

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 February 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company withdrew the listing of its shares on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 February 2003, and on the same date, by way of introduction, listed its entire issued share capital on the Main Board of the Stock Exchange.

The Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-111, Cayman Islands. The Company's principal place of business is Suites 918-920, 9/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong during the year.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are manufacturing and trading of BIOenergy® products, healthcare food products, multi-functional water generators and other healthcare products in the People's Republic of China, excluding Hong Kong and Macau (the "PRC").

The financial statements on pages 33 to 95 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

2. ADOPTION OF NEW OR REVISED HKFRS

From 1 July 2005, the Group has adopted the new or revised standards and interpretations of HKFRS which are relevant to its operations. This includes the following new, revised and renamed standards:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes

1. 一般資料

本公司於二零零一年二月十五日根據開曼群島公司法第22章(一九六一年第三本,經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司。於二零零三年二月十日,本公司撤銷其股份在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的上市地位,並於同日,其所有已發行股本以介紹方式在聯交所主板上市。

本公司之註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-111, Cayman Islands。年內,本公司之主要營業地點為香港灣仔港灣道30號新鴻基中心9樓918-920室。

本公司之主要業務為投資控股。其附屬公司之主要業務是在中華人民共和國(不包括香港及澳門,「中國」)生產及銷售天年素®系列產品、保健食品、多功能製水機及其他健康產品。

第33至第95頁之財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)及香港公司條例及聯交所證券上市規則(「上市規則」)之適當披露規定編製。

2. 採納新訂或經修訂香港財務報告準則

自二零零五年七月一日起,本集團已採納與其經營業務有關之香港財務報告準則之新訂或經修訂準則及詮釋,當中包括下列新訂、經修訂及經改名之準則:

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量報表
香港會計準則第8號	會計政策、會計估計變動及差錯
香港會計準則第10號	結算日後事項
香港會計準則第12號	所得稅



2. ADOPTION OF NEW OR REVISED HKFRS
(continued)

HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 20	Accounting for Government Grants and Disclosure of Government Assistance
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 31	Interests in Joint Ventures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations
HK(SIC) Int-15	Operating Leases – Incentives

All the standards have been applied retrospectively except where specific transitional provisions require a different treatment and accordingly the 2005 financial statements and their presentation have been amended in accordance with HKAS 8. Due to the change in accounting policies, the 2005 comparatives contained in these financial statements differ from those published in the financial statements of the Group for the year ended 30 June 2005.

Significant effects on current, prior or future periods arising from the first-time application of the standards listed above in respect to presentation, recognition and measurement of accounts are described in the following notes:

2. 採納新訂或經修訂香港財務報告準則 (續)

香港會計準則第14號	分部報告
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租約
香港會計準則第18號	收益
香港會計準則第19號	僱員福利
香港會計準則第20號	政府補貼收益之會計處理及政府資助之披露
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第24號	關連人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第31號	於合營企業之權益
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港財務報告準則第2號	以股份支付款項
香港財務報告準則第3號	業務合併
香港財務報告準則第5號	可供銷售之非流動資產及已終止經營業務
香港(準則詮釋委員會) – 詮釋第15號	經營租約 – 獎勵

除特定過渡性條文規定須作不同處理外，所有準則均已作追溯應用，因此二零零五年財務報表及其呈列亦已根據香港會計準則第8號作出修訂。由於會計政策改變，故載於該等財務報表之二零零五年比較數字與本集團截至二零零五年六月三十日止年度之財務報表中所發表者有所不同。

因首次採用上述有關呈列、確認及計量賬目之準則而導致對現時、過往或未來期間之重大影響載述於下列附註：



2. ADOPTION OF NEW OR REVISED HKFRS
(continued)

2.1 Adoption of HKAS 1

The application of HKAS 1 led to an update of the presentation of the financial statements. Minority interests are now included as a separate line item within equity. Profit and loss attributable to minority interests and that attributable to equity holders of the Company are now presented as an allocation of the net result of the year. In addition, share of tax of jointly controlled entities which was previously included under taxation is now included in share of results of jointly controlled entities.

2.2 Adoption of HKAS 17

In previous years, construction in progress was included in property, plant and equipment and carried at cost less accumulated impairment losses.

Upon the adoption of HKAS 17, the land element included in construction in progress is considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and other construction cost elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments of land element can be made reliably, the leasehold interests in land are reclassified to prepaid land lease payments under operating leases, which are carried at cost and subsequently recognised in the income statement on a straight-line basis over the lease term. This change in accounting policy has been applied retrospectively.

2.3 Adoption of HKFRS 2

Prior to the adoption of HKFRS 2 on 1 July 2005, the Group did not recognise the financial effect of share options until they were exercised. The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Company and its subsidiaries and other parties, determined at the date of grant of the share options, over the vesting period with a corresponding credit to equity, unless the transaction is a cash settled share-based payment. The adoption of this standard had no significant impact on the Group.

2. 採納新訂或經修訂香港財務報告準則 (續)

2.1 採納香港會計準則第1號

採用香港會計準則第1號影響財務報表之呈列方式。少數股東權益現於權益內單獨列作一項，而少數股東權益應佔損益及本公司權益持有人應佔損益現呈列為本年度之業績淨額分配。此外，攤佔共同控制實體稅項先前計入稅項項下，現改為計入攤佔共同控制實體業績項下。

2.2 採納香港會計準則第17號

於過往年度，在建工程乃計入物業、廠房及設備，並按成本減累計減值虧損入賬。

採納香港會計準則第17號後，計入在建工程之土地成分乃就租賃分類分開處理，除非土地與其他成本成分間之租賃費無法可靠分配則作別論，在此情況下，全部租賃一般視作融資租賃處理。倘土地成分之租賃付款能可靠分攤，則於土地之租賃權益被重新分類為經營租賃項下之預付土地租賃付款，並按成本入賬及其後以直線法按租賃期於收益表確認。此項會計政策變動已作追溯應用。

2.3 採納香港財務報告準則第2號

於二零零五年七月一日採納香港財務報告準則第2號前，本集團只有當購股權獲行使時方會確認購股權之財務影響。香港財務報告準則第2號對本集團之主要影響，乃關於本公司及其附屬公司之董事及僱員及其他人士所獲授購股權之公平值(於購股權授出日期釐定)在歸屬期內之支銷，並相應計入權益，除非交易乃用現金結算以股份支付款項則作別論。採納此準則對本集團並無重大影響。



2. ADOPTION OF NEW OR REVISED HKFRS
(continued)

2.4 Adoption of HKAS 32 and HKAS 39

In accordance with the transitional provisions of HKAS 39, it does not permit the recognition, derecognition and measurement of financial assets and liabilities in accordance with the standard on a retrospective basis. The adoption of HKAS 32 and HKAS 39 has mainly resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss.

2.5 Adoption of HKFRS 5

In the current year, the Group has, for the first time, applied HKFRS 5 which requires an entity to classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than continuing use. The assets classified as held for sale should be measured at the lower of carrying amount and fair value, less costs to sell. The Group has applied the relevant transitional provisions in HKFRS 5 and elected to apply HKFRS 5 from 1 July 2005 onwards. In the current year, the Group has reclassified the relevant assets and liabilities of a disposal group to assets held for sale in accordance with HKFRS 5.

2.6 Other standards adopted

The adoption of other new/revised HKFRS did not result in significant changes to the Group's accounting policies. The specific transitional provisions contained in some of these standards were considered. The adoption of these other standards did not result in any significant changes to the amounts or disclosures in these financial statements and the 2005 financial statements.

2. 採納新訂或經修訂香港財務報告準則 (續)

2.4 採納香港會計準則第32號及香港會計準則第39號

根據香港會計準則第39號之過渡性條文，其並不允許按照該準則追溯確認、解除確認及計量財務資產及負債。採納香港會計準則第32號及香港會計準則第39號主要導致有關重新分類按公平值以溢利或虧損列賬之財務資產之會計政策出現變動。

2.5 採納香港財務報告準則第5號

於本年內，本集團首次採用香港財務報告準則第5號，該準則要求，若一項非流動資產（或可供銷售）之賬面值主要透過一項出售交易收回，而非透過非持續使用收回，則公司須將其歸類為可供銷售資產類。被歸類為可供銷售之資產須以賬面值及公平值（扣除出售成本）之較低者入賬。本集團已實施香港財務報告準則第5號中之相關過渡性規定，並選擇於二零零五年七月一日起實施香港財務報告準則第5號。於本年內，本集團根據香港財務報告準則第5號，把出售資產之相關資產及負債，重新分類為可供銷售之資產。

2.6 其他已採納準則

採納其他新訂／經修訂香港財務報告準則並無導致本集團之會計政策出現重大變動。本集團亦已考慮部份該等準則所載之特定過渡性條文。採納此等其他準則並無導致該等財務報表及二零零五年財務報表之數額或披露出現任何重大變動。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. ADOPTION OF NEW OR REVISED HKFRS (continued)

2.7 The significant effect on the adoption of HKAS 17 on consolidated balance sheet is summarised below:

		HKAS 17# 香港會計準則 第17號# HK'000 千港元
At 30 June 2006		
At 30 June 2006		
Increase/(decrease) in assets	資產增加／(減少)	
Property, plant and equipment	物業、廠房及設備	(7,300)
Prepaid land lease payments	預付土地租賃付款	
– included in assets classified as held for sale	– 計入分類為可供銷售之資產	<u>7,300</u>
At 30 June 2005		
At 30 June 2005		
Increase/(decrease) in assets	資產增加／(減少)	
Property, plant and equipment	物業、廠房及設備	(7,165)
Prepaid land lease payments	預付土地租賃付款	<u>7,165</u>
At 1 July 2004		
At 1 July 2004		
Increase/(decrease) in assets	資產增加／(減少)	
Property, plant and equipment	物業、廠房及設備	(7,165)
Prepaid land lease payments	預付土地租賃付款	<u>7,165</u>

adjustments which take effect retrospectively from 1 July 2005
自二零零五年七月一日起追溯調整

2.8 New standards or interpretations that have been issued but are not yet effective:

The Group has not early adopted the following standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the adoption of these standards and interpretations will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures ²

2. 採納新訂或經修訂香港財務報告準則(續)

2.7 採納香港會計準則第17號對綜合資產負債表之主要影響概述如下：

		HKAS 17# 香港會計準則 第17號# HK'000 千港元
At 30 June 2006		
At 30 June 2006		
Increase/(decrease) in assets	資產增加／(減少)	
Property, plant and equipment	物業、廠房及設備	(7,300)
Prepaid land lease payments	預付土地租賃付款	
– included in assets classified as held for sale	– 計入分類為可供銷售之資產	<u>7,300</u>
At 30 June 2005		
At 30 June 2005		
Increase/(decrease) in assets	資產增加／(減少)	
Property, plant and equipment	物業、廠房及設備	(7,165)
Prepaid land lease payments	預付土地租賃付款	<u>7,165</u>
At 1 July 2004		
At 1 July 2004		
Increase/(decrease) in assets	資產增加／(減少)	
Property, plant and equipment	物業、廠房及設備	(7,165)
Prepaid land lease payments	預付土地租賃付款	<u>7,165</u>

adjustments which take effect retrospectively from 1 July 2005
自二零零五年七月一日起追溯調整

2.8 已頒佈但尚未生效之新準則或詮釋：

本集團並無提早採納下列已頒佈但尚未生效之準則或詮釋。本公司董事預期採納此等準則及詮釋將不會對本集團之財務報表造成任何重大影響。

香港會計準則 第1號(修訂)	資本披露 ¹
香港會計準則 第19號(修訂)	僱員福利 – 精算損益、集團計劃及披露 ²

2. ADOPTION OF NEW OR REVISED HKFRS

(continued)

2.8 New standards or interpretations that have been issued but are not yet effective: (continued)

HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation ²
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions ²
HKAS 39 (Amendment)	The Fair Value Option ²
HKAS 39 & HKFRS 4 (Amendments)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts ²
HKFRS 1 & HKFRS 6 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources ²
HKFRS 6	Exploration for and Evaluation of Mineral Resources ²
HKFRS 7	Financial Instruments – Disclosures ¹
HK(IFRIC) – Int 4	Determining whether an Arrangement contains a Lease ²
HK(IFRIC) – Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds ²
HK(IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment ³
HK(IFRIC) – Int 7	Apply the Restatement Approach under HKAS29 Financial Reporting in Hyperinflationary Economies ⁴
HK(IFRIC) – Int 8	Scope of HKFRS 2 ⁵

2. 採納新訂或經修訂香港財務報告準則 (續)

2.8 已頒佈但尚未生效之新準則或詮釋：(續)

香港會計準則 第21號 (修訂)	外幣匯率變動之影響 – 海外業務投資淨額 ²
香港會計準則 第39號 (修訂)	預測集團內公司間交易之現金流量對沖會計處理 ²
香港會計準則 第39號 (修訂)	公平值選擇權 ²
香港會計準則 第39號及 香港財務報告 準則第4號 (修訂)	金融工具：確 認與計量及 保險合約 – 財務擔保 合約 ²
香港財務報告 準則第1號及 香港財務報告 準則第6號 (修訂)	首次採納香港 財務報告準 則與礦產資 源之勘探及 評估 ²
香港財務報告 準則第6號	礦產資源之勘 探及評估 ²
香港財務報告 準則第7號	金融工具 – 披 露 ¹
香港 (國際財務 報告詮釋委員 會) – 詮釋 第4號	釐定一項安排 是否包含租 賃 ²
香港 (國際財務 報告詮釋委員 會) – 詮釋 第5號	解除運作、復 原及環境修 復基金所產 生權益之權 利 ²
香港 (國際財務 報告詮釋委員 會) – 詮釋 第6號	參與特定市場 所產生之負 債 – 廢棄 電力及電子 設備 ³
香港 (國際財務 報告詮釋委員 會) – 詮釋 第7號	根據香港會計 準則第29號 惡性通脹經 濟中之財務 報告應用重 列法 ⁴
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 ⁵

2. ADOPTION OF NEW OR REVISED HKFRS
(continued)

2.8 New standards or interpretations that have been issued but are not yet effective: (continued)

HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives ⁶
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ⁷

- ¹ Effective for annual periods beginning on or after 1 January 2007
- ² Effective for annual periods beginning on or after 1 January 2006
- ³ Effective for annual periods beginning on or after 1 December 2005
- ⁴ Effective for annual periods beginning on or after 1 March 2006
- ⁵ Effective for annual periods beginning on or after 1 May 2006
- ⁶ Effective for annual periods beginning on or after 1 June 2006
- ⁷ Effective for annual periods beginning on or after 1 November 2006

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain assets and liabilities. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 30 June each year. All material intercompany transactions and balances within the Group are eliminated on consolidation.

2. 採納新訂或經修訂香港財務報告準則 (續)

2.8 已頒佈但尚未生效之新準則或詮釋： (續)

香港 (國際財務 報告詮釋委員 會) – 詮釋 第9號	隱藏衍生工具 之重估 ⁶
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 ⁷

- ¹ 於二零零七年一月一日或以後開始之年度期間生效。
- ² 於二零零六年一月一日或以後開始之年度期間生效。
- ³ 於二零零五年十二月一日或以後開始之年度期間生效。
- ⁴ 於二零零六年三月一日或以後開始之年度期間生效。
- ⁵ 於二零零六年五月一日或以後開始之年度期間生效。
- ⁶ 於二零零六年六月一日或以後開始之年度期間生效。
- ⁷ 於二零零六年十一月一日或以後開始之年度期間生效。

3. 主要會計政策概要

3.1 編製基準

編製該等財務報表所採用之主要會計政策於下文概述。

除重估若干資產及負債外，財務報表乃根據歷史成本法基準編製。有關計量基準詳載於下文之會計政策。

謹請留意，編製財務報表時已採用會計估計及假設。雖然此等估計乃根據管理層對現時事項及行動之最佳認識而作出，惟實際結果最終可能與此等估計有出入。

3.2 綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至各年度六月三十日止之財務報表。所有本集團成員公司間之重大交易往來及結餘均在綜合賬目時予以對銷。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation (continued)

The financial statements also include the Group's share of post-acquisition results and reserves of its jointly controlled entity.

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

3.3 Subsidiaries

Subsidiaries are all entities over which the Company has the power to control the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

In the Company's balance sheet, subsidiaries are carried at cost less any impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

3. 主要會計政策概要 (續)

3.2 綜合賬目基準 (續)

財務報表亦包括本集團攤佔其共同控制實體之收購後業績及儲備。

少數股東權益指外界股東在本公司之附屬公司之經營業績及資產淨值中所佔權益。

3.3 附屬公司

附屬公司乃所有本公司對其財務及營運決策有控制權之實體。當判斷本公司是否控制另一實體時，均會考慮現時可行使或可轉換之潛在表決權是否存在及其影響。附屬公司乃自控制權轉讓予本公司當日起全面綜合計算，並自控制權終止當日起不再綜合計算。

所收購附屬公司須應用收購法，其中涉及按公平值重估於收購日期之所有可識別資產及負債，包括該附屬公司之或然負債，而不論該等資產及負債於收購前是否記錄於該附屬公司之財務報表。於初步確認時，該附屬公司之資產及負債會按其重估數額計入綜合資產負債表，並且亦會根據本集團之會計政策用作其後計量之基準。

於本公司之資產負債表中，附屬公司乃按成本減去任何減值虧損列賬。附屬公司之業績由本公司按照於結算日之已收及應收股息基準入賬。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Jointly controlled entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decision relating to the activity require the unanimous consent of the venturers.

Investment in jointly controlled entities is initially recognised at cost and subsequently accounted for using the equity method.

The Group's share of the post-acquisition results and reserves of jointly controlled entities is included in the consolidated income statement and consolidated reserves, respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entities (including any other unsecured receivables), the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entities.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Company's interests in jointly controlled entities are stated at cost less any impairment losses. Results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策概要 (續)

3.4 共同控制實體

合資公司指兩名或以上人士進行受共同控制之經濟活動之合約安排。共同控制指以合約形式協定分佔經濟活動之控制權，並僅會在有關活動的策略性財務及營運決策要求合資各方取得一致共識之情況下出現。

於共同控制實體之投資初步按成本確認，其後採用權益法入賬。

本集團攤佔共同控制實體之收購後業績及儲備分別被計入綜合收益表及綜合儲備中。收購後之累積變動乃就投資賬面值作出調整。

當本集團攤佔共同控制實體虧損等同或超過其佔共同控制實體之權益(包括任何其他無抵押應收賬款)時，本集團不會再行確認虧損，除非已產生法定或推定責任或已代表共同控制實體付款則作別論。

本集團與其共同控制實體進行交易所得之未變現收益乃予以撇銷，惟以本集團於共同控制實體之權益為限。除非交易提供證據顯示所轉讓資產出現減值，否則亦會撇銷未變現虧損。

本公司於共同控制實體之權益乃按成本減任何減值虧損列賬。共同控制實體之業績由本公司按已收及應收股息基準入賬。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment

(i) Depreciation

Depreciation is provided to write off the cost of each asset over its estimated useful life, using the straight-line method. The estimated useful lives of the property, plant and equipment are as follows:

Leasehold improvements	5 years or over the lease terms, whichever is shorter
Machinery and equipment	8 to 12 years
Furniture and office equipment	3 to 8 years
Motor vehicles	8 years

(ii) Measurement bases

Property, plant and equipment, other than construction in progress, are stated at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. The gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

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

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

Construction in progress represents a building under construction, which is stated at cost less any impairment losses and is not depreciated. Cost comprises direct cost of construction during the period of construction.

3. 主要會計政策概要 (續)

3.5 物業、廠房及設備

(i) 折舊

折舊乃按各項資產之估計可使用年期，採用直線法撇銷其成本值。物業、廠房及設備之估計可使用年期如下：

租賃物業裝修	五年或按租約年期 (以較短者為準)
機器及設備	八至十二年
傢具及辦公室設備	三至八年
汽車	八年

(ii) 計量基準

除在建工程外，物業、廠房及設備乃按收購成本值減累計折舊及累計減值虧損列賬。資產成本包括其購買價及任何令資產達致其營運狀況及地點以作其擬定用途之直接應佔成本。出售所產生之損益乃資產銷售所得款項與其賬面值之差額，並於收益表確認。

其後成本僅會在與項目有關之未來經濟利益可能流入本集團且該項成本能可靠計量時，視乎情況計入資產賬面值或確認為獨立資產。所有其他維修及保養乃於其產生之財政期間內於收益表扣除。

資產之剩餘價值及可使用年期會於每個結算日進行檢討及調整 (如適用)。

在建工程指在建樓宇，並按成本減任何減值虧損列賬，且不會予以折舊。成本包括建築期間內直接之建築成本。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial assets

Prior to 1 July 2005, the Group classified its equity securities, other than subsidiaries as short term investments. Short term investments are investments in equity securities held for trading purpose and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis.

From 1 July 2005 onwards, the Group classifies its financial assets other than hedging instruments into the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments and loans and receivables. Management determines the classification of its financial assets at initial recognition, depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised on their trade date. 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.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

- (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either held for trading or are designated by the Group to be carried at fair value through profit or loss on initial recognition.

3. 主要會計政策概要 (續)

3.6 財務資產

於二零零五年七月一日前，本集團將其股本證券(附屬公司除外)歸類為短期投資。短期投資指持作買賣之股本證券投資，乃按根據結算日所報市價釐定之公平值按個別投資入賬。

自二零零五年七月一日起，本集團將其財務資產(不包括對沖工具)分為以下各類：按公平值以溢利或虧損列賬之財務資產、可供銷售財務資產、持至到期投資及貸款及應收賬款。管理層於首次確認時根據所購入財務資產之目的決定其財務資產之分類，並在容許及適當時，於每個報告日期重新評估有關分類。

所有財務資產均於其交易日確認。財務資產於初步確認時按公平值計量，如投資並非按公平值以溢利或虧損列賬，則按直接應佔交易成本計算。

收取投資之現金流量之權利屆滿或轉讓且所有權絕大部份風險及回報轉讓時，不確認財務資產。減值評估至少於每個結算日進行一次，不論是否有客觀證據顯示一項財務資產或一組財務資產出現減值。

- (i) 按公平值以溢利或虧損列賬之財務資產

按公平值以溢利或虧損列賬之財務資產包括持作買賣或由本集團指定於初步確認時按公平值以溢利或虧損列賬之財務資產。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Financial assets (continued)

- (i) Financial assets at fair value through profit or loss (continued)

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement. Financial assets originally designated as financial assets at fair value through profit or loss may not subsequently be re-classified.

- (ii) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. Any changes in their value are recognised in income statement.

Receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average method and, in the case of work in progress and finished goods, comprise direct materials, where applicable, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.8 Intangible assets and research and development costs

Intangible assets

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives.

3. 主要會計政策概要 (續)

3.6 財務資產 (續)

- (i) 按公平值以溢利或虧損列賬之財務資產 (續)

初步確認後，該類別內財務資產乃按公平值就收益表內確認之公平值變動計量。原指定為按公平值以溢利或虧損列賬之財務資產之財務資產其後不可重新分類。

- (ii) 應收賬款

應收賬款為擁有固定或可釐定付款但並無在活躍市場報價之非衍生財務資產。應收賬款初步按公平值確認，其後使用實際利率法按攤銷成本計量，並減除任何減值虧損。其價值之任何變動於收益表內確認。

倘有客觀證據顯示本集團將無法根據應收賬款之原定期限收回全部應收賬款，則就應收賬款計提撥備。撇減金額按資產之賬面值與估計未來現金流量現值之差額釐定。

3.7 存貨

存貨以成本或可變現淨值兩者之較低者列賬。成本採用加權平均法決定，而就在製品及製成品而言，成本包括直接材料（倘適用）、直接勞工及適當比例之間接成本。可變現淨值為日常業務過程之估計售價減任何適用銷售開支。

3.8 無形資產及研發成本

無形資產

獨立收購之無形資產初步按成本確認。初步確認後，使用年期有限之無形資產按成本減累計攤銷及任何累計減值虧損列賬。使用年期有限之無形資產於估計使用年期內按直線法作攤銷撥備。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Intangible assets and research and development costs (continued)

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses. Intangible assets are tested for impairment as described below in note 3.12. Amortisation commences when the intangible assets are available for use.

Research and development costs

Costs associated with research activities are expensed in the income statement as they occur. Costs that are directly attributable to the development phase are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) the intangible asset will generate probable economic benefits through internal use or sale;
- (iii) sufficient technical, financial and other resources are available for completion; and
- (iv) the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development along with an appropriate portion of relevant overheads. The costs of internally generated product developments are recognised as intangible assets. They are subject to the same subsequent measurement method as externally acquired intangible assets.

All other development costs are expensed as incurred.

3.9 Prepaid land lease payments

Prepaid land lease payments represent up-front payments to acquire the land use rights/leasehold land. They are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight line basis over the lease term.

3.10 Income tax

Income tax comprises current tax and deferred tax.

3. 主要會計政策概要 (續)

3.8 無形資產及研發成本 (續)

使用年期無限之無形資產乃按成本減任何其後累計減值虧損列賬。誠如下文附註3.12所述，無形資產會進行減值測試。無形資產一旦可供使用即開始攤銷。

研發成本

與研究活動有關之成本於產生時在收益表內支銷。開發階段應佔之直接成本在符合以下確認要求時確認為無形資產：

- (i) 供內部使用或銷售之潛在產品之技術可行性得到證明；
- (ii) 無形資產將可能透過內部使用或銷售產生經濟利益；
- (iii) 有足夠技術、財務及其他資源可供完成研發；及
- (iv) 無形資產可以可靠計量。

直接成本包括開發時產生之僱員成本及適當比例之相關間接成本。產品開發所產生之內部成本確認為無形資產。其計量方法與其後從外部收購之無形資產之計量方法相同。

所有其他開發成本於產生時支銷。

3.9 預付土地租賃付款

預付土地租賃付款指購入土地使用權／租賃土地之預付款項。該等款項按成本減累計攤銷及累計減值虧損列賬。攤銷於租期內按直線法計算。

3.10 所得稅

所得稅包括即期稅項及遞延稅項。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Income tax (continued)

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

3. 主要會計政策概要 (續)

3.10 所得稅 (續)

即期所得稅資產及／或負債包括本期或過往呈報期間(而於結算日尚未支付)，向稅務當局繳納稅款之責任或來自稅務當局申索。該等金額乃根據年內應課稅溢利按相關期間適用之稅率及稅法計算。即期稅項資產或負債之所有變動於收益表確認為稅項開支之一部份。

遞延稅項乃按於結算日財務報表內資產與負債賬面值與其相應稅基間之暫時差異使用負債法計算。遞延稅項負債一般會就所有應課稅暫時差異確認。遞延稅項資產乃就所有可扣稅暫時差異、可結轉稅項虧損以及其他未動用稅務進賬確認，惟以可能有應課稅溢利以供可扣稅暫時差異、未動用稅項虧損及未動用稅務進賬對銷之情況為限。

倘商譽或於交易中初步確認資產與負債(業務合併除外)所產生之暫時差異不會影響應課稅或會計溢利或虧損，則不會確認遞延稅項資產及負債。

遞延稅項負債乃就附屬公司及共同控制實體之投資所產生之應課稅暫時差異予以確認，惟本集團可控制暫時差異之撥回及暫時差異可能將不會於可見將來撥回則除外。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算(不作折讓)，惟有關稅率必須為於結算日已實施或大致上實施之稅率。

遞延稅項資產或負債變動於收益表確認，或倘關於直接自權益扣除或計入權益之項目，則於權益中確認。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances as well as short term bank deposits.

3.12 Impairment of assets

Property, plant and equipment, intangible assets and interests in subsidiaries and jointly controlled entities are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

An impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 Assets classified as held for sale

Assets and disposal groups are classified as held for sales if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposed group's) previous carrying amount and fair value less costs to sell.

3. 主要會計政策概要 (續)

3.11 現金及現金等值物

現金及現金等值物包括現金、銀行結存及短期銀行存款。

3.12 資產減值

物業、機器及設備、無形資產及於附屬公司及共同控制實體之權益須進行減值測試。

就評估減值而言，資產按存在個別可識別現金流量之最低層次分組(現金產生單位)。因此，部份資產個別進行減值測試，部份則在現金產生單位層次進行測試。

無論是否有任何減值跡象，包括使用年期無限或尚未能使用之無形資產之個別資產或現金產生單位，至少每年進行一次減值測試。所有其他個別資產或現金產生單位在有事件或情況變動顯示賬面值可能不能收回時進行減值測試。

當資產或現金產生單位之賬面值高於其可收回金額時，高出金額作為減值虧損被立即確認為開支。可收回金額為公平值(反映市場狀況減去銷售成本)與使用價值(以內部折現現金流量評估為基準)兩者之較高者。

倘釐定資產之可收回金額之估計有所變動，且僅於資產賬面值並無超逾倘並無確認減值虧損時原應予以釐定之賬面值(已扣除折舊或攤銷)時，則撥回減值虧損。

3.13 分類為可供銷售之資產

倘資產及出售之資產之賬面值主要透過出售交易(而非透過持續使用)收回，則其被歸類為可供銷售之資產。僅當出售機會相當高及資產(或出售資產)可於現況下即時出售時，方視為符合本條件。歸類為可供銷售之資產(及出售之資產)乃按資產(出售之資產)之過往賬面值及公平值(以較低者為準)扣減出售成本計算。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. 主要會計政策概要 (續)

3.14 Employee benefits

3.14 僱員福利

(i) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Retirement Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the Retirement 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 Retirement Scheme. The assets of the Retirement 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 Retirement Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when an employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the Retirement Scheme.

Pursuant to the relevant regulations of the government of the PRC, subsidiaries of the Group operating in the PRC are required to participate in an employee pension scheme operated by the relevant local government authorities in the PRC and to make contributions for employees who are registered as permanent residents in the PRC. Such contributions are charged to the income statement as they become payable.

(ii) Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. The value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

(i) 退休金計劃

本集團根據強制性公積金計劃條例設有定額供款強制性公積金退休福利計劃（「退休計劃」），對象為該等合資格參與退休計劃之僱員。供款乃根據僱員基本薪金之某個百分比計算，並於根據退休計劃之規則於到期應付時在收益表扣除。退休計劃之資產與本集團之資產分開持有，由獨立管理之基金管理。本集團向退休計劃作出僱主供款後，有關供款即全部屬僱員所有，惟本集團之自願僱主供款除外。倘若僱員於該等自願供款未全屬本身所有時不再受僱於本集團，有關供款則會根據退休計劃之規則退還予本集團。

根據中國政府之有關規例，本集團在中國經營業務之附屬公司須參與中國有關地方政府當局所管理之僱員退休金計劃，並為登記為中國永久居民之僱員作出供款。該等供款乃於到期應付時在收益表扣除。

(ii) 以股份支付之僱員薪酬

本集團運作以權益結算並以股份支付之薪酬計劃為其僱員提供薪酬。

所有僱員用以交換任何以股份支付之薪酬之服務按公平值計量，並經參考已授出之購股權間接釐定。該等服務之價值於授出當日評定，且不計及任何非市場歸屬條件之影響。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Employee benefits (continued)

All share-based compensation is recognised as an expense in income statement with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3.15 Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method.

3. 主要會計政策概要 (續)

3.14 僱員福利 (續)

所有以股份支付之薪酬於收益表內確認為開支，並相應計入購股權儲備。如歸屬期或其他歸屬條件適用，開支於歸屬期內根據對預期將歸屬之購股權數目之最佳有效估計確認。對預期可行使購股權數目之假設包括非市場歸屬條件。倘有任何跡象表明預期將歸屬之購股權數目不同於之前估計，其後應對估計進行修訂。倘最終獲行使之購股權少於原先估計，於以往期間已確認之開支不予調整。

購股權獲行使時，之前已於購股權儲備中確認之金額將轉至股份溢價賬。倘購股權遭沒收或於到期日仍未獲行使，之前已於購股權儲備中確認之金額將轉至滾存溢利。

3.15 財務負債

財務負債於本集團成為該契約之合約協議訂約方時確認。所有與權益有關之開支於收益表中確認為財務支出項下之開支。

借款初步按公平值扣除所產生之交易成本確認，其後借款按攤銷成本列賬。所得款項(扣除交易成本)與贖回價值間之任何差額於借款期間使用實際利率法於收益表內確認。

除非本集團擁有無條件權利延遲至結算日後至少12個月清償負債，否則借款分類為流動負債。

貿易及其他應付賬款初步按公平值確認，其後使用實際利率法按攤銷成本計量。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefits) to the extent they are incremental costs directly attributable to the equity transaction.

3.17 Income and expense recognition

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

- (i) Revenue from the sales of goods is recognised on the transfer of risks and rewards of ownership, provided that the Group maintains neither managerial involvement to the degree usually associated with the ownership, nor effective control over the goods sold;
- (ii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable; and
- (iii) Dividend income is recognised when the Group's right as a shareholder to receive payment is established.

Operating expenses are recognised in the income statement upon utilisation of the services.

3. 主要會計政策概要 (續)

3.16 股本

普通股分類為權益。股本按已發行股份之面值釐定。

如與發行股份有關之任何交易成本為股本交易直接應佔之遞增成本，則任何該等成本乃從股份溢價賬中扣除(減去任何相關所得稅利益)。

3.17 收入及開支確認

當經濟利益有可能流向本集團，而有關收益能可靠計量時，按以下基準確認收益：

- (i) 銷售貨品之收益於所有權之風險及回報已轉讓時確認，惟本集團不得再牽涉所有權通常附帶之管理事宜，亦不再對出售之貨品有任何實際控制權；
- (ii) 利息收入乃根據時間比例確認(經考慮未償還本金額及適用實際息率)；及
- (iii) 股息收入在確定本集團作為股東有權收取派發之款項時確認。

經營開支於使用有關服務時於收益表確認。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are recognised in the income statement on a straight line basis over the expected lives of the related assets.

3.19 Related parties

Parties are considered to be related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Group; or
 - has an interest in the Group that gives it significant influence over the Group; or
 - has joint control over the Group;
- (ii) the party is an associate or a jointly controlled entity;
- (iii) the party is a member of the key management personnel of the Group or its parent;
- (iv) the party is a close member of the family or any individual referred to in (i) or (iii);
- (v) 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 (iii) or (iv); or
- (vi) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3. 主要會計政策概要 (續)

3.18 政府補貼收益

政府補貼收益乃於可合理地保證將可收取後及本集團將遵守一切附帶條件時，按其公平值確認。與成本有關之政府補貼收益乃於收益表中按與擬補償之成本進行配對所需期間作出遞延及確認。與購買物業、機器及設備有關之政府補貼收益則計入非流動負債中列作遞延政府補貼收益，並於收益表中以直線法按有關資產之預計使用年期確認。

3.19 關連人士

被視為與本集團有關連之人士指：

- (i) 透過一個或多個中介人直接或間接：
 - 控制本集團、被本集團控制或受本集團共同控制之人士；或
 - 於本集團擁有權益使其對本集團可施以重大影響力之人士；或
 - 於本集團有共同控制權之人士；
- (ii) 為一家聯營公司或共同控制實體之人士；
- (iii) 為本集團或其母公司主要管理人員之人士；
- (iv) 為第(i)或(iii)條所述任何個人之直系親屬之人士；
- (v) 為第(iii)或(iv)條所述任何個人直接或間接地控制、共同控制或有重大影響力或有重大投票權之實體之人士；或
- (vi) 為本集團或其關連人士之任何實體之僱員離職後福利計劃之受益人。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Operating leases

As the lessee

Leases where substantially all the rewards and risks of ownership of leased assets remain with the lessor are accounted for as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis. Affiliated costs, such as maintenance and insurance, are expensed as incurred.

3.21 Foreign currencies

The financial statements are presented in Hong Kong dollars (HK\$), which is also the functional currency of the Company.

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

In the consolidated financial statements, all separate financial statements of subsidiaries and jointly controlled entities originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rate at the balance sheet date. Income and expenses have been converted into Hong Kong dollars at the average rates over the reporting period. Any differences arising from this procedure have been dealt with in the translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Hong Kong dollars at the closing rates.

3. 主要會計政策概要 (續)

3.20 經營租約

作為承租人

凡出租人仍保留租賃資產所有權之絕大部份回報及風險之租約均列為經營租約。

經營租約款項按直線法確認為開支。關連費用(如保養及保險費)於產生時支銷。

3.21 外幣

財務報表以港元呈報，港元為本公司之功能貨幣。

各綜合實體各自之財務報表中，外幣交易按交易日當時之匯率換算為個別實體之功能貨幣入賬。因結算該等交易及按年末匯率換算以外幣計值之貨幣資產及負債而產生之外匯收益及虧損於收益表中確認。

於綜合財務報表中，所有附屬公司及共同控制實體各自之財務報表原先並非以本集團之呈報貨幣呈報，現均已換算為港元。資產與負債按結算日之收市匯率換算為港元。收入及開支已按報告期間之平均匯率換算為港元。因此而產生之任何匯兌差額，在權益之匯兌儲備中處理。因收購一家海外實體產生之商譽及公平值調整已作為該海外實體之資產及負債處理，並按收市匯率換算為港元。



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits or other distributable reserves, where appropriate, 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.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(i) Depreciation

The Group depreciates the property, plant and equipment in accordance with the accounting policy stated in note 3.5. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

(ii) Impairment of receivables

The Group's management determines impairment of receivables on a regular basis. This estimate is based on the credit history of its customers and current market conditions. The management of the Group reassesses the impairment of receivables at the balance sheet date.

3. 主要會計政策概要 (續)

3.22 股息

董事建議派發之末期股息於股東在股東大會批准派發前，乃列作資產負債表權益項目內之滾存溢利或其他可分派儲備(如適用)獨立分配。當該等股息獲股東批准並宣派，則會確認為負債。

中期股息乃於建議時同時宣派，概因本公司組織章程大綱及組織章程細則授予董事權力宣派中期股息。因此，中期股息於建議派發並宣派後隨即確認為負債。

4. 主要會計估計及判斷

估計與判斷會被持續評估，並根據過往經驗及其他因素進行，包括在有關情況下對未來事件據信為合理之預測。

本集團對未來作出估計及假設，而就此得出之會計估計按所定義者，很少會與相關之實際結果相同。很大機會導致下個財政年度之資產及負債之賬面值作出重大調整之估計及假設論述如下。

(i) 折舊

本集團根據附註3.5所述之會計政策對物業、廠房及設備計算折舊。估計可使用年期為董事估計本集團擬從使用本集團之物業、廠房及設備取得未來經濟利益之期間。

(ii) 應收賬款減值

本集團之管理層會定期釐定應收賬款之減值。此項估計乃根據其客戶的信貸記錄及現時市況計算。本集團之管理層會於結算日重新評估應收賬款之減值。



4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(iii) Allowance for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective net realisable values. A considerable amount of judgement is required in determining such allowance. If conditions which have impact on the net realisable value of inventories deteriorate, additional allowances may be required.

5. SEGMENT INFORMATION

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

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they sell. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments.

Summary details of the business segments are as follows:

- the BIOenergy® products segment consists of the manufacturing and trading of bedding products, underclothing and body protection accessories containing the BIOenergy® compound;
- the healthcare food products segment consists of the trading of healthcare food products, including polypeptide products;
- the multi-functional water generators segment consists of the manufacturing and trading of multi-functional water generators; and
- the "others" segment consists of the trading of other healthcare products and others.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments on the location of the assets.

4. 主要會計估計及判斷 (續)

(iii) 存貨撥備

為確定陳舊及滯銷存貨所需撥備之金額，本集團將評估存貨報廢時間分析，並比較存貨之賬面值與其各自之可變現淨值。在確定該等撥備時需作出大量判斷。若影響存貨之可變現淨值之情況變壞，則可能需增加撥備。

5. 分部資料

分部資料以兩種分部方式呈列：(i)以業務分部為主要分部申報基準；及(ii)以地區分部為次要分部申報基準。

本集團之營運業務乃根據業務性質及所售產品而劃分並分開管理。本集團各業務分部指提供產品之策略業務單位，各業務分部之風險及回報彼此不盡相同。

業務分部之資料概要如下：

- 天年素®系列產品分部，包括含天年素®複合物之床上用品產品、內衣及保健配件之生產及銷售；
- 保健食品分部，包括多款產品等保健食品之銷售；
- 多功能製水機分部，包括多功能製水機之生產及銷售；及
- 「其他」分部包括其他保健產品之銷售及其他。

於決定本集團之地區分部時，分部之應佔收益及業績乃根據客戶所在地區而決定，而分部之應佔資產則根據資產所在地區而決定。



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財務報表附註

5. SEGMENT INFORMATION (continued)

(a) Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments:

	BIOenergy® products 天年素®系列產品		Healthcare food products 保健食品		Multi-functional water generators 多功能製水機		Others 其他		Consolidated 綜合	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segment revenue: 分部收入:										
Sales to external customers 對外客戶銷售	27,201	44,624	16,135	7,763	51,638	90,870	5,014	2,294	99,988	145,551
Segment results 分部業績	560	15,122	(35)	2,106	3,080	16,994	(3,034)	369	571	34,591
Unallocated other income 其他未分配收入									3,347	2,954
Unallocated expenses 未分配開支									(42,005)	(33,755)
(Loss)/Profit from operating activities 經營業務之(虧損)/溢利									(38,087)	3,790
Finance costs 財務支出									(131)	-
Share of loss of a jointly controlled entity 攤佔共同控制實體虧損									(570)	(758)
(Loss)/Profit before taxation 除稅前(虧損)/溢利									(38,788)	3,032
Taxation 稅項									(987)	(766)
(Loss)/Profit for the year 本年度(虧損)/溢利									(39,775)	2,266

5. 分部資料(續)

(a) 業務分部

下表呈列本集團按業務分部之收益、業績及若干資產、負債及開支資料：



5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

		BIOenergy® products 天年素®系列產品		Healthcare food products 保健食品		Multi-functional water generators 多功能製水機		Others 其他		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segment assets	分部資產	9,783	13,280	2,241	5,665	7,736	7,789	1,585	1,103	21,345	27,837
Interests in a jointly controlled entity	於一間共合控制 實體之權益	-	-	-	-	-	570	-	-	-	570
Unallocated assets	未分配資產									64,253	100,397
Total assets	總資產									85,598	128,804
Unallocated liabilities	未分配負債									32,559	35,420
Total liabilities	總負債									32,559	35,420
Other segment information:	其他分部資料：										
Depreciation	折舊	-	-	-	-	92	87	9	5	101	92
Unallocated amount of depreciation	未分配折舊金額									5,257	4,584
										5,358	4,676
Amortisation of intangible assets	無形資產之攤銷	1,300	1,305	611	598	-	-	-	-	1,911	1,903
Capital expenditure	資本開支	-	314	-	-	30	101	-	52	30	467
Unallocated amounts of capital expenditure	未分配資本開支金額									1,681	6,619
										1,711	7,086
Provision for obsolete and slow-moving inventories	陳舊及滯銷存貨撥備	2,523	(20)	1,691	103	246	492	2,859	-	7,319	575
Unallocated provision for impairment of trade receivables and deposits, prepayment and other receivables	貿易應收賬款及訂金、 預付款項及其他應收 款項之未分配撥備									13,211	3,571

5. 分部資料 (續)

(a) 業務分部 (續)

NOTES TO THE FINANCIAL STATEMENTS

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5. SEGMENT INFORMATION (continued)

(b) Geographical segments

A geographical analysis of the Group's revenue, certain asset and expenditure information is not presented as the Group's revenue and assets in geographical segments other than the PRC are less than 10% of the aggregate amount of all segments.

6. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts where applicable. All significant intra-group transactions have been eliminated on consolidation.

7. OTHER INCOME

5. 分部資料(續)

(b) 地區分部

由於本集團按地區分部(中國除外)之收益及資產少於全部分部合計款項之10%，故並無呈列本集團按地區劃分之收益、若干資產及開支資料分析。

6. 收益

收益，亦即為本集團之營業額，指已扣除退貨及貿易折扣(如適用)後之銷售貨品發票淨值。所有集團內部之一切重大交易已於綜合賬目中抵銷。

7. 其他收入

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest income	利息收入	389	605
Dividend income	股息收入	—	26
Government grants	政府補貼收益	1,552	—
Gain on disposal of short term investments	出售短期投資收益	—	793
Others	其他	1,406	1,530
		3,347	2,954

Note: Government grants are related to certain incentive schemes offered by the PRC Government for the achievement of widely recognised brand in the PRC and certain research and development projects undertaken by the Group.

附註：政府補貼收益與中國政府為表揚本集團於中國著名品牌創下之佳績及其進行之多項研發項目之若干獎勵計劃有關。

8. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

(Loss)/Profit from operating activities is arrived at after charging/(crediting):

8. 經營(虧損)/溢利

經營(虧損)/溢利已扣除/(計入)下列各項：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Auditors' remuneration	核數師酬金	438	438
Cost of inventories sold	售出存貨成本	54,640	74,740
Staff costs (excluding directors' remuneration (note 14(a)))	員工成本(不包括董事酬金(附註14(a)))		
Wages and salaries	工資及薪金	17,344	15,994
Pension scheme contributions	退休金計劃供款	981	981
		18,325	16,975
Depreciation	折舊	5,358	4,676
Amortisation of intangible assets	攤銷無形資產	1,911	1,903
Exchange gain, net	匯兌收益淨額	(51)	(77)
Operating lease charges in respect of land and buildings	根據土地及樓宇之經營租約開支	3,455	3,652
Impairment loss on trade receivables	貿易應收賬款之減值虧損	2,254	3,571
Impairment loss on deposits, prepayments and other receivables	訂金、預付款項及其他應收賬款之減值虧損	10,957	-
Impairment loss recognised on the remeasurement of assets of disposal group	重新計算出售資產已確認之減值虧損	1,323	-
Provision for obsolete and slow-moving inventories	陳舊及滯銷存貨撥備	7,319	575
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	153	16
Fair value loss on financial assets at fair value through profit or loss/short term investments	按公平值以溢利或虧損列賬之財務資產/短期投資之公平值虧損	30	221

9. FINANCE COSTS

9. 財務支出

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on bank loans	須於五年內悉數償還之		
Wholly repayable within five years	銀行貸款之利息	131	-



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. TAXATION

Hong Kong Profits Tax has not been provided as the Group had no assessable profits arising in Hong Kong during the year (2005: Nil). Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during the year.

Current – PRC	即期 – 中國
Charge for the year	本年度支出
Overprovision in prior years	以往年度超額撥備

The taxation for the year can be reconciled to the (loss)/profit before taxation per the income statement as follows:

	除稅前 (虧損) / 溢利
(Loss)/Profit before taxation	(38,788)
Tax at the applicable tax rate (note a)	(6,073)
Tax effect of non-deductible expenses	1,802
Tax effect of non-taxable revenue	(3)
Tax effect of temporary differences not recognised	3,006
Tax effect of tax losses not recognised	1,385
Tax benefit from tax holiday (note b)	(59)
Tax effect of overprovision in prior years	–
Others	929
Actual tax expense	987

Notes:

- The applicable rate is the weighted average of rates prevailing in the jurisdictions in which the Company and its subsidiaries operate.
- In accordance with the applicable corporate income tax law of the PRC, the Company's subsidiaries established in the PRC, are entitled to an exemption from PRC corporate income tax for the first two profitable calendar years of its operation and a 50% relief on corporate income tax for the following three years.

10. 稅項

由於本集團年內在香港並無應課稅溢利 (二零零五年：無)，故並無作出香港利得稅撥備。其他地方之應課稅溢利之稅項乃按本集團經營業務之司法權區當時之適用稅率計算，並根據年內就該地區之現行法例、詮釋及慣例而計算。

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
987	1,138
–	(372)
987	766

本年度之稅項與收益表之除稅前 (虧損) / 溢利對賬如下：

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(38,788)	3,032
(6,073)	623
1,802	1,461
(3)	(23)
3,006	–
1,385	1,692
(59)	(2,549)
–	(372)
929	(66)
987	766

附註：

- 適用稅率為本公司及其附屬公司經營業務之司法權區當時之稅率之加權平均值。
- 根據適用的中國企業所得稅法，本公司於中國成立之附屬公司在首兩個錄得盈利的年度獲豁免繳納中國企業所得稅，並在隨後三年獲減免一半企業所得稅。

10. TAXATION (continued)

At the balance sheet date, the Group has unused tax losses of HK\$39,004,000 (2005: HK\$29,773,000) available for offsetting against future taxable profits of the companies which incurred the losses. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future profit streams.

As at 30 June 2006, the Group and the Company did not have any significant unprovided deferred tax liabilities (2005: Nil).

11. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated loss attributable to equity holder of the Company of approximately HK\$39,920,000 (2005: profit of HK\$1,271,000), a loss of approximately HK\$11,930,000 (2005: loss of HK\$5,819,000) has been dealt with in the financial statements of the Company.

12. DIVIDENDS

Proposed final dividend (2005: HK0.72 cent per ordinary share)	擬派末期股息 (二零零五年： 每股普通股0.72港仙)
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13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic (loss)/earnings per share is based on loss attributable to equity holders for the year ended 30 June 2006 of approximately HK\$39,920,000 (2005: profit of HK\$1,271,000) and the weighted average of 690,893,647 (2005: 680,897,278) ordinary shares in issue during the year.

For the year ended 30 June 2005, the calculation of diluted earnings per share is based on profit attributable to equity holders of approximately HK\$1,271,000 and the weighted average number of 683,412,782 ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares. The weighted average number of ordinary shares used in the calculation of diluted earnings per share for the year ended 30 June 2005 is calculated based on the weighted average of 680,897,278 ordinary shares in issue during the year plus the weighted average of 2,515,504 ordinary shares deemed to be issued at no consideration as if all the Company's share options had been exercised.

The diluted loss per share for the year ended 30 June 2006 was not presented as there were no potential dilutive ordinary shares.

10. 稅項 (續)

於結算日，本集團之未動用稅項虧損為39,004,000港元(二零零五年：29,773,000港元)，可供抵銷產生虧損之公司之未來應課稅溢利。由於未能確定未來溢利趨勢，故並未就該等虧損確認遞延稅項資產。

於二零零六年六月三十日，本集團及本公司概無任何重大未撥備遞延稅項負債(二零零五年：無)。

11. 本公司權益持有人應佔(虧損)/溢利

於約39,920,000港元(二零零五年：溢利1,271,000港元)之本公司權益持有人應佔綜合虧損當中，本公司於財務報表內處理之虧損約為11,930,000港元(二零零五年：虧損5,819,000港元)。

12. 股息

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
—	4,910

13. 本公司權益持有人應佔每股(虧損)/盈利

每股基本(虧損)/盈利乃根據截至二零零六年六月三十日止年度權益持有人應佔虧損約39,920,000港元(二零零五年：溢利1,271,000港元)及年內已發行普通股加權平均數690,893,647股(二零零五年：680,897,278股)計算。

截至二零零五年六月三十日止年度，每股攤薄盈利乃根據權益持有人應佔溢利約1,271,000港元及年內已發行普通股加權平均數683,412,782股計算(就全部潛在具攤薄效應股份作出調整)。計算截至二零零五年六月三十日止年度之每股攤薄盈利所用之普通股加權平均數，乃根據年內已發行普通股加權平均數680,897,278股，加猶如本公司之購股權已獲行使而被視作將予無償發行之普通股加權平均數2,515,504股計算。

由於並無潛在具攤薄效應普通股，故並無呈列截至二零零六年六月三十日止年度之每股攤薄虧損。



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14. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(a) Directors' emoluments

The directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fees	袍金	325	352
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,408	4,046
Lump sum ex-gratia payment	一次性特惠津貼	-	960
Pension scheme contributions	退休金計劃供款	37	38
		3,445	5,044

The emoluments of each director, on a named basis, for the year ended 30 June 2006 and 2005 are set out below:

(a) 董事酬金

根據上市規則及香港公司條例第161條，董事酬金之披露如下：

截至二零零六年及二零零五年六月三十日止年度，每位董事之酬金按其名稱列述如下：

		Salaries, allowances and benefits in kind 薪金、 津貼及 實物利益		Lump sum ex-gratia payment 一次性 特惠津貼	Pension scheme contributions 退休金 計劃供款	Total 合計
		Director fees 董事袍金 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
Hung Kai So	洪繼蘇	-	143	-	-	143
Kam loi	金銳	-	1,266	-	4	1,270
Ma Yufeng	馬余鋒	-	599	-	12	611
Liu Jun	劉俊	-	680	-	12	692
Lee Kwok Ming (Note 1)	李國明 (附註1)	50	-	-	-	50
Yuan Tsu I	袁祖怡	73	-	-	-	73
Yick Wing Fat, Simon (Note 2)	易永發 (附註2)	117	-	-	-	117
Li Li Te	李里特	61	-	-	-	61
Chan Yuk Tong (Note 3)	陳育棠 (附註3)	-	720	-	9	729
Chan Chiu Hung, Alex (Note 4)	陳釗洪 (附註4)	24	-	-	-	24
Total 2006	二零零六年合計	325	3,408	-	37	3,770

14. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

14. 董事及五名最高薪僱員之酬金 (續)

(a) Directors' emoluments (continued)

(a) 董事酬金 (續)

		Director fees	Salaries, allowances and benefits in kind	Lump sum ex-gratia payment	Pension scheme contributions	Total
		董事袍金	薪金、津貼及實物利益	一次性特惠津貼	退休金計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Hung Kai So	洪繼蘇	-	143	-	-	143
Kam loi	金銳	-	1,097	-	4	1,101
Ma Yufeng	馬余鋒	-	648	-	12	660
Sae-lao Rakchanok (Note 5)	葉鈴 (附註5)	-	345	960	4	1,309
Liu Jun	劉俊	-	596	-	12	608
Lee Kwok Ming (Note 1)	李國明 (附註1)	-	1,217	-	6	1,223
Yuan Tsu I	袁祖怡	96	-	-	-	96
Yick Wing Fat, Simon (Note 2)	易永發 (附註2)	184	-	-	-	184
Li Li Te	李里特	51	-	-	-	51
Huang Ming Da (Note 5)	黃明達 (附註5)	21	-	-	-	21
Total 2005	二零零五年合計	352	4,046	960	38	5,396

Notes:

附註：

1. Re-designated from executive director to non-executive director on 5 January 2005 and resigned as non-executive director on 5 January 2006.
2. Resigned on 1 February 2006.
3. Appointed on 30 September 2005.
4. Appointed on 5 January 2006
5. Resigned on 18 October 2004.

1. 於二零零五年一月五日由執行董事轉任為非執行董事，並於二零零六年一月五日退任非執行董事。
2. 於二零零六年二月一日退任。
3. 於二零零五年九月三十日獲委任。
4. 於二零零六年一月五日獲委任。
5. 於二零零四年十月十八日退任。

Fees include HK\$325,000 (2005: HK\$352,000) payable to the independent non-executive directors. There were no other emoluments payable to the independent non-executive directors during the year (2005: Nil).

袍金包括應付予獨立非執行董事之325,000港元(二零零五年：352,000港元)。年內，並無任何其他應付予獨立非執行董事之酬金(二零零五年：無)。

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 30 June 2006 and 2005.

於截至二零零六年及二零零五年六月三十日止年度，並無董事豁免或同意豁免任何酬金之安排。



14. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

(a) **Directors' emoluments** (continued)

During the years ended 30 June 2006 and 2005, no share options were granted to the directors in respect of their services to the Group and further details of which were set out in note 29 to the financial statements.

(b) **Five highest paid individuals**

The five highest paid individuals in the Group during the year included three directors (2005: five directors), details of whose emoluments have been disclosed in note (a) above. The emoluments paid to the remaining two non-directors, highest paid individuals for the year are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

The number of the remaining highest paid individuals whose emoluments fell within the following band is as follows:

Nil to HK\$1,000,000	零至1,000,000港元
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During the years ended 30 June 2006 and 2005, no emoluments were paid by the Group to the directors or any of the five highest paid employees of the Group as an inducement to join the Group or upon joining the Group or as compensation for loss of office.

14. 董事及五名最高薪僱員之酬金 (續)

(a) **董事酬金** (續)

於截至二零零六年及二零零五年六月三十日止年度，並無任何因應董事在本集團之服務而授予彼等購股權，其進一步詳情載於財務報表附註29。

(b) **五名最高薪人士**

年內，本集團五名最高薪人士包括三名董事(二零零五年：五名董事)，彼等之酬金詳情已於上文附註(a)披露。年內支付予其餘兩名非董事、最高薪人士之酬金如下：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,596	—
Pension scheme contributions	退休金計劃供款	24	—
		1,620	—

其餘酬金介乎以下範圍之最高薪人士之人數如下：

		2006 二零零六年	2005 二零零五年
Nil to HK\$1,000,000	零至1,000,000港元	2	—

於截至二零零六年及二零零五年六月三十日止年度，本集團並無向董事或任何本集團五名最高薪僱員支付酬金，作為加入本集團或加入本集團後之獎勵或作為離職補償。



15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

Group

本集團

		Construction in progress	Leasehold improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
		在建工程	租賃物業裝修	機器及設備	傢具及 辦公室設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
							(Restated) (經重列)
At 1 July 2004	於二零零四年七月一日						
Cost	成本	41	7,931	3,071	12,308	3,491	26,842
Accumulated depreciation	累計折舊	-	(2,103)	(2,052)	(6,122)	(1,755)	(12,032)
Net book amount	賬面淨值	41	5,828	1,019	6,186	1,736	14,810
Year ended 30 June 2005	截至二零零五年六月三十日止年度						
Opening net book amount	年初賬面淨值	41	5,828	1,019	6,186	1,736	14,810
Additions	添置	919	3,106	58	2,689	-	6,772
Disposal	出售	-	-	-	(39)	-	(39)
Depreciation	折舊	-	(2,058)	(258)	(1,925)	(435)	(4,676)
Net book amount	賬面淨值	960	6,876	819	6,911	1,301	16,867
At 30 June 2005	於二零零五年六月三十日						
Cost	成本	960	11,037	3,129	14,834	3,491	33,451
Accumulated depreciation	累計折舊	-	(4,161)	(2,310)	(7,923)	(2,190)	(16,584)
Net book amount	賬面淨值	960	6,876	819	6,911	1,301	16,867
Year ended 30 June 2006	截至二零零六年六月三十日止年度						
Opening net book amount	年初賬面淨值	960	6,876	819	6,911	1,301	16,867
Additions	添置	166	864	33	643	5	1,711
Disposal	出售	-	-	(28)	(116)	(291)	(435)
Reclassified as assets held for sale	重新分類為可供銷售資產	(1,126)	-	-	-	-	(1,126)
Acquisition of subsidiaries	收購附屬公司	-	-	3	583	-	586
Depreciation	折舊	-	(2,475)	(334)	(1,854)	(695)	(5,358)
Translation adjustment	匯兌調整	-	131	16	128	25	300
Net book amount	賬面淨值	-	5,396	509	6,295	345	12,545
At 30 June 2006	於二零零六年六月三十日						
Cost	成本	-	12,111	1,824	15,232	2,704	31,871
Accumulated depreciation	累計折舊	-	(6,715)	(1,315)	(8,937)	(2,359)	(19,326)
Net book amount	賬面淨值	-	5,396	509	6,295	345	12,545



NOTES TO THE FINANCIAL STATEMENTS

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16. PREPAID LAND LEASE PAYMENTS

GROUP

At beginning of the year	年初
Cost and net book value	成本及賬面淨值
For the year ended	截至年末
Opening net book value	年初賬面淨值
Translation adjustment	匯兌調整
Reclassified as assets held for sale	重新分類為可供銷售資產
Net book value	賬面淨值
At end of the year	年末
Cost and net book value	成本及賬面淨值

The Group's prepaid land lease payments represent up-front payments to acquire long term interest in the usage of land situated in the PRC, which are held under medium term leases.

16. 預付土地租賃付款

本集團

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (經重列)
7,165	7,165
7,165	7,165
135	-
(7,300)	-
-	7,165
-	7,165

本集團預付土地租賃付款指購入位於中國以中期租賃持有之土地之長期使用權益之預付款項。

17. INTANGIBLE ASSETS

17. 無形資產

Group		本集團		
		Patents and technical know-how 專利權及 技術知識 HK\$'000 千港元	Deferred development costs 遞延 開發成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2004	於二零零四年 七月一日			
Cost	成本	1,359	6,317	7,676
Accumulated amortisation	累計攤銷	(917)	(1,556)	(2,473)
Net book amount	賬面淨值	442	4,761	5,203
Year ended 30 June 2005	截至二零零五年 六月三十日止年度			
Opening net book amount	年初賬面淨值	442	4,761	5,203
Additions	添置	314	-	314
Amortisation	攤銷	(153)	(1,750)	(1,903)
Net book amount	賬面淨值	603	3,011	3,614
At 30 June 2005	於二零零五年 六月三十日			
Cost	成本	1,673	6,317	7,990
Accumulated amortisation	累計攤銷	(1,070)	(3,306)	(4,376)
Net book amount	賬面淨值	603	3,011	3,614
Year ended 30 June 2006	截至二零零六年 六月三十日止年度			
Opening net book amount	年初賬面淨值	603	3,011	3,614
Amortisation	攤銷	(174)	(1,737)	(1,911)
Translation adjustment	匯兌調整	13	57	70
Net book amount	賬面淨值	442	1,331	1,773
At 30 June 2006	於二零零六年 六月三十日			
Cost	成本	1,705	6,437	8,142
Accumulated amortisation	累計攤銷	(1,263)	(5,106)	(6,369)
Net book amount	賬面淨值	442	1,331	1,773



18. INTERESTS IN SUBSIDIARIES

18. 於附屬公司之權益

		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，按成本	39,952	39,952
Less: Provision for impairment	減：減值撥備	(6,261)	—
		33,691	39,952
Non-current portion of balances with subsidiaries included under non-current assets (Note)	列入非流動資產之附屬公司結餘之非流動部份 (附註)	—	21,169
		33,691	61,121
Note:	附註：		
Due from subsidiaries	應收附屬公司之款項	23,018	24,350
Due to subsidiaries	應付附屬公司之款項	(3,277)	(3,181)
		19,741	21,169

As at 30 June 2006, the balances with subsidiaries are unsecured, interest-free and repayable on demand. Accordingly, the amounts due from/(to) subsidiaries are classified as current assets.

As at 30 June 2005, the balances with subsidiaries were unsecured, interest-free and had no fixed terms of repayment. In the opinion of directors, no repayment would be demanded within 12 months from the balance sheet date. Accordingly, the amounts due from/(to) subsidiaries were classified as non-current assets.

於二零零六年六月三十日，附屬公司之結餘乃無抵押、免息及於催繳時償還。因此，應收／(應付)附屬公司之款項乃列為流動資產。

於二零零五年六月三十日，附屬公司之結餘乃無抵押、免息及無固定還款期。董事認為，自結算日起計十二個月內概不會要求償還任何款項。因此，應收／(應付)附屬公司之款項乃列為非流動資產。



18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries as at 30 June 2006 are as follows:

Name 名稱	Place of incorporation/ establishment and operations 註冊成立/ 成立及 經營地點	Particulars of issued capital/ registered capital 已發行股本/ 註冊股本詳情	Percentage of equity attributable to the Group 本集團應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Vitop Bioenergy Limited 天年生物工程學有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	1 share of US\$1 each 每股面值1美元 之1股股份	100%	-	Investment holding 投資控股
Vitop Bioenergy (China) Ltd * ("Vitop China")	PRC	Registered capital of HK\$50,000,000	-	100%	Manufacturing and trading of BIOenergy® products, and trading of multi-functional water generators, healthcare food products and other healthcare products 生產及銷售天年素® 系列產品、銷售多 功能製水機、保健 食品及其他健康產品
天年生物(中國)有限公司* (「天年中國」)	中國	註冊股本 50,000,000港元			
Vitop Healthcare Product Limited 天年健康產品有限公司	Hong Kong 香港	2 shares of HK\$1 each 每股面值1港元 之2股股份	-	100%	Trading of BIOenergy® products 銷售天年素®系列產品
Star Ocean Limited ("SOL") 海洋星有限公司(「海洋星」)	BVI 英屬處女群島	1 share of US\$1 each 每股面值1美元 之1股股份	-	100%	Investment holding 投資控股
合肥天年美菱環保科技有限責任公司**	PRC 中國	Registered capital of RMB5,840,000 註冊股本 人民幣5,840,000元	-	80%	Manufacturing and trading of multi-functional water generators 生產及銷售多功能製水機
上海亘輝生物制品有限公司 ("Shanghai Heng Fai")* (note 25) (「上海亘輝」)*(附註25)	PRC 中國	Registered capital of US\$1,000,000 註冊股本 1,000,000美元	-	100%	Property investment 物業投資
Vitop International Limited [#]	BVI 英屬處女群島	450,000 shares of US\$1 each 每股面值1美元 之450,000股股份	-	100%	Investment holding 投資控股

* Registered as wholly-foreign owned enterprise ("WFOE") under the PRC law.

** Registered as Sino-foreign joint venture under the PRC law.

Acquired and became a wholly-owned subsidiary during the year ended 30 June 2006

18. 於附屬公司之權益(續)

於二零零六年六月三十日，主要附屬公司之詳情如下：

* 根據中國法例註冊為外商獨資企業(「外商獨資企業」)。

** 根據中國法例註冊為中外合營企業。

於截至二零零六年六月三十日止年度內收購，並成為全資附屬公司



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18. INTERESTS IN SUBSIDIARIES (continued)

The financial statements of the above subsidiaries are audited by Grant Thornton for statutory purpose or Group consolidation purpose.

The above table lists the subsidiaries of the Company which have, in the opinion of the Company's directors, principally affected the results of the year or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Company's directors, result in particulars of excessive length.

19. INTERESTS IN A JOINTLY CONTROLLED ENTITY

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Share of net assets	攤佔資產淨值	—	570
Unlisted investments, at cost	非上市投資，按成本	1,328	1,328
Less: Provision for impairment	減：減值撥備	(1,328)	—
		—	1,328

Particulars of the jointly controlled entity as at 30 June 2006 are as follows:

Name	Principal business structure	Place of establishment and operation	Nature of business	Percentage of ownership interest
名稱	主要業務架構	成立及經營地點	業務性質	佔擁有權益之百分比
Vitop OSG Environmental Technology (Suzhou) Co., Ltd ("Vitop OSG")	Corporate*	PRC	Manufacture and trading of multi-functional water generators	40%**
天年三愛環保科技(蘇州)有限公司 (「天年三愛」)	公司*	中國	生產及銷售多功能製水機	40%**

* Registered as WOFE under the PRC law.

** As at 30 June 2006, the paid-up registered capital of Vitop OSG contributed by the Group represented 24% (2005: 28.6%) of the aggregate paid-up registered capital of Vitop OSG.

18. 於附屬公司之權益 (續)

上述附屬公司之財務報表乃由均富會計師行為法定目的或本集團合併目的審核。

上表載列本公司之附屬公司，本公司董事認為，此等附屬公司主要影響本年度之業績或組成本集團之資產及負債之重要部份。本公司董事認為，倘提供其他附屬公司詳細資料會導致個別項目過長。

19. 於共同控制實體之權益

	Group 本集團	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Share of net assets		—	570
Unlisted investments, at cost		1,328	1,328
Less: Provision for impairment		(1,328)	—
		—	1,328

於二零零六年六月三十日，共同控制實體之詳情如下：

Name	Principal business structure	Place of establishment and operation	Nature of business	Percentage of ownership interest
名稱	主要業務架構	成立及經營地點	業務性質	佔擁有權益之百分比
Vitop OSG Environmental Technology (Suzhou) Co., Ltd ("Vitop OSG")	Corporate*	PRC	Manufacture and trading of multi-functional water generators	40%**
天年三愛環保科技(蘇州)有限公司 (「天年三愛」)	公司*	中國	生產及銷售多功能製水機	40%**

* 根據中國法例註冊為外商獨資企業。

** 於二零零六年六月三十日，本集團攤佔天年三愛之實繳註冊股本為天年三愛實繳註冊股本總額之24% (二零零五年：28.6%)。



19. INTERESTS IN A JOINTLY CONTROLLED ENTITY
(continued)

The Group's jointly controlled entity is not audited by Grant Thornton.

The following table illustrates the summarised financial information of the Group's interests in the jointly controlled entity:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產	420	7
Current assets	流動資產	165	1,560
		585	1,567
Current liabilities	流動負債	(585)	(997)
Net assets	資產淨值	–	570
Income	收入	1,128	2,527
Expenses	開支	(1,698)	(3,285)
Loss after tax	除稅後虧損	(570)	(758)

19. 於共同控制實體之權益 (續)

本集團共同控制實體之財務報表並無經均富會計師行審核。

下表列示本集團於共同控制實體之權益之財務資料概要：

20. INVENTORIES

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原材料	6,351	6,622
Work in progress	在製品	3,994	2,846
Finished goods	製成品	17,323	15,446
		27,668	24,914
Less: Provision for obsolete and slow-moving inventories	減：陳舊及滯銷存貨撥備	(8,572)	(1,253)
		19,096	23,661

20. 存貨

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21. TRADE RECEIVABLES

The credit terms that the Group offers to customers are generally not more than 90 days. The ageing analysis of the Group's trade receivables at the balance sheet date is as follows:

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Outstanding balances with ages:	根據賬齡劃分之未償還餘額：		
Within 30 days	於30日內	1,661	3,462
From 31 to 60 days	31至60日	1,163	230
From 61 to 180 days	61至180日	1,683	712
Over 180 days	逾180日	6,307	5,218
		10,814	9,622
Less: Provision for impairment	減：減值撥備	(6,047)	(3,793)
		4,767	5,829

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Structured notes with embedded derivatives, at fair value

The structured notes with embedded derivatives as at 30 June 2006 were classified as financial assets at fair value through profit or loss. Fair value of the structured notes with embedded derivatives as at 30 June 2006 has been determined by reference to the quotation provided by the bank.

Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement.

23. SHORT TERM INVESTMENTS

Listed equity investments in Hong Kong, at market value

21. 貿易應收賬款

本集團給予客戶之信貸期一般不超過90日。本集團之貿易應收賬款於結算日之賬齡分析如下：

22. 按公平值以溢利或虧損列賬之財務資產

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Structured notes with embedded derivatives, at fair value	具隱藏衍生工具之結構式票據，按公平值	2,480	-

於二零零六年六月三十日隱藏衍生工具之結構式票據被分類為按公平值以溢利或虧損列賬之財務資產。於二零零六年六月三十日具隱藏衍生工具之結構式票據之公平值乃參考銀行提供之報價釐定。

按公平值以溢利或虧損列賬之財務資產乃在現金流量表內經營業務一節呈列，列作營運資金變動一部份。

23. 短期投資

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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
Listed equity investments in Hong Kong, at market value	香港上市股本投資，按市值	-	1,495	-	1,048

24. CASH AND BANK BALANCES

24. 現金及銀行結存

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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
Cash at banks and in hand	現金及銀行結存	9,350	25,947	11	53
Time deposits	定期存款	21,952	16,333	-	-
Total cash and bank balances	現金及銀行結存總額	31,302	42,280	11	53
Less: Pledged bank deposit for a bank loan facility	減：銀行貸款額度之已抵押銀行存款	(20)	-	-	-
		31,282	42,280	11	53

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits are made for varying periods of between one day and 12 months depending on the immediate cash requirement of the Group, and earn interest at the respective short-term time deposit rates, ranging from 1.98% to 2.25% (2005: 1.98% to 2.25%) per annum.

As at the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$30,681,000 (2005: HK\$41,872,000). The RMB is not freely convertible into other currencies. However, under the PRC 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.

25. ASSETS CLASSIFIED AS HELD FOR SALE

On 18 January 2006, SOL entered into a conditional sale and purchase agreement with an independent third party for the disposal of its 100% equity interest in Shanghai Heng Fai for a cash consideration of RMB7.5 million (equivalent to approximately HK\$7.14 million) (the "Disposal"). Shanghai Heng Fai is engaged in property investment in Shanghai, the PRC. Details of the Disposal are set out in the circular of the Company dated 9 February 2006. Up to the date of this report, the statutory approval for the transfer of the 100% equity interest has not been obtained and the transaction has not been completed accordingly.

The directors of the Group expected a further cost to sell amounting to HK\$97,000 will be incurred and have re-assessed the recoverable amounts of the relevant assets and liabilities with reference to the sales proceeds, and accordingly, an impairment loss amounted to HK\$1,323,000 has been identified and recognised in the income statement for the year ended 30 June 2006.

銀行現金按根據每日銀行存款利率計算之浮動利率計息。短期銀行存款乃視本集團之即時現金需求情況按一日至十二個月之浮動期存入銀行，並按各自之短期存款利率（年利率介乎1.98%至2.25%之間（二零零五年：1.98%至2.25%））計息。

於結算日，本集團以人民幣（「人民幣」）計值之現金及銀行結存約達30,681,000港元（二零零五年：41,872,000港元）。人民幣不得自由兌換為其他貨幣，惟根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

25. 分類為可供銷售之資產

於二零零六年一月十八日，海洋星與一獨立第三者訂立一份有條件買賣協議，以出售其於上海亘輝之100%股本權益，代價為現金人民幣7,500,000元（約相等於7,140,000港元）（「出售事項」）。上海亘輝於中國上海從物業投資。出售事項之詳情載於本公司於二零零六年二月九日刊發之通函內。截至本報告日期，本公司仍未取得轉讓該100%股本權益之法定批准，因此是項交易尚未完成。

本集團之董事預期將進一步產生97,000港元之出售成本，並已參照出售收益重新評估相關資產及負債之可收回數額，因此，為數1,323,000港元之減值虧損已於截至二零零六年六月三十日止年度之收益表中確定及確認。



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財務報表附註

25. ASSETS CLASSIFIED AS HELD FOR SALE (continued)

The major classes of assets and liabilities of Shanghai Heng Fai at 30 June 2006 which are classified as assets held for sale are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	1,126
Prepaid land lease payments	預付土地租賃付款	7,300
Deposits, prepayments and other receivables	訂金、預付款項及其他應收賬款	62
Total assets classified as held for sale	列作可供銷售之總資產	8,488
Less: Impairment loss recognised on the remeasurement of assets of disposal group	減：重新計算出售資產已確認之減值虧損	(1,323)
Assets classified as held for sale	列作可供銷售之資產	7,165
Accrued liabilities and other payables associated with assets classified as held for sale	列作可供銷售之資產附帶之應計負債及其他應付賬款	(122)
Net assets of disposal of a subsidiary	出售一間附屬公司之資產淨值	7,043

26. TRADE PAYABLES

The credit terms of trade payables varies according to the terms agreed with different suppliers. The ageing analysis of the Group's trade payables as at the balance sheet date is as follows:

25. 分類為可供銷售之資產(續)

於二零零六年六月三十日，上海亘輝列作可供銷售之資產之資產及負債之主要類別如下：

26. 貿易應付賬款

貿易應付賬款之信貸期因與不同供應商協定之時間而異。本集團之貿易應付賬款於結算日之賬齡分析如下：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Outstanding balances with ages:	根據賬齡劃分之未償還餘額：		
Within 30 days	於30日內	3,608	9,563
From 31 to 60 days	31至60日	1,880	3,231
From 61 to 180 days	61至180日	1,392	3,045
Over 180 days	逾180日	2,068	791
		<u>8,948</u>	<u>16,630</u>

27. INTEREST-BEARING BANK LOANS

27. 計息銀行貸款

		Original currency 原幣	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank loans, secured	銀行貸款，有抵押	HK\$ 港元	3,889	500
Analysed into:	分析如下：			
Bank loans repayable	須於以下期間償還之銀行貸款			
– within one year	– 一年內		2,276	500
– in the second year	– 第二年		847	–
– in the third to fifth years, inclusive	– 第三年至第五年 (包括首尾兩年)		766	–
			3,889	500
Less: Amounts due within one year included in current liabilities	減：計入流動負債項下之 一年內到期之款項		(2,276)	(500)
Amounts due after one year included in non-current liabilities	計入非流動負債項下之 一年後到期之款項		1,613	–

The Group's bank loan facility amounting to HK\$5,000,000 (2005: HK\$5,000,000), of which HK\$3,889,000 (2005: HK\$500,000) has been utilised as at the balance sheet date. The facility is secured by the Group's financial assets at fair value through profit or loss amounting to HK\$2,480,000 (note 22) and a pledged bank deposit of HK\$20,000 (note 24) (2005: a pledged deposit of the Group amounting to HK\$2,500,000) and supported by a corporate guarantee executed by the Company (note 34).

All bank loans of the Group are floating interest rate bank loans. The interest rates of the Group's bank loans ranged from 4.3% to 8.3% (2005: 4.3%) per annum.

本集團的銀行貸款額度金額為5,000,000港元(二零零五年：5,000,000港元)，於結算日，其中3,889,000港元(二零零五年：500,000港元)已被動用。該額度乃以本集團按公平值以溢利或虧損列賬之財務資產2,480,000港元(附註22)及已抵押銀行存款20,000港元(附註24)(二零零五年：本集團已抵押存款為2,500,000港元)作抵押，並由本公司提供之公司擔保支持(附註34)。

本集團所有銀行貸款均以浮動利率計息。本集團銀行貸款之年利率由4.3%至8.3%(二零零五年：4.3%)不等。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. SHARE CAPITAL

28. 股本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Authorised:	法定：		
20,000,000,000 ordinary shares of HK\$0.025 each	20,000,000,000股每股 面值0.025港元之普通股	500,000	500,000
Issued and fully paid:	已發行及繳足：		
698,543,104 (2005: 681,923,748) ordinary shares of HK\$0.025 each	698,543,104股 (二零零五年： 681,923,748股) 每股面值0.025港元 之普通股	17,464	17,048

A summary of movements in the authorised and issued share capital of the Company is as follows:

本公司法定及已發行股本變動概要如下：

		Number of authorised shares 法定 股份數目	Number of shares issued 已發行 股份數目	Nominal value of shares issued 已發行 股份面值 HK\$'000 千港元
At 1 July 2004	於二零零四年七月一日	20,000,000,000	678,198,400	16,955
Share options exercised (note a)	行使購股權 (附註a)	-	60,000	2
New shares issued (note b)	發行新股份 (附註b)	-	3,665,348	91
At 30 June 2005 and 1 July 2005	於二零零五年六月三十日 及二零零五年七月一日	20,000,000,000	681,923,748	17,048
Shares issued as scrip dividends (note c)	以股代息發行之股份 (附註c)	-	16,619,356	416
At 30 June 2006	於二零零六年六月三十日	20,000,000,000	698,543,104	17,464

Notes:

附註：

- | | |
|---|---|
| <p>(a) During the year ended 30 June 2005, the subscription rights attaching to 60,000 share options were exercised at the subscription price of HK\$0.30 per share, resulting in the issue of 60,000 ordinary shares of HK\$0.025 each in the capital of the Company for a total cash consideration, before expenses, of approximately HK\$18,000.</p> | <p>(a) 60,000份購股權所附之認購權已按認購價每股0.30港元於截至二零零五年六月三十日止年度內行使，導致發行本公司股本中每股面值0.025港元之普通股60,000股，總現金代價(未計開支)約為18,000港元。</p> |
| <p>(b) During the year ended 30 June 2005, Mr. Lee Kwok Ming, a former director of the Company, subscribed for 3,665,348 ordinary shares of the Company of HK\$0.025 each at HK\$0.31 per share for a total cash consideration, before expenses, of approximately HK\$1,136,000.</p> | <p>(b) 截至二零零五年六月三十日止年度，李國明先生(本公司之前任董事)按每股0.31港元認購本公司每股面值0.025港元之普通股3,665,348股，總現金代價(未計開支)約為1,136,000港元。</p> |
| <p>(c) During the year ended 30 June 2006, a total of 16,619,356 shares were issued under the scrip dividend scheme of the Company for the payment of 2005 final dividend.</p> | <p>(c) 截至二零零六年六月三十日止年度，根據本公司之以股代息計劃合共發行16,619,356股股份以派付二零零五年末期股息。</p> |



29. SHARE OPTION SCHEME

In connection with the listing of the Company's shares on the Main Board of the Stock Exchange, the Company conditionally adopted a share option scheme (the "Scheme") pursuant to an ordinary resolution passed by the shareholders of the Company on 23 January 2003. The Scheme became effective on 10 February 2003 upon the listing of the Company's shares on the Main Board of the Stock Exchange by way of introduction and, unless otherwise cancelled or amended, the Scheme remains in force for ten years from that date.

The purpose of the Scheme is to provide incentives or rewards to participants for their contribution to the Group or any entity in which the Group has an equity interest (the "Invested Entity") and/or to enable the Group or an Invested Entity to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or an Invested Entity.

The participants of the Scheme include: (a) any employee (whether full time or part time employee, including any executive director but not any non-executive director) of the Company, any of its subsidiaries or any Invested Entity; (b) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and (f) 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.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their associates, are subject to approval in advance by independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and 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, in any twelve-month period up to the date of grant, are subject to shareholders' approval in advance in a general meeting.

29. 購股權計劃

就本公司股份於聯交所主板上市，本公司根據一項由本公司股東於二零零三年一月二十三日通過之普通決議案，有條件採納一項購股權計劃（「計劃」）。計劃已自本公司股份以介紹方式在聯交所主板上市後於二零零三年二月十日起生效，且計劃（除已註銷或經修訂外）由當日起計十年內一直有效。

計劃旨在向對本集團或本集團持有股本權益之任何實體（「投資實體」）有所貢獻之參與者提供獎勵或獎賞，及／或使本集團或投資實體有能力招攬及挽留高質素僱員，以及吸引寶貴人才加入本集團或投資實體。

計劃之參與者包括：(a)本公司、其任何附屬公司或任何投資實體之任何僱員（不論全職或兼職僱員，包括任何執行董事，惟不包括任何非執行董事）；(b)本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括任何獨立非執行董事）；(c)本集團任何成員公司或任何投資實體之任何貨品或服務供應商；(d)本集團或任何投資實體之任何客戶；(e)向本集團或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；及(f)本集團任何成員公司或任何投資實體之任何股東，或本集團任何成員公司或任何投資實體所發行任何證券之任何持有人。

向本公司董事、行政總裁或主要股東或彼等任何聯繫人士授予之購股權須獲本公司獨立非執行董事事先批准。此外，授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權，如超逾截至授出當日12個月內任何時間之本公司已發行股份0.1%，且根據本公司股份於授出當日之收市價計算所得總值超逾5,000,000港元，則須於股東大會上獲股東事先批准。



29. SHARE OPTION SCHEME (continued)

The total number of shares of the Company in respect of which options may be granted under the Scheme must not exceed 68,013,640 shares, being 10% of the total number of shares of the Company in issue on the date when the 10% Scheme limit has been refreshed. The 10% Scheme limit was refreshed at the last annual general meeting of the Company held on 18 October 2004. The total number of shares in respect of which options are issuable under the Scheme was 59,246,464, representing approximately 8.48% of the issued share capital of the Company at 30 June 2006.

The total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted to each participant (including exercised and outstanding options) in any twelve-month period up to the date of grant shall not exceed 1% of the total number of shares of the Company in issue as at the date of grant (the "Individual Limit"). Any further grant of options in excess of the Individual Limit must be subject to shareholders' approval in general meeting with such participant and his or her associates abstaining from voting.

An option may be exercised at any time during a period as the board of directors of the Company (the "Board") may determine which shall not be more than ten years from the date of grant of the option.

Save as determined by the Board, there is no minimum period for which an option must be held before it can be exercised.

The acceptance of an offer of the grant of an option must be made within 28 days from the date upon which such offer is made with a non-refundable payment of HK\$1.00 from the grantee to the Company by way of consideration for the grant thereof.

The subscription price of a share of the Company in respect of any option shall be such price as the Board in its absolute discretion shall determine, save that such price will not be lower than the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a trading day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the option; and (c) the nominal value of the share.

29. 購股權計劃 (續)

根據計劃可授出之購股權而予以發行之本公司股份總數，不得超過68,013,640股，即於10%計劃限額更新當日本公司已發行股份總數之10%。10%計劃限額已於本公司在二零零四年十月十八日舉行之上屆股東週年大會上更新。根據計劃可發行之購股權而予以發行之股份總數為59,246,464股，佔於二零零六年六月三十日本公司已發行股本約8.48%。

於截至授出購股權當日任何12個月期內所授予及將授予各參與者之購股權(包括已行使及尚未行使之購股權)獲行使而己發行及將予發行之本公司股份總數，不得超逾授出購股權當日本公司已發行股份總數之1%(「個人上限」)。凡進一步授出超逾個人上限之購股權，均須經股東在股東大會上批准，惟有關參與者及其聯繫人士必須放棄投票。

購股權可於本公司董事會(「董事會」)決定之期間內隨時予以行使，惟購股權之行使期不得超逾授出購股權當日起計10年。

除董事會另有指定外，購股權在可予行使前並無任何最短持有期限。

授予購股權之建議必須於該建議提出日期起計28日內獲接納，承授人須支付1.00港元之不可退還款項，作為授予有關購股權之代價。

就任何購股權所涉及之本公司股份之每股認購價均由董事會全權酌情釐定，惟不得低於以下各項之最高者：(a)於授出購股權當日(必須為交易日)聯交所每日報價表所列之股份收市價；(b)於緊接購股權授出日期前5個交易日聯交所每日報價表所列之股份平均收市價；及(c)股份面值。



29. SHARE OPTION SCHEME (continued)

Subject to earlier termination of the Company by resolution in general meeting, the Scheme shall be valid and effective till 9 February 2013. After the expiry of such valid period, no further options will be offered but in all other respects the provisions of the Scheme shall remain in full force and effect.

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

Particulars of the share options granted and remained outstanding under the Scheme during the year were as follows:

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					At 30 June 2006 於二零零六年 六月三十日	Date of grant* 授出日期*	Exercise period 行使期	Exercise price** 行使價** HK\$ 港元
	At 1 July 2005 於二零零五年 七月一日	Granted during the year 年內已授出	Reclassification 重新分類	Lapsed during the year 年內已失效	Exercised during the year 年內已行使				
Directors: 董事:									
Hung Kai So 洪繼蘇	1,600,000	-	-	(1,600,000)	-	30 April 2003	30 April 2003 to 30 April 2006 二零零三年 四月三十日至 二零零六年 四月三十日	0.25	
Kam loi 金銳	1,600,000	-	-	(1,600,000)	-	30 April 2003	30 April 2003 to 30 April 2006 二零零三年 四月三十日至 二零零六年 四月三十日	0.25	
Ma Yufeng 馬余鋒	2,500,000	-	-	(2,500,000)	-	30 April 2003	30 April 2003 to 30 April 2006 二零零三年 四月三十日至 二零零六年 四月三十日	0.25	
Liu Jun 劉俊	4,151,700	-	-	-	4,151,700	4 Nov 2003	4 Nov 2003 to 4 Nov 2006 二零零三年 十一月四日至 二零零六年 十一月四日	0.30	
Lee Kwok Ming (resigned as a director of the Company on 5 January 2006) 李國明 (於二零零六年 一月五日辭任 本公司董事)	20,000,000	-	(5,000,000)	(15,000,000)	-	5 Jan 2004	5 Jan 2004 to 4 Jan 2009 二零零四年 一月五日至 二零零九年 一月四日	0.495	
	36,503,400	-	(5,000,000)	(23,200,000)	-			8,303,400	

29. 購股權計劃 (續)

計劃將一直有效，直至二零一三年二月九日為止，惟本公司可在股東大會上提呈決議案提早終止計劃。計劃之有效期屆滿後，將不會提呈授出任何購股權，惟計劃之條款於所有其他方面將一直具有十足效力。

購股權並無賦予持有人收取股息或於股東大會上投票之權利。

年內，根據計劃獲授出及尚未行使之購股權詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29. SHARE OPTION SCHEME (continued)

29. 購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					At 30 June 2006 於二零零六年 六月三十日	Date of grant* 授出日期*	Exercise period 行使期	Exercise price** 行使價** HK\$ 港元
	At 1 July 2005 於二零零五年 七月一日	Granted during the year 年內已授出	Reclassification 重新分類	Lapsed during the year 年內已失效	Exercised during the year 年內已行使				
Other employees: 其他僱員:									
In aggregate	3,250,000	-	-	(3,250,000)	-	-	30 April 2003	30 April 2003 to 30 April 2006	0.25
總計							二零零三年 四月三十日	二零零三年 四月三十日至 二零零六年 四月三十日	
In aggregate	7,791,700	-	(70,000)	(1,300,000)	-	6,421,700	4 Nov 2003	4 Nov 2003 to 4 Nov 2006	0.30
總計							二零零三年 十一月四日	二零零三年 十一月四日至 二零零六年 十一月四日	
In aggregate	2,700,000	-	-	(600,000)	-	2,100,000	1 Jun 2004	1 June 2004 to 31 May 2007	0.425
總計							二零零四年 六月一日	二零零四年 六月一日至 二零零七年 五月三十一日	
In aggregate	19,001,364	-	(100,000)	(800,000)	-	18,101,364	14 Oct 2004	14 Oct 2004 to 13 Oct 2007	0.371
總計							二零零四年 十月十四日	二零零四年 十月十四日至 二零零七年 十月十三日	
In aggregate	-	-	5,000,000	-	-	5,000,000	5 Jan 2004	5 Jan 2004 to 4 Jan 2009	0.495
總計							二零零四年 一月五日	二零零四年 一月五日至 二零零九年 一月四日	
	<u>32,743,064</u>	<u>-</u>	<u>4,830,000</u>	<u>(5,950,000)</u>	<u>-</u>	<u>31,623,064</u>			
Suppliers: 供應商:									
In aggregate	1,500,000	-	-	(1,500,000)	-	-	30 April 2003	30 April 2003 to 30 April 2006	0.25
總計							二零零三年 四月三十日	二零零三年 四月三十日至 二零零六年 四月三十日	
In aggregate	9,000,000	-	-	-	-	9,000,000	14 Oct 2004	14 Oct 2004 to 13 Oct 2007	0.371
總計							二零零四年 十月十四日	二零零四年 十月十四日至 二零零七年 十月十三日	
In aggregate	6,000,000	-	-	-	-	6,000,000	28 Oct 2004	28 Oct 2004 to 27 Oct 2009	0.355
總計							二零零四年 十月二十八日	二零零四年 十月二十八日至 二零零九年 十月二十七日	
	<u>16,500,000</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>15,000,000</u>			

29. SHARE OPTION SCHEME (continued)

29. 購股權計劃 (續)

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					At 30 June 2006 於二零零六年 六月三十日	Date of grant* 授出日期*	Exercise period 行使期	Exercise price** 行使價** HK\$ 港元
	At 1 July 2005 於二零零五年 七月一日	Granted during the year 年內已授出	Reclassification 重新分類	Lapsed during the year 年內已失效	Exercised during the year 年內已行使				
Customers: 客戶:									
In aggregate	2,805,000	-	-	(2,805,000)	-	-	30 April 2003	30 April 2003 to 30 April 2006	0.25
總計							二零零三年 四月三十日	二零零三年 四月三十日至 二零零六年 四月三十日	
In aggregate	-	-	70,000	-	-	70,000	4 Nov 2003	4 Nov 2003 to 4 Nov 2006	0.30
總計							二零零三年 十一月四日	二零零三年 十一月四日至 二零零六年 十一月四日	
In aggregate	4,150,000	-	100,000	-	-	4,250,000	14 Oct 2004	14 Oct 2004 to 13 Oct 2007	0.371
總計							二零零四年 十月十四日	二零零四年 十月十四日至 二零零七年 十月十三日	
	6,955,000	-	170,000	(2,805,000)	-	4,320,000			
	92,701,464	-	-	(33,455,000)	-	59,246,464			

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

* 購股權之歸屬期由授出日期起直至行使期開始為止。

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

** 在供股或發行紅股或本公司股本出現其他類似變動之情況下，購股權之行使價或會調整。

The share options granted on 30 April 2003 shall be exercisable up to 30%, 60% and 100% on or before 30 April 2004, 2005 and 2006, respectively, for all grantees under the Scheme.

所有於二零零三年四月三十日根據計劃獲授予購股權之承授人，於二零零四年、二零零五年及二零零六年四月三十日或之前，最多可分別行使30%、60%及100%購股權。

The share options granted on 4 November 2003 shall be exercisable up to 30%, 60% and 100% on or before 4 November 2004, 2005 and 2006, respectively, for grantees other than the directors of the Company.

於二零零三年十一月四日獲授予購股權之承授人(除本公司董事以外)，於二零零四年、二零零五年及二零零六年十一月四日或之前，最多可分別行使30%、60%及100%購股權。



29. SHARE OPTION SCHEME (continued)

The share options for subscribing for 5,000,000 shares granted on 5 January 2004 shall be exercisable for a period of five years commencing on 5 January 2004 pursuant to a letter agreement dated 4 January 2006 and entered into between the Company and Mr. Lee Kwok Ming in respect of his re-designation as consultant of the Company following his resignation as a director of the Company on 5 January 2006.

The share options granted on 1 June 2004 shall be exercisable up to 30%, 60% and 100% on or before 31 May 2005, 2006 and 2007, respectively, by the grantees.

The share options granted on 14 October 2004 shall be exercisable up to 30%, 60% and 100% on or before 13 October 2005, 2006 and 2007, respectively, by the grantees.

The share options granted on 28 October 2004 shall be exercisable as to 2,000,000 share options on execution of the marketing service agreement dated 28 October 2004 and entered into between the Company and the grantee, and as to 4,000,000 share options on completion of the marketing services provided by the grantee.

30. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 39 of the financial statements.

The share premium account of the Group mainly includes: (i) shares issued at a premium; and (ii) the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the reorganisation scheme (the "Group Reorganisation") in preparation for the public listing of the Company's shares on the GEM of the Stock Exchange over the nominal value of the share capital of the Company issued in exchange therefor.

The Group's capital reserve represented the amount of retained earnings of Vitop China applied for the increase in its registered and paid-up capital.

29. 購股權計劃 (續)

根據本公司與李國明先生於二零零六年一月四日訂立之函件協議 (內容有關李國明先生於二零零六年一月五日辭任本公司董事後轉任為本公司顧問)，於二零零四年一月五日授出可認購 5,000,000 股股份之購股權自二零零四年一月五日起計，行使期為五年。

於二零零四年六月一日獲授予購股權之承授人，於二零零五年、二零零六年及二零零七年五月三十一日或之前，最多可分別行使 30%、60% 及 100% 購股權。

於二零零四年十月十四日獲授予購股權之承授人，於二零零五年、二零零六年及二零零七年十月十三日或之前，最多可分別行使 30%、60% 及 100% 購股權。

於二零零四年十月二十八日獲授予購股權之承授人，可於與本公司簽署訂立日期為二零零四年十月二十八日之營銷服務協議後，行使其中 2,000,000 份購股權，另外 4,000,000 份購股權於承授人完成提供營銷服務後行使。

30. 儲備

本集團

本集團於本年度及過往年度之儲備數額及有關變動載於財務報表第 39 頁之綜合權益變動表內。

本集團股份溢價賬主要包括：(i) 以溢價發行之股份；及 (ii) 根據為籌備本公司股份在聯交所創業板公開上市之重組計劃 (「集團重組」)，所收購附屬公司之股本面值與用作交換之本公司已發行股本面值之差額。

本集團之資本儲備指用作增加天年中國註冊及已繳資本之天年中國保留溢利金額。



30. RESERVES (continued)

Group (continued)

In accordance with the relevant PRC regulations applicable to WOFEs, Vitop China and Shanghai Heng Fai, being the wholly-owned subsidiaries of the Company, are required to transfer 10% of their profit after tax, if any, to the statutory reserve until the balance of the fund reach 50% of their respective registered capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve may be used to offset against their respective accumulated losses.

Company

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained profits/ (Accumulated losses) 滾存溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2004	於二零零四年七月一日	53,296	29	1,232	54,557
Issue of new shares	發行新股份	1,045	-	-	1,045
Share options exercised	行使購股權	16	-	-	16
2004 final dividend for new shares subscribed	二零零四年度新認購股份末期股息	-	-	(19)	(19)
Net loss for the year – Total recognised income and expense for the year	本年度虧損淨額 – 本年度已確認收入及開支總額	-	-	(5,819)	(5,819)
Proposed final 2005 dividend	擬派二零零五年度末期股息	(4,910)	-	-	(4,910)
At 30 June 2005 and 1 July 2005	於二零零五年六月三十日及二零零五年七月一日	49,447	29	(4,606)	44,870
New shares issued as scrip dividend	以股代息發行之新股份	2,635	-	-	2,635
Net loss for the year – Total recognised income and expense for the year	本年度虧損淨額 – 本年度已確認收入及開支總額	-	-	(11,930)	(11,930)
At 30 June 2006	於二零零六年六月三十日	52,082	29	(16,536)	35,575

30. 儲備 (續)

本集團 (續)

按照有關適用於外商獨資企業之中國規例，本公司全資附屬公司天年中國及上海巨輝須轉撥其除稅後溢利(如有)10%至法定儲備，直至基金結餘達至彼等各自之註冊資本之50%。根據有關中國規例所載之若干限制，法定儲備可用作抵銷彼等各自之累計虧損。

本公司

	Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained profits/ (Accumulated losses) 滾存溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
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30. RESERVES (continued)

Company (continued)

The share premium account of the Company mainly includes: (i) shares issued at a premium; and (ii) the difference between the nominal value of the share capital of the Company issued in exchange for the issued share capital of the subsidiaries and the value of the underlying net assets of the subsidiaries acquired pursuant to the Group Reorganisation. Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company 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.

31. BUSINESS COMBINATIONS

- (a) On 1 February 2006, Vitop International Limited ("VIL") became the wholly owned subsidiary of the Company following the acquisition of the remaining 89% equity interest in VIL by the Group at that date. VIL is an investment holding company which held 100% equity interest in Zhuhai Vitop Daily Articles Co., Ltd., which is principally engaged in trading of cosmetic and other healthcare products in the PRC.

30. 儲備 (續)

本公司 (續)

本公司股份溢價賬主要包括：(i)以溢價發行之股份；及(ii)根據集團重組，以用作交換附屬公司已發行股本之本公司股本面值與所收購附屬公司相關資產淨值之差額。根據開曼群島公司法第22章（一九六一年第三本，經綜合及修訂），只要在緊隨建議派發股息之日期後，本公司將有能力償還在日常業務過程中到期之債務，則股份溢價賬乃為可分派予本公司股東。

31. 業務合併

- (a) 於二零零六年二月一日，本集團於當日收購Vitop International Limited (「VIL」) 之餘下89%股本權益後，VIL成為本公司之全資附屬公司。VIL乃一間投資控股公司，持有Zhuhai Vitop Daily Articles Co., Ltd. 之100%股本權益，主要於中國從事化妝品及其他保健產品之銷售。



31. BUSINESS COMBINATIONS (continued)

(a) (continued)

The consolidated assets and liabilities of VIL arising from the acquisition are as follows:

		Fair value 公平值 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	586	586
Cash and bank balances	現金及銀行結存	191	191
Inventories	存貨	1,441	1,441
Deposits, prepayments and other receivables	訂金、預付款項及其他應收賬款	449	449
Trade payables	貿易應付賬款		
Accrued liabilities and other payables	應計負債及其他應付賬款	(647)	(647)
		<u>(2,020)</u>	<u>(2,020)</u>
Net assets acquired	購入之資產淨值	<u>-</u>	
Satisfied by:	支付方式為：		
Cash consideration	現金代價	3,124	
Waiver of amount due from a former equity holder of VIL	豁免應收VIL之一名前權益持有人之款項	(3,124)	
		<u>-</u>	

An analysis of the net inflow of cash and cash equivalents in respect of the acquisition is as follows:

		HK\$'000 千港元
Cash consideration, net	現金代價，淨額	-
Bank and cash balances acquired	購入之銀行及現金結存	191
Net inflow	流入淨額	<u>191</u>

Since its acquisition, VIL contributed revenue of HK\$nil and net loss of HK\$1,149,000 to the Group.

Had the combination taken place at 1 July 2005, the revenue and the net loss of the Group for the year ended 30 June 2006 would have been HK\$99,988,000 and HK\$39,920,000 respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operations of the Group that actually would have been achieved had the acquisition been completed on 1 July 2005, nor are they intended to be a projection of future results.

31. 業務合併 (續)

(a) (續)

因該收購而產生之VIL綜合資產及負債如下：

	Fair value 公平值 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
Property, plant and equipment	586	586
Cash and bank balances	191	191
Inventories	1,441	1,441
Deposits, prepayments and other receivables	449	449
Trade payables		
Accrued liabilities and other payables	(647)	(647)
	<u>(2,020)</u>	<u>(2,020)</u>
Net assets acquired	<u>-</u>	
Satisfied by:		
Cash consideration	3,124	
Waiver of amount due from a former equity holder of VIL	(3,124)	
	<u>-</u>	

有關該收購之現金及現金等價物流入淨額分析如下：

	HK\$'000 千港元
Cash consideration, net	-
Bank and cash balances acquired	191
Net inflow	<u>191</u>

自其收購以來，VIL為本集團帶來收益零港元及虧損淨額1,149,000港元。

倘於二零零五年七月一日進行合併，則本集團截至二零零六年六月三十日止年度之收益及虧損淨額應分別為99,988,000港元及39,920,000港元。該等備考資料僅供說明之用，並不必然表示倘收購已於二零零五年七月一日完成，本集團之經營業務將會取得之實際收益及業績，亦不擬作為未來業績之預測。



32. ACQUISITION OF THE REMAINING 30% EQUITY INTEREST OF A SUBSIDIARY

Pursuant to an agreement dated 4 January 2006, the Group acquired the remaining 30% equity interest in 珠海天年杜克生物科技有限公司 (“Vitop Dokey”) (the “30% Acquisition”), a subsidiary of the Company, from a former equity holder of Vitop Dokey, for a cash consideration of RMB300,000 (equivalent to approximately HK\$286,000). The 30% Acquisition was subsequently completed on 18 January 2006. The cash consideration represented the amount of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities.

33. OPERATING LEASE COMMITMENTS

The Group leases certain of its offices, factory and machinery and equipment under non-cancellable operating lease arrangements with lease terms ranging from one to five years.

As at 30 June 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within one year	一年內
In the second to fifth years	第二至第五年

The Company did not have any significant operating lease arrangements as at the balance sheet date (2005: Nil).

34. CONTINGENT LIABILITIES

The Group’s bank loan facility amounting to HK\$5,000,000 (2005: HK\$5,000,000) is supported by a corporate guarantee executed by the Company.

Save as disclosed above, neither the Group nor the Company had any significant contingent liabilities at the balance sheet date.

32. 收購一間附屬公司餘下之30%股本權益

根據一份於二零零六年一月四日訂立之協議，本集團以現金代價人民幣300,000元(約相等於286,000港元)，從本公司附屬公司珠海天年杜克生物科技有限公司(「天年杜克」)之一名前權益持有人收購於天年杜克餘下之30%股本權益(「收購30%股本權益事項」)。收購30%股本權益事項其後於二零零六年一月十八日完成。現金代價指收購方應佔獲收購公司之可識別資產、負債及或然負債之公平淨值之權益之款額。

33. 經營租賃承擔

本集團根據不可撤銷經營租賃安排租賃其若干寫字樓、工廠及機器及設備，年期介乎一至五年。

於二零零六年六月三十日，不可撤銷經營租約之應付未來最低租金總額如下：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	1,829	3,430
In the second to fifth years	第二至第五年	1,719	5,525
		3,548	8,955

本公司於結算日並無任何重大經營租約安排(二零零五年：無)。

34. 或然負債

本集團銀行貸款額度金額為5,000,000港元(二零零五年：5,000,000港元)，由本公司提供之公司擔保支持。

除上述披露者外，於結算日，本集團或本公司並無任何重大或然負債。



35. CAPITAL COMMITMENTS

As at 30 June 2006, the Group and the Company had outstanding capital commitments in respect of the capital injection to Vitop OSG, a jointly controlled entity of the Group, of approximately HK\$2,857,000 (2005: HK\$2,943,000) which have been contracted but not provided for in the financial statements.

36. OTHER COMMITMENTS

Commitments in respect of:

- property, plant and equipment contracted, but not provided for
- others

有關下列項目之承擔：

- 已訂約但未撥備之物業、廠房及設備
- 其他

The Company did not have any significant other commitments as at the balance sheet date (2005: Nil).

37. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

Major non-cash transactions

Save as those disclosed elsewhere in the financial statements, the Group had the following major non-cash transaction:

- (a) During the year ended 30 June 2006, a total of 16,619,356 shares were issued under the scrip dividend scheme of the Company for the payment of 2005 final dividend.

35. 資本承擔

於二零零六年六月三十日，本集團及本公司擁有就向本集團共同控制實體天年三愛注資之未償資本承擔約為2,857,000港元（二零零五年：2,943,000港元），有關承擔已經訂約，但未於財務報表撥備。

36. 其他承擔

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		1,751	2,336
		952	1,300
		<u>2,703</u>	<u>3,636</u>

本公司於結算日並無任何其他重大承擔（二零零五年：無）。

37. 綜合現金流量表附註

主要非現金交易

除於財務報表所披露者外，本集團尚有以下主要非現金交易：

- (a) 截至二零零六年六月三十日止年度，根據本公司之以股代息計劃合共發行16,619,356股股份以派付二零零五年末期股息。



NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these financial statements, the Group had the following material transactions with certain related parties:

(a)

	Notes 附註
Rental expenses to	付予以下人士之 租金開支
– a minority equity holder of a subsidiary of the Company	– 本公司附屬 公司之少數 權益持有人 (i)
– a related company	– 關連公司 (ii)
Purchase of goods from the joint venture partner of the jointly controlled entity of the Group	自本集團共同 控制實體之合營 企業夥伴採購 貨品 (i)
Purchases from a jointly controlled entity	自共同控制 實體採購 (i)

Notes:

- (i) The Group's transactions with a minority equity holder of a subsidiary of the Company, the Group's jointly controlled entity and the joint venture partner of the Group's jointly controlled entity were made in accordance with the mutually agreed terms.
- (ii) The rental expenses were incurred to China Excel Professional Advisors Limited, in which Mr. Chan Yuk Tong, an executive director of the Company, is director and equity holder. The lease period is from 1 January 2006 to 17 May 2007 and the monthly rent is HK\$25,000.

(b) Compensation of key management personnel of the Group:

38. 關連人士交易

除於財務報表所披露者外，本集團與若干關連人士進行下列重大交易：

(a)

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Rental expenses to	付予以下人士之 租金開支		
– a minority equity holder of a subsidiary of the Company	– 本公司附屬 公司之少數 權益持有人 (i)	480	471
– a related company	– 關連公司 (ii)	150	–
Purchase of goods from the joint venture partner of the jointly controlled entity of the Group	自本集團共同 控制實體之合營 企業夥伴採購 貨品 (i)	14,714	17,720
Purchases from a jointly controlled entity	自共同控制 實體採購 (i)	2,691	5,114

附註：

- (i) 本集團與本公司附屬公司之少數權益持有人、本集團共同控制實體及本集團共同控制實體之合營企業夥伴之交易乃按照各方協定之條款進行。
- (ii) 所產生之租金開支乃支付予華傑專案諮詢有限公司，本公司執行董事陳育棠先生為其董事及權益持有人。租期自二零零六年一月一日至二零零七年五月十七日，每月租金為25,000港元。

(b) 本集團主要管理人員之薪酬：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total remuneration of directors and other members of key management during the year	年內董事及其他主要 管理人員之薪酬總額		
– Short term employee benefits	– 短期僱員福利	5,919	8,193
– Pension scheme contributions	– 退休金計劃供款	123	125
		6,042	8,318

39. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates and currency exchange rates. Generally, the Group employs a conservative strategy regarding its risk management.

(a) Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet or in the notes to the financial statements. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Group's bank deposits are mainly deposited with banks in Hong Kong and the PRC.

The Group has little concentration of credit risk due to its relatively large customer base. The Group performs ongoing credit evaluation of its customers' financial positions. Provision for impairment is based upon a review of the expected collectibility of all receivables.

(b) Foreign currency risk

The Group is mainly exposed to foreign exchange risk arising from the exposure of RMB against Hong Kong dollar. The Group does not hedge its foreign currency risks, as the management of the Group does not expect any significant movements in the exchange rate between RMB and Hong Kong Dollar.

(c) Interest rate risk

The Group has exposure to interest rate risk arising from its bank loans and structured notes with embedded derivatives. The impact of interest rate fluctuations is insignificant during the year. The Group currently does not have an interest rate hedging policy. However, the management monitors the related interest rate exposure closely and will consider to use hedging policy if the need arise.

(d) Fair values

The fair values of the Group's current financial assets and liabilities are not materially different from their carrying amount because of the immediate or short term maturity. The fair values of non-current liabilities were not disclosed because the carrying values were not materially different from their fair values.

40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements on pages 33 to 95 were approved and authorised for issue by the board of directors on 20 October 2006.

39. 風險管理目標及政策

本集團並無書面風險管理政策及指引。然而，董事會定期舉行會議，分析及制定措施以管理本集團所面對之市場風險，主要包括利率變動及匯率變動。一般而言，本集團就其風險管理推行保守策略。

(a) 信貸風險

一般而言，財務資產所承受之最大信貸風險為於資產負債表或財務報表附註內列示之財務資產賬面值。因此，信貸風險僅會在最大潛在虧損與財務資產之賬面值有重大出入之情況下予以披露。

本集團之銀行存款主要存入香港及中國之銀行。

由於本集團擁有相對廣泛之客戶基礎，故本集團之集中信貸風險甚微。本集團會對其客戶之財政狀況進行持續信貸評估。減值撥備乃根據所有應收賬款預計收回程度之檢討情況計算。

(b) 外幣風險

本集團主要承受人民幣兌港元之匯率所產生之外匯風險。由於本集團之管理層預期人民幣與港元之匯率不會有任何重大變動，故本集團並無對沖其外匯風險。

(c) 利率風險

本集團承受其銀行貸款及具隱藏衍生工具之結構式票據所產生之利率風險。本年度利率變動之影響甚微。本集團目前並無利率對沖政策。然而，管理層會嚴密監察相關利率風險，並會考慮在必要時使用對沖策略。

(d) 公平值

本集團流動財務資產及負債分為即時或短期，故其公平值與賬面值並無重大差異。由於非流動負債賬面值與公平值並無重大差異，故並無披露其公平值。

40. 批准財務報表

第33至95頁之財務報表已於二零零六年十月二十日獲董事會批准及授權刊發。

