independent non-executive Directors has submitted a written confirmation to the Company and the Stock Exchange confirming his independence and has undertaken to inform the Company and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his independence.

### **委任、重選及罷免董事**

本公司組織章程細則第108(A)條規定，全體董事(包括主席及行政總裁)均須最少每三年一次於股東週年大會上退任，並合資格膺選連任。根據細則第105條，本公司的董事職位可於若干情況下出現空缺，而本公司亦可按細則第114條的規定透過於股東大會上的普通決議案罷免本公司任何董事。

所有新委任的董事及在股東週年大會上獲再提名連任的董事須先由提名委員會考慮，再由提名委員會向董事會提出建議供董事會決定。由董事會新委任的董事須根據本公司章程細則在下屆股東週年大會上經股東重選。考慮新委任的董事時，提名委員會會根據上市規則第3.08及3.09條所載的準則對候選人進行評估。如考慮獨立非執行董事的候選人時，彼亦須符合上市規則第3.13條所列的獨立性準則。

### **執行董事**

每位執行董事已分別與本公司訂立服務合約，固定年期為期三年，由二零零六年十二月一日起生效。執行董事分別可收取基本薪金及獎金，獎金金額相等於當時每年一月應付的月薪。此外，每名執行董事分別可收取酌情管理花紅，惟於本公司任何財政年度支付全體執行董事的花紅總額不得超過本集團於該本公司財政年度的經審核合併或綜合經審核純利(扣除稅項及少數股東權益以及該等花紅後，但不計入非經常項目)的8%。執行董事不得就任何有關向其支付的管理花紅金額的董事會決議案投票。

### **獨立非執行董事**

每名獨立非執行董事已按固定年期由二零零六年十一月二十五日起計兩年獲委任，正式委任函件載列其主要委任條款及條件。於彼等各自獲委任前，每名獨立非執行董事已分別向本公司及聯交所提交書面確認書，以確認其獨立身份，以及向本公司及聯交所承諾，倘情況於其後出現任何變動，致使其獨立性受到影響，他將儘快通知本公司及聯交所。



Save for the directors' fees and the share options granted under the Pre-IPO Share Option Scheme (as defined in the Company's prospectus dated 5 December 2006) to each of them, none of the independent non-executive Directors is expected to receive any other remuneration for holding his office as an independent non-executive Director. The Company annually reviews and obtains confirmation of his independence from each independent non-executive Director during his term of appointment.

In March 2008, the Company received from each of the independent non-executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations, the Company considers all the independent non-executive Directors to be independent.

#### **Proceedings of Board meetings**

The Board considers that all meetings should be legally and properly convened. With the assistance of the company secretary, the Chairman of the Board takes the lead to ensure that Board meetings and all other committee meetings are convened in the manners that are prescribed in the articles of association of the Company, the terms of reference of the respective committees of the Board and within the standards as set out in the Listing Rules.

In convening Board meetings, the Chairman is responsible for drawing up and approving the agenda for each meeting after consultation with all the Directors and the company secretary. Prior notice of each Board meeting is given to all the Directors at least 14 days in advance and the Directors are invited to include matters for discussion in the agenda. Agenda and accompanying board papers are sent to all the Directors at least 3 days in advance or within reasonable time prior to meetings.

The minutes of Board meetings record in sufficient detail the matters considered by the Board, including all concerns raised by the Directors and dissenting views expressed. The minutes of all Board meetings and all other committee meetings are kept by the company secretary and are available for inspection by any Director, auditors or any relevant eligible parties who can have access to such information.

除董事袍金及分別根據首次公開發售前購股權計劃(定義見本公司日期為二零零六年十二月五日之招股章程)向彼等授予的購股權外，並不預期獨立非執行董事將就擔任獨立非執行董事而收取任何其他酬金。本公司於各獨立非執行董事獲委任期間，每年檢討其獨立身份，並要求他確認其獨立身份。

於二零零八年三月，本公司已收到各獨立非執行董事根據上市規則第3.13條書面確認彼等的獨立身份。根據有關確認書，本公司認為全體獨立非執行董事均屬獨立人士。

#### **董事會會議程序**

董事會認為所有會議均應按合法及妥善的方式召開。在公司秘書的協助下，董事會主席領導董事會以確保董事會會議及所有其他委員會會議均按本公司組織章程細則，各董事委員會的權責範圍所規定及合乎上市規則所載標準的方式召開。

於召開董事會會議時，主席負責在向全體董事及公司秘書作出諮詢後，草擬及批准每次會議的議程。每次召開董事會會議時，全體董事獲發出最少14天的事先通知，董事均會獲邀於議程內加入商討事項。議程及隨附的董事會文件將於會議前最少3天或合理時間內發送予全體董事。

董事會的會議記錄已充份記錄董事會所考慮事宜的詳情，其中包括由董事提出的所有關注事項及發表的反對意見。所有董事會會議及所有其他委員會會議記錄均由公司秘書保存，任何董事、核數師或任何合資格取得該等資料的有關人士均可查閱。

### Directors' attendance records

The attendance of individual members of the Board and other Board Committees during 2007 is set out in the following table:

### 董事會議出席紀錄

下表載列二零零七年董事會及其他董事轄下委員會各成員的出席情況：

		Number of meetings attended/held 會議出席次數／舉行次數			
Directors 董事		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
<b>Executive Directors</b>		<b>執行董事</b>			
Cheng Man Tai (Chairman)	鄭敏泰 (主席)	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Cheng Pik Ho Liza (Chief Executive Officer)	鄭碧浩 (行政總裁)	6/6	N/A 不適用	1/1	2/2
Ngok Ming Chu	岳明珠	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Hung Hin Kit	孔憲傑	6/6	N/A 不適用	N/A 不適用	N/A 不適用
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>			
Lau Siu Ki	劉紹基	6/6	3/3	1/1	2/2
Lee Kwan Hung	李均雄	6/6	3/3	1/1	2/2
Lee T.S.	李天生	6/6	3/3	1/1	2/2
Average attendance rate	平均出席率	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Under code provision A.1.7 of the CG Code, there should be a procedure agreed by the board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the issuer's expense. The board should resolve to provide separate independent professional advice to directors to assist the relevant director or directors to discharge his/their duties to the issuer. In order to ensure full compliance with this code provision, a written "Procedure for Seeking Independent Professional Advice by Directors" has been formulated in writing and endorsed by the Board.

根據《企業管治守則》第A.1.7條守則條文，董事會應該商定程序，讓董事按合理要求，可在適當的情況下尋求獨立專業意見，費用由發行人支付。董事會應議決另外為董事提供獨立專業意見，以協助有關董事履行其對發行人的責任。為確保完全符合此條守則條文，「董事尋求獨立專業意見的程序」已以書面制定並獲董事會確認。

### Directors' and officers' liability insurance

The Company has subscribed an insurance policy since December 2006 with an aim to indemnify its Directors and senior executives from any losses, claims, damages, liabilities and expenses arising from, including but not limited to, any proceedings brought against them during the performance of their duties pursuant to their respective service agreements entered into with the Company.

### 董事及行政人員的責任保險

本公司自二零零六年十二月起已投購保險，以彌償其董事及高級行政人員任何損失、索償、損害、責任及開支，包括但不限於因董事及行政人員根據各自與本公司訂立的服務協議履行其職責時而被提出的任何訴訟。

### Directors' securities transactions

Pursuant to a resolution passed by the Directors on 25 November 2006, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") (with certain modifications but on terms no less exacting than the standard set out in the Model Code) as set out in Appendix 10 to the Listing Rules as its own code ("Securities Dealing Code") to regulate the securities dealings by all the Directors and employees of the Group. The Securities Dealing Code is posted on the Company's intranet to which all employees can have access.

The Company had made specific enquiry of all the Directors who confirmed that they had complied with the required standard set out in the Securities Dealing Code during the Review Period.

## THE FUNCTIONS OF THE BOARD

### Distinctive roles of the Chairman and the Chief Executive Officer

To avoid concentration of power in any one individual, a clear division of responsibilities between the Chairman and the Chief Executive Officer is crucial to the effective running of the Board and the development of the Group. The positions of the Chairman and the Chief Executive Officer of the Company have been held by two different executive Directors namely, Mr. Cheng Man Tai and Ms. Cheng Pik Ho Liza respectively. Their roles and duties are distinct. Mr. Cheng Man Tai, the Chairman, is to provide leadership of the Board and ensure the effectiveness of the Board. Ms. Cheng Pik Ho Liza, holding the position of the Chief Executive Officer, is answerable to the Board for the operations of the Group. Mr. Cheng is the father of Ms. Cheng.

Under the second part of code provision A.2.1 of the CG Code, the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. In order to ensure full compliance with this code provision, the division of the responsibilities between the Chairman and the Chief Executive Officer of the Company has been formulated in writing and endorsed by the Board.

### 董事進行證券交易

根據於二零零六年十一月二十五日通過的董事會決議案，本公司已採納上市規則附錄十所載的《上市發行人董事進行的證券交易的標準守則》(經作出若干修訂，惟不低於標準守則所載之規定標準)作為其證券買賣守則(「證券買賣守則」)，以監管本集團所有董事及僱員進行的證券買賣。證券買賣守則已刊載於本公司全體僱員均可登入的內聯網內。

本公司已向全體董事作出特定查詢，而彼等確認，彼等於回顧期間內已遵守載於證券買賣守則的規定標準。

### 董事的職能

#### 主席及行政總裁的角色區分

為避免權力集中於任何一名人士，主席與行政總裁之間的職責必須有清晰區分，以有效運作董事會及發展本集團。本公司的主席及行政總裁職位分別由兩位不同執行董事鄭敏泰先生及鄭碧浩女士擔任，彼等的角色及職責均有所不同。主席鄭敏泰先生負責領導董事會及確保董事會有效運作，而鄭碧浩女士則擔任行政總裁一職，就本集團的營運向董事會負責。鄭先生為鄭女士的父親。

根據《企業管治守則》第A.2.1條守則條文的第二部分，主席與行政總裁之間職責的分工應清楚界定並以書面列載。為確保完全符合此條守則條文，主席與行政總裁之間職責的分工已以書面制定並獲董事會確認。

### Distinctive roles of the Board and the management

While at all times the Board retains full responsibility for guiding and monitoring the operations of the Group, in discharging its duties, certain responsibilities are delegated to:

- the standing committees of the Company namely: the Audit Committee, the Nomination Committee and the Remuneration Committee. Each committee's constitution, powers and duties are clearly defined by its terms of reference, and the committees are accountable to the Board. Ad hoc Board committees may also be established as required from time to time by the Board;
- the Chief Executive Officer, being delegated with day-to-day management of the business of the Group, is accountable to the Board; and
- the senior management team of the Company, being delegated with the responsibilities to deal with daily operational functions, is answerable to the executive Directors.

The Board believes that effective delegation of authority and responsibility can ensure that the Board is provided with sufficient and timely information of the Group's businesses, and in particular with regard to the Group's performance, financial condition and operating results in order that the Board is able to make an informed assessment of matters put before the Board for approval. During the Review Period, each executive Director had frequent meetings with operational managers in order to maintain an effective feedback system and enable the Company to react to changes or problems quickly and efficiently.

The matters being reserved for the Board to deal with include:

- any matters relating to the formulation of the Company's strategy and direction;
- any matters relating to financial controls, compliance and risk management;
- any changes in corporate structure such as the changes relating to the Company's capital structure, including reduction of share capital, share buy-back or issue of new securities;

### 董事會及管理層的角色區分

儘管董事會於任何時刻均承擔指導及監察本集團營運的全部責任，惟於董事會履行其職責時，亦將若干責任轉授予：

- 本公司的常務委員會：審核委員會、提名委員會及薪酬委員會。各委員會的組織、權力及職責均以書面職權範圍清楚界定，而該等委員會須向董事會負責。董事會或不時於有需要時成立臨時董事委員會；
- 行政總裁獲授權管理本集團的日常業務，並須對董事會負責；及
- 本公司的高層管理隊伍獲授權處理日常營運工作的責任，並須對執行董事負責。

董事會相信，有效轉授權力及責任可確保董事會獲提供充足和及時的集團業務資料，特別是有關本集團表現、財務狀況及經營業績的資料，以便董事會於批准有關事宜前可就該等事宜作出知情評估。於回顧期間，各執行董事與營運部門經理多次會面，以奉行有效的回饋制度，讓本公司可迅速及有效就轉變或問題作出回應。

由董事會處理的事宜包括：

- 任何有關制定本公司策略及方向的事宜；
- 任何有關財務監控、遵守法規及風險管理的事宜；
- 任何企業架構變動，例如有關本公司資本結構的變動，包括削減股本、購回股份或發行新證券；

- major appointments such as appointments to the Board, after taking into account the recommendations of the Nomination Committee; the appointment of the Chairman and the Chief Executive Officer; recommendations to the shareholders on the appointment or removal of external auditors after taking into consideration the recommendations of the Audit Committee; and the appointment or removal of the company secretary and the qualified accountant; and
- any matters determined by the Board to be material.
- 主要委任事項，例如經考慮提名委員會任何建議後委任董事會成員；委任主席及行政總裁；經考慮審核委員會建議後就委任或撤換外聘核數師而向股東作出建議；以及委任或撤換公司秘書及合資格會計師；及
- 任何由董事會釐定的重大事宜。

The Board reviews its arrangement for delegation of responsibilities and authority regularly to ensure that such delegations are appropriate in view of the Company's prevailing circumstances and that appropriate reporting systems are in place.

董事定期檢討其指派責任及權力的安排，以確保有關指派安排於本公司當時的情況下屬恰當，並已實行適當的匯報制度。

Under the first part of code provision D.1.2 of the CG Code, an issuer should formalise the functions reserved to the board and those delegated to management. In order to ensure full compliance with this code provision, the division of the functions between the Board and the Group's management has been formulated in writing and endorsed by the Board.

根據《企業管治守則》第D.1.2 條守則條文的第一部分，發行人應將那些保留予董事會的職能及那些轉授予管理層的職能分別確定下來。為確保完全符合此條守則條文，董事會與本集團管理層之間職能的分工已以書面制定並獲董事會確認。

## AUDIT COMMITTEE

At present, the Audit Committee consists of three independent non-executive Directors namely:

Mr. Lau Siu Ki (*Chairman*)  
Mr. Lee Kwan Hung  
Prof. Lee T.S.

Members of the committee are appointed by the Board amongst the independent non-executive Directors only and the committee consists of not less than three members. The Board considers that each Audit Committee member has broad commercial experience and together form a suitable mix of expertise in the legal, business and accounting fields and that the composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

## 審核委員會

目前，審核委員會由三名獨立非執行董事組成，分別為：

劉紹基先生(*主席*)  
李均雄先生  
李天生教授

委員會成員由董事會僅從獨立非執行董事中委任，且由不少於三名成員組成。董事會認為各審核委員會成員均具備豐富商業經驗，並於法律、商務及會計專業知識方面互相配合。審核委員會的組成及成員符合上市規則第3.21條的規定。

The Audit Committee has the responsibilities and powers set forth in its terms of reference. To maintain its independence, the Audit Committee is required to have at least one meeting with the external auditors without the executive Directors present within a financial year. The function of the committee is to provide assistance to the Board in fulfilling its oversight responsibilities to shareholders, potential shareholders, the investment community and other stakeholders relating to:

- the integrity of accounts and financial reporting process of the Company;
- the assessment of the external auditors' qualifications and independence; and
- the performance of the Company's internal audit function and the performance of the external auditors.

The terms of reference of the Audit Committee are available for inspection on the Company's website at [www.embryform.com](http://www.embryform.com).

During 2007, the Audit Committee met thrice. The attendance of individual Directors at the committee meetings is set out on page 32 of this annual report.

The following is a summary of the work performed by the Audit Committee during the Review Period:

- review of the annual report and results announcement for the year ended 31 December 2006, with a recommendation to the Board for approval;
- review of the external auditors' independence and report, with a recommendation to the Board for the re-appointment of the external auditors at the 2007 annual general meeting;
- review of continuing connected transactions;
- review of the interim report and the interim results announcement for the six months ended 30 June 2007, with a recommendation to the Board for approval;
- review of monthly reports submitted by the Internal Audit Department;
- consideration of audit and non-audit services provided by the external auditors;

審核委員會承擔及具有其職權範圍所載的責任及權力。為保持其獨立性，審核委員會須於每個財政年度內與外聘核數師最少舉行一次沒有執行董事出席的會議。委員會的職能為向董事會提供協助，以使其履行就以下事項而須對股東、潛在股東、投資人士及其他與業務有關人士承擔的監察責任：

- 本公司賬目及財務報告程序的真實性；
- 評估外聘核數師的資格及獨立身份；及
- 本公司內部核數部門的表現及外聘核數師的表現。

本公司股東可於本公司網站 [www.embryform.com](http://www.embryform.com) 查閱審核委員會的職權範圍。

審計委員會於二零零七年舉行了三次會議。個別董事出席委員會會議的記錄載於本年報第 32 頁的列表內。

以下為審核委員會於回顧期間所履行的工作概要：

- 審閱截至二零零六年十二月三十一日止年度的年報及業績公告，並建議董事會通過；
- 檢討外聘核數師的獨立性及其報告，並向董事會建議於二零零七年股東週年大會上重新委任外聘核數師；
- 省覽持續關連交易；
- 審閱截至二零零七年六月三十日止六個月的中期報告及中期業績公告，並建議董事會通過；
- 審閱內部審計部呈交的每月報告；
- 考慮外聘核數師提供的審核及非審核服務；

- (vii) review of financial reporting and internal control procedures; and  
(viii) recommendation to the Board on the appointment of an independent accounting firm to assist the Group in establishing its own internal control framework.
- (vii) 檢討財務匯報及內部監控程序；及  
(viii) 建議董事會委任一間獨立會計師行協助本集團制定其內部監控框架。

### AUDITORS' REMUNERATION

The Audit Committee has reviewed the remuneration paid/payable to Messrs. Ernst & Young, the external auditors of the Company, for the following services provided during the Review Period:

Services rendered	所提供服務	Fees paid/payable 已付／應付費用
Audit services	審核服務	HK\$2,178,000
Non-audit services	非審核服務	—
Total:	總計：	<u>HK\$2,178,000</u>

### 核數師酬金

審核委員會已審閱就本公司於回顧期間提供以下服務而支付本公司外聘核數師安永會計師事務所之酬金：

The Audit Committee has reflected its views to the Board that the level of fees paid/payable to the Company's external auditors is reasonable. There has been no major disagreement between the auditors and the management of the Company during the Review Period.

審核委員會已向董事會反映意見，表示已付／應付本公司外聘核數師的費用水平合理。核數師與本公司管理層於回顧期間並無任何主要意見分歧。

### NOMINATION COMMITTEE

The Company has established a Nomination Committee with written terms of reference. At present, the Nomination Committee has four members comprising one executive Director and three independent non-executive Directors:

Ms. Cheng Pik Ho Liza (*Chairman*)  
Mr. Lau Siu Ki  
Mr. Lee Kwan Hung  
Prof. Lee T.S.

### 提名委員會

本公司已成立提名委員會，並書面訂明其職責範圍。目前，提名委員會由四名成員組成，包括一名執行董事及三名獨立非執行董事：

鄭碧浩女士(*主席*)  
劉紹基先生  
李均雄先生  
李天生教授

Members of the Nomination Committee are appointed by the Board and the committee consists of a majority of independent non-executive Directors. The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become members of the Board, and to assess the independence of the independent non-executive Directors. Having regard to the independence and qualifications of nominees, the Nomination Committee makes recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning of Directors, in particular the Chairman and the Chief Executive Officer. The Board provides sufficient resources to the Nomination Committee to enable it to discharge its duties.

The Nomination Committee met once in 2007 to assess the independence of the independent non-executive Directors and to make recommendations to the Board on the re-election of Directors. The attendance of individual Directors at the committee meeting is set out on page 32 of this annual report.

The terms of reference of the Nomination Committee are available for inspection on the Company's website at [www.embryform.com](http://www.embryform.com).

## REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with written terms of reference. The Board has delegated authority to the Remuneration Committee to review and recommend to the Board the compensation scheme of the Company's Directors and senior management.

The Remuneration Committee at present has four members comprising one executive Director and three independent non-executive Directors, namely:

Ms. Cheng Pik Ho Liza (*Chairman*)

Mr. Lau Siu Ki

Mr. Lee Kwan Hung

Prof. Lee T.S.

The main function of the Remuneration Committee is to assist the Board to oversee the Group's remuneration packages and establish a transparent procedure for developing policy on such remuneration. The Board, after consultation with the Chairman of the Remuneration Committee, provides sufficient resources to the Remuneration Committee to enable it to discharge its duties.

提名委員會成員由董事會委任，主要由獨立非執行董事組成。提名委員會的主要職能為檢討董事會的架構、規模及組成，物色具備適合資格成為董事會成員的人選及評估獨立非執行董事的獨立身份。於考慮獲提名人士的獨立身份及資格後，提名委員會向董事會作出建議，以確保所有提名均屬公平透明。提名委員會亦負責董事的接任計劃，特別是主席及行政總裁的接任計劃。董事向提名委員會提供充足資源，以協助它履行其職務。

提名委員會於二零零七年召開了一次會議，以評核獨立非執行董事的獨立性及就董事重選事宜向董事會提出建議。個別董事出席委員會會議的紀錄載於本年報第32頁。

本公司股東可於本公司網站 [www.embryform.com](http://www.embryform.com) 查閱提名委員會的職權範圍。

## 薪酬委員會

本公司已成立薪酬委員會，並書面訂明其書面職責範圍。董事會授權薪酬委員會檢討本公司董事及高級管理人員的薪酬計劃及就此向董事會提出建議。

薪酬委員會目前由四名成員組成，包括一名執行董事及三名獨立非執行董事，分別為：

鄭碧浩女士(*主席*)

劉紹基先生

李均雄先生

李天生教授

薪酬委員會的主要職能為協助董事會監察本集團的薪酬組合及訂立一套具透明度的程序，以制定有關該等酬金的政策。董事會在與薪酬委員會主席作出商議後，向薪酬委員會提供充足資源，以協助它履行其職務。



In recommending the remuneration of the Directors, the Remuneration Committee makes reference to companies of comparable business or scale, and the nature and volume of work in order to compensate the Directors reasonably for their time and efforts spent. The Remuneration Committee will regularly review and make recommendations to the Board on the remuneration of Directors and senior management.

The Remuneration Committee met twice in 2007. The attendance of individual Directors at the meeting is set out on page 32 of this annual report.

The following is a summary of the work performed by the Remuneration Committee during the Review Period:

- (i) review of the remuneration of senior management;
- (ii) recommendation to the Board on the adoption of a standard employment letter for recruiting senior executives; and
- (iii) discussion on the grant of share options to employees.

The terms of reference of the Remuneration Committee are available for inspection on the Company's website at [www.embryform.com](http://www.embryform.com).

## FINANCIAL REPORTING

The Board acknowledges its responsibility for the preparation of the financial statements for each financial period, which shall give a true and fair view of the state of affairs of the Company. During the Review Period, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

All the Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2007.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 55 to 56.

就董事酬金作出建議時，薪酬委員會參考業務或規模類同的公司所支付的酬金，以及其工作性質及工作量，以就董事所付出的時間及努力向彼等提供合理薪酬。薪酬委員會將定期檢討董事及高級管理層的酬金及就此向董事會提出建議。

薪酬委員會於二零零七年召開了兩次會議。個別董事出席委員會會議的記錄載於本年報第32頁。

以下為薪酬委員會於回顧期間所履行的工作概要：

- (i) 檢討高級管理層的薪酬；
- (ii) 建議董事會在聘用高級行政人員時採用標準化的僱傭合約；及
- (iii) 討論授予購股權予僱員。

薪酬委員會的職權範圍可於本公司網站 [www.embryform.com](http://www.embryform.com) 查閱。

## 財務報告

董事會深明其編製各財務期間財務報表的責任，該等財務報表應真實及公平地反映本公司的財務狀況。於回顧期間，董事會並不知悉任何重大不明確因素，與可能對本公司繼續經營能力構成重大疑問的事件或情況相關。因此，董事會已按持續經營基準編製本公司的財務報表。

全體董事深明其編製本公司截至二零零七年十二月三十一日止年度財務報表的責任。

本公司核數師就本集團財務報表所作之申報責任列載於第55至56頁之獨立核數師報告內。

The Company announces its interim and annual results as soon as reasonably practicable after the end of the relevant financial period and the financial year pursuant to the requirements of the Listing Rules, disclosing all such information as would enable the Company's shareholders to assess the performance, financial position and prospects of the Company.

### INTERNAL CONTROL

The Board acknowledges that the objective of internal control is to safeguard the Company's assets against unauthorised use or disposition and to ensure that the Company's accounting records are properly maintained and all the financial information is accurate and reliable.

During the Review Period, the Board appointed an independent accounting firm to review the effectiveness of the Group's governance processes by undertaking an assessment of its governance controls including compliance with the CG Code, and provision of general guidance and recommendations on how to develop and establish its internal control framework; to perform risk assessment and develop a 3-year internal audit plan for the Group; to conduct an internal control review of the key business processes in the manufacturing centre of the Group in Changzhou, including sales and accounts receivables, purchases and accounts payables, and inventory management and costing. The findings and recommendations have been reviewed by the members of the Audit Committee and the Board who are of the view that the internal control system of the Group has been established without the occurrence of any significant failure.

The Internal Audit Department of the Group was established in April 2007 to provide independent assurance to the Board and management on the adequacy and effectiveness of internal controls for the Group. The internal audit director reports directly to the Audit Committee.

The Board undertakes to periodically review the internal control and risk management systems of the Group to ensure their effectiveness and efficiency.

本公司按上市規則規定於有關財政期間及財政年度完結後在實際合理情況下儘快公佈其中期及年度業績，披露所有有關資料，以便本公司股東可評估本公司的表現、財務狀況及前景。

### 內部監控

董事會深明內部監控旨在保障本公司的資產，以免本公司資產在未經授權下遭動用或處置，以及確保本公司的會計記錄已經妥善存置及所有財務資料均屬正確可靠。

於回顧其間，董事會委聘一間獨立會計師行就本集團的管治程序進行檢討，評估其管治監控措施(其中包括遵守企業管治守則的監控)，並就如何發展及建立其內部監控框架提供指引及建議；為本集團進行風險評估及設計一個三年期的內部審計計劃；及為本集團位於常州的製造中心就其主要業務流程進行內部監控審查，其中包括銷售及應收款、採購及應付款、及存貨及成本計算。有關發現及建議已經由審核委員會及董事會成員審閱。董事會認為，本集團已建立其內部監控制度，且並無任何重大失誤的情況出現。

本集團於二零零七年四月成立內部審計部，向董事會及管理層就本集團的內部監控措施是否充足有效提供獨立的保證。內部審計總監向審核委員會直接匯報。

董事會承諾定期檢討本集團內部監控及風險管理制度，以確保其效率及效能。

## INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

Since 2006, the Company has engaged a professional public relations consultancy firm to organise various investor relations programs aiming at increasing its transparency, enhancing communication, increasing investors' understanding of and confidence in the Group's business. It also aims at building investors' confidence in the Group's future developments and promoting market recognition and support to the Company.

The Company recognises the importance of maintaining on-going communication with its shareholders and encourages them to attend annual general meetings to stay informed of the Group's strategies and goals.

Under code provision E.1.2, the chairman of the board should attend the annual general meeting. Due to other commitments which must be attended to by Mr. Cheng Man Tai, he was not able to attend the annual general meeting of the Company held on 6 June 2007.

## 投資者關係及與股東的溝通

自二零零六年，本公司已委聘一間專業公關顧問公司籌辦多項投資者關係活動，旨在提高其透明度、加強溝通，以及加深投資者對本集團業務的了解及信心。同時，該等投資者關係活動亦務求建立投資者對本集團日後發展的信心，以及提升本公司的市場知名度及支持率。

本公司認同持續與其股東保持溝通的重要性，並鼓勵他們出席股東週年大會，以瞭解本集團的策略和目標。

根據守則條文第E.1.2條，董事會主席應出席股東週年大會。由於有其他責任必須由鄭敏泰先生履行，故他未能出席本公司於二零零七年六月六日舉行之股東週年大會。

# REPORT OF THE DIRECTORS

## 董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2007.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 23 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2007 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 57 to 142.

An interim dividend of HK2 cents per ordinary share was paid on 22 October 2007. The Directors recommend the payment of a final dividend of HK6 cents per ordinary share in respect of the year, to shareholders on the register of members on 2 June 2008. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

### USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares at the time of its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in December 2006, after deduction of the related issuance expenses, amounted to approximately HK\$331 million and were placed in term deposits with licensed banks in Hong Kong as at 31 December 2006. These proceeds were applied during the year ended 31 December 2007 in accordance with the proposed applications set out in the Company's listing prospectus dated 5 December 2006 (the "Prospectus"), as follows:

董事提呈其報告及本公司及本集團截至二零零七年十二月三十一日止年度的經審核財務報表。

### 主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情載於財務報表附註23。本集團的主要業務性質於本年內並無出現重大變動。

### 業績及股息

本集團於截至二零零七年十二月三十一日止年度的溢利及本公司及本集團於該日期的財務狀況載於第57頁至第142頁的財務報表內。

每股普通股2港仙的中期股息已於二零零七年十月二十二日派付。董事建議就本年度向於二零零八年六月二日在股東名冊內的股東派付每股普通股6港仙的末期股息。有關建議已載入財務報表內，作為資產負債表股權部份內保留溢利的分派。

### 本公司首次公開發售的所得款項用途

本公司於二零零六年十二月在香港聯合交易所有限公司(「聯交所」)上市時發行新股份的所得款項於扣除相關發行開支後約為331,000,000港元。於二零零六年十二月三十一日，該等所得款項存放於香港持牌銀行內作為定期存款。根據本公司於二零零六年十二月五日刊發的上市招股章程(「招股章程」)所載的建議用途，該等所得款項於截至二零零七年十二月三十一日止年度已應用於下列用途：

**USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING** *(continued)*

- approximately HK\$38.8 million was used for the expansion of the Group's sales network by net increasing 239 retail outlets as at 31 December 2007;
- approximately HK\$39.9 million was used for the promotion and marketing of the Group's products;
- approximately HK\$79.4 million was used for the establishment of a factory in Shandong, the PRC;
- approximately HK\$6.8 million was used for the Group's product development;
- approximately HK\$18.4 million was used for the enhancement of the Group's enterprise resources planning system and other information technology systems; and
- approximately HK\$9.3 million was used as additional general working capital of the Group.

The remaining unused net proceeds amounted to approximately HK\$138.4 million and were temporarily placed in term deposits with licensed banks in Hong Kong as at 31 December 2007.

**本公司首次公開發售的所得款項用途(續)**

- 於二零零七年十二月三十一日動用約38,800,000港元淨增加了239個零售點，以擴展本集團之銷售網絡；
- 約39,900,000港元用於為本集團產品作宣傳及市場推廣；
- 約79,400,000港元用於在中國山東省興建一間廠房；
- 約6,800,000港元用於本集團的產品開發；
- 約18,400,000港元用於提高本集團企業資源規劃系統及其他資訊科技系統的能力；及
- 約9,300,000港元用作本集團額外之一般營運資金。

於二零零七年十二月三十一日，餘下未使用的所得款項淨額約138,400,000港元暫時存放於香港持牌銀行作為定期存款。

## SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, prepared on the basis as set out herein, is set out below.

### RESULTS

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
REVENUE	收益	<b>711,668</b>	624,324	550,014	508,493	429,296
PROFIT BEFORE TAX	除稅前溢利	<b>143,239</b>	102,579	56,394	56,411	21,907
Tax	稅項	<b>(20,723)</b>	(19,974)	(10,717)	(11,861)	(6,746)
PROFIT FOR THE YEAR	年度溢利	<b>122,516</b>	82,605	45,677	44,550	15,161
Attributable to:	以下人士應佔：					
Equity holders of the Company	本公司權益持有人	<b>122,516</b>	81,105	44,431	42,143	14,668
Minority interests	少數股東權益	-	1,500	1,246	2,407	493
		<b>122,516</b>	82,605	45,677	44,550	15,161

### ASSETS, LIABILITIES AND MINORITY INTERESTS

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
TOTAL ASSETS	資產總值	<b>934,478</b>	834,298	394,201	444,601	409,929
TOTAL LIABILITIES	負債總額	<b>(95,018)</b>	(110,061)	(107,835)	(54,445)	(61,267)
MINORITY INTERESTS	少數股東權益	-	-	(3,554)	(6,570)	(7,219)
		<b>839,460</b>	724,237	282,812	383,586	341,443

## 財務資料概要

本集團於過去五個財政年度按本年報所載基準編製的已公佈業績及資產、負債及少數股東權益概要載列如下。

### 業績

#### Year ended 31 December 截至十二月三十一日止年度

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
REVENUE	624,324	550,014	508,493	429,296
PROFIT BEFORE TAX	102,579	56,394	56,411	21,907
Tax	(19,974)	(10,717)	(11,861)	(6,746)
PROFIT FOR THE YEAR	82,605	45,677	44,550	15,161
Attributable to:				
Equity holders of the Company	81,105	44,431	42,143	14,668
Minority interests	1,500	1,246	2,407	493
	82,605	45,677	44,550	15,161

### 資產、負債及少數股東權益

#### As at 31 December 於十二月三十一日

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
TOTAL ASSETS	834,298	394,201	444,601	409,929
TOTAL LIABILITIES	(110,061)	(107,835)	(54,445)	(61,267)
MINORITY INTERESTS	-	(3,554)	(6,570)	(7,219)
	724,237	282,812	383,586	341,443

#### **SUMMARY FINANCIAL INFORMATION** (continued)

The summary of the consolidated results of the Group for each of the three years ended 31 December 2003, 2004 and 2005 and of the assets, liabilities and minority interests as at 31 December 2003, 2004 and 2005 has been extracted from the Prospectus. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years. The consolidated results of the Group for the years ended 31 December 2006 and 2007 and the consolidated assets and liabilities of the Group as at 31 December 2006 and 2007 are those set out in the audited financial statements.

The above summary does not form a part of the audited financial statements.

#### **PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY**

Details of movements in the property, plant and equipment, and investment property of the Group during the year are set out in notes 16 and 17 to the financial statements, respectively.

#### **SHARE CAPITAL AND SHARE OPTIONS**

Details of movements in the Company's share capital and share options during the year are set out in notes 30 and 31 to the financial statements, respectively.

#### **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

#### **財務資料概要(續)**

本集團截至二零零三年、二零零四年及二零零五年十二月三十一日止三個年度各年的綜合業績及於二零零三年、二零零四年及二零零五年十二月三十一日的資產、負債及少數股東權益概要摘錄自招股章程，該等概要乃假設本集團目前的架構於該等財政年度一直存在而編製。本集團截至二零零六年及二零零七年十二月三十一日止年度的綜合業績及本集團於二零零六年及二零零七年十二月三十一日的綜合資產與負債為經審核財務報表所載的業績及資產與負債。

上述概要並不構成經審核財務報表的一部份。

#### **物業、廠房及設備及投資物業**

本集團於本年度的物業、廠房及設備以及投資物業的變動詳情分別載於財務報表的附註16及17。

#### **股本及購股權**

本公司於本年度的股本及購股權變動詳情分別載於財務報表附註30及31。

#### **優先購買權**

根據本公司組織章程細則或開曼群島法例，概無有關優先購買權的條文規定本公司按比例向現有股東提呈新股份。

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

## **RESERVES**

Details of movements in the reserves of the Company and of the Group during the year are set out in note 32(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

## **DISTRIBUTABLE RESERVES**

At 31 December 2007, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to HK\$736,601,000, of which HK\$24,000,000 has been proposed as a final dividend for the year. The amount of HK\$736,601,000 includes the Company's share premium account and contributed surplus of HK\$710,488,000 in aggregate at 31 December 2007, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

## **MAJOR CUSTOMERS AND SUPPLIERS**

In the year under review, sales to the Group's five largest customers and purchases from the five largest suppliers accounted for less than 30% of the total sales and purchases for the year, respectively.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

## **購買、贖回或出售本公司上市證券**

本公司及其任何附屬公司於本年度概無購買、贖回或出售本公司的上市證券。

## **儲備**

本公司及本集團儲備於本年度內的變動詳情分別載於財務報表附註32(b)及綜合權益變動表內。

## **可供分派儲備**

於二零零七年十二月三十一日，本公司根據開曼群島公司法第22章（一九六一年法例三，經綜合及修訂）計算的可供分派儲備為736,601,000港元，其中24,000,000港元已建議作為本年度的末期股息。為數736,601,000港元的金額包括本公司於二零零七年十二月三十一日的股份溢價賬及實繳盈餘合共710,488,000港元，倘緊隨建議分派股息當日後本公司有能力於日常業務過程中償付到期債務，則可能分派有關金額。

## **主要客戶及供應商**

於回顧年度，本集團向五大客戶進行的銷售額及向五大供應商進行的採購額分別佔少於年內總銷售額及採購額的30%。

本公司董事或彼等任何聯繫人士或任何股東（就董事所知擁有本公司已發行股本5%以上）概無於本集團五大客戶及供應商擁有任何實際權益。



## DIRECTORS

The directors of the Company during the year were:

### Executive directors

Mr. Cheng Man Tai (*Chairman*)  
Ms. Cheng Pik Ho Liza (*Chief executive officer*)  
Madam Ngok Ming Chu  
Mr. Hung Hin Kit

### Independent non-executive directors

Mr. Lau Siu Ki  
Mr. Lee Kwan Hung  
Prof. Lee T.S.

In accordance with article 108(A) of the Company's articles of association, Mr. Hung Hin Kit, Mr. Lau Siu Ki and Mr. Lee Kwan Hung will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T.S. pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and as at the date of this report still considers them to be independent.

## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 26 to 28 of the annual report.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service agreement with the Company for a term of three years commencing on 1 December 2006. Each of the independent non-executive directors has been appointed for a term of two years commencing on 25 November 2006.

Under the service contracts, after each complete year of service, the remuneration payable to each of the executive directors may, subject to the discretion of the Company's board of directors, be increased by not more than 10% and the executive directors are entitled to a discretionary bonus provided that the total amount of bonuses payable to all directors for that year shall not exceed 8% of the audited consolidated profit after tax of the Group.

## 董事

於年內本公司董事如下：

### 執行董事

鄭敏泰先生(主席)  
鄭碧浩女士(行政總裁)  
岳明珠女士  
孔憲傑先生

### 獨立非執行董事

劉紹基先生  
李均雄先生  
李天生教授

根據本公司組織章程細則第108(A)條，孔憲傑先生、劉紹基先生及李均雄先生將於應屆股東週年大會輪值告退，惟彼等合資格膺選連任。

本公司已接獲劉紹基先生、李均雄先生及李天生教授根據聯交所證券上市規則(「上市規則」)第3.13條發出的獨立身份年度確認書，並認為彼等於本報告日期仍屬獨立人士。

## 董事及高級管理層履歷

本公司董事及本集團高級管理層的履歷詳情載於本年報第26頁至第28頁。

## 董事服務合約

各執行董事已分別與本公司訂立服務協議，由二零零六年十二月一日起計為期三年。各獨立非執行董事分別按二零零六年十一月二十五日起計兩年獲委任。

根據服務合約，每次於服務滿完整一年後，支付各執行董事的酬金可按本公司董事會酌情決定增加不多於10%，而執行董事亦可收取酌情花紅，惟於該年度支付全體董事的花紅總額不得多於本集團除稅後經審核綜合溢利的8%。

### **DIRECTORS' SERVICE CONTRACTS** (continued)

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

### **EMOLUMENT POLICY AND DIRECTORS' REMUNERATION**

The Group's emolument policy is formulated based on the performance of individual employees and is reviewed regularly. Subject to the Group's profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the emolument policy with regard to the remuneration packages of the Group's executive directors is to enable the Group to retain and motivate executive directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group's remuneration packages include basic salaries, discretionary bonuses and housing benefits.

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

### **DIRECTORS' INTERESTS IN CONTRACTS**

Save for transactions as disclosed in note 12 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries and fellow subsidiaries was a party during the year.

### **董事服務合約(續)**

除上述各項外，建議於應屆股東週年大會上膺選連任的董事概無與本公司訂立本公司於一年內終止而須作出賠償(法定賠償除外)的服務合約。

### **酬金政策及董事酬金**

本集團的酬金政策乃根據個別僱員的表現制定，並會定期進行檢討。視乎本集團的盈利能力而定，本集團亦可向其僱員提供酌情花紅，作為彼等對本集團作出貢獻的獎勵。本集團執行董事酬金組合的酬金政策主要旨在透過將執行董事的薪酬與其按所達到公司目標計量的表現掛鉤，讓本集團可挽留及激勵執行董事。

本集團酬金組合的主要部份包括基本薪金、酌情花紅及住屋福利。

董事袍金須於股東大會上獲得股東批准，其他酬金則由本公司董事會參照董事的職務、職責及表現以及本集團業績釐定。

### **董事於合約的權益**

除財務報表附註12所披露的交易外，董事於年內概無於由本公司、其控股公司或其任何附屬公司及同系附屬公司訂立且對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2007, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

### 董事於股份及相關股份的權益及淡倉

於二零零七年十二月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股本及相關股份中擁有須記入本公司根據證券及期貨條例第352節存置的登記冊內的權益及淡倉，或須根據上市公司董事進行證券交易的標準守則(「標準守則」)通知本公司及聯交所的權益及淡倉如下：

#### Long positions in ordinary shares of the Company:

於本公司普通股的好倉：

Name 姓名	Capacity and nature of interest 身份及權益性質	Shares/equity derivatives 股份/股權 衍生工具	Number of shares/equity derivatives held 所持股份/股權 衍生工具數目	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比
Mr. Cheng Man Tai 鄭敏泰先生	Interest of controlled corporations 受控制公司權益	Ordinary shares (Note 1) 普通股 (附註1)	287,550,850	71.83
	Beneficial owner 實益擁有人	Share options (Note 2) 購股權 (附註2)	873,000	0.22
Ms. Cheng Pik Ho Liza 鄭碧浩女士	Beneficial owner 實益擁有人	Ordinary shares 普通股	7,813,555	1.95
	Beneficial owner 實益擁有人	Share options (Note 2) 購股權 (附註2)	500,000	0.12
Madam Ngok Ming Chu 岳明珠女士	Interest of controlled corporations 受控制公司權益	Ordinary shares (Note 1) 普通股 (附註1)	287,550,850	71.83
	Beneficial owner 實益擁有人	Share options (Note 2) 購股權 (附註2)	773,000	0.19
Mr. Hung Hin Kit 孔憲傑先生	Beneficial owner 實益擁有人	Share options (Note 2) 購股權 (附註2)	332,000	0.08
Mr. Lau Siu Ki 劉紹基先生	Beneficial owner 實益擁有人	Share options (Note 2) 購股權 (附註2)	68,000	0.02
Mr. Lee Kwan Hung 李均雄先生	Beneficial owner 實益擁有人	Share options (Note 2) 購股權 (附註2)	68,000	0.02
Prof. Lee T.S. 李天生教授	Beneficial owner 實益擁有人	Share options (Note 2) 購股權 (附註2)	68,000	0.02

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

### Long positions in shares of an associated corporation:

Name	Name of associated corporation	Relationship with the Company	Shares/equity derivatives 股份/股權 衍生工具	Number of shares 股份數目	Capacity and nature of interest 身份及 權益性質	Percentage of the associated corporation's issued share capital 佔相聯法團已發行股本的百分比
姓名	相聯法團名稱	與本公司的關係				
Mr. Cheng Man Tai 鄭敏泰先生	Harmonious World Limited ("Harmonious World")	Ultimate holding company 最終控股公司	Ordinary shares 普通股	57.91 shares of US\$1 each 57.91股每股面值1美元的股份	Directly beneficially owned 直接實益擁有	59.09
Madam Ngok Ming Chu 岳明珠女士	Harmonious World	Ultimate holding company 最終控股公司	Ordinary shares 普通股	40.09 shares of US\$1 each 40.09股每股面值1美元的股份	Directly beneficially owned 直接實益擁有	40.91

#### Notes:

- These shares are held as to 286,279,660 shares by Harmonious World and as to 1,271,190 shares by Fairmout Investments Limited ("Fairmout Investments"). Harmonious World is owned as to 59.09% by Mr. Cheng Man Tai and as to 40.91% by Madam Ngok Ming Chu. Fairmout Investments is owned as to 50% by Mr. Cheng Man Tai and as to 50% by Madam Ngok Ming Chu.
- These represent the number of shares which will be allotted and issued to the respective directors upon the exercise of the share options of a pre-initial public offering share option scheme (the "Pre-IPO Scheme") granted to each of them.

In addition to the above, certain directors have non-voting deferred shares in a subsidiary of the Company.

Save as disclosed above, as at 31 December 2007, none of the directors had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## 董事於股份及相關股份的權益及淡倉(續)

### 於相聯法團股份的好倉：

Name	Name of associated corporation	Relationship with the Company	Shares/equity derivatives 股份/股權 衍生工具	Number of shares 股份數目	Capacity and nature of interest 身份及 權益性質	Percentage of the associated corporation's issued share capital 佔相聯法團已發行股本的百分比
姓名	相聯法團名稱	與本公司的關係				
Mr. Cheng Man Tai 鄭敏泰先生	Harmonious World Limited ("Harmonious World")	Ultimate holding company 最終控股公司	Ordinary shares 普通股	57.91 shares of US\$1 each 57.91股每股面值1美元的股份	Directly beneficially owned 直接實益擁有	59.09
Madam Ngok Ming Chu 岳明珠女士	Harmonious World	Ultimate holding company 最終控股公司	Ordinary shares 普通股	40.09 shares of US\$1 each 40.09股每股面值1美元的股份	Directly beneficially owned 直接實益擁有	40.91

#### 附註：

- 該等股份分別由 Harmonious World 及 Fairmout Investments Limited (「Fairmout Investments」) 持有其 286,279,660 股股份及 1,271,190 股股份。Harmonious World 分別由鄭敏泰先生及岳明珠女士擁有其 59.09% 及 40.91% 權益。Fairmout Investments 分別由鄭敏泰先生及岳明珠女士擁有其 50% 及 50% 權益。
- 此為各董事行使彼等根據首次公開發售前購股權計劃 (「首次公開發售前計劃」) 分別獲授的購股權時將獲配發及發行的股份數目。

除上文所述外，若干董事擁有不賦予投票權的本公司附屬公司遞延股份。

除上文披露者外，於二零零七年十二月三十一日，概無董事於本公司或其任何相聯法團的股份或相關股份中擁有根據證券及期貨條例第 352 節須記入登記冊內的權益及淡倉，或根據標準守則須通知本公司及聯交所的權益及淡倉。

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' interests and short positions in shares and underlying shares" above and in the section "Share option scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## SHARE OPTION SCHEME

The Company adopted a share option scheme and the Pre-IPO Scheme. Details of these schemes are set out in note 31 to the financial statements.

No share options were granted during the year.

Details of the share option movements during the year are separately disclosed in note 31 to the financial statements.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2007, the following interests of 5% or more of the issued share capital of the Company (other than the directors of the Company) were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### Long positions:

好倉：

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比
姓名	身份及權益性質 (Note) (附註)	所持普通股數目	
Harmonious World	Directly beneficially owned 直接實益擁有	286,279,660	71.51
Fidelity International Limited	Investment manager 投資經理	28,729,000	7.18

Note: The relationship between Harmonious World and Mr. Cheng Man Tai and Madam Ngok Ming Chu is disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above.

## 董事購買股份或債券的權利

除上文「董事於股份及相關股份的權益及淡倉」一節及下文「購股權計劃」一節披露事項外，任何董事或彼等各自的配偶或未滿十八歲的子女概無於年內任何時間獲授權利以透過購買本公司股份或債券而獲益，彼等亦無行使該等權利，本公司、其控股公司或其任何附屬公司及同系附屬公司亦無訂立任何安排致使董事可收購任何其他法人團體的該等權利。

## 購股權計劃

本公司採納購股權計劃及首次公開發售前計劃，該等計劃的詳情載於財務報表附註31。

於年內並無授出購股權。

於年內購股權的變動詳情獨立披露於財務報表附註31。

## 主要股東及其他人士於股份及相關股份的權益

於二零零七年十二月三十一日，以下人士(本公司董事除外)於本公司已發行股本中擁有5%或以上須記入本公司根據證券及期貨條例第336節存置的登記冊內的權益：

附註：Harmonious World與鄭敬泰先生及岳明珠女士之間的關係披露於上文「董事於股份及相關股份的權益及淡倉」項下。

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

(continued)

Save as disclosed above, as at 31 December 2007, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' interests and short positions in shares and underlying shares" above, had registered an interest 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.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

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

### Connected transactions

On 27 November 2007, Embry Group Limited, a direct wholly-owned subsidiary of the Company, entered into an agreement (the "Disposal Agreement") with Sinowide Investments Limited, a connected company, to dispose of the entire issued share capital of Embry Development Limited ("EDL"), an indirect wholly-owned subsidiary of the Company of which the principal asset is an industrial complex via its wholly-owned subsidiary, Changzhou Embry Development Limited ("CZ Embry Development"), for a consideration of HK\$56 million.

On 28 December 2007, the independent shareholders' approval for the above transaction was obtained at the extraordinary general meeting of the Company and on 31 December 2007, the transaction to dispose of EDL was completed. Further details of the transaction are set out in note 12(b) to the financial statements.

## 主要股東及其他人士於股份及相關股份的權益(續)

除上文披露者外，於二零零七年十二月三十一日，概無人士(權益載於上文「董事於股份及相關股份的權益及淡倉」一節的本公司董事除外)於本公司股份或相關股份中擁有根據證券及期貨條例第336節須記錄的權益或淡倉。

## 充足公眾持股量

根據本公司所獲得的公開資料，以及就董事所知，於本報告日期，本公司已發行股本總額中最少25%由公眾人士持有。

## 關連交易及持續關連交易

於年內，本集團進行了以下關連及持續關連交易，該等交易的若干詳情根據上市規則第14A章的規定於此披露。

### 關連交易

於二零零七年十一月二十七日，本公司的直接全資附屬公司Embry Group Limited與關連公司Sinowide Investments Limited訂立一項協議(「出售協議」)，以代價56,000,000港元出售本公司間接全資附屬公司Embry Development Limited(「EDL」)的全部已發行股本。EDL的主要資產為透過其全資附屬公司常州安莉芳發展有限公司(「常州安莉芳發展」)擁有一幢工業大樓。

上述交易於二零零七年十二月二十八日在本公司股東特別大會上獲得獨立股東的批准，出售EDL的交易於二零零七年十二月三十一日完成。該交易的進一步詳情載於財務報表附註12(b)。

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

### Connected transactions (continued)

Further, on the same date of entering into the Disposal Agreement, Embry (Changzhou) Garments Ltd., an indirectly wholly-owned subsidiary of the Company, entered into a tenancy agreement (the "Tenancy") with CZ Embry Development to lease its industrial complex. This connected transaction would only be subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules. Upon the completion of the Disposal Agreement, the Tenancy became effective on 1 January 2008. Details of this connected transaction of the Group are set out in note 12(b) to the financial statements.

In respect of the above mentioned connected transactions, the directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year under review.

### Continuing connected transactions

During the year, the Group had purchased furniture for counters and shops from related companies, and leased a warehouse from a director of the Company. Details of these continuing connected transactions of the Group are set out in notes 12(a)(i) and (ii) to the financial statements.

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive directors have reviewed these continuing connected transactions and confirmed that these continuing connected transactions have been entered into:

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

The transaction amounts in respect of the continuing connected transactions mentioned above during the year under review have not exceeded the annual cap for that transaction.

## 關連交易及持續關連交易(續)

### 關連交易(續)

此外，於訂立出售協議同日，本公司間接全資附屬公司安莉芳(常州)服裝有限公司與常州安莉芳發展訂立一項租賃協議(「租賃事項」)，以租賃常州安莉芳發展的工業大樓。此項關連交易只須遵守上市規則的申報及公佈規定，惟可豁免獲得獨立股東的批准。於出售協議完成後，租賃事項於二零零八年一月一日生效。此項本集團關連交易的詳情載於財務報表附註12(b)。

董事確認本公司於回顧年度已就上述關連交易遵守上市規則第14A章所載的披露規定。

### 持續關連交易

於年內，本集團向有關連公司購買櫃位及店舖之傢俬，並向本公司一位董事租賃倉庫。該等本集團持續關連交易的詳情載於財務報表附註12(a)(i)及(ii)。

獨立非執行董事已根據上市規則第14A.37條審閱該等持續關連交易，並確認該等持續關連交易：

- (1) 於本集團日常過程及一般業務過程中訂立；
- (2) 按一般商業條款或不遜於本集團向或獲獨立第三方提供者的條款訂立；及
- (3) 根據監管該等持續關連交易的有關協議按公平合理及合乎本公司整體股東利益的條款訂立。

上述於回顧年度有關持續關連交易的交易金額並無超過該交易的年度上限。

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

### Continuing connected transactions (continued)

In respect of the continuing connected transactions mentioned above, the directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year under review.

The Company has also received a letter from the auditors in respect of the transactions stating that:

- (1) the transactions have received the approval of the Company's board of directors;
- (2) the transactions have been entered into and conducted in accordance with the relevant agreements governing the transactions; and
- (3) the annual amounts of the transactions have not exceeded the cap disclosed in the Prospectus.

## AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

**Cheng Man Tai**  
Chairman

Hong Kong, 16 April 2008

## 關連交易及持續關連交易(續)

### 持續關連交易(續)

董事確認本公司於回顧年度已就上述持續關連交易遵守上市規則第14A章所載的披露規定。

本公司亦接獲核數師就該等交易發出的函件，其中指出：

- (1) 該等交易已獲本公司董事會批准；
- (2) 該等交易乃根據監管該等交易的有關協議訂立及進行；及
- (3) 該等交易的年度金額並無超出招股章程所披露的上限。

## 核數師

安永會計師事務所將於應屆股東週年大會上退任，會上將提呈決議案重新委任安永會計師事務所為本公司核數師。

代表董事會

**鄭敏泰**  
主席

香港，二零零八年四月十六日



# Independent Auditors' Report

## 獨立核數師報告



To the shareholders of **Embry Holdings Limited**  
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Embry Holdings Limited set out on pages 57 to 142, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

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

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

致：安莉芳控股有限公司全體股東  
(於開曼群島註冊成立的有限公司)

本核數師已審核列載於第57至142頁安莉芳控股有限公司的財務報表，此財務報表包括於二零零七年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會所頒佈的香港財務報告準則及按照香港公司條例的披露規定編製真實而公平的財務報表。這責任包括設計、實施及維護與編製真實而公平財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用合適的會計政策；及按情況而作出合理的會計估計。

### 核數師的責任

本核數師的責任是根據本核數師審核工作的結果對該等財務報表作出意見，並僅向全體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

本核數師已根據香港會計師公會頒佈的香港審計準則進行審核工作。這些準則要求本核數師遵守道德規範，並規劃及執行審核工作，以合理確定該等財務報表是否不存有任何重大錯誤陳述。

### **AUDITORS' RESPONSIBILITY** *(continued)*

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

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

### **OPINION**

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

### **Ernst & Young**

*Certified Public Accountants*  
18th Floor  
Two International Finance Centre  
8 Finance Street, Central

Hong Kong, 16 April 2008

### **核數師的責任** *(續)*

審核工作包括進行若干程序以獲取有關財務報表所載金額及披露資料的審核憑證。所採用的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。本核數師在評估該等風險時，會考慮與該公司編製真實而公平的財務報表的相關內部控制，以設計合適的審核程序，而並非為對公司的內部控制的效能發表意見。審核工作亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

本核數師相信，本核數師所獲得的審核憑證是充足和適當地為本核數師的審核意見提供基礎。

### **意見**

本核數師認為，該等財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零七年十二月三十一日的財務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

### **安永會計師事務所**

*執業會計師*  
中環金融街8號  
國際金融中心2期18樓

香港，二零零八年四月十六日

# Consolidated Income Statement

## 綜合收益表

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

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		Notes 附註		
<b>REVENUE</b>	<b>收益</b>	5	<b>711,668</b>	624,324
Cost of sales	銷售成本		<u>(160,123)</u>	<u>(145,581)</u>
Gross profit	毛利		<b>551,545</b>	478,743
Other income and gains	其他收入及收益	6	<b>69,240</b>	11,006
Selling and distribution expenses	銷售及分銷開支		<b>(396,846)</b>	(330,068)
Administrative expenses	行政開支		<b>(80,439)</b>	(52,711)
Other expenses	其他開支		<b>(143)</b>	(2,846)
Finance costs	融資成本	7	<b>(118)</b>	(1,545)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	8	<b>143,239</b>	102,579
Tax	稅項	11	<b>(20,723)</b>	(19,974)
<b>PROFIT FOR THE YEAR</b>	<b>年度溢利</b>		<b><u>122,516</u></b>	<u>82,605</u>
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司權益持有人	13	<b>122,516</b>	81,105
Minority interests	少數股東權益		<u>–</u>	<u>1,500</u>
			<b><u>122,516</u></b>	<u>82,605</u>
<b>DIVIDENDS</b>	<b>股息</b>	14	<b><u>32,000</u></b>	<u>24,000</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>本公司權益持有人應佔每股盈利</b>			
– Basic (HK cents)	– 基本 (港仙)	15	<b><u>30.63</u></b>	<u>26.69</u>
– Diluted (HK cents)	– 攤薄 (港仙)		<b><u>30.29</u></b>	<u>26.68</u>

# Consolidated Balance Sheet

## 綜合資產負債表

31 December 2007  
二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	Notes 附註			
<b>NON-CURRENT ASSETS</b>		<b>非流動資產</b>		
Property, plant and equipment	16	物業、廠房及設備	164,294	79,518
Investment property	17	投資物業	31,000	27,700
Prepaid land lease payments	18	預付土地租賃款項	3,730	5,741
Other deposits	21	其他按金	1,988	13,132
Total non-current assets		非流動資產總值	<u>201,012</u>	<u>126,091</u>
<b>CURRENT ASSETS</b>		<b>流動資產</b>		
Inventories	19	存貨	295,959	227,969
Trade receivables	20	應收貿易賬款	31,912	34,967
Prepayments, deposits and other receivables	21	預付款項、按金及其他應收款項	33,948	14,046
Due from a related company	22	應收一間關連公司款項	22,400	–
Cash and cash equivalents	24	現金及現金等價物	349,247	431,225
Total current assets		流動資產總值	<u>733,466</u>	<u>708,207</u>
<b>CURRENT LIABILITIES</b>		<b>流動負債</b>		
Trade and bills payables	25	應付貿易賬款及應付票據	32,842	25,283
Tax payable		應付稅項	3,604	4,212
Other payables and accruals	26	其他應付款項及應計款項	52,652	50,851
Interest-bearing bank loans, secured	27	計息銀行貸款，有抵押	–	4,242
Total current liabilities		流動負債總值	<u>89,098</u>	<u>84,588</u>
<b>NET CURRENT ASSETS</b>		<b>流動資產淨值</b>	<u>644,368</u>	<u>623,619</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>總資產減流動負債</b>	<b>845,380</b>	749,710
<b>NON-CURRENT LIABILITIES</b>		<b>非流動負債</b>		
Interest-bearing bank loans, secured	27	計息銀行貸款，有抵押	–	20,228
Deferred liabilities	28	遞延負債	3,388	3,395
Deferred tax liabilities	29	遞延稅項負債	2,532	1,850
Total non-current liabilities		非流動負債總值	<u>5,920</u>	<u>25,473</u>
Net assets		資產淨值	<u>839,460</u>	<u>724,237</u>

## Consolidated Balance Sheet (continued)

綜合資產負債表(續)

31 December 2007  
二零零七年十二月三十一日

			2007	2006
			二零零七年	二零零六年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔權益</b>			
Issued capital	已發行股本	30	4,003	4,000
Reserves	儲備	32(a)	811,457	696,237
Proposed final dividend	擬派末期股息	14	24,000	24,000
			<u>839,460</u>	<u>724,237</u>
Total equity	總權益			

**Cheng Man Tai**

鄭敏泰

Director

董事

**Cheng Pik Ho Liza**

鄭碧浩

Director

董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔之權益												
		Enterprise expansion and										Minority interests	Total equity	
		Share issued capital	Share premium account	Contributed surplus	Asset revaluation reserve	statutory reserve funds	Exchange fluctuation reserve	Goodwill reserve	Share option reserve	Retained profits	Proposed final dividend			Total
		已發行股本	股份溢價賬	實繳盈餘	資產重估儲備	企業發展及法定儲備金	匯兌波動儲備	商譽儲備	購股權儲備	保留溢利	末期股息	總計	股東權益	總權益
Notes	附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(note 32(a)) (附註32(a))			(note 32(a)) (附註32(a))		(note 32(a)) (附註32(a))							
At 1 January 2007	於二零零七年一月一日	4,000	327,270	122,610	2,539	12,657	8,561	(3,168)	584	225,184	24,000	724,237	-	724,237
Exchange realignment	匯兌調整	-	-	-	-	-	22,494	-	-	-	-	22,494	-	22,494
Total income and expense recognised in equity	於權益確認之收支總額	-	-	-	-	-	22,494	-	-	-	-	22,494	-	22,494
Profit for the year	年度溢利	-	-	-	-	-	-	-	-	122,516	-	122,516	-	122,516
Total income and expense for the year	本年度之收支總額	-	-	-	-	-	22,494	-	-	122,516	-	145,010	-	145,010
Disposal of subsidiaries	出售附屬公司	33(b)	-	-	-	(920)	(4,581)	-	-	920	-	(4,581)	-	(4,581)
Issue of shares	發行股份	30(g)	3	1,970	-	-	-	-	(1,404)	-	-	569	-	569
Equity-settled share option arrangements	以權益支付之購股權安排	31	-	-	-	-	-	-	6,225	-	-	6,225	-	6,225
Share options lapsed	購股權失效	-	-	-	-	-	-	-	(36)	36	-	-	-	-
Final 2006 dividend declared	宣派二零零六年末期股息	-	-	-	-	-	-	-	-	-	(24,000)	(24,000)	-	(24,000)
Interim 2007 dividend	二零零七年中期股息	14	-	-	-	-	-	-	-	(8,000)	-	(8,000)	-	(8,000)
Proposed final 2007 dividend	擬派二零零七年末期股息	14	-	-	-	-	-	-	-	(24,000)	24,000	-	-	-
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	31	-	-	-	(31)	-	-	-	-
At 31 December 2007	於二零零七年十二月三十一日	4,003	329,240*	122,610*	2,539*	11,768*	26,474*	(3,168)*	5,369*	316,625*	24,000	839,460	-	839,460

# Consolidated Statement of Changes in Equity (continued)

綜合權益變動表 (續)

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

		Attributable to equity holders of the Company 本公司權益持有人應佔之權益												
		Enterprise expansion and										Minority interests	Total equity	
		Share issued capital	Share premium account	Contributed surplus	Asset revaluation reserve	statutory reserve funds	Exchange fluctuation reserve	Goodwill reserve	Share option reserve	Retained profits	Proposed final dividend			Total
		已發行股本	股份溢價賬	實繳盈餘	資產重估儲備	企業發展及法定儲備金	匯兌波動儲備	商譽儲備	購股權儲備	保留溢利	末期股息	總計	股東權益	總權益
Notes	附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(note 32(a)) (附註32(a))			(note 32(a)) (附註32(a))		(note 32(a)) (附註32(a))							
At 1 January 2006	於二零零六年一月一日	200	-	101,769	2,539	12,657	736	(3,168)	-	168,079	-	282,812	3,554	286,366
Exchange realignment	匯兌調整	-	-	-	-	-	7,825	-	-	-	-	7,825	(54)	7,771
Total income and expense recognised in equity	於權益確認之收支總額	-	-	-	-	-	7,825	-	-	-	-	7,825	(54)	7,771
Profit for the year	年度溢利	-	-	-	-	-	-	-	-	81,105	-	81,105	1,500	82,605
Total income and expense for the year	本年度之收支總額	-	-	-	-	-	7,825	-	-	81,105	-	88,930	1,446	90,376
Acquisition of minority interests	收購少數股東權益	33(a)	-	5,000	-	-	-	-	-	-	-	5,000	(5,000)	-
Settlement of an advance from the ultimate holding company	償還最終控股公司墊款	33(a)	-	15,841	-	-	-	-	-	-	-	15,841	-	15,841
Capitalisation issue	資本化發行	30(e)	2,800	(2,800)	-	-	-	-	-	-	-	-	-	-
Issue of shares for cash consideration	以現金作代價發行股份	30(f)	1,000	361,000	-	-	-	-	-	-	-	362,000	-	362,000
Share issue expenses	發行股份開支		-	(30,930)	-	-	-	-	-	-	-	(30,930)	-	(30,930)
Equity-settled share option arrangements	以權益支付之購股權安排	31	-	-	-	-	-	-	584	-	-	584	-	584
Proposed final 2006 dividend	擬派二零零六年末期股息	14	-	-	-	-	-	-	-	(24,000)	24,000	-	-	-
At 31 December 2006	於二零零六年十二月三十一日	4,000	327,270*	122,610*	2,539*	12,657*	8,561*	(3,168)*	584*	225,184*	24,000	724,237	-	724,237

\* These reserves accounts comprise the consolidated reserves of HK\$811,457,000 (2006: HK\$696,237,000) in the consolidated balance sheet.

\* 此等儲備賬包括綜合資產負債表中的綜合儲備 811,457,000 港元 (二零零六年: 696,237,000 港元)。

# Consolidated Cash Flow Statement

## 綜合現金流量表

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

	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>經營業務之現金流量</b>			
Profit before tax		143,239	102,579
Adjustments for:	調整：		
Finance costs	融資成本 7	118	1,545
Bank interest income	銀行利息收入 6	(11,935)	(2,869)
Depreciation	折舊 8	10,342	9,029
Amortisation of prepaid land lease payments	預付土地租賃款項之攤銷 8	62	59
Loss on write-off of items of property, plant and equipment	撇銷物業、廠房及設備項目之虧損 8	152	101
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益 8	–	(6)
Impairment of trade receivables	應收貿易賬款減值 8	(316)	629
Provision for obsolete inventories, net	陳舊存貨撥備，淨額 8	9,075	1,787
Changes in fair value of an investment property	投資物業公平值變動 6	(3,300)	(2,200)
Gain on disposal of subsidiaries	出售附屬公司收益 6	(41,998)	–
Equity-settled share option expenses	以股權支付之購股權開支 31	6,225	584
		<b>111,664</b>	<b>111,238</b>
Increase in inventories	存貨增加	(77,065)	(24,688)
Decrease/(increase) in trade receivables	應收貿易賬款減少/(增加)	3,371	(13,377)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(5,095)	(3,142)
Increase/(decrease) in trade and bills payables	應付貿易賬款及應付票據增加/(減少)	7,559	(15,666)
Increase in other payables and accruals	其他應付款項及應計款項增加	1,928	24,210
Decrease in deferred liabilities	遞延負債減少	(7)	(1,227)
		<b>42,355</b>	<b>77,348</b>
Cash generated from operations	經營所得現金	(418)	(469)
Hong Kong profits tax paid	已付香港利得稅	(20,231)	(17,081)
Overseas tax paid	已付海外稅項		
		<b>21,706</b>	<b>59,798</b>
Net cash inflow from operating activities	經營業務之現金流入淨額		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>投資活動之現金流量</b>			
Interest received	已收利息	8,241	2,869
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目 16	(101,284)	(7,875)
Deposits paid for land use rights	就土地使用權支付之按金 35	–	(16,647)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備之所得款項	–	6
Proceeds from disposal of subsidiaries, net	出售附屬公司之所得款項，淨額 33(b)	31,070	–
Increase in non-pledged time deposits with original maturity of more than three months when acquired	於購入時原到期日為超過三個月之無抵押定期存款增加 24	(100,000)	–
		<b>(161,973)</b>	<b>(21,647)</b>
Net cash outflow from investing activities	投資活動之現金流出淨額		



## Consolidated Cash Flow Statement (continued)

綜合現金流量表（續）

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

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	Notes 附註		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動之現金流量</b>		
Dividends paid to minority shareholders	向少數股東支付之股息	-	(3,810)
Advance from the ultimate holding company	最終控股公司墊款	-	15,841
	33(a)		
Proceeds from issue of shares	股份發行所得款項	569	362,000
Share issue expenses	股份發行開支	-	(30,930)
Dividends paid	已付股息	(32,000)	-
Interest paid	已付利息	(118)	(1,545)
Repayment of bank loans	償還銀行貸款	(24,470)	(3,705)
		<u>          </u>	<u>          </u>
Net cash inflow/(outflow) from financing activities	融資活動之現金流入／(流出)，淨額	(56,019)	337,851
		<u>          </u>	<u>          </u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物之增加／(減少)，淨額</b>	(196,286)	376,002
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	431,225	49,510
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額	14,308	5,713
		<u>          </u>	<u>          </u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末之現金及現金等價物</b>	249,247	431,225
		<u>          </u>	<u>          </u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘之分析</b>		
Cash and bank balances	現金及銀行結餘	145,281	87,891
Non-pledged time deposits with original maturity of less than three months when acquired	於購入時原到期日為三個月內之無抵押定期存款	103,966	343,334
		<u>          </u>	<u>          </u>
		249,247	431,225
		<u>          </u>	<u>          </u>

# Balance Sheet

## 資產負債表

31 December 2007  
二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益	23	<b>641,301</b>	400,355
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	<b>2,679</b>	590
Cash and cash equivalents	現金及現金等價物	24	<b>102,755</b>	316,445
Total current assets	流動資產總值		<b>105,434</b>	317,035
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及應計款項	26	<b>762</b>	4,365
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>104,672</b>	312,670
Net assets	資產淨值		<b>745,973</b>	713,025
<b>EQUITY</b>	<b>權益</b>			
Issued capital	已發行股本	30	<b>4,003</b>	4,000
Reserves	儲備	32(b)	<b>717,970</b>	685,025
Proposed final dividend	擬派末期股息	14	<b>24,000</b>	24,000
Total equity	總權益		<b>745,973</b>	713,025

**Cheng Man Tai**  
鄭敏泰  
Director  
董事

**Cheng Pik Ho Liza**  
鄭碧浩  
Director  
董事

# Notes to Financial Statements

## 財務報表附註

31 December 2007  
二零零七年十二月三十一日

### 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 August 2006 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and the principal place of business of the Company is located at 7th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 23 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

The Company is a subsidiary of Harmonious World Limited ("Harmonious World"), a company incorporated in the British Virgin Islands (the "BVI"), and is considered by the directors as the Company's ultimate holding company.

#### 2.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the investment property, which has been measured at fair value. These financial statements are presented in Hong Kong dollars and all amounts are rounded to the nearest thousand (HK\$'000) except where otherwise indicated.

### 1. 公司資料

本公司於二零零六年八月二十九日根據開曼群島第22章公司法(一九六一年法例三，經綜合及修訂)註冊成立為獲豁免有限公司。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands。而本公司的主要營業地點為香港新界葵涌大連排道200號偉倫中心二期7樓。

本公司的主要業務為投資控股。有關附屬公司的主要業務詳情載於財務報表附註23。年內本集團的主要業務性質並無重大變動。

本公司為Harmonious World Limited (「Harmonious World」)的附屬公司，Harmonious World為於英屬處女群島(「英屬處女群島」)註冊成立的公司，董事認為Harmonious World為本公司的最終控股公司。

#### 2.1 呈列基準

該等財務報表根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例披露規定編製。該等財務報表根據歷史成本法編製，惟投資物業則按其公平值計量。除另有指明外，該等財務報表以港元呈列，所有金額均調整至最接近千元(千港元)。

## 2.1. BASIS OF PREPARATION (continued)

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2007. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated in the preparation of the consolidated financial statements.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries.

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

## 2.1 呈列基準(續)

### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零零七年十二月三十一止年度的財務報表。附屬公司的業績自收購日期(即本集團取得控制權當日)起開始綜合，直至該等控制權失效為止。就編製綜合財務報表而言，所有集團內的重重大公司交易及結餘會被撇銷。

少數股東權益指外界股東於本公司附屬公司業績及資產淨值中持有而並非由本集團持有的權益。

## 2.2 新訂及經修訂香港財務報告準則之影響

本集團於本年度財務報表首次採納以下新訂及經修訂香港財務報告準則。除於若干情況下應用新訂及經修訂會計政策須作出額外披露外，採納該等新訂及經修訂準則及詮釋對此等財務報表並無重大影響。

香港財務報告準則第7號	金融工具：披露
香港會計準則第1號(經修訂)	資本披露
香港(國際財務報告詮釋委員會)詮釋第8號	香港財務報告準則第2號之範圍
香港(國際財務報告詮釋委員會)詮釋第9號	重新評估嵌入式衍生工具
香港(國際財務報告詮釋委員會)詮釋第10號	中期財務報告及減值

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

### (a) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/ revised where appropriate.

### (b) Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 36 to the financial statements.

### (c) HK(IFRIC)-Int 8 Scope of HKFRS 2

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has only issued equity instruments to the Group's employees for their services provided in accordance with the Company's share option schemes, the interpretation has had no effect on these financial statements.

## 2.2 新訂及經修訂香港財務報告準則之影響(續)

採納該等新訂及經修訂香港財務報告準則之主要影響如下：

### (a) 香港財務報告準則第7號金融工具：披露

該準則規定作出披露以允許財務報表使用者能評估本集團金融工具之重要性以及該等金融工具所產生之風險性質及範圍。該等新披露貫徹載列於財務報表內。由於對本集團之財務狀況或經營業績並無影響，比較資料已予載入／經修訂(如適用)。

### (b) 香港會計準則第1號(經修訂)財務報表之呈列－資本披露

該修訂規定本集團作出披露以允許財務報表之使用者能夠評估本集團管理資本之目標、政策及過程。該等新披露已載於財務報表附註36。

### (c) 香港(國際財務報告詮釋委員會)－詮釋第8號香港財務報告準則第2號之範圍

該詮釋規定，香港財務報告準則第2號須適用於本集團無法明確識別部分或所有已收到貨物或服務之任何安排，而本集團就該等安排授出權益工具或產生負債(基於本集團權益工具之價值)作為交易代價，而該等安排所收到貨物或服務之價值少於所授出權益工具或所產生負債之公允值。由於本公司只根據其購股權計劃向本集團僱員就其提供之特定服務授出權益工具，故該詮釋對財務報表並無影響。

## 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### (d) HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

### (e) HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment

The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 2 Amendment	Share-based Payment – Vesting Conditions and Cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>2</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>2</sup>

## 2.2 新訂及經修訂香港財務報告準則之影響(續)

### (d) 香港(國際財務報告詮釋委員會) – 詮釋第9號重新評估嵌入式衍生工具

該詮釋規定，本集團首次成為合約訂約方之日期，即為評估內含衍生工具是否須要與主合約分開而作為衍生工具列賬之日期，並僅當合約之修改大幅改變現金流量時方可進行重估。由於本集團並無按規定須與主合約分開列賬之內含衍生工具，故該詮釋並無對財務報表產生影響。

### (e) 香港(國際財務報告詮釋委員會) – 詮釋第10號中期財務報告及減值

本集團已於二零零七年一月一日起採納該詮釋，而該詮釋規定於過往中期報告期間就商譽確認之減值虧損或分類為可供出售權益工具或按成本列賬之金融資產所確認之減值虧損，其後不得撥回。由於本集團過往並無就該等資產撥回減值虧損，故該詮釋不會對本集團之財務狀況或經營業績產生影響。

## 2.3 已頒佈但仍未生效之香港財務報告準則之影響

本集團在該等財務報表並無採納下列已頒佈但仍未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第2號(經修訂)	以股份為基礎付款 – 歸屬條件及註銷 <sup>1</sup>
香港財務報告準則第3號(經修訂)	業務合併 <sup>2</sup>
香港財務報告準則第8號	經營分部 <sup>1</sup>
香港會計準則第1號(經修訂)	財務報表之呈列 <sup>1</sup>
香港會計準則第23號(經修訂)	借貸成本 <sup>1</sup>
香港會計準則第27號(經修訂)	綜合及獨立財務報表 <sup>2</sup>

## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions <sup>3</sup>
HK(IFRIC)-Int 12	Service Concession Arrangements <sup>3</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>1</sup>
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction <sup>3</sup>

<sup>1</sup> Effective for accounting period beginning on 1 January 2009

<sup>2</sup> Effective for accounting period beginning on 1 January 2010

<sup>3</sup> Effective for accounting period beginning on 1 January 2008

The amendment to HKFRS 2 restricts the definition of “vesting condition” to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect significant implications on its accounting for share-based payments.

The revised HKFRS 3 introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The revised HKAS 27 requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by the revised HKFRS 3 and the revised HKAS 27 must be applied prospectively and will affect future acquisitions and transactions with minority interests.

## 2.3 已頒佈但仍未生效之香港財務報告準則之影響(續)

香港(國際財務報告詮釋委員會)詮釋第11號	香港財務報告準則第2號—集團及庫存股份交易 <sup>3</sup>
香港(國際財務報告詮釋委員會)詮釋第12號	服務經營安排 <sup>3</sup>
香港(國際財務報告詮釋委員會)詮釋第13號	客戶忠誠計劃 <sup>1</sup>
香港(國際財務報告詮釋委員會)詮釋第14號	香港會計準則第19號—界定福利資產之限制、最低資金要求及其相互關係 <sup>3</sup>

<sup>1</sup> 於二零零九年一月一日或之後開始之會計期間生效

<sup>2</sup> 於二零一零年一月一日或之後開始之會計期間生效

<sup>3</sup> 於二零零八年一月一日或之後開始之會計期間生效

經修訂香港財務報告準則第2號將「歸屬條件」之定義限制為包括提供服務之明確或不明確規定。任何其他條件為非歸屬條件，於釐定所授出權益工具之公允值時必須考慮非歸屬條件。於獎勵因未能符合實體或對方可控制之非歸屬條件而並無歸屬之情況下，這必須入賬為註銷。本集團並無訂立具有非歸屬條件之以股份為基準支付計劃，因此，預期有關以股份為基礎支付之會計處理方法不會有重大含義。

經修訂香港財務報告準則第3號制定業務合併會計處理之若干變動，該等變動將影響所確認之商譽數額、收購事項發生期間所呈報之業績及未來所呈報業績。經修訂香港會計準則第27號規定，將一間附屬公司之所有權權益之變動入賬為權益交易。因此，有關變動將不會對商譽產生任何影響，亦不會引致收益或虧損。此外，經修訂準則改變附屬公司所產生虧損以及控制一間附屬公司虧損之會計處理。經修訂香港財務報告準則第3號及經修訂香港會計準則第27號所制定之變動不得予以追溯應用，並將影響未來與少數股東權益進行之收購事項及交易。

## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 8, which will replace HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers.

HKAS 1 has been revised to separate owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expenses, either in one single statement, or in two linked statements.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

## 2.3 已頒佈但仍未生效之香港財務報告準則之影響(續)

香港財務報告準則第8號將取代香港會計準則第14號分部報告，具體說明實體應如何報告有關其經營分類，並以公司主要營運決策人可用作分配資源予有關分類及評估其表現之組成實體資料為依據。有關準則亦規定，披露有關分類內所提供有關產品及服務之資料、本集團經營所在地區及來自本集團主要客戶之收益。

經修訂香港會計準則第1號將權益內之擁有人及非擁有人變動分開。權益變動報表將僅包括與擁有人進行之交易詳情，而權益內所有非擁有人變動作為單線予以呈列。此外，該準則制定綜合收益報表：其指所有於損益內確認之收入及開支項目，連同單個報表或兩個有聯繫報表內之所有其他已確認收入及開支。

經修訂香會計準則第23號要求將購置、建造或生產合資格資產相關的借款費用予以資產化。本集團目前有關借貸成本之政策符合修訂後準則的規定，故經修訂準則將不會對本集團產生任何財務影響。

香港(國際財務報告詮釋委員會)詮釋第11號規定，僱員所獲授公司權益工具之安排須列為權益交易計劃，即使該等工具乃由公司向其他人士購買或由股東提供。香港(國際財務報告詮釋委員會)詮釋第11號亦表明在涉及本集團內部兩個以上實體之以股份為付款基礎交易之會計方法。由於本集團現時並無有關交易，有關詮釋不可能對本集團產生任何財務影響。



### 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. The Group has currently introduced the customer loyalty award credits arrangement and the management does not expect this arrangement would have any material financial impact on the Group.

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 Employee Benefits, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists. As the Group currently has no defined benefit scheme, so it is unlikely to have any financial impact on the Group.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

### 2.3 已頒佈但仍未生效之香港財務報告準則之影響(續)

香港(國際財務報告詮釋委員會)詮釋第12號規定，公共對私人服務特許權安排之經營者須按照建築安排將換取建築服務而已收取或應收取之代價確認為財務資產及／或無形資產。香港(國際財務報告詮釋委員會)詮釋第12號亦提出，在政府或公營實體授予興建提供及／或供應公共服務之基建項目合約時，經營者應如何應用現有香港財務報告準則將當中由服務特許權安排所產生之責任或權利入賬。由於本集團現時並無有關安排，有關詮釋不可能對本集團產生任何財務影響。

香港(國際財務報告詮釋委員會)詮釋第13號規定，客戶所獲授予之忠誠獎勵信貸以作為銷售交易一部份，須以銷售交易之獨立部份列賬。在銷售交易所收取之代價須在忠誠獎勵信貸與銷售其他部份之間作分配。有關分配至忠誠獎勵信貸之款額乃經參考其公平值而釐定，並在有關獎勵可贖回或負債可另行撇銷前予以遞延。本集團目前已設立客戶忠誠獎勵信貸安排，管理層預期此安排將不會對本集團產生重大財務影響。

香港(國際財務報告詮釋委員會)詮釋第14號提出，根據香港會計準則第19號僱員福利如何評估有關界定福利計劃(特別是存在最低資金要求時)未來供款之退款或扣減款額可確認為資產之限額。由於本集團目前並無界定福利計劃，故不大可能對本集團產生任何財務影響。

本集團現正評估首次應用此等新訂及經修訂香港財務報告準則的影響，直至目前為止，總括儘管採納香港財務報告準則第8號或須作出新披露或經修訂披露事項，惟該等新訂及經修訂香港財務報告準則將不會對本集團的經營業績及財務狀況構成任何重大影響。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Subsidiaries

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

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

### Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets, and liabilities and contingent liabilities assumed as at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is recognised in the consolidated balance sheet as an asset.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative value of the operation disposed of and the portion of the cash-generating unit retained.

## 2.4 主要會計政策概要

### 附屬公司

附屬公司指本公司直接或間接控制其財務及營運政策，藉以從其業務獲益之實體。

附屬公司之業績按已收及應收股息計入本公司之收益表。本公司於附屬公司之權益按成本減任何減值虧損入賬。

### 商譽

收購附屬公司而產生之商譽代表業務合併成本超出本集團於收購日期獲得之可識別資產、負債和或有負債之公平淨值中分佔之權益之部分。收購附屬公司產生之商譽於綜合資產負債表確認為資產。

商譽於首次確認後按照成本減去任何累計減值虧損進行計算。每年對商譽進行檢查以確定減值情況，如果有事件或情況變化顯示賬面值有可能發生減值，須進行更為頻繁之檢查。

於收購日，獲得之任何商譽被分配給每個預計將從合併所產生之協同效益中獲益之創現單位。減值通過評估與商譽相關之創現單位之可收回金額確定。如果創現單位之可收回金額低於賬面值，則會確認減值虧損。

商譽之已確認減值虧損不會於往後期間撥回。

如果商譽是某個創現單位之組成部分並且是被出售之創現單位內之業務之組成部分，則在確定出售該業務之收益或虧損時，與所出售之業務相關之商譽被包含於該業務之賬面值內。在此情況出售之商譽根據所出售之業務之相對價值和創現單位之保留部份進行計算。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Goodwill (continued)

*Goodwill previously eliminated against the consolidated reserve*

Goodwill arising on acquisitions before 1 January 2001 was eliminated against the consolidated goodwill reserve in the year of acquisition. The Group applied the transitional provisions of HKFRS 3 that permitted such goodwill to remain eliminated against the consolidated goodwill reserve and that required such goodwill not to be recognised in the consolidated income statement when the Group disposes of all or part of the business to which that goodwill relates or when a cash-generating unit to which the goodwill relates becomes impaired.

### Related parties

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

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its holding company;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

## 2.4 主要會計政策概要(續)

### 商譽(續)

*先前與綜合儲備抵銷之商譽*

二零零一年一月一日前因收購產生之商譽乃與收購年度之綜合商譽儲備抵銷。本集團採用香港財務報告準則第3號之過渡規定，該規定允許商譽繼續與綜合商譽儲備抵銷，而當本集團出售與上述商譽有關之全部或部份業務，又或與上述商譽有關之創現單位出現減值時，有關商譽將不會於綜合收益表確認。

### 關連人士

在下列情況下，關連人士將被視為與本集團有關連：

- (a) 有關人士直接或透過一名或多名中介人間接：(i)控制本集團或受本集團控制或與本集團受共同控制；(ii)擁有本公司之權益，並可對本集團發揮重大影響力；或(iii)與他人共同擁有本集團之控制權；
- (b) 有關人士是聯繫人；
- (c) 有關人士是共同控制實體；
- (d) 有關人士是本集團或其控股公司之主要管理人員；
- (e) 有關人士是(a)或(d)項所述任何人士之直系親屬；
- (f) 有關人士是直接或間接受(d)或(e)項所述之任何人士所控制、共同控制或重大影響，或由其擁有重大投票權而受重大影響之實體；或
- (g) 有關人士是為本集團僱員或屬於本集團關連人士之實體之僱員福利而設之離職後福利計劃。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, the investment property and goodwill), 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 pre-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 decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) 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.

## 2.4 主要會計政策概要(續)

### 非金融資產(商譽除外)減值

倘有跡象顯示資產出現減值，或須對資產進行年度減值測試(存貨、金融資產、投資物業及商譽除外)，則會估計該項資產之可收回金額。資產之可收回金額按資產或創現單位之使用價值或其公平值(以較高者為準)減出售成本計算，並就個別資產釐定，惟該項資產並無產生大部分獨立於其他資產或其他組別資產之現金流入則除外，在此情況，就該項資產所屬之創現單位釐定可收回金額。

減值虧損僅於資產賬面值超逾可收回金額時確認。於評估使用價值時，估計未來現金流量以反映當時市場對貨幣時間價值之估計及該項資產之特有風險之除稅前折現率折減至現值。減值虧損於產生期間自收益表扣除，惟倘該資產按重估金額列賬，則減值虧損會根據該重估資產之有關會計政策列賬。

於各報告日，均會評估是否有跡象顯示過往已確認之減值虧損不再存在或可能減少。倘出現該跡象，則會估計可收回金額。過往確認之資產減值虧損(商譽及金融資產除外)僅於用於釐定該項資產之可收回金額所採用之估計出現變化時撥回，但有關金額不得超逾假設過往年度並無就該項資產確認減值虧損而應有之賬面值(已扣除任何折舊/攤銷)。撥回減值虧損於產生期間計入收益表，惟倘該資產按重估金額列賬，則減值虧損撥回會根據該重估資產之有關會計政策列賬。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation

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

The cost of an item of property, plant and equipment 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 items of 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 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 an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of the reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous revaluations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	Over the lease terms
Leasehold improvements	4.5% to 20%
Plant and machinery	10% to 20%
Furniture, fixtures and office equipment	10% to 20%
Motor vehicles	20% to 25%

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備按成本減累計折舊及任何減值虧損入賬。

一項物業、廠房及設備之成本包括購買價及任何將資產達致其運作狀況與地點作擬定用途之直接成本。各項物業、廠房及設備投入運作後產生之開支(如維修及保養)一般於產生期間自收益表扣除。倘可清楚顯示開支導致預期日後使用一項物業、廠房及設備所得之經濟利益增加，而有關項目之成本能可靠計量，則會將有關開支撥充資本，作為該資產之額外成本或作為重置資產。

物業、廠房及設備之價值變動作為資產重估儲備之變動處理。倘若按每項資產為基準，儲備總額不足以彌補虧絀時，則多出之虧絀於收益表扣除。其後之重估盈餘乃計入收益表，惟以先前扣除之虧絀為限。出售重估資產時，資產重估儲備中就以往重估實現之部份乃轉入保留溢利，作為儲備之變動。

折舊按各項物業、廠房及設備之估計可使用年期以直線法計算，以撇銷成本至其剩餘價值。就此而言，所採用之主要年率如下：

租賃土地及樓宇	按租期
租賃物業裝修	4.5%—20%
廠房及機器	10%—20%
傢俬、裝置及辦公室設備	10%—20%
汽車	20%—25%

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant assets.

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

### Investment property

Investment property is an interest in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備以及折舊(續)

倘某項物業、廠房及設備項目各部分之使用年限各有不同，該項目之成本乃按合理基準在各部分之間進行分配，而每部分則各自計算折舊。

剩餘價值、使用年限及折舊方法會於各結算日進行檢討及調整(如適用)。

物業、廠房及設備項目於出售時或預期日後不會因使用或出售而帶來經濟利益時停止確認。在停止確認該項資產之同一年度於收益表確認之出售或報廢之任何盈虧，為有關資產出售所得款項淨額與其賬面值之差額。

在建工程指興建中之樓宇，並以成本值減任何減值虧損列帳，且不予折舊。成本值包括建築期間之直接建築成本。在建工程於完成及投入服務時重新分類為合適類別之物業、廠房及設備或投資物業。

### 投資物業

投資物業乃土地及樓宇之權益。持有投資物業是為賺取租金收入及/或資本增值，而非用以生產或提供貨物或服務或作行政用途又或於日常業務中出售。如本集團以業主佔用物業形式而佔用之物業轉變為投資物業，本集團對該物業入賬時須根據於「物業、廠房及設備以及折舊」所述之政策計至更改用途之日，而於當日有關該物業之賬面值及公平值之差額作為重估，須根據於上文「物業、廠房及設備以及折舊」所述之政策入賬。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investment property (continued)

Gains or losses arising from changes in the fair value of an investment property are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

### Financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through the income statement, loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assess whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

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

## 2.4 主要會計政策概要(續)

### 投資物業(續)

投資物業公平值變更所帶來之溢利或虧損於產生年度計入收益表。

報廢或出售投資物業之任何溢利或虧損於報廢或出售之年度在收益表確認。

### 金融資產

屬香港會計準則第39號範圍之金融資產乃視情況分類為按公平值於收益表入賬之金融資產、貸款及應收款項及可供銷售金融資產。金融資產於首次確認時以公平值計算，而並非透過損益賬以公平值列賬之投資，則按直接應佔交易成本計算。本集團於首次訂立合約時會評估其是否包括嵌入衍生工具並於分析結果顯示嵌入衍生工具的經濟特徵及風險並非與該主合約密切相關時，評估是否需要將嵌入衍生工具與主合約分開列示。當合約條款出現變動且大幅修改合約下之另外所需現金流量時，重估方會進行。

本集團於首次確認後釐定其金融資產分類，並在容許及適當之情況於結算日重新評估有關分類。

所有一般買賣之金融資產概於交易日(即本集團承諾購買該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial assets (continued)

#### Loans and receivables

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

#### Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

#### Assets carried at amortised cost

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

Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

## 2.4 主要會計政策概要(續)

### 金融資產(續)

#### 貸款及應收款項

貸款及應收款項為具有固定或可確定付款，但在活躍市場中無報價之非衍生金融資產。該等資產其後用實際利率方法減任何減值撥備計算攤銷成本列賬。攤銷成本計及收購時之任何折讓或溢價計算，並包括屬實際利率及交易成本之組成部份之費用。該等貸款及應收款項遭終止確認、出現減值或進行攤銷時產生之盈虧計入收益表。

#### 金融資產減值

本集團於各結算日評估是否有客觀跡象表明一項金融資產或一類金融資產出現減值。

#### 以攤銷成本計價之資產

如果有客觀跡象顯示以攤銷成本計值之貸款及應收款項已產生減值虧損，資產之賬面值與估算未來之現金流量(不包括尚未產生之未來信貸損失)以該金融資產原來之實際利率(即首次確認時計算之實際利率)折現之現值之間差額計算減值虧損。有關資產之賬面值可通過直接沖減或通過備抵賬目作出抵減。有關減值虧損在收益表確認。

倘預期並無日後可收回金額，且所有抵押已變現或轉撥至本集團，則借貸及應收款項連同相關撥備予以撇銷。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (continued)

#### Assets carried at amortised cost (continued)

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

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

### Derecognition of financial assets

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

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

## 2.4 主要會計政策概要(續)

### 金融資產減值(續)

#### 以攤銷成本計價之資產(續)

以後期間，倘若減值虧損之數額減少，而減少之原因客觀上與減值虧損確認後所發生之事件相關聯，則先前確認之減值虧損透過調整撥備金額予以回撥。任何減值虧損之其後回撥將於收益表內確認入賬，惟以回撥當日資產賬面值並無超出其攤銷成本為限。

就應收貿易款項而言，倘有客觀證據（如債務人可能資不抵債或者出現嚴重財務困難，以及對債務人產生不利影響之科技、市場經濟或法律環境變動）顯示本集團將無法按發票的原定條款收回所有到期款項，本集團會作出減值準備。應收貿易款項的賬面值會通過使用撥備賬扣除。減值債務一經評估為無法收回，即會終止確認。

### 撤銷確認金融資產

金融資產(或，如適用，一項金融資產之一部分或一組類似金融資產之一部分)在下列情況將被撤銷確認：

- 收取該項資產所得現金流量之權利經已屆滿；
- 本集團保留收取該項資產所得現金流量之權利，惟須根據一項「轉付」安排，在未有嚴重延緩第三者之情況下，已就有關權利全數承擔付款之責任；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，並(a)已轉讓該項資產之絕大部分風險及回報；或(b)並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產之控制權。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Derecognition of financial assets (continued)

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

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

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

Financial liabilities including trade payables, other payables and interest-bearing bank loans are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance costs" in the income statement.

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

### Derecognition of financial liabilities

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

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

## 2.4 主要會計政策概要(續)

### 撤銷確認金融資產(續)

凡本集團轉讓其收取該項資產所得現金流量之權利，但並無轉讓或保留該項資產之絕大部分風險及回報，且並無轉讓該項資產之控制權，該項資產將按本集團於資產的持續參與而確認入賬。持續參與指就已轉讓資產作出之保證，並按該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計算。

凡以書面及/或以購買權(包括現金結算權或類似方式)之已轉讓資產之持續及範圍，本集團之持續涉及只為本集團可回購該已轉讓資產之數額，除非以公平值計算資產而已訂立出售權(包括以現金結算權或類似方式)，本集團之持續涉及則只限於該已轉讓資產的公平值或權利行使價(以較低者為準)計算。

### 按攤銷成本列示的金融負債(包括計息貸款及借款)

金融負債包括應付貿易款項、其他應付款項及計息銀行貸款，首次以公平值減直接應佔交易成本列示，其後則以實際利率法按攤銷成本計量，惟貼現的影響並不重大者除外，於此情況下，則按成本列示。相關利息開支於收益表內「融資成本」內確認。

負債終止確認及按攤銷程序攤銷時，其損益於收益表內確認。

### 撤銷確認金融負債

當負債項下之責任被解除或取消或屆滿，金融負債將被撤銷確認。

如現有金融負債由同一放債人明顯不同的條款大致上相異之負債所取代，或現有負債之條款作出重大修訂，此類交換或修訂將被視為取消確認原負債及確認新負債處理，有關賬面值之差額於收益表確認。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Inventories**

Inventories are stated at the lower of cost and net realisable value after making due allowances for obsolete or slow moving items. Cost is determined on a weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

**Leases**

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the leasehold land and buildings as a finance lease in property, plant and equipment.

**2.4 主要會計政策概要(續)****存貨**

存貨按成本與可變現淨值之較低者入賬，並就陳舊或滯銷項目作適當撥備。成本按加權平均法計算，如屬在製品及製成品，則包括直接物料、直接工資及適當比例之間接成本。可變現淨值按估計售價減任何估計完成及出售所需之成本計算。

**租賃**

凡資產擁有權之絕大部分回報及風險仍歸出租人所有之租約，均列作經營租約。倘本集團是出租人，則本集團根據經營租約出租之資產均計入非流動資產，而經營租約之應收租金則以直線法在租賃期內計入收益表。倘本集團是承租人，則經營租約之應付租金以直線法在租賃期內自收益表扣除。

將資產所有權(法定業權除外)之大部份報酬與風險轉讓至本集團之租約列為融資租約處理，而自融資租約開始時，租賃資產之原值按最低租約費用之現值撥充資本，並連同債務(不計利息)列賬，以反映購入及融資情況。以撥作資本之融資租約持有之資產列為物業、廠房及設備，並按資產之租賃期及估計可用年期(以較短者為準)攤銷。該等租約之融資成本於收益表內扣除，以按租期計算固定費用。

經營租約之預付土地租約付款初步按成本列賬，其後於租賃期內以直線法確認。倘租賃付款無法可靠地在土地及樓宇之間進行分配，所有租賃付款會作為物業、廠房及設備之融資租賃列作租賃土地及樓宇之成本。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash and cash equivalents

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

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

### Borrowing costs

Borrowing costs are generally expensed as incurred.

### 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.

### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

## 2.4 主要會計政策概要(續)

### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金與活期存款，以及可隨時兌換為已知金額現金、所涉價值變動風險不高而一般自取得起計三個月內到期之短期高流通性投資，減須於要求時償還之銀行透支並構成於本集團現金管理下一部份。

就資產負債表而言，現金及現金等價物包括手頭現金及銀行存款，包括用途不受限制之定期存款。

### 借貸成本

借貸成本一般於產生時支銷。

### 撥備

當由於過往事件導致現時須承擔法律或推定責任而未來可能須流失資源以履行責任，且能可靠估計責任之數額，則會確認撥備。

倘若貼現影響重大，則所確認之撥備數額為預計履行責任所需之未來開支在結算日之現值。隨時間流逝使貼現值增加之款項計入收益表之融資成本。

### 所得稅

所得稅包括即期及遞延稅項，乃於收益表確認，或如所得稅關乎在同期或不同期間直接在權益確認之項目，則在權益確認入賬。

本期或過往期間之即期稅項資產及負債，乃按預期可自稅務機關收回或須支付予稅務機關之金額計算。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Income tax** (continued)

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

**2.4 主要會計政策概要(續)****所得稅(續)**

遞延稅項須按負債法就結算日資產及負債之計稅數額與財務申報之賬面值之間之所有暫時差額作出撥備。

遞延稅項負債就所有應課稅暫時差額確認，惟下列情況除外：

- 因業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之遞延稅項負債；及
- 對附屬公司之投資相關之應課稅暫時差額而言，如暫時差額之撥回時間可予控制，且暫時差額不大可能在可預見將來撥回。

遞延稅項資產乃於可能取得應課稅溢利而可動用可扣稅暫時差額，以及未動用稅項抵免及未動用稅項虧損結轉可動用時，就所有可扣稅暫時差額、未動用稅項抵免及未動用稅項虧損結轉確認，惟下列情況除外：

- 遞延稅項資產涉及因負商譽或因業務合併以外之交易(交易當時並無因而影響會計溢利或應課稅溢利或虧損者)下初步確認資產或負債所產生之可扣稅暫時差額；及
- 對附屬公司之投資相關之可扣稅暫時差額而言，僅於暫時差額可能在可預見將來撥回及有可能取得應課稅溢利而可動用暫時差額扣稅之情況下，遞延稅項資產方予確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

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

### 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:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (d) dividend income, where the shareholder's right to receive payment has been established.

## 2.4 主要會計政策概要(續)

### 所得稅(續)

於各結算日會檢討遞延稅項資產之賬面值，倘不再可能取得足夠應課稅溢利以運用全部或部分遞延稅項資產扣稅，則會作出相應調減。相反，先前尚未確認之遞延稅項資產，則會於各結算日重新評估，並於有可能取得足夠應課稅溢利以運用全部或部分遞延稅項資產扣稅時確認。

遞延稅項資產及負債乃根據預期於變現資產或清償債務期間適用之稅率計算，而該稅率(及稅法)乃基於結算日正式實施或實質採用之稅率(及稅法)釐定。

當存在可依法執行之權利，可將即期稅項資產抵銷即期稅項負債，而遞延稅項涉及同一應課稅實體及同一稅務機關時，遞延稅項資產及遞延稅項負債方可互相抵銷。

### 收益確認

當經濟利益有可能流入本集團和當收入能可靠地計量時，收益會按下列基準確認：

- (a) 銷售貨品所得之收益，於所有權之重大風險和回報已轉移至買方時確認，惟本集團對所售貨品必須不再享有通常與所有權相關之管理權，亦不得再有實際控制權；
- (b) 租金收入在租賃期內按時間比例確認；
- (c) 利息收入按應計基準以實際利率法利用將金融工具在預計可用年期期間估計在日後收取之現金貼現至金融資產賬面淨值之利率確認；及
- (d) 股息收入於確立股東收款權利時確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Dividends

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

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

### Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### Government grants

Government grants, including subsidy for the expenditure incurred in construction cost of infrastructure project, are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

## 2.4 主要會計政策概要(續)

### 股息

由於本公司之組織章程大綱及細則授予董事宣派中期股息之權力，故中期股息乃同時建議及宣派。因此，中期股息於建議及宣派時即時確認為負債。

董事建議派付之末期股息分類為資產負債表內權益中保留溢利之獨立分配，直至末期股息於股東大會上獲股東批准為止。當該等股息獲股東批准及宣派，則確認為負債。

### 研究及開發成本

所有研究成本均於產生時自收益表扣除。

開發新產品之項目開支將撥充資本，並僅於以下情況延遲入賬：本集團能表現出完成該無形資產之技術可行性，以供使用或銷售；表現其有意完成該項資產及其使用或出售該項資產之能力；顯示該項資產如何產生日後經濟利益；顯示其能夠提供完成有關項目之資源；及顯示其有能力於開發期間可靠計量開支。不符合上述標準之產品開發開支於產生時支銷。

### 政府補助

政府補助(包括有關基建項目建築成本所招致開支之補助)於可合理地確定將會收取補助及將符合所有附帶條件時按公平值確認。倘補助涉及開支項目，則會於相關期間確認為收入，使該補助有系統地對應其擬補助之成本入賬。倘補助與資產有關，其公平值從資產之賬面值中扣減並透過扣減之折舊開支而轉撥至收益表。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee benefits

#### Share-based payment transactions

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

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

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

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

## 2.4 主要會計政策概要(續)

### 僱員福利

#### 以股份支付的交易

本公司訂立購股權計劃，以向為本集團成功營運作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員(包括董事)以股份支付交易的形式收取酬金，據此僱員提供服務作為權益工具的代價(「以股份支付的交易」)。

僱員以股份支付交易的成本乃參照該權益工具於授予日期的公平值計量。公平值由外聘估值師採用二項式模型釐定，有關詳情載於財務報表附註31。在計算以權益支付交易的價值時，除與本公司股價有關的條件(「市場條件」，如適用)以外，概不會考慮任何表現條件。

權益支付交易的成本於表現及／或服務條件履行期間確認，同時相應增加權益，直至相關僱員完全享有該權利當日(「歸屬日期」)為止。在歸屬日期之前每個結算日於權益支付交易所確認的累計開支反映歸屬期屆滿的程度及本集團認為對最終歸屬的權益工具數量的最佳估計。於期內綜合收益表扣除或計入的金額指於期初及期終確認的累計開支變動。

除須視乎市場條件歸屬的回報外，對於最終未予歸屬的回報，則不確認任何開支。而對於須視乎市場條件歸屬的回報，在其他所有表現條件都符合情況下，不管市場條件是否達到要求，都視作已歸屬。



**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Employee benefits** (continued)*Share-based payment transactions* (continued)

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

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

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

*Paid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

**2.4 主要會計政策概要**(續)**僱員福利**(續)*以股份支付的交易*(續)

於修訂權益支付回報的條款時，將會至少確認開支，猶如有關條款並無作出修訂。此外，亦會就任何修訂確認開支，增加股份付款安排的總公平值，或於修訂當日計算時對僱員有利。

倘若註銷權益支付的回報，則會視作已於註銷當日歸屬，而任何未就回報確認的開支將立即確認。然而，倘以新回報取代所註銷的回報，並於授出當日列作取代回報，則所註銷及新授出的回報將視作原有回報的修訂，有關詳情載於上段。

尚未行使購股權的攤薄影響列作計算每股盈利的額外股份攤薄。

*有薪假期結轉*

本集團根據與僱員訂立之僱傭合約，按曆年基準向僱員提供有薪年假。在若干情況，於結算日仍未動用之該等假期可結轉並由各僱員於下年度動用。有關僱員於年內賺取及結轉之該等有薪年假之預期日後成本，於結算日列作應計項目。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee benefits (continued)

#### Retirement benefits schemes

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

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government. These subsidiaries are required to contribute certain percentages of its payroll costs to the central pension schemes. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension schemes.

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company’s functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 2.4 主要會計政策概要(續)

### 僱員福利(續)

#### 退休福利計劃

本集團根據香港強制性公積金計劃條例為合資格參與定額供款強制性公積金退休福利計劃(「強積金計劃」)之僱員設立強積金計劃。供款乃按僱員基本薪金之某百分比計算，並根據強積金計劃之規則於應付時在收益表扣除。強積金計劃資產與本集團資產分開存放，由獨立管理之基金持有。本集團一經向強積金計劃供款，有關僱主供款即全數歸僱員所有。

本集團於中國大陸經營之附屬公司之僱員須參與地方市政府管理之中央退休金計劃。該等附屬公司須按其薪酬成本之若干百分比向中央退休金計劃供款。供款於根據中央退休金計劃之規則應付時於收益表扣除。

#### 外幣

該等財務報表以港元(本公司之功能及呈列貨幣)呈列。本集團屬下各實體自行決定功能貨幣，而各實體財務報表內之項目均以該功能貨幣計算。外幣交易首先按交易日期適用之功能貨幣匯率入賬。於結算日以外幣為單位之貨幣資產與負債按該日適用之功能貨幣匯率重新換算。所有差額列入收益表。根據外幣歷史成本計算之非貨幣項目按首次交易日期之匯率換算。根據外幣公平值計算之非貨幣項目按釐定公平值當日之匯率換算。

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Foreign currencies** (continued)

The functional currencies of certain overseas subsidiaries are currencies other than Hong Kong dollars. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

**2.4 主要會計政策概要(續)****外幣(續)**

若干海外附屬公司之功能貨幣並非港元。於結算日，該等實體之資產及負債均按結算日之匯率換算為本公司之呈列貨幣，而該等公司之收益表按年內之加權平均匯率換算為港元。因此而產生之匯兌差額計入權益中之獨立部分，即匯兌波動儲備。於出售海外實體時，就特定海外實體在權益確認之遞延累計數額將於收益表確認。

就編製綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期適用之匯率換算為港元。海外附屬公司在年內產生之經常性現金流量會按該年度之加權平均匯率換算為港元。

**3. 主要會計判斷及估計**

於編製本集團之財務報表時，管理層需對影響報告日期之申報數額之收入、支出、資產及負債以及或然負債之披露事項作出判斷、估計及假設。然而，該等假設及估計之不明朗因素可能導致需就日後受影響資產或負債之賬面值作出重大調整。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### *Classification between leasehold land element from leasehold land and buildings*

The Group has determined that the carrying value of the land element of the leasehold land and buildings held in Hong Kong in relation to the value of the entire lease is insignificant and cannot be reliably allocated. Accordingly, the leasehold land and buildings held in Hong Kong has been treated as a single unit and accounted for under HKAS 16 Property, plant and equipment.

#### *Operating lease commitments – Group as lessor*

The Group has entered into a commercial property lease on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of this property which is leased out on an operating lease.

#### Estimation uncertainty

##### *Estimation of fair value of an investment property*

As described in note 17 to the financial statements, the investment property was revalued at the balance sheet date on an open market value, existing state basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

### 3. 主要會計判斷及估計(續)

#### 判斷

管理層於應用本集團之會計政策時已作出以下判斷(不包括涉及估計者)，對財務報表內確認之款項構成最重要影響者如下：

#### *自租賃土地及樓宇重新分類租賃土地部分*

本集團釐定於香港持有的租賃土地及樓宇內租賃土地部分的賬面值所佔整項租賃價值並不重大及不一定可靠地分配。因此，於香港持有的租賃土地及樓宇當作一個單位處理，並根據香港會計準則第16號物業、廠房及設備入賬。

#### *經營租約承擔 – 本集團作為出租人*

本集團已就旗下之投資物業組合訂立商業物業租約。本集團確定其保留營租約出租之物業之擁有的所有重大風險及回報。

#### 估計之不明朗因素

##### *投資物業公平值估計*

如附註17所述，投資物業已由獨立專業估值師於結算日按現況以公開市值基準重新估值。有關估值乃根據若干假設進行，故當中仍有不明確因素且或會與實際結果有重大差異。於作出判斷時，本集團已考慮活躍市場中類似物業之當前市價，並運用主要根據各結算日之市況作出之假設。

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES** (continued)**Estimation uncertainty** (continued)*Valuation of share options*

The fair value of options granted under share option schemes is determined using the binomial model. The significant inputs into the model were share price at the grant date, exercise price, risk-free interest rate, dividend yield, expected volatility and suboptimal exercise factor. When the actual results of the inputs differ from the management's estimate, it will have impact on share options expenses and the related share options reserve of the Company.

**4. SEGMENT INFORMATION**

The Group's primary business segment is the manufacture and sale of ladies' brassieres, panties, swimwears and sleepwears. Since this is the only business segment of the Group, no further analysis thereof is presented.

Segment information is presented below in respect of the Group's geographical segment, which is regarded as the secondary segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

**3. 主要會計判斷及估計(續)****估計之不明朗因素(續)***購股權的估值*

根據購股權計劃授出的購股權計公平值採用二項式模型釐定，模型所採用的重大計算數據為授出日期的股價、行使價、無風險利率、派息率、預期波幅及預期行使值。倘計算數據的實際結果與管理層的估計不同，則會導致本公司的購股權開支及相關購股權儲備出現變動。

**4. 分部資料**

本集團之主要業務分部是胸圍、內褲、泳衣及睡衣之製造及銷售。由於此為本集團之唯一業務分部，故並無呈列進一步之分析。

就本集團地區分部(即第二分部)資料呈列如下。決定本集團之地區分部時，收益乃按客戶所在地而歸入分部，資產按資產所在地歸入分部。

		Mainland China 中國大陸		Hong Kong 香港		Others 其他		Total 合併	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue from external customers	外界客戶之收益	<u>590,697</u>	<u>513,207</u>	<u>83,558</u>	<u>81,083</u>	<u>37,413</u>	<u>30,034</u>	<u>711,668</u>	<u>624,324</u>
Segment assets	分部資產	<u>568,528</u>	<u>402,712</u>	<u>365,950</u>	<u>431,586</u>	-	-	<u>934,478</u>	<u>834,298</u>
Capital expenditure incurred during the year	年內資本開支	<u>100,910</u>	<u>6,359</u>	<u>374</u>	<u>1,516</u>	-	-	<u>101,284</u>	<u>7,875</u>

## 5. REVENUE

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

## 5. 收益

收益，即本集團之營業額，指扣除退貨及交易折扣款額後售出貨品之發票淨值。

## 6. OTHER INCOME AND GAINS

## 6. 其他收入及收益

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	<b>11,935</b>	2,869
Gross rental income	租金收入總額	<b>2,167</b>	2,052
Subsidy income from the People's Republic of China (the "PRC") government:	來自中華人民共和國 (「中國」)政府之 津貼收入：		
Rewards as a superbrand in the PRC *	作為中國超級 品牌之獎勵*	–	292
Reinvestment tax refunds #	再投資退稅#	<b>1,811</b>	1,136
Others	其他	<b>1,373</b>	753
		<b>17,286</b>	7,102
<b>Gains</b>	<b>收益</b>		
Gain on disposal of subsidiaries (note 12(b))	出售附屬公司收益 (附註12(b))	<b>41,998</b>	–
Foreign exchange differences, net	匯兌差異，淨額	<b>6,656</b>	1,704
Changes in fair value of an investment property (note 17)	投資物業公平值變動 (附註17)	<b>3,300</b>	2,200
		<b>51,954</b>	3,904
		<b>69,240</b>	11,006

\* There are no unfulfilled conditions or contingencies relating to this income.

\* 此收入並無涉及任何未達成之條件或然事項。

# According to the Income Tax Law of the PRC, the Group is entitled to refunds of corporate income tax, subject to the approval from the relevant offices of the Tax Bureau in the PRC. During the year, the Group reinvested the profit distributions received from its subsidiary in a new entity established in the PRC and received approvals from the Tax Bureau in relation to the reinvestment tax refunds. The refunds are determined based on certain percentages of the profit distribution reinvested.

# 根據中國所得稅法，本集團可於中國有關稅務局辦公室批准後獲得企業所得稅退稅。年內，本集團將自其附屬公司收取的溢利分派重新投資其於在中國新成立的附屬公司，並已獲稅務局批准再投資退稅。退稅按再投資的溢利分派的若干百分比釐定。

## 7. FINANCE COSTS

## 7. 融資成本

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
<b>Interest on:</b>	<b>利息：</b>		
Bank loans and overdrafts repayable within five years	須於五年內償還之 銀行貸款及透支	5	30
Bank loans repayable over five years	須於五年後償還之銀行貸款	113	1,515
Total interest	總利息	<u>118</u>	<u>1,545</u>

## 8. PROFIT BEFORE TAX

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

## 8. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	160,123	145,581
Depreciation	折舊	10,342	9,029
Amortisation of prepaid land lease payments	預付土地租賃款項之攤銷	62	59
Minimum lease payments under operating leases in respect of:	有關以下各項之經營租約之最低：		
Land and buildings	土地及樓宇	25,982	21,193
Contingent rents of retail outlets in department stores	百貨公司內的零售點的或然租金	171,826	157,264
Employee benefits expenses (excluding directors' remuneration – note 9):	僱員福利開支（不包括董事酬金—附註9）：		
Wages and salaries	工資及薪金	137,339	116,213
Provision/(write-back of provision) for long service payments	長期服務金撥備／(撥回撥備)	192	(854)
Retirement benefits scheme contributions	退休福利計劃供款	16,096	10,850
Equity-settled share option expenses	以股權支付購股權開支	3,472	344
		<b>157,099</b>	<b>126,553</b>
Auditors' remuneration	核數師酬金	2,178	1,980
Advertising and counter decoration expenses	廣告及櫃位裝飾開支	57,706	35,001
Provision for obsolete inventories, net	陳舊存貨撥備，淨額	9,075	1,787
Impairment of trade receivables	應收貿易賬款減值	(316)	629
Research and development expenditure	研發開支	1,751	1,453
Loss on write-off of items of property, plant and equipment	撇銷物業、廠房及設備項目之虧損	152	101
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益	–	(6)
Gross and net rental income	租金收入總額及淨額	(2,167)	(2,052)
Changes in fair value of an investment property	投資物業公平值變動	(3,300)	(2,200)
Gain on disposal of subsidiaries (note 12(b))	出售附屬公司收益(附註12(b))	(41,998)	–
Foreign exchange differences, net	匯兌差異，淨額	(6,656)	(1,704)
Bank interest income	銀行利息收入	(11,935)	(2,869)



**9. DIRECTORS' REMUNERATION**

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance is as follows:

**9. 董事酬金**

根據聯交所證券上市規則(「上市規則」)及香港公司條例第161節披露的年內董事酬金如下：

		<b>Group</b> <b>本集團</b>	
		<b>2007</b> <b>二零零七年</b> <b>HK\$'000</b> <b>千港元</b>	<b>2006</b> <b>二零零六年</b> <b>HK\$'000</b> <b>千港元</b>
Fees	袍金	<b>720</b>	60
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	<b>6,944</b>	3,789
Equity-settled share option expenses	以股權支付之購股權開支	<b>2,753</b>	240
Retirement benefits scheme contributions	退休福利計劃供款	<b>48</b>	13
		<b>10,465</b>	4,102

The fair value of these share options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

就於歸屬期內在收益表確認的購股權，其公平值於授出日期釐定，計入本年度財務報表的金額載入上述董事酬金披露事項內。

9. DIRECTORS' REMUNERATION (continued)  
2007

9. 董事酬金(續)  
二零零七年

		Fees	Salaries, allowances and benefits in kind	Equity- settled share option expenses 以股權支付 之購股權 開支	Retirement benefits scheme contributions 退休福利 計劃供款	Total remuneration 總酬金
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Executive directors:</i>		<i>執行董事：</i>				
Mr. Cheng Man Tai	鄭敏泰先生	-	2,096	896	12	3,004
Ms. Cheng Pik Ho Liza	鄭碧浩女士	-	1,852	513	12	2,377
Madam Ngok Ming Chu	岳明珠女士	-	1,789	793	12	2,594
Mr. Hung Hin Kit	孔憲傑先生	-	1,207	341	12	1,560
		-	6,944	2,543	48	9,535
<i>Independent non-executive directors:</i>		<i>獨立非執行董事：</i>				
Mr. Lau Siu Ki	劉紹基先生	240	-	70	-	310
Mr. Lee Kwan Hung	李均雄先生	240	-	70	-	310
Prof. Lee T.S.	李天生教授	240	-	70	-	310
		720	-	210	-	930

9. DIRECTORS' REMUNERATION (continued)  
20069. 董事酬金(續)  
二零零六年

	Fees	Salaries, allowances and benefits in kind	Equity-settled share option expenses 以股權支付之購股權開支	Retirement benefits scheme contributions 退休福利計劃供款	Total remuneration 總酬金
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Executive directors:</i> 執行董事:					
Mr. Cheng Man Tai 鄭敏泰先生	–	1,072	78	–	1,150
Ms. Cheng Pik Ho Liza 鄭碧浩女士	–	955	45	12	1,012
Madam Ngok Ming Chu 岳明珠女士	–	1,664	69	–	1,733
Mr. Hung Hin Kit * 孔憲傑先生 *	–	98	30	1	129
	–	3,789	222	13	4,024
<i>Independent non-executive directors:</i> 獨立非執行董事:					
Mr. Lau Siu Ki 劉紹基先生	20	–	6	–	26
Mr. Lee Kwan Hung 李均雄先生	20	–	6	–	26
Prof. Lee T.S. 李天生教授	20	–	6	–	26
	60	–	18	–	78

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

有關期間內並無董事免收或同意免收任何酬金之安排。

\* Mr. Hung Hin Kit ("Mr. Hung") was appointed as an executive director of the Company in November 2006. Prior to his appointment, Mr. Hung was an employee of the Group during the year ended 31 December 2006 and the respective remuneration received by Mr. Hung from the Group prior to his appointment was not included in directors' remuneration since the services provided by Mr. Hung to the Group were not in the capacity of a director of the Company.

\* 孔憲傑先生(「孔先生」)於二零零六年十一月獲委任為本公司的執行董事，於彼獲委任前，孔先生於截至二零零六年十二月三十一日止年度為本集團的僱員，孔先生於獲委任前收取本集團的酬金並無計入董事酬金內，此乃由於孔先生並非以本公司董事的身份向本集團提供服務。

## 10. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid employees during the year included four (2006: three) directors, details of whose remuneration are set out in note 9 to the financial statements above. Details of the remuneration of the remaining one (2006: two) non-director, highest paid employee for the year are as follows:

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	1,499	1,699
Equity-settled share option expenses	以股權支付購股權開支	480	42
Retirement benefits scheme contributions	退休福利計劃供款	12	23
		<b>1,991</b>	<b>1,764</b>

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

		Number of employees 僱員人數	
		2007 二零零七年	2006 二零零六年
Nil to HK\$1,000,000	零至1,000,000港元	-	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	1	-
		<b>1</b>	<b>2</b>

The fair value of these share options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director, highest paid employees' remuneration disclosures.

## 10. 五名最高薪人士

年內五名最高薪人士包括四名董事(二零零六年: 三名), 其酬金詳情已於上文財務報表附註9載述。年內其餘一名非董事最高薪僱員(二零零六年: 兩名)的薪酬詳情如下:

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	1,499	1,699
Equity-settled share option expenses	以股權支付購股權開支	480	42
Retirement benefits scheme contributions	退休福利計劃供款	12	23
		<b>1,991</b>	<b>1,764</b>

薪酬屬於以下組別之非董事及最高薪僱員人數如下:

		Number of employees 僱員人數	
		2007 二零零七年	2006 二零零六年
Nil to HK\$1,000,000	零至1,000,000港元	-	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	1	-
		<b>1</b>	<b>2</b>

就於歸屬期內在收益表確認的購股權, 其公平值於授出日期釐定, 計入本年度財務報表的金額載入上述最高薪非董事僱員酬金披露事項內。

**11. TAX**

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Pursuant to the relevant laws and regulations in the PRC, the Company's subsidiaries, Embry (China) Garments Ltd. ("Embry SZ") and Embry (Changzhou) Garments Ltd. ("Embry CZ") are entitled to use of tax rates of 15% and 27%, being the applicable tax rates for foreign invested enterprises in the area of Shenzhen Special Economic Zone and Changzhou, respectively. In addition, taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

**11. 稅項**

香港利得稅乃根據年內估計在香港產生之應課稅溢利，按17.5%（二零零六年：17.5%）之稅率作出撥備。根據中國有關法規，本公司之附屬公司安莉芳（中國）服裝有限公司（「安莉芳深圳」）與安莉芳（常州）服裝有限公司（「安莉芳常州」）可享有15%及27%之稅率（分別為深圳經濟特區與常州之外資企業適用稅率）。此外，其他地區之應課稅溢利之稅項乃根據本集團經營業務之國家的通行稅率，按有關地區之現行法例、詮釋及慣例計算。

		<b>Group</b> <b>本集團</b>	
		<b>2007</b> <b>二零零七年</b> <b>HK\$'000</b> <b>千港元</b>	<b>2006</b> <b>二零零六年</b> <b>HK\$'000</b> <b>千港元</b>
Group:	本集團：		
Current – Hong Kong	即期稅項－香港	<b>500</b>	420
Current – Mainland China	即期稅項－中國大陸		
Charge for the year	年內稅項	<b>19,482</b>	18,357
Underprovision/(overprovision) in prior years	過往年度之撥備不足/ (超額撥備)	<b>59</b>	(58)
Deferred (note 29)	遞延(附註29)	<b>682</b>	1,255
		<hr/>	<hr/>
Total tax charge for the year	年度之總稅項支出	<b>20,723</b>	19,974

**11. TAX (continued)**

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the regions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

**11. 稅項(續)**

以本公司及其大部份附屬公司註冊地區之法定稅率及除稅前溢利計算之稅項開支，與使用實際稅率計算之稅項開支的對賬如下：

		<b>Group</b> <b>本集團</b>	
		<b>2007</b> <b>二零零七年</b> <b>HK\$'000</b> <b>千港元</b>	<b>2006</b> <b>二零零六年</b> <b>HK\$'000</b> <b>千港元</b>
Profit before tax	除稅前溢利	<b>143,239</b>	102,579
Tax at the applicable rates to profits in the countries concerned	按有關國家適用於溢利之稅率計算之稅項	<b>37,127</b>	31,698
Lower tax rate for specific provinces in Mainland China	中國大陸特定省份之較低稅率	<b>(12,905)</b>	(14,871)
Adjustments in respect of current tax of previous years	對以往年度之即期稅項的調整	<b>59</b>	(58)
Income not subject to tax	毋須課稅之收入	<b>(9,508)</b>	(360)
Expenses not deductible for tax	不可扣稅之開支	<b>7,776</b>	8,667
Tax losses utilised from previous years	動用來自以往年度之稅項虧損	<b>(2,288)</b>	(5,528)
Tax losses not recognised	未確認稅項虧損	<b>462</b>	426
Tax charge at the Group's effective rate	按本集團之實際稅率計算之稅項支出	<b>20,723</b>	19,974

**12. RELATED PARTY TRANSACTIONS**

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

**12. 有關連人士交易**

- (a) 除該等財務報表其他部份所述之交易外，本集團於年內與有關連人士進行之重大交易如下：

			<b>2007</b> 二零零七年 <b>HK\$'000</b> 千港元	2006 二零零六年 <b>HK\$'000</b> 千港元
		Notes 附註		
<i>Continuing transactions</i>	<i>持續交易</i>			
Purchases of furniture for counters and shops from related companies	向有關連公司購買櫃位及店舖之傢俬	(i)	<b>16,637</b>	13,516
Rental expenses for a warehouse paid to a director of the Company	向本公司董事支付倉庫之租金開支	(ii)	<b>144</b>	171
<i>Discontinued transactions</i>	<i>已終止交易</i>			
Rental income received from a related company	向有關連公司收取之租金收入	(iii)	-	85
Rental expenses for a director's quarter paid to a director of the Company	支付予本公司董事之董事宿舍租金開支	(iv)	-	300
Rental expenses for a director's quarter paid to a related company	支付有關連公司之董事宿舍租金開支	(v)	-	90

## 12. RELATED PARTY TRANSACTIONS (continued)

### (a) (continued)

Notes:

- (i) The purchases of furniture for counters and shops from related companies controlled by a son of a director of the Company were made according to the terms similar to those offered to the Group's independent suppliers.
- (ii) The rental expenses were determined with reference to the then prevailing market conditions.
- (iii) The rental income was received from a related company controlled by a son of a director of the Company and was determined by the directors of the Company and the related company with reference to the then prevailing market conditions. The rental agreement was terminated on 30 June 2006.
- (iv) The rental expenses were determined with reference to the then prevailing market conditions. The rental agreement was terminated on 1 July 2006.
- (v) The rental expenses were paid to a related company controlled by the directors of the Company and were determined with reference to the then prevailing market conditions. The rental agreement was terminated on 1 July 2006.

The related party transactions in respect of items (a)(i) and (a)(ii) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

## 12. 有關連人士交易(續)

### (a) (續)

附註：

- (i) 向本公司董事兒子控制之關連公司購買櫃位及店舖之傢俬之條款與提供予本集團獨立供應商之條款相若。
- (ii) 租金開支乃參考當時之市況釐定。
- (iii) 向本公司董事兒子控制之關連公司收取之租金收入乃由本公司董事與該關連公司在參考當時市況後釐定。該租賃協議已於二零零六年六月三十日終止。
- (iv) 租金開支乃參考當時之市況釐定。該租賃協議已於二零零六年七月一日終止。
- (v) 有關租金開支乃支付本公司董事控制之關連公司，並參考當時之市況釐定。該租賃協議已於二零零六年七月一日終止。

根據上市規則第14A章，上文第(a)(i)及(a)(ii)項的有關連人士交易亦構成持續關連交易。

董事認為上述交易是於本集團日常業務過程中進行。



**12. RELATED PARTY TRANSACTIONS (continued)****(b) Disposal of subsidiaries to a related company**

On 27 November 2007, Embry Group Limited (“EGL”), a direct wholly-owned subsidiary of the Company, entered into a disposal agreement (the “Disposal Agreement”) with Sinowide Investments Limited (“Sinowide”), a connected company, pursuant to which EGL agreed to sell and Sinowide agreed to purchase the entire issued share capital of Embry Development Limited (“EDL”), an indirect wholly-owned subsidiary of the Company of which the principal asset of the EDL and its subsidiary, Changzhou Embry Development Limited (“CZ Embry Development”) (collectively referred to as the “EDL Group”) is an industrial complex which is erected on a parcel of land and is situated in Changzhou, the PRC (the “Property”), for a consideration of HK\$56,000,000 (the “Disposal Consideration”). The Disposal Consideration was agreed after arm’s length negotiations between EGL and Sinowide.

Sinowide is a limited company incorporated in the BVI and is wholly-owned by Ms. Cheng Pik Ho Liza (“Ms. Cheng”), Mr. Cheng Chuen Chuen and Mr. Cheng Chuen Chi in equal shares. Ms. Cheng, Mr. Cheng Chuen Chuen and Mr. Cheng Chuen Chi are the family members of Mr. Cheng Man Tai and Madam Ngok Ming Chu who are the executive directors and major shareholders of the Company. Ms. Cheng is an executive director of the Company and Mr. Cheng Chuen Chuen is a director of the Company’s various subsidiaries. Accordingly, the Disposal Agreement entered into between EGL and Sinowide also constituted a connected transaction under Chapter 14A of the Listing Rules and was subject to independent shareholders’ approval. Further details of the above transaction were set out in a circular to shareholders of the Company dated 11 December 2007.

**12. 有關連人士交易(續)****(b) 出售附屬公司予一間關連公司**

於二零零七年十一月二十七日，本公司直接全資附屬公司 Embry Group Limited (「EGL」) 與關連公司 Sinowide Investments Limited (「Sinowide」) 訂立出售協議 (「出售協議」)，據此，EGL 同意出售且 Sinowide 同意購買本公司間接全資附屬公司 Embry Development Limited (「EDL」) 全部已發行股本，EDL 及其附屬公司常州安莉芳發展有限公司 (「常州安莉芳發展」) (統稱「EDL 集團」) 的主要資產為位於中國常州一幅土地的工業綜合大樓 (「該物業」)，代價為 56,000,000 港元 (「出售代價」)。出售代價乃由 EGL 及 Sinowide 經磋商後釐定。

Sinowide 為一家於英屬處女群島註冊成立的有限公司，其由鄭碧浩女士 (「鄭女士」)、鄭傳全先生及鄭傳志先生以相等持股量全資擁有。鄭女士、鄭傳全先生及鄭傳志先生均為本公司執行董事兼主要股東鄭敏泰先生及岳明珠女士的家族成員。鄭女士為本公司執行董事及鄭傳全先生為本公司多間附屬公司之董事。因此，根據上市規則第 14A 章，EGL 與 Sinowide 訂立的出售協議亦構成關連交易，並須待獨立股東批准。有關上述交易詳情載於本公司於二零零七年十二月十一日向股東發出的通函。

## 12. RELATED PARTY TRANSACTIONS (continued)

### (b) Disposal of subsidiaries to a related company (continued)

On 28 December 2007, the independent shareholders' approval was obtained at an extraordinary general meeting of the Company. On 31 December 2007, the transaction to dispose of the EDL Group was completed and, pursuant to the Disposal Agreement, the Disposal Consideration was settled in cash of HK\$33,600,000 and the issuance of a promissory note (the "Note") in the amount of HK\$22,400,000 by Sinowide in favour of EGL, as further detailed in note 22 to the financial statements. As at the date of these financial statements, the Note was settled in cash.

Upon the completion of the disposal, the Group realised a gain of approximately HK\$41,998,000 which was included in "Other income and gains" on the face of the consolidated income statement (note 33(b)).

In addition to the Disposal Agreement, the Group also entered into a tenancy agreement with CZ Embry Development for the leasing of the Property from CZ Embry Development for a period of three years from 1 January 2008 to 31 December 2010 at a monthly rental of RMB180,000. The rental was determined with reference to the then prevailing market rent determined by a professional valuer DTZ Debenham Tie Leung Limited.

This also constituted a continuing connected transaction under Chapter 14A of the Listing Rules and was exempt from the independent shareholders' approval. Further details of this transaction were set up in a circular to the shareholders of the Company dated 11 December 2007.

## 12. 有關連人士交易(續)

### (b) 出售附屬公司予一間關連公司(續)

於二零零七年十二月二十八日，獨立股東的批准已於本公司的股東特別大會中取得。於二零零七年十二月三十一日，出售EDL集團的交易經已完成，根據出售協議，出售代價以現金33,600,000港元以及Sinowide為EGL發出金額為22,400,000港元的承付票據(「票據」)，有關詳情載於財務報表附註22。於呈報財務報表日期，票據已以現金償付。

在出售完成後，本集團變現約41,998,000港元的收益，該金額已於綜合收益表「其他收入及收益」列賬(附註33(b))。

除出售協議外，本集團亦就向常州安莉芳發展租賃物業與常州安莉芳發展訂立租賃協議，租期自二零零八年一月一日起至二零一零年十二月三十一日止，為期三年，月租人民幣180,000元。租金由專業估值師戴德梁行有限公司經參考現行市場租金後釐定。

根據上市規則第14A章，此交易亦構成持續關連交易，並獲豁免取得獨立股東批准。有關該交易的詳情載於本公司於二零零七年十二月十一日向股東發出的通函。

**12. RELATED PARTY TRANSACTIONS (continued)****(c) Disposal of subsidiaries to a director of the Company**

On 30 June 2006, the Group disposed of certain dormant subsidiaries (the "Disposed Subsidiaries") with an aggregate deficiency in assets of approximately HK\$108,000 to a director of the Company for a total cash consideration of approximately HK\$14,000. The consideration was determined with reference to the net asset values of the respective Disposed Subsidiaries and at nominal value for the respective Disposed Subsidiaries which had a deficiency in assets.

**(d) Compensation of key management personnel of the Group**

Short term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Equity-settled share option expenses	以股權支付之購股權開支
Total compensation paid to key management personnel	支付予主要管理人員之總酬金

Further details of directors' remuneration are included in note 9 to the financial statements.

**12. 有關連人士交易(續)****(c) 出售附屬公司予本公司一名董事**

於二零零六年六月三十日，本集團已出售若干資產虧絀合共約108,000港元的不活躍附屬公司(「已出售附屬公司」)予本公司一名董事，總現金代價約14,000港元。代價乃參照各已出售附屬公司之資產及各錄得資產虧絀之已出售附屬公司之名義值釐定。

**(d) 本集團主要管理人員之薪酬**

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
10,999	8,512
93	73
4,125	433
<b>15,217</b>	<b>9,018</b>

董事酬金的詳情載於財務報表附註9。

**13. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY**

The consolidated profit attributable to equity holders of the Company for the year ended 31 December 2007 includes a profit of HK\$58,154,000 (2006: a loss of HK\$77,000) which has been dealt with in the financial statements of the Company (note 32(b)).

**13. 本公司權益持有人應佔溢利**

截至二零零七年十二月三十一日止年度本公司權益持有人應佔綜合溢利包括溢利58,154,000港元(二零零六年：虧損77,000港元)，該等虧損已於本公司財務報表內列賬(附註32(b))。

## 14. DIVIDENDS

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interim – HK2.0 cents (2006: Nil) per ordinary share	中期股息—每股普通股 2.0港仙(二零零六年：無)	8,000	—
Proposed final – HK6.0 cents (2006: HK6.0 cents) per ordinary share	擬派末期股息—每股 普通股6.0港仙 (二零零六年：6.0港仙)	24,000	24,000
		<b>32,000</b>	<b>24,000</b>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

年內擬派末期股息須待本公司股東於應屆股東週年大會上批准。

## 15. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share for the year ended 31 December 2007 is based on the profit for the year attributable to ordinary equity holders of the Company of \$122,516,000 (2006: HK\$81,105,000) and the weighted average of 400,003,000 ordinary shares (2006: 303,836,000 ordinary shares deemed to have been in issue) during the year.

The calculation of diluted earnings per share for the year ended 31 December 2007 is based on the profit attributable to ordinary equity holders of the Company of HK\$122,516,000 (2006: HK\$81,105,000). The weighted average number of ordinary shares used in the calculation is the 400,003,000 (2006: 303,836,000) ordinary shares as used in the basic earnings per share calculation, and the weighted average of 4,532,000 (2006: 168,000) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year.

## 15. 本公司權益持有人應佔每股盈利

截至二零零七年十二月三十一日止年度每股基本盈利按本公司普通股權益持有人應佔年度溢利122,516,000港元(二零零六年：81,105,000港元)及年內普通股股份的加權平均數400,003,000股(二零零六年：被視為已發行普通股303,836,000股)計算。

截至二零零七年十二月三十一日止年度每股攤薄盈利根據年內本公司權益持有人應佔溢利122,516,000港元(二零零六年：81,105,000港元)計算，而計算所採用的普通股加權平均數為用於計算每股基本盈利的普通股400,003,000股(二零零六年：普通股303,836,000股)，以及假設於年內被視為行使所有尚未行使購股權時以無代價發行的普通股加權平均數4,532,000股(二零零六年：168,000股)。

16. PROPERTY, PLANT AND EQUIPMENT  
Group16. 物業、廠房及設備  
本集團

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>31 December 2007</b>	<b>二零零七年十二月三十一日</b>							
Cost:	成本:							
At 1 January 2007	於二零零七年一月一日	71,219	3,690	36,631	54,448	12,323	-	178,311
Additions	添置	-	-	6,781	19,131	1,620	73,752	101,284
Write-off	撤銷	-	-	(2)	(1,362)	(757)	-	(2,121)
Disposal of subsidiaries (note 33(b))	出售附屬公司 (附註33(b))	(17,920)	-	-	(60)	(210)	-	(18,190)
Exchange realignment	匯兌調整	2,847	-	3,147	4,139	568	3,080	13,781
		<u>56,146</u>	<u>3,690</u>	<u>46,557</u>	<u>76,296</u>	<u>13,544</u>	<u>76,832</u>	<u>273,065</u>
At 31 December 2007	於二零零七年 十二月三十一日							
Accumulated depreciation:	累計折舊:							
At 1 January 2007	於二零零七年一月一日	21,705	3,690	26,634	37,926	8,838	-	98,793
Provided during the year	年內撥備	2,324	-	1,190	5,927	901	-	10,342
Write-off	撤銷	-	-	(2)	(1,299)	(668)	-	(1,969)
Disposal of subsidiaries (note 33(b))	出售附屬公司 (附註33(b))	(4,156)	-	-	(60)	(189)	-	(4,405)
Exchange realignment	匯兌調整	1,132	-	2,154	2,355	369	-	6,010
		<u>21,005</u>	<u>3,690</u>	<u>29,976</u>	<u>44,849</u>	<u>9,251</u>	<u>-</u>	<u>108,771</u>
At 31 December 2007	於二零零七年 十二月三十一日							
Net book value:	賬面淨值:							
At 31 December 2007	於二零零七年 十二月三十一日	<u>35,141</u>	<u>-</u>	<u>16,581</u>	<u>31,447</u>	<u>4,293</u>	<u>76,832</u>	<u>164,294</u>

**16. PROPERTY, PLANT AND EQUIPMENT** (continued)  
Group (continued)

**16. 物業、廠房及設備**(續)  
本集團(續)

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2006	二零零六年十二月三十一日							
Cost:	成本:							
At 1 January 2006	於二零零六年一月一日	69,694	3,690	33,925	48,469	11,345	-	167,123
Additions	添置	-	-	1,383	4,804	1,688	-	7,875
Disposals	出售	-	-	-	-	(774)	-	(774)
Write-off	撇銷	-	-	-	(373)	(219)	-	(592)
Exchange realignment	匯兌調整	1,525	-	1,323	1,548	283	-	4,679
At 31 December 2006	於二零零六年十二月三十一日	71,219	3,690	36,631	54,448	12,323	-	178,311
Accumulated depreciation:	累計折舊:							
At 1 January 2006	於二零零六年一月一日	18,884	3,690	24,101	32,848	8,803	-	88,326
Provided during the year	年內撥備	2,247	-	1,569	4,404	809	-	9,029
Disposals	出售	-	-	-	-	(774)	-	(774)
Write-off	撇銷	-	-	-	(294)	(197)	-	(491)
Exchange realignment	匯兌調整	574	-	964	968	197	-	2,703
At 31 December 2006	於二零零六年十二月三十一日	21,705	3,690	26,634	37,926	8,838	-	98,793
Net book value:	賬面淨值:							
At 31 December 2006	於二零零六年十二月三十一日	49,514	-	9,997	16,522	3,485	-	79,518

- 16. PROPERTY, PLANT AND EQUIPMENT** (continued)  
The Group's leasehold land and buildings at cost included above are held under the following lease terms:

- 16. 物業、廠房及設備**(續)  
本集團根據以下租賃年期持有上述以成本列賬之租賃土地及樓宇：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Medium term leases in Hong Kong	於香港之中期租約	28,605	28,605
Medium term leases outside Hong Kong	香港境外之中期租約	24,701	39,964
Long term leases outside Hong Kong	香港境外之長期租約	2,840	2,650
		<b>56,146</b>	<b>71,219</b>

**17. INVESTMENT PROPERTY**

**17. 投資物業**

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	27,700	25,500
Changes in fair value (notes 6 and 8)	公平值變動(附註6及8)	3,300	2,200
Carrying amount at 31 December	於十二月三十一日之賬面值	<b>31,000</b>	<b>27,700</b>

The Group's investment property situated in Hong Kong is held under the medium term lease.

本集團之投資物業位於香港並以中期租約持有。

The Group's investment property was revalued on 31 December 2007 by DTZ Debenham Tie Leung Limited, an independent professionally qualified valuer, at HK\$31,000,000 on an open market, existing state basis. The investment property is leased to a third party under an operating lease, further summary details of which are included in note 34(a) to the financial statements.

本集團之投資物業由獨立專業合資格估值師戴德梁行有限公司按公開市場及現況基準於二零零七年十二月三十一日重估為31,000,000港元。該投資物業乃根據經營租約出租予第三方，其詳情載於財務報表附註34(a)。

## 18. PREPAID LAND LEASE PAYMENTS

## 18. 預付土地租賃款項

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cost:	成本：		
At 1 January	於一月一日	6,162	2,553
Additions	添置	-	3,515
Disposal of subsidiaries (note 33(b))	出售附屬公司(附註33(b))	(2,838)	-
Exchange realignment	匯兌調整	444	94
		<u>3,768</u>	<u>6,162</u>
As 31 December	於十二月三十一日		
Amortisation:	攤銷：		
At 1 January	於一月一日	361	290
Recognised during the year	年內確認	62	59
Disposal of subsidiaries (note 33(b))	出售附屬公司(附註33(b))	(452)	-
Exchange realignment	匯兌調整	29	12
		<u>-</u>	<u>361</u>
At 31 December	於十二月三十一日		
Carrying amount at 31 December	於十二月三十一日之賬面值	3,768	5,801
Current portion included in prepayments, deposits and other receivables (note 21)	計入預付款項、按金及其他應收款項之即期部份 (附註21)	(38)	(60)
		<u>3,730</u>	<u>5,741</u>
Non-current portion	非即期部份		

The leasehold lands are situated in Mainland China and the respective prepaid land lease payments are held under medium term leases.

有關租賃土地位於中國大陸，相關預付土地租賃款項乃根據中期租約持有。



**19. INVENTORIES**

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>HK\$'000</b> 千港元	2006 二零零六年 <b>HK\$'000</b> 千港元
Raw materials	原材料	<b>24,901</b>	17,932
Work in progress	在製品	<b>24,406</b>	19,252
Finished goods	製成品	<b>246,652</b>	190,785
		<b>295,959</b>	227,969

**20. TRADE RECEIVABLES**

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

An aged analysis of the Group's trade receivables as at the balance sheet date, based on the invoice date, is as follows:

**19. 存貨**

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>HK\$'000</b> 千港元	2006 二零零六年 <b>HK\$'000</b> 千港元
Raw materials	原材料	<b>24,901</b>	17,932
Work in progress	在製品	<b>24,406</b>	19,252
Finished goods	製成品	<b>246,652</b>	190,785
		<b>295,959</b>	227,969

**20. 應收貿易賬款**

本集團主要以信貸期形式與客戶進行買賣，惟一般會要求批發商預先付款。信貸期一般為一個月，主要客戶之信貸期則可延至三個月。本集團之銷售部嚴控未繳之應收款項，以減低信貸風險。逾期結餘由高級管理層定期檢討。鑑於上文所述及本集團之應收貿易賬款涉及多元化之客戶群且客戶人數眾多，故並無信貸過度集中之風險。應收貿易賬款並不計息。

本集團於結算日之應收貿易賬款根據發票日期之賬齡分析如下：

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>HK\$'000</b> 千港元	2006 二零零六年 <b>HK\$'000</b> 千港元
Within 90 days	90日內	<b>31,023</b>	33,214
91 to 180 days	91至180日	<b>892</b>	1,765
181 to 360 days	181至360日	<b>649</b>	662
Over 360 days	360日以上	<b>1,026</b>	1,320
		<b>33,590</b>	36,961
Less: Impairment allowance	減：減值撥備	<b>(1,678)</b>	(1,994)
		<b>31,912</b>	34,967

## 20. TRADE RECEIVABLES (continued)

The carrying amounts of trade receivables approximate to their fair values.

The movements in provision for impairment of trade receivables are as follows:

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	1,994	1,365
Impairment losses recognised/ (written back)	已確認/(撥回) 減值虧損	(316)	629
At 31 December	於十二月三十一日	1,678	1,994

The above provision for impairment of trade receivables is a provision for individually impaired trade receivables. The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	31,023	33,214
1 to 3 months past due	已逾期1個月至3個月	889	1,753
		31,912	34,967

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

## 20. 應收貿易賬款(續)

應收貿易賬款之賬面值與其公平值相若。

應收貿易賬款之減值撥備變動如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	1,994	1,365
Impairment losses recognised/ (written back)	已確認/(撥回) 減值虧損	(316)	629
At 31 December	於十二月三十一日	1,678	1,994

上述應收貿易賬款之減值撥備為個別減值之應收貿易賬款撥備。個別減值之應收貿易賬款乃與有財務困難之客戶有關，預期只可收回部份應收賬款。本集團並無就該等結餘持有任何抵押品或其他信貸加強措施。

視作為未減值之應收貿易賬款賬齡分析如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	31,023	33,214
1 to 3 months past due	已逾期1個月至3個月	889	1,753
		31,912	34,967

未逾期亦未減值之應收貿易賬款乃與大量近期並無違約記錄之多名客戶有關。

**20. TRADE RECEIVABLES (continued)**

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

**20. 應收貿易賬款(續)**

已逾期但未減值之貿易應收賬款乃與多名與本集團維持良好往績記錄之獨立客戶有關。根據以往經驗，由於信貸質素並無出現重大變動，且有關結餘仍被視為可全數收回，本公司董事認為毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品或採取其他信貸加強措施。

**21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES****21. 預付款項、按金及其他應收款項**

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Prepaid land lease payments (note 18)	預付土地租賃款項 (附註18)	38	60	-	-
Deposit paid for land use rights (note 35)	土地使用權已付按金 (附註35)	14,078	13,132	-	-
Deposits for acquisition of items of property plant and equipment	收購物業、廠房及設備項目已付按金	1,988	-	-	-
Prepayments	預付款項	2,680	2,845	150	-
Deposits and other receivables	按金及其他應收款項	17,152	11,141	2,529	590
		<b>35,936</b>	27,178	<b>2,679</b>	590
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項之即期部份	<b>(33,948)</b>	(14,046)	<b>(2,679)</b>	(590)
Non-current portion	非即期部份	<b>1,988</b>	13,132	-	-

The carrying amounts of prepayments, deposits and other receivables approximate to their fair values.

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

預付款項、按金及其他應收款項之賬面值與其公平值相若。

上述資產均未逾期且未減值。列入上述結餘之金融資產乃有關並無近期欠款記錄之應收賬款。

## 22. DUE FROM A RELATED COMPANY

Particulars of an amount due from a related company, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

Name	31 December 2007 於二零零七年 十二月三十一日	Group 本集團 Maximum amount outstanding during the year 年內未償還 最高金額	1 January 2007 於二零零七年 一月一日
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Sinowide	<b>22,400</b>	22,400	–

The balance represented the Note issued by Sinowide in favour of EGL for the settlement of the balance of the Disposal Consideration, as detailed in note 12(b) to the financial statements. The Note was unsecured, bore interest at 5% per annum, and was fully settled in March 2008.

## 22. 應收一間關連公司款項

根據香港公司條例第161B節披露之應收一間關連公司款項詳情如下：

Group 本集團 Maximum amount outstanding during the year 年內未償還 最高金額	1 January 2007 於二零零七年 一月一日
HK\$'000 千港元	HK\$'000 千港元
22,400	–

結餘指Sinowide為EGL發出之票據，以支付出售代價之餘額，有關詳情載於財務報表附註12(b)。票據為無抵押，以年利率5%計息，且已於二零零八年三月悉數償付。

## 23. INTERESTS IN SUBSIDIARIES

		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted investments, at cost	未上市投資，按成本	<b>381,448</b>	381,448
Due from subsidiaries	應收附屬公司款項	<b>260,281</b>	18,907
Due to a subsidiary	應付附屬公司款項	<b>(428)</b>	–
		<b>641,301</b>	400,355

The balances with subsidiaries are unsecured, interest-free and not expected to be settled within the next twelve months from the balance sheet date. The carrying amounts of the balances with subsidiaries approximate to their fair values.

附屬公司結餘為無抵押、免息及預期毋須於結算日起計未來12個月內償付。附屬公司結餘之賬面值與其公平值相若。

**23. INTERESTS IN SUBSIDIARIES (continued)**

Particulars of the subsidiaries are as follows:

**23. 於附屬公司的權益(續)**

附屬公司的詳情如下：

Name 名稱	Place of incorporation or registration 註冊成立或 註冊地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益 百分比		Principal activities 主要業務
			2007 二零零七年	2006 二零零六年	
CZ Embry Development** 常州安莉芳發展**	PRC 中國	RMB20,000,000 人民幣20,000,000元	***	100	Property investment 物業投資
Embry CZ** 安莉芳常州**	PRC 中國	RMB11,600,000 人民幣11,600,000元	100	100	Manufacture and trading of ladies' brassieres, panties, swimwears and sleepwears 製造及買賣 女性胸圍、內褲、 泳衣及睡衣
Embry SZ** 安莉芳深圳**	PRC 中國	HK\$11,000,000 11,000,000港元	100	100	Manufacture and trading of ladies' brassieres, panties, swimwears and sleepwears 製造及買賣 女性胸圍、內褲、 泳衣及睡衣
Embry (H.K.) Limited ("Embry HK") 安莉芳(香港)有限公司 (「安莉芳香港」)	Hong Kong 香港	Ordinary HK\$45,000 * Non-voting deferred HK\$4,500,000 普通股 45,000港元 *無投票權 遞延股 4,500,000港元	100	100	Trading of ladies' brassieres, panties, swimwears and sleepwears 買賣女性胸圍、 內褲、泳衣 及睡衣

**23. INTERESTS IN SUBSIDIARIES** (continued)

Particulars of the subsidiaries are as follows: (continued)

**23. 於附屬公司的權益** (續)

附屬公司的詳情如下：(續)

Name 名稱	Place of incorporation or registration 註冊成立或 註冊地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益 百分比		Principal activities 主要業務
			2007 二零零七年	2006 二零零六年	
Embry (Macau) Fashion Company Limited (Embry (Macau) Pronto A Vestir, Limitada)	Macau 澳門	MOP100,000 100,000澳門幣	100	100	Trading of ladies' brassieres, panties, swimwears and sleepwears 買賣女性胸圍、內褲、泳衣及睡衣
Embry (Shandong) Garments Limited ("Embry SD")** 安莉芳(山東)服裝有限公司 (「安莉芳山東」)**	PRC 中國	US\$10,000,000 10,000,000美元	100	100	Manufacture and trading of ladies' brassieres, panties, swimwears and sleepwears, but not yet commenced business 製造及買賣女性胸圍、內褲、泳衣及睡衣，惟尚未開展業務
EDL	BVI 英屬處女群島	US\$1 1美元	***	100	Investment holding 投資控股
Embry Garments Limited	BVI 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
EGL	BVI 英屬處女群島	US\$472 472美元	100	100	Investment holding 投資控股
Gallin Investments Limited	Hong Kong 香港	HK\$2 2港元	100	100	Investment holding 投資控股
Prime Force Advertising Limited	Hong Kong 香港	HK\$20 20港元	100	100	Property investment 物業投資
Whistleblower Limited	BVI 英屬處女群島	US\$1 1美元	100	100	Holding of trademarks 持有商標

**23. INTERESTS IN SUBSIDIARIES (continued)**

- \* The non-voting deferred shares carry no rights to dividends (other than for any financial year during which the net profit of Embry HK available for dividend exceeds HK\$1,000,000,000,000), no rights to vote at general meetings and no rights to receive any surplus in return of capital in a winding-up in respect of the first HK\$500,000,000,000,000.
- \*\* CZ Embry Development, Embry CZ, Embry SZ and Embry SD are registered as wholly-foreign-owned enterprises under the PRC law.
- \*\*\* During the year, CZ Embry Development and EDL were disposed of to a related company, details of the disposal are set out in note 12(b) to the financial statements.

Except for EGL, all of the above subsidiaries are indirectly held by the Company.

**23. 於附屬公司的權益(續)**

- \* 無投票權遞延股並無附帶權利收取股息(於安莉芳香港可供派息的純利超過1,000,000,000,000港元的任何財政年度除外)、於股東大會上投票及於清盤時收取首500,000,000,000,000港元退回資本的任何盈餘。
- \*\* 常州安莉芳發展、安莉芳常州、安莉芳深圳及安莉芳山東均根據中國法例註冊為全外資企業。
- \*\*\* 年內，常州安莉芳發展及EDL已出售予一間關連公司，有關出售之詳情載於財務報表附註12(b)。

除EGL外，上述所有附屬公司均由本公司間接持有。

**24. CASH AND CASH EQUIVALENTS****24. 現金及現金等價物**

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	145,281	87,891	1,286	137
Time deposits with original maturity of less than three months when acquired	初步為期少於三個月之定期存款	103,966	343,334	51,469	316,308
Time deposits with original maturity of more than three months when acquired	初步為期多於三個月之定期存款	100,000	—	50,000	—
		<b>349,247</b>	431,225	<b>102,755</b>	316,445

## 24. CASH AND CASH EQUIVALENTS (continued)

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$90,360,000 (2006: HK\$79,422,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for approximately one week on average depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the time deposits approximate to their fair values.

## 25. TRADE AND BILLS PAYABLES

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

Within 90 days	90日內
91 to 180 days	91至180日
181 to 360 days	181至360日
Over 360 days	360日以上

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days terms. The carrying amounts of trade and bills payables approximate to their fair values.

## 24. 現金及現金等價物(續)

本集團於結算日以人民幣(「人民幣」)計值之現金及銀行結餘為90,360,000港元(二零零六年: 79,422,000港元)。人民幣是不可自由兌換為其他貨幣,惟根據中國大陸之外匯管理條例,以及結匯、售匯及付匯管理規定,本集團獲准透過獲授權進行外匯交易業務之銀行將人民幣兌換為其他貨幣。

銀行存款根據每日銀行存款利率釐定之浮動利率計息。短期定期存款平均為期約一星期,視乎本集團當時之現金需求而定,並按有關之短期定期存款利率計息。銀行結餘及定期存款存放於近期並無違約記錄之信譽良好銀行。現金及現金等價物以及定期存款之賬面值與其公平值相若。

## 25. 應付貿易賬款及應付票據

本集團於結算日之應付貿易賬款及應付票據根據發票日期之賬齡分析如下:

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
Within 90 days	90日內	28,403	21,040
91 to 180 days	91至180日	2,601	2,066
181 to 360 days	181至360日	746	826
Over 360 days	360日以上	1,092	1,351
		<b>32,842</b>	<b>25,283</b>

應付貿易賬款並不計息,一般於30至90日內結清。應付貿易賬款及應付票據之賬面值與其公平值相若。



## 26. OTHER PAYABLES AND ACCRUALS

## 26. 其他應付款項及應計款項

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Other payables	其他應付款項	29,530	33,100	125	–
Accruals	應計款項	23,122	17,751	637	4,365
		<b>52,652</b>	<b>50,851</b>	<b>762</b>	<b>4,365</b>

As at 31 December 2007, included in the other payables an amount of RMB16,631,000 (approximately HK\$17,776,000) (2006: RMB16,631,000 (approximately HK\$16,581,000)) was in respect of a subsidy received from the People's Government of Zhangqiu, Shandong Province, the PRC, for the construction cost of the basic infrastructure to be incurred by the Group in Shandong Province, the PRC.

Other payables are non-interest-bearing, and except for the government subsidy stated above, have an average term of three months. The carrying amounts of other payables and accruals approximate to their fair values.

截至二零零七年十二月三十一日，其他應付款項包括一筆人民幣16,631,000元(約17,776,000港元)(二零零六年：人民幣16,631,000元(約16,581,000港元))之已收款項，為中國山東省章丘市人民政府就本集團將於中國山東省之基礎設施所產生建築成本而提供之津貼。

其他應付款項為不計息，除上文所列的政府津貼外，一般賬期為期三個月。其他應付款項及應計款項之賬面值與其公平值相若。

27. INTEREST-BEARING BANK LOANS, SECURED

27. 計息銀行貸款，有抵押

		Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
		Maturity 到期日	
<b>Current</b>	<b>即期</b>		
Bank loan	銀行貸款	2007 二零零七年	4,242
		-	4,242
<b>Non-current</b>	<b>非即期</b>		
Bank loan	銀行貸款	2008 to 2012 二零零八年至 二零一二年	20,228
		-	20,228
Analysed into:	分析：		
Bank loans repayable:	須償還銀行貸款：		
Within one year	一年內	-	4,242
In the second year	第二年	-	4,151
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	-	16,077
		-	24,470

The effective interest rate of the Group's bank loan was Hong Kong Dollar Prime Lending Rate minus 2.125% per annum is denominated in Hong Kong dollars.

本集團銀行貸款的實際利率為港元最優惠借貸年利率減2.125厘，並以港元計值。

The bank loans did not bear interest at fixed rate, so the fair value of non-current bank loan was not materially different from its book value.

銀行貸款並非以固定利率計息，故非即期銀行貸款之公平值與其賬面值並無重大差異。

**28. DEFERRED LIABILITIES**

Deferred liabilities represent the estimated provision in respect of long service payments which may become payable in the future under the Hong Kong Employment Ordinance to employees in proportion to their periods of services with the Group up to the balance sheet date.

**28. 遞延負債**

遞延負債指截至各結算日有關長期服務金之估計撥備。長期服務金可能須根據香港僱傭條例按僱員於本集團之年資而向僱員支付。

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	3,395	4,622
Provision/(write-back of provision) for the year (note 8)	年度之撥備/(撥備撥回) (附註8)	192	(854)
Payments during the year	年度之付款	(199)	(373)
At 31 December	於十二月三十一日	<u>3,388</u>	<u>3,395</u>

**29. DEFERRED TAX LIABILITIES  
Group****29. 遞延稅項負債  
本集團**

		Revaluation of a property 物業重估 HK\$'000 千港元	Depreciation allowance in excess of related depreciation 折舊減免額 超逾相關 折舊 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	245	350	595
Deferred tax charged to the income statement during the year (note 11)	年內在收益表扣除之 遞延稅項 (附註11)	752	503	1,255
At 31 December 2006 and 1 January 2007	於二零零六年 十二月三十一日及 二零零七年一月一日	997	853	1,850
Deferred tax charged to the income statement during the year (note 11)	年內在收益表扣除 之遞延稅項 (附註11)	578	104	682
At 31 December 2007	於二零零七年 十二月三十一日	<u>1,575</u>	<u>957</u>	<u>2,532</u>

## 29. DEFERRED TAX LIABILITIES (continued)

The Group has tax losses arising in Hong Kong of approximately HK\$1,135,000 (2006: HK\$14,035,000) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as the aforesaid company has not generated assessable profits for some time.

At 31 December 2007, there was no significant unrecognised deferred tax liability (2006: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

## 29. 遞延稅項負債(續)

本集團於各結算日來自香港之稅項虧損1,135,000港元(二零零六年: 14,035,000港元)可無限期用於抵銷錄得有關虧損之公司的未來應課稅溢利。由於上述公司已有一段時間未曾錄得應課稅溢利,故並無就有關虧損確認遞延稅項資產。

於二零零七年十二月三十一日,概無任何因本集團若干附屬公司之未匯出盈利產生之應付稅項而出現重大未確認遞延稅項負債(二零零六年:無),原因為即使該等款額匯出,本集團亦毋需承擔額外稅項之責任。

## 30. SHARE CAPITAL

## 30. 股本

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Authorised:	法定:		
1,000,000,000 ordinary shares of HK\$0.01 each	1,000,000,000股每股 面值0.01港元的普通股	<u>10,000</u>	<u>10,000</u>
Issued and fully paid:	已發行及繳足:		
400,314,500 (2006: 400,000,000) ordinary shares of HK\$0.01 each	400,314,500股(二零零六年: 400,000,000股)每股面值 0.01港元的普通股	<u>4,003</u>	<u>4,000</u>

**30. SHARE CAPITAL (continued)**

The following changes in the Company's authorised and issued share capital took place during the period from 29 August 2006 (date of incorporation) to 31 December 2007:

**30. 股本(續)**

本公司的法定及已發行股本於二零零六年八月二十九日(註冊成立日期)至二零零七年十二月三十一日止期間出現以下變動：

		Notes 附註	Number of ordinary shares of HK\$0.01 each 每股面值0.01 港元的普通股數目	Nominal value of ordinary share 普通股面值 HK\$'000 千港元
<b>Authorised:</b>	<b>法定：</b>			
Upon incorporation	於註冊成立時	(a)	10,000,000	100
Increase in authorised share capital	法定股本增加	(b)	990,000,000	9,900
As at 31 December 2006 and 31 December 2007	於二零零六年 十二月三十一日及 二零零七年 十二月三十一日		<u>1,000,000,000</u>	<u>10,000</u>
<b>Issued:</b>	<b>已發行：</b>			
Allotted and issued at nil paid	按未繳股款方式配發 及發行	(c)	1	–
On acquisition of EGL	於收購EGL時			
– allotted and issued at nil paid	– 按未繳股款方式 配發及發行	(d)(i)	9,999,999	–
– nil paid shares credited as fully paid	– 未繳股份入賬 列作繳足	(d)(ii)	–	100
– consideration shares issued	– 已發行代價股份	(d)(iii)	10,000,000	100
Capitalisation issue credited as fully paid conditional on the share premium account of the Company being	在本公司股份溢價賬因 向公眾人士發行新股份 而出現進賬的情況下 資本化發行入賬 列作繳足	(e)	280,000,000	–
Capitalisation of the share premium account as set out above	上述股份溢價賬 撥充資本	(e)	–	2,800
New issue of shares	新發行股份	(f)	<u>100,000,000</u>	<u>1,000</u>
As at 31 December 2006	於二零零六年 十二月三十一日		400,000,000	4,000
Share options exercised	已行使購股權	(g)	<u>314,500</u>	<u>3</u>
As at 31 December 2007	於二零零七年 十二月三十一日		<u>400,314,500</u>	<u>4,003</u>

### 30. SHARE CAPITAL (continued)

Notes:

- (a) Upon incorporation of the Company, the authorised share capital of the Company was HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each.
- (b) Pursuant to the resolutions passed on 25 November 2006, the authorised share capital of the Company was increased from HK\$100,000 to HK\$10,000,000 by the creation of additional 990,000,000 shares of HK\$0.01 each.
- (c) On 29 August 2006, 1 share of HK\$0.01 each was allotted and issued at nil paid. The share was subsequently credited as fully paid as described in (d)(ii) below.
- (d) Pursuant to the resolutions passed on 25 November 2006 and the group reorganisation,
- (i) 9,999,999 shares of HK\$0.01 each were allotted and issued at nil paid. The shares were subsequently credited as fully paid as described in (d)(ii) below;
- (ii) 1 share and 9,999,999 shares of HK\$0.01 each allotted and issued at nil paid on 29 August 2006 and 25 November 2006 as set out in (c) and (d)(i) above respectively, were credited as fully paid at par; and
- (iii) 10,000,000 new shares of HK\$0.01 each were further allotted and issued, credited as fully paid at par, in consideration of and in exchange for the acquisition of the entire issued share capital of EGL.
- (e) Pursuant to the resolutions passed on 14 December 2006, an aggregate of 280,000,000 shares of HK\$0.01 each in the Company were allotted and issued, credited as fully paid at par, by way of capitalisation of the sum of HK\$2,800,000 from the share premium account, to the then existing shareholders of the Company, whose names appeared in the register of the Company on 25 November 2006, in proportion to their respective shareholdings, such allotment and capitalisation were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in (f) below.
- (f) In connection with the Company's initial public offering, 100,000,000 shares of HK\$0.01 each were issued at a price of HK\$3.62 per share for a total cash consideration, before expenses, of HK\$362,000,000. Dealings in these shares on the Stock Exchange commenced on 18 December 2006.
- (g) During the year ended 31 December 2007, the subscription rights attaching to 314,500 share options were exercised at the subscription price of HK\$1.81 per share (note 31), at a consideration of HK\$569,000, of which \$3,000 was credited to share capital and the balance of HK\$566,000 was credited to the share premium account. An amount of HK\$1,404,000 has been transferred from the share option reserve to the share premium account when the options were exercised.

### 30. 股本(續)

附註：

- (a) 於本公司註冊成立時，本公司法定股本為100,000港元，分為10,000,000股每股面值0.01港元的股份。
- (b) 根據二零零六年十一月二十五日通過的決議案，本公司藉新增990,000,000股每股面值0.01港元的股份，將法定股本由100,000港元增加至10,000,000港元。
- (c) 於二零零六年八月二十九日，1股面值0.01港元的股份按未繳股款方式予以配發及發行。股份其後如下文(d)(ii)所述入賬列作繳足。
- (d) 根據二零零六年十一月二十五日通過的決議案以及集團重組，
- (i) 9,999,999股每股面值0.01港元的股份按未繳股款方式配發及發行。股份其後如下文(d)(ii)所述入賬列作繳足。
- (ii) 分別於二零零六年八月二十九日及二零零六年十一月二十五日按上文(c)及(d)(i)按未繳股款方式配發及發行的1股及9,999,999股每股面值0.01港元的股份已按面值入賬列作繳足；及
- (iii) 10,000,000股每股面值0.01港元的新股份已按面值入賬列作繳足，作為代價及交換收購EGL的全部已發行股本。
- (e) 根據二零零六年十二月十四日通過的決議案，透過將股份溢價賬內2,800,000港元的款項撥充資本，向二零零六年十一月二十五日名列本公司股東名冊的當時現有股東(按彼等各自的持股比例)配發及發行合共280,000,000股每股面值0.01港元按面值入賬列作繳足的本公司股份，有關配發及資本化在下文(f)所詳述的本公司首次公開發售就向公眾人士發行新股份而導致股份溢價賬有所進賬的情況下始能作實。
- (f) 就本公司首次公開發售而言，100,000,000股每股面值0.01港元的股份按每股3.62港元的價格予以發行，以換取總現金代價362,000,000港元(扣除開支前)。該等股份於二零零六年十二月十八日起於聯交所買賣。
- (g) 截至二零零七年十二月三十一日止年度，按認購價每股股份1.81港元行使314,500份購股權之所附認購權(附註31)，代價為569,000港元，其中3,000港元列賬為股本，而566,000港元之結餘則列入股份溢價賬。當購股權獲行使時，1,404,000港元由購股權儲備轉撥至股份溢價賬。

**31. SHARE OPTION SCHEMES**

The Company has adopted a pre-initial public offering share option scheme on 25 November 2006 (the "Pre-IPO Scheme") and a share option scheme on 18 December 2006 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group.

**Pre-IPO Scheme**

Eligible participants of the Pre-IPO Scheme include (i) any employee (whether full time or part time, including directors) of the Company, its subsidiaries or invested entity; (ii) any directors or proposed directors (including independent non-executive directors) of the Company, its subsidiaries or invested entity; (iii) any advisor (professional or otherwise), consultant, individual or entity who is in the opinion of the directors of the Company has contributed or will contribute to the growth and development of the Group and the listing of the shares of the Company on the Stock Exchange; and (iv) any company wholly-owned by one or more eligible participants as referred to in (i) to (iii) above.

The offer of a grant of share options under the Pre-IPO Scheme (the "Pre-IPO Share Options") may be accepted not later than the earlier of 21 days from the date of offer or 28 November 2006, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the Pre-IPO Share Options is determinable by the directors, which period may commence from the date of the offer of the Pre-IPO Share Options, and ends on a date which is not later than ten years from the date of the offer of the Pre-IPO Share Options or the expiry date of the Pre-IPO Scheme, if earlier.

The exercise price of the Pre-IPO Share Options is determinable by the directors, but shall not be less than the nominal value of the Company's shares.

There is no individual limit under the Pre-IPO Scheme. No further option can be granted under the Pre-IPO Scheme.

Pre-IPO Share Options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

**31. 購股權計劃**

本公司於二零零六年十一月二十五日採納首次公開發售前購股權計劃(「首次公開發售前購股權計劃」)及於二零零六年十二月十八日採納購股權計劃(「購股權計劃」)，為對本集團的成功作出貢獻的合資格參與者提供鼓勵及獎賞。

**首次公開發售前計劃**

首次公開發售前計劃的合資格參與者包括(i)本公司、其附屬公司或所投資公司的任何全職或兼職僱員(包括董事)；(ii)本公司、其附屬公司或所投資公司的任何董事或建議董事(包括獨立非執行董事)；(iii)本公司董事認為曾經或將會對本集團增長及發展以及本公司股份於聯交所上市作出貢獻的任何諮詢人(專業或其他方面)、顧問、個人或公司；及(iv)由上述第(i)至(iii)項所述的一名或多名合資格參與者全資擁有的任何公司。

根據首次公開發售前計劃授出的購股權(「首次公開發售前購股權」)建議可不遲於建議日期起計21日內或二零零六年十一月二十八日(以較早者為準)由承授人支付合共1港元的象徵式代價接納。首次公開發售前購股權的行使期由董事釐定，該期間或自首次公開發售前購股權建議授出日期起計直至首次公開發售前購股權建議授出當日起計不少於十年止或首次公開發售前計劃屆滿之日止(以較早者為準)。

首次公開發售前購股權的行使價由董事釐定，但不得低於本公司股份面值。

首次公開發售前計劃並無個別人士限額，再無購股權可根據首次公開發售前計劃授出。

首次公開發售前購股權並不賦予持有人獲取股息或於股東大會上投票的權利。

### 31. SHARE OPTION SCHEMES (continued)

#### Share Option Scheme

Eligible participants of the Share Option Scheme include, (i) any employee (whether full time or part time, including directors but excluding any non-executive director) of the Company, its subsidiaries or invested entity; (ii) any non-executive directors (including independent non-executive directors) of the Company, its subsidiaries or invested entity; (iii) any supplier or customer of the Group or any invested entity; (iv) any person or entity that provides research, development or other technological support to the Group or any invested entity; (v) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity; (vi) any advisor (professional or otherwise) or consultant to any area of business or business development of the Group or any invested entity; (vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and (viii) any company wholly-owned by one or more eligible participants as referred in to (i) to (vii) above. The Share Option Scheme became effective on 18 December 2006 and, unless otherwise cancelled or amended, will remain in force for a period of ten years to 17 December 2016.

The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company.

### 31. 購股權計劃(續)

#### 購股權計劃

購股權計劃的合資格參與者包括(i)本公司、其附屬公司或所投資公司的任何全職或兼職僱員(包括董事, 但不包括任何非執行董事); (ii)本公司、其附屬公司或所投資公司的任何非執行董事(包括獨立非執行董事); (iii)本集團任何成員公司或所投資公司的任何供應商或客戶; (iv)任何為本集團或任何所投資公司提供研究、開發或其他技術支援的個人或公司; (v)本集團任何成員公司或所投資公司的任何股東或本集團任何成員公司或所投資公司所發行任何證券的持有人; (vi)本集團或任何所投資公司在任何業務範疇或業務發展的專業或其他諮詢人或顧問; (vii)曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展及增長作出貢獻的任何其他類別參與者; 及(viii)由上述第(i)至(vii)項所述的一名或多名合資格參與者全資擁有的任何公司。購股權計劃由二零零六年十二月十八日起生效, 除非被註銷或修正, 否則有效期將維持十年至二零一六年十二月十七日。

因行使根據購股權計劃本集團任何其他購股權計劃已授出但尚未行使的購股權而發行的股份總數, 不得超過當時本公司已發行股本的30%。因行使向各名購股權計劃合資格參與者授出購股權可發行的股份總數於任何十二個月期間不得超過本公司何時間已發行股份的1%。凡超過此限制而授出購股權, 必須獲股東於東大會上批准後方可作實。向本公司董事、行政總裁或主要股東或任何彼等聯繫人士授予購股權, 必須獲本公司獨立非執行董事事先批准後, 方可作實。



**31. SHARE OPTION SCHEMES (continued)**  
**Share Option Scheme (continued)**

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

As at the balance sheet date and the date of the approval of these financial statements, the total number of shares which may be issued upon the exercise of the options which may be granted under the Share Option Scheme is 40,000,000, representing 10% of the shares of the Company in issue as at those dates.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet on the date of the offer of the share options; (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

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

**31. 購股權計劃(續)**  
**購股權計劃(續)**

此外，倘任何十二個月期間內，向本公司主要股東或獨立非執行董事或任何彼等之聯繫人士授出任何購股權，超過本公司任何時間已發行股份0.1%或(根據本公司股份於授出日期的收市價計算的)總值超過5,000,000港元，則須獲股東於股東大會作出事先批准，方可作實。

於結算日及批准該等財務報表之當日，因行使根據購股權計劃可能授出的購股權而可予發行股份總數最多為40,000,000股，佔本公司於該等日期已發行股份之10%。

承授人可於建議授出購股權日期起計21日內支付象徵式代價1港元以接納有關購股權。購股權行使期由董事釐定，該期間或自購股權建議授出日期起計直至購股權建議授出當日起計不少於十年止或購股權計劃屆滿之日止(以較早者為準)。

購股權行使價由董事釐定，惟不得低於下列最高者：(i)本公司股份於建議授出購股權當日在聯交所的每日報價表所報的收市價；(ii)本公司股份於截至建議授出當日止五個營業日聯交所每日報價表所報的平均收市價；及(iii)本公司股份的面值。

購股權並無賦予持有人權利收取股息或於股東大會上投票。

**31. SHARE OPTION SCHEMES (continued)**

Set out below are the outstanding Pre-IPO Share Options as at 31 December 2007:

**31. 購股權計劃(續)**

以下載列於二零零七年十二月三十一日尚未行使首次公開發售前購股權：

Name or category of participant	Number of share options 購股權數目				At 31 December 2007 於二零零七年十二月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options* 購股權行使期*	Exercise price of share options# 購股權行使價#
	At 1 January 2007 於二零零七年一月一日	Granted during the year 年內授出	Cancelled or lapsed during the year 年內註銷或失效	Exercised during the year 年內已行使				
<b>Executive directors</b> 執行董事								
Mr. Cheng Man Tai 鄭敏泰先生	873,000	-	-	-	873,000	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零零一年十二月十七日	1.81
Ms. Cheng Pik Ho Liza 鄭碧浩女士	500,000	-	-	-	500,000	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零零一年十二月十七日	1.81
Madam Ngok Ming Chu 岳明珠女士	773,000	-	-	-	773,000	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零零一年十二月十七日	1.81
Mr. Hung Hin Kit 孔憲傑先生	332,000	-	-	-	332,000	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零零一年十二月十七日	1.81

HK\$ per share  
每股港元

## 31. SHARE OPTION SCHEMES (continued)

## 31. 購股權計劃(續)

Name or category of participant	Number of share options 購股權數目				At 31 December 2007 於二零零七年十二月三十一日	Date of grant of share options 購股權授出日期	Exercise period of share options* 購股權行使期*	Exercise price of share options# 購股權行使價# HK\$ per share 每股港元
	At 1 January 2007	Granted during the year	Cancelled or lapsed during the year	Exercised during the year				
<b>Independent non-executive directors</b> 獨立非執行董事								
Mr. Lau Siu Ki 劉紹基先生	68,000	-	-	-	68,000	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零一一年十二月十七日	1.81
Mr. Lee Kwan Hung 李均雄先生	68,000	-	-	-	68,000	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零一一年十二月十七日	1.81
Prof. Lee T.S. 李天生教授	68,000	-	-	-	68,000	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零一一年十二月十七日	1.81
<b>Other employees</b> 其他僱員								
In aggregate 總計	3,828,000	-	(442,000)	(314,500)	3,071,500	25 November 2006 二零零六年十一月二十五日	18 December 2007 to 17 December 2011 二零零七年十二月十八日至二零一一年十二月十七日	1.81
	<u>6,510,000</u>	<u>-</u>	<u>(442,000)</u>	<u>(314,500)</u>	<u>5,753,500</u>			

As at 31 December 2007, no share options have been granted under the Share Option Scheme since its adoption.

The weighted average share price at the date of exercise for share options exercised during the year was HK\$6.2 per share.

於二零零七年十二月三十一日，自採納購股權計劃起概無據此授出任何購股權。

年內按購股權行使日期計算之加權平均股價為每股6.2港元。

### 31. SHARE OPTION SCHEMES (continued)

Notes to the reconciliation of share options outstanding during the year:

- \* *The Pre-IPO Share Options are vested to the grantees in the following manner:*
- *25% of such options will be vested on 18 December 2007 with an exercise period from 18 December 2007 to 17 December 2011;*
  - *25% of such options will be vested on 18 December 2008 with an exercise period from 18 December 2008 to 17 December 2011;*
  - *25% of such options will be vested on 18 December 2009 with an exercise period from 18 December 2009 to 17 December 2011; and*
  - *the remaining 25% of such options will be vested on 18 December 2010 with an exercise period from 18 December 2010 to 17 December 2011.*
- # *The exercise price of each of the Pre-IPO Share Options per share is 50% of the final offer price of HK\$3.62 and is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.*

The fair value of the Pre-IPO Share Options granted during the year ended 31 December 2006 was estimated at approximately HK\$13,525,000 (HK\$2.08 each) of which the Company recognised a share option expense of HK\$6,225,000 (2006: HK\$584,000) during the year ended 31 December 2007.

The fair value of the Pre-IPO Share Options granted during the year ended 31 December 2006 was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0
Expected volatility (%)	49
Risk-free interest rate (%)	3.8
Suboptimal exercise factor (times)	3

### 31. 購股權計劃(續)

年內發行在外購股權的對賬附註：

- \* 首次公開發售前購股權按以下方式歸屬予承授人：
- 該等購股權的25%將於二零零七年十二月十八日歸屬，行使期為二零零七年十二月十八日至二零一一年十二月十七日；
  - 該等購股權的25%將於二零零八年十二月十八日歸屬，行使期為二零零八年十二月十八日至二零一一年十二月十七日；
  - 該等購股權的25%將於二零零九年十二月十八日歸屬，行使期為二零零九年十二月十八日至二零一一年十二月十七日；及
  - 該等購股權餘下的25%將於二零一零年十二月十八日歸屬，行使期為二零一零年十二月十八日至二零一一年十二月十七日。
- # 各份首次公開發售前購股權的行使價為最終發售價3.62港元的50%，惟受到供股或紅股、或本公司股本中其他類似變動所影響。

截至二零零六年十二月三十一日止年度所授出首次公開發售前購股權的公平值估計為約13,525,000港元(每股2.08港元)，其中本公司於截至二零零七年十二月三十一日止年度確認購股權開支6,225,000港元(二零零六年：584,000港元)。

截至二零零六年十二月三十一日止年度所授出首次公開發售前購股權的公平值乃使用二項式模式於授出日期進行估計，並已計及該等購股權授出後的年期及條件。下表列載使用該模式的計入項目：

股息率(%)	0
預期波幅(%)	49
無風險利率(%)	3.8
提早行使購股權因素(倍)	3

**31. SHARE OPTION SCHEMES (continued)**

The suboptimal exercise factor is based on the directors' estimation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

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

The 314,500 share options exercised during the year resulted in the issue of 314,500 ordinary shares of the Company and new share capital of HK\$3,000 and share premium account of HK\$566,000 (before issue expenses), as further detailed in notes 30 and 32(b) to the financial statements.

At the balance sheet date, the Company had outstanding Pre-IPO Share Options for the subscription of 5,753,500 shares under the Pre-IPO Share Option Scheme. The exercise in full of the Pre-IPO Share Options would, under the present capital structure of the Company, result in the issue of 5,753,500 additional ordinary shares of the Company and additional share capital of HK\$57,000 and share premium account of HK\$10,356,000 (before issue expenses).

Subsequent to the balance sheet date and at the date of approval of these financial statements, a total of 691,000 and 432,500 share options have been exercised and lapsed, respectively.

At the date of approval of these financial statements, the Company had 4,630,000 Pre-IPO Share Options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 1.2% of the issued share capital of the Company as at that date.

**31. 購股權計劃(續)**

提早行使購股權因素為根據董事估計釐定，並不一定能指示可能出現的行使規律。預期波幅反映假設歷史波幅具有未來趨勢的指示作用，亦可能與實際結果不符。

計算公平計時概無列入其他所授出購股權的特質。

年內，314,500份購股權已獲行使，導致發行314,500股本公司普通股、新股本3,000港元及股份溢價賬566,000港元(扣除發行開支前)，有關詳情載於財務報表附註30及32(b)。

於結算日，本公司根據首次公開發售前購股權計劃授出而尚未行使的首次公開發售前購股權可認購5,753,500股股份。根據首次公開發售前本公司現時的股本架構，全面行使該等首次公開發售前購股權將導致發行5,753,500股本公司額外普通股以及額外股本57,000港元及股份溢價賬10,356,000港元(扣除發行開支前)。

緊隨結算日及於該等財務報表獲批准日期，已行使購股權總數為691,000份及已失效購股權總數為432,500份。

於該等財務報表獲批准日期，本公司根據首次公開發售前購股權計劃所發行但尚未行使的首次公開發售前購股權為4,630,000份，佔本公司於當日已發行股本約1.2%。

## 32. RESERVES

### (a) Group

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

The contributed surplus of the Group represents (i) the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation of certain members of the Group which took place on 31 December 1992, over the nominal value of EGL's shares issued in exchange therefor; (ii) the premium arising from the issues by EGL for settlement of the amount due to the ultimate holding company of HK\$15,841,000; (iii) the premium arising from the acquisition of Embry HK from the minority shareholders of HK\$5,000,000; and (iv) the excess of the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par.

In accordance with the relevant regulations applicable in the PRC, subsidiaries of the Company established in the PRC are required to transfer a certain percentage of their profits after tax, if any, to the enterprise expansion and statutory reserve funds, which are non-distributable, before profit distributions to shareholders. The amounts of the transfers are subject to the approval of the board of directors of these subsidiaries.

The Group applied the transitional provision of HKFRS 3 which permits goodwill in respect of acquisitions which occurred prior to 1 January 2001, to remain eliminated against the consolidated reserves. The amount of goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries prior to 1 January 2001, was stated at cost, which is amounted to HK\$3,168,000 as at 31 December 2007 (2006: HK\$3,168,000).

## 32. 儲備

### (a) 本集團

現時及過往年度本公司儲備金額以及其變動已於財務報表內綜合益變動表。

本集團實繳盈餘指(i)根據重組於一九九二年十二月三十一日收購本集團若干成員公司，該等成員公司股份的面值超出就此作為交換所發行EGL股份的面值差額；(ii)EGL就償還欠付最終控股公司款項15,841,000港元而進行發行產生的溢價；(iii)向少數股東收購安莉芳香港所產生溢價5,000,000港元；及(iv)根據集團重組收購附屬公司的股本的面值超出本公司當時發行以作為交換的股本面值的部份以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。

根據中國適用的相關規例，本公司於中國成立的附屬公司須將其若干百分比的除稅後溢利(如有)在向股東作出溢利分派前轉撥至企業擴展及法定儲備基金(均為不可分派)。轉撥的金額須待該等附屬公司的董事會批准方可作實。

本集團已採用香港財務報告準則第3號的過渡性條文，容許二零零一年一月一日前進行收購所產生的商譽維持與綜合儲備的對銷。保留於綜合儲備內因二零零一年一月一日前收購附屬公司產生的商譽金額按成本列值，於二零零七年十二月三十一日為3,168,000港元(二零零六年：3,168,000港元)。

## Notes to Financial Statements (continued)

財務報表附註(續)

31 December 2007

二零零七年十二月三十一日

32. RESERVES (continued)  
(b) Company32. 儲備(續)  
(b) 本公司

			Share premium account	Contributed surplus	Share option reserve	Retained profit/ (accumulated loss)	Total
		Notes 附註	股份溢價賬 HK\$'000 千港元	實繳盈餘 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	保留溢利/ (累計虧損) HK\$'000 千港元	總計 HK\$'000 千港元
						保留溢利/ (累計虧損)	
Upon incorporation	於註冊成立時		-	-	-	-	-
Loss for the period	期內虧損		-	-	-	(77)	(77)
Total income and expense for the period	期內總收入及開支		-	-	-	(77)	(77)
Arising on the group reorganisation	集團重組產生		-	381,248	-	-	381,248
Capitalisation issue	資本化發行	30(e)	(2,800)	-	-	-	(2,800)
Issue of shares for cash consideration	發行股份以換取 現金代價	30(f)	361,000	-	-	-	361,000
Share issue expenses	股份發行開支		(30,930)	-	-	-	(30,930)
Equity-settled share option arrangements	以權益支付之 購股權安排	31	-	-	584	-	584
Proposed final 2006 dividend	擬派二零零六年 末期股息	14	-	-	-	(24,000)	(24,000)
At 31 December 2006	於二零零六年 十二月三十一日		327,270	381,248	584	(24,077)	685,025
Profit for the year	年度溢利		-	-	-	58,154	58,154
Total income and expense for the year	年內總收入及開支		-	-	-	58,154	58,154
Issue of shares	發行股份	30(g)	1,970	-	(1,404)	-	566
Equity-settled share option arrangements	以權益支付之 購股權安排	31	-	-	6,225	-	6,225
Share options lapsed	購股權失效		-	-	(36)	36	-
Interim 2007 dividend	二零零七年中期股息	14	-	-	-	(8,000)	(8,000)
Proposed final 2007 dividend	擬派二零零七年 末期股息	14	-	-	-	(24,000)	(24,000)
At 31 December 2007	於二零零七年 十二月三十一日		329,240	381,248	5,369	2,113	717,970

### 32. RESERVES (continued)

#### (b) Company (continued)

The contributed surplus of the Company represents the excess of the then net assets of the subsidiaries acquired by the Company pursuant to the group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor and the then existing 10,000,000 shares of HK\$0.01 each credited as fully paid at par.

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

### 33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

#### (a) Major non-cash transactions

- (i) During the year, EGL entered into the Disposal Agreement with Sinowide to dispose of the EDL Group for a consideration of HK\$56,000,000. The above consideration was satisfied in cash and by an issue of the Note, as detailed in note 22 to the financial statements. The Note was classified as "Due from a related company" on the face of the consolidated balance sheet.
- (ii) During the year ended 31 December 2006, the ultimate holding company of the Company advanced HK\$15,841,000 to the Group and full settlement for the advance has been made by the allotment and issue, credited as fully paid, of an aggregate of 365 shares of US\$1 each in the capital of a subsidiary, EGL, to the ultimate holding company of the Company.

### 32. 儲備(續)

#### (b) 本公司(續)

本公司的實繳盈餘本公司根據集團重組收購附屬公司的當時資產淨值超出本公司就此發行作為交換的股本面值以及按面值入賬列作繳足的10,000,000股每股面值0.01港元的當時現有股份。

購股權儲備指已授出但當未行使的購股權的公平值，於財務報表附註2.4就以股份為期礎交易的會計政策中有所詳述。金額將於有關購股權獲行使或時轉撥至股份溢價賬，或於有關購股權屆滿或被沒收時轉撥至保留盈利。

### 33. 綜合現金流量表附註

#### (a) 主要非現金交易

- (i) 年內EGL與Sinowide就出售EDL集團訂立出售協議，代價為56,000,000港元。上述代價以現金及發行票據支付，詳情載於財務報表附註22。票據於綜合資產負債表中分類為「應收一間關連公司款項」。
- (ii) 於截至二零零六年十二月三十一日止年度，本公司的最終控股公司向本集團墊支15,841,000港元，本集團已透過向本公司最終控股公司配發及發行一間附屬公司EGL資本中合共365股每股面值1美元的入賬列作繳足股份，全數償還該項墊款。



**33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT** (continued)**(a) Major non-cash transactions** (continued)

- (iii) During the year ended 31 December 2006, the Group acquired the remaining 5.83% equity interest in Embry HK from the minority shareholders of Embry HK at a consideration of HK\$5,000,000. The consideration was settled by the allotment and issue, credited as fully paid, of an aggregate of seven shares of US\$1 each in the capital of EGL to such minority shareholders. Accordingly, the Group's equity interest in Embry HK increased to 100%.

**(b) Disposal of subsidiaries****33. 綜合現金流量表附註**(續)**(a) 主要非現金交易**(續)

- (iii) 於截至二零零六年十二月三十一日止年度，本集團向安莉芳香港少數股東收購安莉芳香港其餘5.83%權益，代價為5,000,000港元，代價以向該等少數股東配發及發行EGL資本中合共7股每股面值1美元的入賬列作繳足股份償付。因此，本集團於安莉芳香港的股權增加至100%。

**(b) 出售附屬公司**

		2007 二零零七年 HK\$'000 千港元
Disposal of net assets of the EDL Group:	出售EDL集團資產淨值：	
Property, plant and equipment	物業、廠房及設備	13,785
Prepaid land lease payments	預付土地租賃款項	2,386
Other receivables	其他應收款項	9
Cash and bank balances	現金及銀行結餘	1,423
Other payables and accruals	其他應付款項及應計款項	(127)
		<hr/>
Total net assets disposed of	出售資產淨值總額	17,476
Exchange fluctuation reserve released on disposal	於出售時解除的匯兌波動儲備	(4,581)
Gain on disposal of subsidiaries	出售附屬公司收益	41,998
Expenses on disposal of subsidiaries	出售附屬公司開支	1,107
		<hr/>
Total consideration of the disposal	出售總代價	56,000
Satisfied by:	以下列方式支付：	
Disposal Consideration settled in cash	以現金支付出售代價	33,600
Issue of the Note (note 22)	發行票據(附註22)	22,400
		<hr/>
		56,000

**33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT** (continued)

**(b) Disposal of subsidiaries** (continued)

An analysis of the net cash inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Disposal Consideration settled in cash	以現金支付出售代價	33,600	-
Cash and bank balances disposed of	出售之現金及銀行結餘	(1,423)	-
Expenses on disposal of subsidiaries	出售附屬公司開支	(1,107)	-
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	就出售附屬公司之現金及現金等價物流入淨額	<u>31,070</u>	<u>-</u>

**34. OPERATING LEASE ARRANGEMENTS**

**(a) As lessor**

The Group leases its investment property (note 17) under an operating lease arrangement, with a lease negotiated for a term of four years.

At the balance sheet date, the Group had total future minimum lease receivables under a non-cancellable operating lease with its tenant falling due as follows:

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	4,009	2,022
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	1,352	3,517
		<u>5,361</u>	<u>5,539</u>

**33. 綜合現金流量表附註(續)**

**(b) 出售附屬公司(續)**

就出售附屬公司之現金及現金等價物之現金流入淨額分析如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Disposal Consideration settled in cash	以現金支付出售代價	33,600	-
Cash and bank balances disposed of	出售之現金及銀行結餘	(1,423)	-
Expenses on disposal of subsidiaries	出售附屬公司開支	(1,107)	-
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	就出售附屬公司之現金及現金等價物流入淨額	<u>31,070</u>	<u>-</u>

**34. 經營租約安排**

**(a) 作為出租人**

本集團根據經營租約安排租用投資物業(附註17)，租約一般以四年期進行磋商。

於各結算日，根據本集團與租戶訂立之不可撤銷經營租約，本集團於以下日期之未來最低應收租金總額如下：

		Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	4,009	2,022
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	1,352	3,517
		<u>5,361</u>	<u>5,539</u>

**34. OPERATING LEASE ARRANGEMENTS (continued)****(b) As lessee**

The Group leases certain of its shops, counters, warehouses, office properties and office equipment under operating lease arrangements with leases negotiated for terms ranging from one to five years.

At 31 December 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)

In addition, the Group has entered into agreements with department stores to enable the Group to set up its retail outlets therein. The operating lease rentals for the use of their floor areas in department stores are based on the higher of a fixed rental or contingent rent based on sales of the retail outlets pursuant to the terms and conditions as set out in respective agreements. As the future sales of these retail outlets could not be accurately determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

**34. 經營租約安排(續)****(b) 作為承租人**

本集團根據經營租約安排租用若干店舖、櫃位、倉庫、辦公室物業及辦公室設備，租約一般以一至五年期進行磋商。

於二零零七年十二月三十一日，本集團於以下日期根據不可撤銷經營租約應付之未來最低租金總額如下：

		<b>Group</b> <b>本集團</b>	
		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Within one year	一年內	<b>48,586</b>	31,855
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	<b>28,837</b>	10,572
		<b>77,423</b>	42,427

此外，本集團與百貨公司訂立協議，以便本集團在百貨公司內開設零售點。使用百貨公司之樓面面積而應付之經營租約租金乃根據固定租金與或然租金兩者中之較高者釐定。或然租金乃根據有關協議所載之條款及條件按零售點之銷售額釐定。由於該等零售點之未來銷售額未能準確地釐定，故有關或然租金並未包括在上表。上表僅載列最低租賃承擔。

### 35. COMMITMENTS

At the balance sheet date, the Group had the following commitments:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Contracted for commitment in respect of its wholly-owned investment in the PRC	涉及其中國全資企業之已訂約承擔	–	62,184
Contracted for commitments in respect of	以下項目之已訂約承擔		
– the land lease payments in the PRC*	– 中國之土地租賃款項*	5,948	5,548
– the acquisition of property, plant and equipment	– 購買物業、廠房及設備	29,948	3,037
		<b>35,896</b>	<b>70,769</b>

\* Pursuant to the agreement (the "Acquisition Agreement") entered into between a subsidiary and the People's Government of Zhangqiu, Shandong Province, the PRC on 28 December 2005, the Group has agreed to acquire a 50 years' land use right of a piece of land located in Shandong Province at a consideration of RMB22,262,000 (approximately HK\$23,794,000). During the year ended 31 December 2006, the land lease payments of RMB16,697,000 (approximately HK\$16,647,000) were made by the Group. On 28 October 2006, the deposit of RMB3,525,000 (approximately HK\$3,515,000) had been utilised for the grant of a land use right of a piece of land with an area of 167,870 square metres and its related certificate had been obtained from the government land bureau of Shandong Province, the PRC. Based on the Acquisition Agreement, the Group may request the People's Government of Zhangqiu to refund the unutilised deposits of RMB13,172,000 (approximately HK\$14,078,000) if no further land use right certificate is granted to the Group by 31 December 2008.

The Company had no significant commitment at the balance sheet date.

### 35. 承擔

於各結算日，本集團之承擔如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Contracted for commitment in respect of its wholly-owned investment in the PRC	–	62,184
Contracted for commitments in respect of		
– the land lease payments in the PRC*	5,948	5,548
– the acquisition of property, plant and equipment	29,948	3,037
	<b>35,896</b>	<b>70,769</b>

\* 根據附屬公司與中國山東省章丘市人民政府於二零零五年十二月二十八日訂立之協議（「收購協議」），本集團同意收購山東省內一幅土地之50年土地使用權，代價為人民幣22,262,000元（約23,794,000港元）。截至二零零六年十二月三十一日止年度，本集團就土地使用權已支付之按金為人民幣16,697,000元（約16,647,000港元）。於二零零六年十月二十八日，已動用其中之按金為人民幣3,525,000元（約3,515,000港元）以獲授出面積為167,870平方米土地的使用權，而中國山東省政府土地局已授出有關證書。根據收購協議，倘於二零零八年十二月三十一日前並無進一步授予本集團土地使用權證，本集團可要求章丘市人民政府退還人民幣13,172,000元（約14,078,000港元）之未動用存款。

本公司於結算日並無重大承擔。

**36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

It is, and has been, throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

**Interest rate risk**

The Group's financial instruments are short term in nature. The carrying amounts of these financial instruments reported on the balance sheet approximate to their fair values, and hence there is no interest rate risk exposure in relation to these instruments.

**Foreign currency risk**

The Group carries on its sales and purchases transactions mainly in Hong Kong dollars and RMB. As the foreign currencies risks generated from the sales and purchases can be set off with each other, the foreign currency risk is minimal for the Group. It is the policy of the Group to continue maintaining the balance of its sales and purchases in the same currency. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of the business. However, as the Group's net profit is reported in Hong Kong dollars, there will be a translation gain as a result of the RMB appreciation. The majority of the Group's operating assets are located in Mainland China and denominated in RMB.

**36. 財務風險管理目標及政策**

本集團之主要金融工具包括現金與短期存款。此等金融工具主要目的是為本集團提供經營業務所需資金。本集團有其他不同金融資產及負債，如應收貿易賬款及應付貿易賬款，乃直接透過經營業務產生。

本集團目前以及於回顧年度之政策為不會進行金融工具之買賣。

本集團金融工具之主要風險為利率風險、外匯風險、信貸風險及流動資金風險。董事審閱並協定管控以上各種風險之政策，有關資料概述如下：

**利率風險**

本集團之金融工具屬短期性質。該等金融工具於結算日所呈報之賬面值與其公平值相若，故此等金融工具並無利率風險。

**外匯風險**

本集團主要以港元及人民幣進行買賣交易。由於有關買賣產生之外匯風險可互相抵銷，故本集團之外匯風險甚低。本集團之政策為繼續維持以相同貨幣進行買賣之平衡。本集團並無以衍生金融工具來對沖日常業務過程之外匯交易及其他金融資產及負債所附帶之波動。然而，由於本集團之純利以港元呈列，故人民幣升值可帶來匯兌收益。本集團大部份經營資產均位於中國大陸，並以人民幣列示。

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's net profit (due to changes in the fair value of monetary assets and liabilities).

		Increase/ (decrease) in RMB rate 人民幣 匯率上調/ (下調)	Increase/ (decrease) in net profit 純利增加/ (減少) HK\$'000 千港元	Increase/ (decrease) in equity 權益增加/ (減少) HK\$'000 千港元
<b>2007</b>	<b>二零零七年</b>			
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	5%	12,686	19,987
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	(5%)	(12,686)	(19,987)
<b>2006</b>	<b>二零零六年</b>			
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	5%	10,611	14,297
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	(5%)	(10,611)	(14,297)

#### Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and on an individual basis. Each of the customers has been attached with a trading limit and any excess to the limit must be approved by the general manager of the operation unit. Under the tight control of the credit term and detailed assessment to the creditworthiness of individual customers, the Group's exposure to bad debts is maintained as minimal.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, amount due from a related company and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

### 36. 財務風險管理目標及政策(續)

#### 外匯風險(續)

下表列示在所有其他可變因素維持不變的情況下，本集團的純利對人民幣匯率可能出現合理變動之敏感度(由於貨幣資產及負債的公平值變動)。

	Increase/ (decrease) in RMB rate 人民幣 匯率上調/ (下調)	Increase/ (decrease) in net profit 純利增加/ (減少) HK\$'000 千港元	Increase/ (decrease) in equity 權益增加/ (減少) HK\$'000 千港元
<b>2007</b>	<b>二零零七年</b>		
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	5%	12,686
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	(5%)	(12,686)
<b>2006</b>	<b>二零零六年</b>		
If Hong Kong dollar weakens against RMB	倘港元兌人民幣貶值	5%	10,611
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣升值	(5%)	(10,611)

#### 信貸風險

本集團僅與知名及信譽良好的客戶進行交易。根據本集團的政策，任何有意以信貸形式進行交易的客戶均須經過信貸核實程序。此外，本集團亦持續監察各項應收款項結餘。本集團對各名客戶設立貿易限額，超出限額之數必須得到營運單位之總經理批准。由於本集團嚴控信貸期，並且對個別客戶之信譽作詳盡評估，故本集團之壞賬風險極低。

本集團其他金融資產的信貸風險包括現金及現金等價物、應收關連公司金額及其他應收款項、因對方違約產生的信貸風險，上限相等於該等工具之賬面值。

有關本集團因貿易應收賬款產生之信貸風險之進一步定量資料於財務報表附註20中披露。

**36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)**Liquidity risk**

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. The Group's objective is to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain a contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirement.

The Group continued to enjoy a strong financial position with cash and cash equivalents amounting to HK\$349,247,000 as at 31 December 2007 (2006: HK\$431,225,000).

During the year, the Group repaid the interest-bearing bank loans prior to their maturity and no new loan was drawn down in the current year.

The Group financed its operations and investment activities by internally generated cash flows and the proceeds from the Company's initial public offering, respectively.

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

**Group**

		本集團				
		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Total
		按要求	少於三個月	三至少於十二個月	一至五年	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>2007</b>	<b>二零零七年</b>					
Trade and bills payable	應付貿易及票據款項	4,439	28,403	–	–	32,842
Other payable	其他應付款項	–	29,530	–	–	29,530
		<u>4,439</u>	<u>57,933</u>	<u>–</u>	<u>–</u>	<u>62,372</u>
<b>2006</b>	<b>二零零六年</b>					
Interest-bearing bank loans	計息銀行貸款	–	956	3,286	20,228	24,470
Trade and bills payable	應付貿易及票據款項	4,243	21,040	–	–	25,283
Other payable	其他應付款項	–	33,100	–	–	33,100
		<u>4,243</u>	<u>55,096</u>	<u>3,286</u>	<u>20,228</u>	<u>82,853</u>

**36. 財務風險管理目標及政策(續)****流動資金風險**

流動資金風險指未能取得資金以應付所有到期之合約財務承擔。本集團之目標是保持穩健之金融政策，藉著風險限額來監察流動資金比率，並設有應急資金計劃，確保本集團具備足夠現金以應付其流動資金需求。

於二零零七年十二月三十一日，本集團繼續擁有鞏固之財務狀況，其現金及現金等價物達349,247,000港元(二零零六年：431,225,000港元)。

年內，本集團已在計息銀行借貸到期前償還款項，且並無新貸款於年內動用。

本集團分別透過內部產生之現金流及本公司之首次公開發售所得款項，為其業務及投資活動提供資金。

於結算日，本集團根據合約未貼現付款計算之金融負債到期日如下：

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to the equity holders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and bank balances and equity attributable to equity holders of the Company, which comprises issued capital and reserves as detailed in the consolidated statement of changes in equity.

The Group monitors capital using a gearing ratio, which is total interest-bearing bank borrowings divided by total assets. The gearing ratios as at the balance sheet dates were as follows:

#### Group

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest-bearing bank loans	計息銀行貸款	–	24,470
Total non-current assets	非流動資產總值	201,012	126,091
Total current assets	流動資產總值	733,466	708,207
Total assets	資產總值	934,478	834,298
Gearing ratio	資產負債比率	–	0.03

### 37. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of the new and revised HKFRSs during the current year, the presentation of certain items and balances in the financial statements have been revised to comply with the new and revised requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation and accounting treatment.

### 38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 16 April 2008.

### 36. 財務風險管理目標及政策(續)

#### 資本管理

本集團管理其資本以確保本集團能持續營運，同時透過優化債務及權益結餘將權益股東的回報增至最大。

本集團的資本結構包括現金及銀行結餘以及本公司權益持有人應佔權益(包括已發行資本及儲備)，詳情載於綜合權益變動表。

本集團採用資產負債比率監察其資本情況，資產負債比率則按計息銀行借貸總額除以資產總額計算。於結算日之資產負債比率如下：

#### 本集團

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest-bearing bank loans	–	24,470
Total non-current assets	201,012	126,091
Total current assets	733,466	708,207
Total assets	934,478	834,298
Gearing ratio	–	0.03

### 37. 比較數字

由於本年度採納新訂及經修訂香港財務報告準則(詳情載於財務報表附註2.2)，為符合新訂及經修訂要求，財務報表內若干項目及結餘之呈列已作出修改。因此，若干比較數字獲重新分類，以符合本年度之呈列及會計政策。

### 38. 批准財務報表

財務報表於二零零八年四月十六日獲董事會批准及授權刊發。







**EMBRY HOLDINGS LIMITED**

**安莉芳控股有限公司**

Incorporated in the Cayman Islands with limited liability

於開曼群島註冊成立之有限公司

Stock Code 股份代號：1388

Website 網頁：[www.embryform.com](http://www.embryform.com)