

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 1. GENERAL

The Company was incorporated in Cayman Islands on 29 June 2001 as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company and immediate holding company are Knightcote Enterprises Limited and Efficient Market Investments Limited respectively, and both were incorporated in British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The Company acts as an investment holding company. The Group is principally engaged in (a) manufacturing and selling of skin care, beauty and aromatherapeutic products and (b) provision of skin treatments, beauty and spa services and skin care consulting and beauty training. The principal activities of its subsidiaries are set out in note 39 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs had no material effect on how the results and financial positions for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

### 1. 一般資料

本公司於二零零一年六月二十九日在開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之最終控股公司及直接控股公司分別為Knightcote Enterprises Limited及Efficient Market Investments Limited，兩間公司均於英屬維爾京群島註冊成立。本公司之註冊辦事處及主要營業地點之地址於年報緒言中披露。

本公司為投資控股公司。本集團主要從事(a)製造及銷售護膚、美容及香薰產品及(b)提供肌膚護理、美容及spa服務以及肌膚護理顧問及美容培訓服務，其附屬公司之主要業務載於綜合財務報表附註39。

綜合財務報表以港元呈列，與本公司之功能貨幣相同。

### 2. 應用新訂及修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團首次應用香港會計師公會頒佈於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效之多項新準則、修訂及詮釋（「新香港財務報告準則」）。採納新香港財務報告準則對已編製及呈列本會計期間或過往會計期間之業績並無造成重大影響。因此，毋須作出前期調整。

**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations, except HKFRS 8, will have no material impact on how the results and the financial position of the Group are prepared and presented. The directors are not yet in a position to determine whether HKFRS 8 would have a significant impact on how its results of operations and financial position are prepared and presented.

HKAS 1 (Amendment)  
香港會計準則第1號(修訂本)  
HKFRS 7  
香港財務報告準則第7號  
HKFRS 8  
香港財務報告準則第8號  
HK(IFRIC) – Int 7

香港(國際財務報告詮釋委員會)詮釋第7號

HK(IFRIC) – Int 8  
香港(國際財務報告詮釋委員會)詮釋第8號  
HK(IFRIC) – Int 9  
香港(國際財務報告詮釋委員會)詮釋第9號  
HK(IFRIC) – Int 10  
香港(國際財務報告詮釋委員會)詮釋第10號  
HK(IFRIC) – Int 11  
香港(國際財務報告詮釋委員會)詮釋第11號  
HK(IFRIC) – Int 12  
香港(國際財務報告詮釋委員會)詮釋第12號

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2007
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2009
- <sup>3</sup> Effective for annual periods beginning on or after 1 March 2006
- <sup>4</sup> Effective for annual periods beginning on or after 1 May 2006
- <sup>5</sup> Effective for annual periods beginning on or after 1 June 2006
- <sup>6</sup> Effective for annual periods beginning on or after 1 November 2006
- <sup>7</sup> Effective for annual periods beginning on or after 1 March 2007
- <sup>8</sup> Effective for annual periods beginning on or after 1 January 2008

**2. 應用新訂及修訂香港財務報告準則(「香港財務報告準則」)(續)**

本集團並無提早應用以下已頒佈但尚未生效的新準則、修訂及詮釋。本公司董事預期採納該等準則、修訂及詮釋對本集團業績及財務狀況的編製及呈列方法並無重大影響，惟香港財務報告準則第8號則除外。董事尚未能確定香港財務報告準則第8號會否對本集團營運業績及財務狀況的編製及呈列方法造成重大影響。

Capital disclosures<sup>1</sup>  
資本披露<sup>1</sup>  
Financial instruments: Disclosures<sup>1</sup>  
金融工具：披露<sup>1</sup>  
Operating Segments<sup>2</sup>  
營運分部<sup>2</sup>  
Applying the restatement approach under HKAS29  
Financial Reporting in Hyperinflationary  
Economies<sup>3</sup>  
根據香港會計準則第29號惡性通貨膨脹經濟之財務  
報告應用重列法<sup>3</sup>  
Scope of HKFRS 2<sup>4</sup>  
香港財務報告準則第2號之範圍<sup>4</sup>  
Reassessment of embedded derivatives<sup>5</sup>  
重估內含衍生工具<sup>5</sup>  
Interim financial reporting and impairment<sup>6</sup>  
中期財務報告及減值<sup>6</sup>  
HKFRS 2 – Group and Treasury Share Transactions<sup>7</sup>  
香港財務報告準則第2號 – 本集團及庫存股份交易<sup>7</sup>  
Service Concession Arrangements<sup>8</sup>  
服務經營權安排<sup>8</sup>

- <sup>1</sup> 於二零零七年一月一日或之後開始之年度期間生效
- <sup>2</sup> 於二零零九年一月一日或之後開始之年度期間生效
- <sup>3</sup> 於二零零六年三月一日或之後開始之年度期間生效
- <sup>4</sup> 於二零零六年五月一日或之後開始之年度期間生效
- <sup>5</sup> 於二零零六年六月一日或之後開始之年度期間生效
- <sup>6</sup> 於二零零六年十一月一日或之後開始之年度期間生效
- <sup>7</sup> 於二零零七年三月一日或之後開始之年度期間生效
- <sup>8</sup> 於二零零八年一月一日或之後開始之年度期間生效

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**3. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and financial instruments which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the consolidation. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

**3. 主要會計政策**

除投資物業及金融工具按公平值計量之外，綜合財務報表乃按照歷史成本基準編製，詳情於下列會計政策闡釋。

綜合財務報表已按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例所規定適用披露。

**綜合基準**

綜合財務報表包括本公司及受本公司控制之實體(其附屬公司)之財務報表。倘本公司有權規管實體之財務及營運政策，從而自該實體業務獲益，則構成控制權。

年內所收購或出售之附屬公司之業績，由實際收購日期起或截至實際出售日期止(視適用情況而定)計入綜合收益表。

如需要，將會就附屬公司財務報表作出調整，致使其會計政策與本集團其他成員公司所用者貫徹一致。

所有集團內公司間交易、結餘、收入及開支於綜合賬目時對銷。

綜合入賬附屬公司之淨資產中少數股東權益與本集團之權益分開呈列。少數股東權益包括該等權益於原業務合併日期金額及自合併日期以來少數股東應佔權益變動之金額。少數股東應佔虧損超出少數股東於附屬公司應佔權益之差額，將計入本集團權益，惟少數股東有具約束力責任且有能力作出額外投資以填補虧損則除外。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Additional interests in subsidiaries are measured at the carrying amounts of identified assets and liabilities of the subsidiary and any excess of the consideration over the cost of net assets acquired are accounted for as goodwill.

#### Goodwill

*Goodwill arising on acquisitions prior to 1 January 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

### 3. 主要會計政策(續)

#### 業務合併

收購附屬公司以收購法入賬。收購成本按所給予資產、所產生或承擔負債以及本集團就交換收購對象控制權所發行股本工具於交換日期公平值總額，加業務合併任何直接應佔成本計量。倘收購對象之可資識別資產、負債及或然負債符合香港財務報告準則第3號業務合併之確認條件，於收購日期按公平值確認。

收購產生之商譽確認為資產負債，初步按成本確認，即業務合併成本超出本集團於已確認可資識別資產、負債及或然負債公平淨值權益之差額。倘於重新評估後，本集團於收購對象可資識別資產、負債及或然負債公平淨值權益超出業務合併成本，差額即時於損益確認。

少數股東於收購對象之權益，初步按少數股東佔已確認資產、負債及或然負債公平淨值之比例計量。

於附屬公司之額外權益按附屬公司已識別資產及負債賬面款額計量，代價超出購入資產淨值成本差額計入商譽。

#### 商譽

*於二零零五年一月一日前進行收購所產生商譽*

收購附屬公司所產生商譽(協議日期為二零零五年一月一日前)，指收購成本超出於收購日期本集團應佔有關附屬公司之可識別資產與負債公平值權益之差額。

**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Goodwill** (Continued)

*Goodwill arising on acquisitions prior to 1 January 2005*  
(Continued)

Previously capitalised goodwill arising on acquisitions of subsidiaries after 1 January 2001 is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

*Goodwill arising on acquisitions on or after 1 January 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

**3. 主要會計政策(續)**

**商譽(續)**

於二零零五年一月一日前進行收購所產生商譽(續)

就先前已撥充資本之二零零一年一月一日後進行收購所產生商譽而言，將每年及當有跡象顯示商譽相關現金產生單位可能出現減值時檢測減值(見下列會計政策)。

於二零零五年一月一日或之後進行收購所產生商譽

收購附屬公司所產生商譽(協議日期為二零零五年一月一日或之後)，指收購成本超出於收購日期本集團應佔有關附屬公司之可識別資產、負債及或然負債公平值權益之差額。有關商譽按成本減任何累計減值虧損列賬。

已撥充資本之收購附屬公司所產生商譽，於資產負債表獨立呈列。

就減值檢測而言，收購所產生商譽分配至預期受惠於收購所產生協同效益之有關現金產生單位或一組現金產生單位。獲分配商譽之現金產生單位會每年及當有跡象顯示該單位可能出現減值時檢測減值。就因收購產生商譽之財政年度而言，獲分配商譽之現金產生單位會於該財政年度結束前檢測減值。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽減值虧損直接於綜合收益表確認。商譽減值虧損不會於往後期間撥回。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Goodwill (Continued)

*Goodwill arising on acquisitions on or after  
1 January 2005 (Continued)*

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

#### Interest in associate

An associate in an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of the associate is incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

#### Joint ventures

*Jointly controlled entities*

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

### 3. 主要會計政策(續)

#### 商譽(續)

於二零零五年一月一日或之後進行收購所產生商譽(續)

倘往後出售附屬公司，於釐定出售所得損益時會包括已撥充資本商譽應佔金額。

#### 於聯營公司之權益

聯營公司為投資者對其具重大影響力而並非屬其附屬公司或於合營企業之權益的實體。

聯營公司之業績及資產與負債以權益會計法計入此等綜合財務報表。根據權益法，於聯營公司之投資按成本，並就本集團應佔聯營公司資產淨值之收購後變動作出調整，再減任何已識別減值虧損計入綜合資產負債表。當本集團應佔聯營公司虧損相等於或超出其於該聯營公司權益(包括任實質上構成本集團於該聯營公司之投資淨額之任何長期權益)時，本集團終止確認進一步應佔虧損。僅在本集團承擔法定或推定責任或代表該聯營公司付款之情況下，方就額外應佔虧損撥備並確認負債。

倘集團實體與本集團聯營公司進行交易，溢利及虧損將與本集團於有關聯營公司之權益對銷。

#### 合營企業

*共同控制實體*

倘合營安排涉及設立獨立實體且合營各方對實體經濟活動擁有共同控制權，則稱為共同控制實體。



**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Joint ventures** (Continued)

*Jointly controlled entities* (Continued)

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Service income is recognised when services are provided. Payments that are related to service not yet rendered are deferred and shown as deferred income in consolidated balance sheet.

Entrustment fees arising from entrusting the Group's businesses to third party operators are recognised in the consolidated income statement in equal instalments over the entrustment periods.

**3. 主要會計政策(續)**

**合營企業(續)**

*共同控制實體(續)*

共同控制實體業績、資產及負債以權益會計法，納入綜合財務報表。根據權益法，於共同控制實體之投資，按成本於綜合資產負債表列賬，經本集團於共同控制實體之資產淨值的收購後變動調整。倘本集團分佔共同控制實體虧損等於或超出於該共同控制實體之權益（包括任何實際上構成本集團於該共同控制實體投資淨額其中部分之長期權益），本集團終止確認分佔的進一步虧損。就分佔的任何額外虧損計提撥備，惟於本集團已產生法定或推定責任或代表共同控制實體情況下，始確認負債。

倘集團實體與本集團共同控制實體進行交易，未變現溢利或虧損按本集團於共同控制實體之權益對銷，惟倘未變現虧損能證實資產減值已轉讓，則全數確認虧損。

**收入確認**

收入按已收或應收代價公平值計量，即就於日常業務中提供貨品及服務應收款額，扣除折扣及銷售相關稅項。

銷售貨品於貨品付運及擁有權轉移時確認。

服務收入於提供服務時確認。尚未提供服務相關付款遞延入賬，於綜合資產負債表列作遞延收入。

本集團委託第三方經營者經營其業務所得委託經營收入，於委託經營期間分期按均等款額於綜合收益表確認。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (Continued)

Rental income under operating leases is recognised on a straight-line basis over the terms of the relevant leases.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account the estimated residual value, using the straight-line method.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

### 3. 主要會計政策(續)

#### 收入確認(續)

經營租賃項下租金收入於有關租賃期按直線基準確認。

來自金融資產之利息收入參考未償還本金及適用實際利率按時間比例計算。適用實際利率指在金融資產預期可使用年期實際折算估計未來現金收入至其賬面淨值之比率。

#### 不動產、廠場及設備

除在建工程外，不動產、廠場及設備按成本減日後累計折舊及累計減值虧損列賬。

除在建工程外，不動產、廠場及設備項目在其估計可使用年期及經計及其估計餘下價值，以直線法折舊，以撇銷其成本。

在建工程指就生產或自用興建中的不動產、廠場及設備。在建工程按成本減任何已確認減值虧損列賬。在建工程於完成及可作指定用途時，在適當不動產、廠場及設備類別分類。該等資產折舊按其他不動產的相同基準，於資產準備就緒作擬定用途時折舊。

不動產、廠場及設備項目於出售或預期不會自持續使用資產產生日後經濟利益時剔除確認。剔除確認資產所產生任何收益或虧損（按出售所得款項淨額與項目賬面值之間差額計算）於項目剔除確認之年度計入綜合收益表。



**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Investment properties**

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

**Operating lease**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

*The Group as lessor*

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

*The Group as lessee*

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

**3. 主要會計政策(續)**

**投資物業**

於初次確認時，投資物業按成本計量，包括任何直接應佔開支。於初次確認後，投資物業以公平值模式計量。投資物業公平值變動所產生收益或虧損，於產生期間計入損益。

投資物業於出售或永久不能使用或預期將不會自出售取得日後經濟利益時解除確認。解除確認資產所產生收益或虧損（按出售所得款項淨額與資產賬面值間差額計算），於解除確認年度計入綜合收益表。

**經營租賃**

租賃條款自承租人轉讓擁有權絕大部分風險及回報之租賃分類為融資租賃。所有其他租賃分類為經營租賃。

*本集團作為出租人*

來自經營租賃之租金收入於有關租賃期按直線基準在綜合收益表確認。

*本集團作為承租人*

根據經營租賃應付租金於有關租賃期按直線基準在損益扣除。訂立經營租賃時已收及應收作為獎勵之利益，於租賃期按直線基準扣減租金開支確認。

**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange reserve.

**3. 主要會計政策(續)**

**外幣**

編製集團旗下個別實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易，按交易日期之適用匯率折算為其功能貨幣(即該實體經營業務所在主要經濟環境之貨幣)入賬。於各結算日，以外幣列值之貨幣項目按該結算日之適用匯率重新換算。按公平值入賬之以外幣列值非貨幣項目，按釐定其公平值當日之適用匯率重新換算。按歷史成本計量之以外幣列值非貨幣項目，不予重新換算。

結算貨幣項目及換算貨幣項目產生的匯兌差額，於產生期間在損益確認。重新換算按公平值列賬非貨幣項目產生之匯兌差額，計入期間損益。

就綜合財務報表之呈列方式而言，本集團海外業務之資產與負債按於結算日適用之匯率換算為本集團之呈列貨幣(即港元)，而其收入及開支則按該年度之平均匯率換算，惟匯率於該期間大幅波動則除外，於此情況下，則按各交易日期適用之匯率換算。產生之匯兌差額(如有)確認為權益之獨立部分(匯兌儲備)。該等匯兌差額於出售海外業務期間之損益確認。

於二零零五年一月一日或之後收購海外業務所產生商譽及所收購可識別資產公平值變動，當作該海外業務之資產與負債處理，按於各結算日適用之匯率換算。所產生匯兌差額於匯兌儲備確認。

**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Government grants**

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are reported separately as other income.

**Retirement benefit costs**

Payments to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and to the People's Republic of China (the "PRC") municipal government retirement scheme, are charged as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses which exceed 10 per cent of the greater of the present value of the Group's pension obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

**3. 主要會計政策(續)**

**政府補助金**

政府補助金於有關成本相應期間確認為收入。有關開支項目之補助金，於該等開支計入綜合收益表相同期間確認，並獨立計入其他經營收益。

**退休福利成本**

香港強制性公積金計劃條例及中華人民共和國(「中國」)市政府退休計劃規定之強制性公積金付款，於僱員提供服務所獲取供款時作為開支。

就定額福利退休計劃而言，提供福利之成本採用預計單位給付成本法釐定，於每個結算日作出精算估值。精算收益及虧損倘超出本集團退休金責任現值及計劃資產公平值兩者之較高者10%，則於參與僱員之預期平均剩餘工作年期攤銷。倘福利已歸僱員所有，則即時確認過往服務成本，或於平均期間按直線法攤銷，直至經修訂福利歸僱員所有為止。

於綜合資產負債表確認之數額指定額福利責任之現值，經未確認精算收益及虧損以及未確認過往服務成本調整，並扣減計劃資產公平值。自此計算所得任何資產限於未確認精算虧損及過往服務成本，加日後計劃供款可用退款及扣減之現值。

**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

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

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

**3. 主要會計政策(續)**

**稅項**

所得稅指即期應付稅項及遞延稅項總和。

即期應付稅項按年內應課稅溢利計算。由於應課稅溢利不包括其他年度的應課稅或可扣稅收入或開支項目，亦不包括毋須課稅或不可扣稅之項目，故與綜合收益表所列純利不同。本集團即期稅項負債按於結算日已頒佈或實際上已頒佈稅率計算。

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之間差額確認，以資產負債表負債法列賬。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產於應課稅溢利可能用作扣減可扣減暫時差額時確認。倘商譽或初次確認不影響應課稅溢利或會計溢利之交易（業務合併除外）之其他資產及負債產生暫時差額，有關資產及負債不予確認。

遞延稅項資產之賬面金額於每個結算日審閱，於不再有足夠應課稅溢利可供恢復全部或部分資產時減少。

遞延稅項按預期適用於清償負債或變賣資產期間之稅率計算。遞延稅項於損益扣除或計入，惟倘遞延稅項與直接於權益扣除或計入之項目有關，則遞延稅項亦於權益中處理。

**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Intangible assets**

*Intangible assets acquired separately*

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

*Research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

*Impairment*

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

**3. 主要會計政策(續)**

**無形資產**

*購入無形資產*

獨立購入且有固定可用年期之無形資產，按成本減累計攤銷及任何累計減值虧損列賬。有固定可用年期之無形資產，於估計可用年期按直線基準攤銷。

剔除確認無形資產所產生收益或虧損，按出售所得款項淨額與資產賬面值之間差額，於剔除確認資產時在綜合收益表確認。

*研究及開發支出*

研究活動支出於產生期間確認為開支。

*減值*

有固定可用年期及尚未供使用的無形資產每年透過比較賬面款額與可收回款額檢測減值，不論有無蹟像顯示可能出現減值。倘預計資產應收回款額低於賬面款額，則資產賬面款額減至可收回款額。減值虧損即時確認為開支。

倘減值虧損其後撥回，資產賬面值增加至經修訂預計可收回款額，惟增加後的賬面款額不超逾過往年度並無確認減值虧損而原應釐定之賬面款額。

**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

**Financial instruments**

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

*Financial assets*

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss  
Financial assets at fair value through profit or loss comprises financial assets held for trading.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the year in which they arise.

**3. 主要會計政策(續)**

**存貨**

存貨以成本值及可變現淨值兩者之較低者入賬。成本乃根據加權平均成本法計算。

**金融工具**

當集團實體成為工具合約條文之訂約方，即於資產負債表確認金融資產及金融負債。金融資產及金融負債初次按公平值計量。收購或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）直接產生之交易成本，於初次確認時於金融資產及金融負債（按適用情況而定）之公平值計入或扣除。收購按公平值計入損益之金融資產及金融負債直接應佔交易成本，即時於損益確認。

*金融資產*

本集團之金融資產可分為三個類別，包括按公平值計入損益之金融資產、貸款及應收賬款以及可出售金融資產。金融資產一般買賣按交易日基準確認及剔除確認。一般買賣指於市場規定或慣例確立之期限內交付資產之金融資產購買或銷售。每類金融資產採納之會計政策載列如下。

按公平值計入損益之金融資產  
按公平值計入損益之金融資產包括持作買賣金融資產。

於初次確認後各結算日，按公平值計入損益之金融資產按公平價值計量，而其公平值變動於產生年度直接在損益確認。



**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Financial instruments** (Continued)

*Financial assets* (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables, including trade and other receivables and bank balances, are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investment.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

**3. 主要會計政策(續)**

**金融工具(續)**

**金融資產(續)**

貸款及應收賬款

貸款及應收賬款為附帶固定或待定付款之非衍生金融資產，且並無在活躍市場報價。於初次確認後各結算日，貸款及應收賬款（包括貿易及其他應收賬款以及銀行結存）採用實際利率法按攤銷成本，減任何已識別減值虧損列賬。倘有客觀證據證明資產出現減值，則於損益確認減值虧損，並按資產賬面值與按原實際利率折算之估計未來現金流量現值之間差額計量。當資產之可收回金額增加可客觀地與確認減值後發生之事件聯繫，則減值虧損於其後期間撥回，惟於撥回減值日期之資產賬面值不得超逾假設並無確認減值之原有攤銷成本。

可出售金融資產

可出售金融資產為並無指定或並無列作按公平值計入損益之金融資產、貸款及應收賬款或持至到期投資之非衍生項目。

於初次確認後各結算日，並無活躍市場報價且公平值未能可靠釐定之可出售股本投資按成本減任何已識別減值虧損計量。倘有客觀證據證明資產出現減值，則於損益表確認減值虧損。減值虧損金額按資產賬面值與按類似金融資產之現行市場回報率貼現估計未來現金流量現值之間差額計量。該等減值虧損將不會於其後期間撥回。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

The Group's financial liabilities are trade and other payables which fall within the category other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

##### Other financial liabilities

Other financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

##### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 金融負債及股本權益

由集團旗下實體發行之金融負債及股本工具，按所訂立合約安排性質以及金融負債及股本工具之定義分類。

股本工具為證明集團資產剩餘權益(經扣除其所有負債)之任何合約。

本集團之金融負債為屬於其他金融負債類別之貿易及其他應付賬款。就金融負債及股本工具而採納之會計政策載列如下。

##### 其他金融負債

其他金融負債包括貿易及其他應付賬款，其後採用實際利率法按攤銷成本計量。

##### 股本工具

由本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

##### 剔除確認

當自資產收取現金流量之權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將剔除確認。剔除確認金融資產時，資產賬面值與已收及應收代價及已直接於權益確認之累計損益總和之間差額，於損益確認。

金融負債則於有關合約訂明之責任獲解除、取消或屆滿時剔除確認。剔除確認之金融負債賬面款額與已付或應付代價之間差額，於損益確認。

**3. SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Impairment losses (other than goodwill)**

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

**4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimated impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2006, the carrying amount of goodwill is approximately HK\$23.2 million. Details of the recoverable amount calculation are set out in note 19.

**3. 主要會計政策(續)**

**減值虧損(商譽除外)**

本集團於每個結算日檢討其有形及無形資產之賬面值，以釐定該等資產有否出現減值虧損跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值將撇減至其可收回金額。減值虧損即時確認為開支。

倘減值虧損隨後撥回，資產賬面值將增至經修訂之估計可收回金額，惟因此而增加之賬面值不可超過假設往年並無就該資產確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入。

**4. 不確定估計之主要來源**

有重大風險導致下一財政年度資產及負債賬面款額重大調整之有關未來主要假設及於結算日之估計不確定因素主要來源，於下文討論。

**估計商譽減值**

釐定商譽是否減值需估計獲分配商譽之現金產生單位之使用價值。計算使用價值時，本集團需估計該現金產生單位預期日後產生現金流量，並估算合適折算率以計算現值。倘實際日後現金流量低於預期，則出現重大減值虧損。於二零零六年十二月三十一日，商譽賬面值約為23,200,000港元，收回金額詳情載於附註19。

## 5. FINANCIAL INSTRUMENTS

### 5a. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, bank balances and trade payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### *Market risk*

##### *Equity price risk*

The Group's held-for-trading investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

##### *Fair value interest rate risk*

The Group's fair value interest rate risk relates primarily to short-term bank deposits. The Directors consider the Group's exposure of the short term bank deposits to interest rate risk is not significant as interest bearing bank balances are within short maturity periods.

## 5. 金融工具

### 5a. 財務風險管理目標及政策

本集團主要金融工具包括股本投資、貿易應收賬款、銀行結餘及貿易應付賬款。此等金融工具之詳情於有關附註披露。與此等金融工具有關之風險及減低相關風險政策載於下文。管理層管理及監控該等風險，確保及時採取有效措施。

#### *市場風險*

##### *股本價格風險*

本集團持作買賣投資於各結算日按公平值計量。因此，本集團面對股本證券價格風險。管理層透過維持具有不同程度風險之投資組合管理此項風險。

##### *公平值利率風險*

本集團之公平值利率風險主要與短期銀行存款有關。董事認為，本集團之短期銀行存款利率風險並不重大，原因為計息銀行結餘之到期日短。

**5. FINANCIAL INSTRUMENTS (Continued)**

**5a. Financial risk management objectives and policies (Continued)**

*Credit risk*

As at 31 December 2006, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

At 31 December 2006, the five largest receivable balances accounted for approximately 37% of the trade receivables and the largest trade receivables attributable to the Group's trade receivables were approximately 15% of the Group's total trade receivables.

The Group's concentration of credit risk by geographical locations are mainly PRC other than Hong Kong and Taiwan, which accounted for 61% and 37% of the trade receivables as at 31 December 2006.

**5. 金融工具(續)**

**5a. 財務風險管理目標及政策(續)**

*信貸風險*

於二零零六年十二月三十一日，本集團就訂約方未能履行其責任而產生財務虧損之最高信貸風險乃源自綜合資產負債表列賬之各項已確認金融資產賬面值。為盡量減低信貸風險，本集團管理層已委任一組人員，專責釐定信貸限額、批核信貸及進行其他監控程序，確保跟進有關逾期債務之追討事宜。此外，本集團會於各結算日檢討個別貿易債務之可收回金額，確保就不可收回款項確認足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。

流動資金之信貸風險有限，原因為訂約方為具備國際信貸評級機構頒授高信貸評級之銀行。

於二零零六年十二月三十一日，五大應收賬款結餘約佔貿易應收賬款結餘37%，而最大應收賬款結餘約佔本集團貿易應收賬款結餘15%。

本集團按地區劃分之信貸風險集中於中國(香港除外)及台灣。於二零零六年十二月三十一日，分別佔貿易應收賬項應營業額61%及37%。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

5. FINANCIAL INSTRUMENTS (Continued)

5a. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on its operating cash flows as a significant source of liquidity.

5b. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

6. TURNOVER

Turnover represents (i) the net amounts received and receivables for goods sold by the Group to outside customers and is stated net of sales returns and allowances, (ii) service income from provision of skin treatments, beauty and SPA services and (iii) entrustment fee income for the year, and is analysed as follows:

Sales of goods	產品銷售
Service income	服務收入
Entrustment fee income	委託經營收益

5. 金融工具(續)

5a. 財務風險管理目標及政策(續)

流動資金風險

管理流動資金風險方面，本集團監控及維持管理層認為充裕之現金及現金等值物水平，以為本集團營運提供資金及減低現金流量波動影響。本集團依賴其經營現金流量提供主要流動資金來源。

5b. 公平值

金融資產及金融負債公平值按以下項目釐定：

- 附有標準條款及條件且於活躍流通市場買賣之金融資產公平值，分別按買入及賣出報價釐定；
- 其他金融資產及金融負債公平值，採用觀察所得現行市場交易價格，按貼現現金流量分析以普遍接納之定價模式釐定。

6. 營業額

營業額指(i)本年度本集團售予外界客戶之貨品已收及應收淨額，扣除銷售退貨及折扣後列賬；(ii)提供肌膚護理、美容及SPA服務之服務收入；及(iii)委託經營收益，分析如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
334,560	322,847
24,482	29,814
4,704	5,255
<b>363,746</b>	<b>357,916</b>



Notes to the Consolidated Financial Statements (Continued)  
 綜合財務報表附註(續)

**7. BUSINESS AND GEOGRAPHICAL SEGMENTS**

**Geographical segments**

The Group's operations are located in the PRC, Taiwan, Hong Kong and Malaysia.

An analysis of the Group's revenue and contribution to segment results and segment assets and liabilities by geographic segments based on customers location, irrespective of the origin of the goods/services, is presented below:

**7. 業務及地域分部**

**地域分部**

本集團之業務位於中國大陸、台灣、香港及馬來西亞。

本集團之收入、對分部業績的貢獻、分部資產及負債之地域分部(按客戶所在地、不論貨品/服務來源地)分析如下:

		<b>PRC</b> 中國大陸 <b>HK\$'000</b> 千港元	<b>Taiwan</b> 台灣 <b>HK\$'000</b> 千港元	<b>Others</b> 其他地區 <b>HK\$'000</b> 千港元	<b>Total</b> 總計 <b>HK\$'000</b> 千港元
<b>For the year ended</b>	<b>截至二零零六年</b>				
<b>31 December 2006</b>	<b>十二月三十一日</b>				
	<b>止年度</b>				
Turnover	營業額	<b>240,011</b>	<b>114,820</b>	<b>8,915</b>	<b>363,746</b>
Segment results	分部業績	<b>129,269</b>	<b>51,425</b>	<b>(3,774)</b>	<b>176,920</b>
Unallocated expenses	未撥配支出				<b>(9,087)</b>
Unallocated income	未撥配收益				<b>6,797</b>
Share of loss of an associate	應佔一家聯營公司虧損				<b>(172)</b>
Share of loss of a jointly controlled entity	應佔一家共同控制實體虧損				<b>(5)</b>
Profit before taxation	除稅前溢利				<b>174,453</b>
Income tax expense	所得稅開支				<b>(51,641)</b>
Profit for the year	年內溢利				<b>122,812</b>

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS 7. 業務及地域分部(續)  
(Continued)

Geographical segments (Continued)  
Consolidated balance sheet

地域分部(續)  
綜合資產負債表

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Segment assets	分部資產	309,616	273,694	5,824	589,134
Interest in an associate	於一家聯營公司之 權益	373	-	-	373
Interest in a jointly controlled entity	於一家共同控制 實體之權益	-	353	-	353
Unallocated assets	未撥配資產				407,800
Consolidated total assets	綜合總資產				997,660
Liabilities	負債				
Segment liabilities	分部負債	39,879	41,605	5,305	86,789
Unallocated liabilities	未撥配負債				31,700
Consolidated total liabilities	綜合總負債				118,489
Other information	其他資料				
Capital expenditure	資本開支	8,794	2,142	329	11,265
Depreciation of property, plant and equipment	不動產、廠場及 設備折舊	13,461	6,581	773	20,815
Release of prepaid lease payments	撥回自用土地租 賃款	239	-	-	239
Loss on disposal of property, plant and equipment	出售不動產、廠場 及設備虧損	139	-	462	601
Amortisation of intangible assets	無形資產攤銷	939	-	-	939
Allowance for obsolete inventories	陳舊存貨撥備	1,027	-	290	1,317
Impairment loss on trade receivables	貿易應收賬款 減值虧損	1,462	69	-	1,531

Notes to the Consolidated Financial Statements (Continued)  
 綜合財務報表附註(續)

**7. BUSINESS AND GEOGRAPHICAL SEGMENTS**      **7. 業務及地域分部(續)**  
 (Continued)

**Geographical segments** (Continued)

**地域分部(續)**

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2005	截至二零零五年 十二月三十一日 止年度				
Turnover	營業額	213,915	137,358	6,643	357,916
Segment results	分部業績	85,485	49,824	(14,768)	120,541
Unallocated expenses	未撥配支出				(6,496)
Unallocated income	未撥配收益				5,860
Share of loss of an associate	應佔一家聯營公司 虧損				(60)
Profit before taxation	除稅前溢利				119,845
Income tax expense	所得稅開支				(38,834)
Profit for the year	年內溢利				81,011

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS 7. 業務及地域分部(續)  
(Continued)

Geographical segments (Continued)  
Consolidated balance sheet

地域分部(續)  
綜合資產負債表

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Segment assets	分部資產	273,470	273,189	7,167	553,826
Interest in an associate	於一家聯營公司之權益	545	-	-	545
Unallocated assets	未撥配資產				383,099
Consolidated total assets	綜合總資產				937,470
Liabilities	負債				
Segment liabilities	分部負債	48,786	45,522	3,111	97,419
Unallocated liabilities	未撥配負債				19,754
Consolidated total liabilities	綜合總負債				117,173
Other information	其他資料				
Capital expenditure	資本開支	19,697	2,930	2,270	24,897
Depreciation of property, plant and equipment	不動產、廠場及設備虧損折舊	16,921	6,831	914	24,666
Impairment loss of goodwill	商譽減值虧損	3,192	-	-	3,192
Write off of intangible assets	無形資產撇銷	325	-	-	325
Release of prepaid lease payments	撥回自用土地租賃款	236	-	-	236
Loss on disposal of property, plant and equipment	出售不動產、廠場及設備虧損	1,678	-	2,203	3,881
Amortisation of intangible assets	無形資產攤銷	915	-	-	915
Allowance for obsolete inventories	陳舊存貨撥備	4,436	2,969	1,058	8,463
Impairment loss on trade receivables	貿易應收賬款減值虧損	793	43	2,475	3,311

**7. BUSINESS AND GEOGRAPHICAL SEGMENTS**  
 (Continued)

**Business segments**

For management purposes, the Group is currently organised into 2 operating divisions – (i) sale of cosmetic products and provision of beauty services and (ii) leasing of investment properties. In the opinion of the directors, the leasing of investment properties are not considered as the principal activity of the Group, and accordingly, the income from this segment is not included as turnover.

An analysis of the Group's turnover by business segments is presented below:

		Turnover 營業額		Other income 其他收益	
		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
Cosmetic products and beauty services	美容產品及美容服務	363,746	357,916	-	-
Investment properties	投資物業	-	-	6,492	10,303
Others	其他	-	-	40,831	32,832
		<b>363,746</b>	<b>357,916</b>	<b>47,323</b>	<b>43,135</b>

The following is an analysis of the carrying amount of segment assets and capital expenditure analysed by the business segments in which the assets are located:

		Carrying amount of segment assets 分部資產賬面值		Capital expenditure 資本開支	
		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
Cosmetic products and beauty services	美容產品及美容服務	426,906	394,173	11,265	24,897
Investment properties	投資物業	162,228	159,653	-	-
		<b>589,134</b>	<b>553,826</b>	<b>11,265</b>	<b>24,897</b>

**7. 業務及地域分部(續)**

**業務分部**

就管理目的而言，本集團現分為兩個營業部門 – (i) 銷售美容產品及提供美容服務以及(ii) 出租投資物業。董事認為，出租投資物業並不視為本集團主要業務，因此，此分部之收入不計入營業額內。

本集團營業額之業務分部分析如下：

就資產所在地進行之分部資產及資本開支之業務分部分析如下：

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

8. OTHER INCOME

8. 其他收益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Rental income from investment properties	來自投資物業之租金收益	6,172	5,826
Rental income from other properties	來自其他物業之租金收益	2,713	1,853
Interest income on bank deposits	銀行結存利息收益	4,321	3,297
Financial refunds (note)	財務退款(附註)	26,506	19,621
Increase in fair value of investment properties	投資物業公平值增加	320	4,477
Increase in fair value of held-for-trading investments	持作買賣投資公平值增加	2,476	2,563
Gain on acquisition of additional interest in a subsidiary	收購一家附屬公司額外權益之收益	-	2,709
Others	其他收益	4,815	2,789
		<b>47,323</b>	<b>43,135</b>

Note: Pursuant to the local practice of the finance bureau of the provinces in which certain of the PRC subsidiaries operate, the PRC subsidiaries will receive financial refunds in the form of government grants by way of negotiation with the relevant finance bureau with reference to the percentage of income and other taxes paid. These financial refunds are treated as tax exempted by such finance bureaus. However, the refunds and the tax exemption treatment thereof are subject to review annually. It is therefore uncertain if these subsidiaries will continue to be eligible for such financial refunds and the tax exemption treatment thereof in the future.

附註：根據中國大陸若干附屬公司經營所在地省分之財政部門的當地慣例，中國大陸附屬公司將於與有關財政部門商議後，按收益及其他已繳稅款某個百分比透過財務退款方式獲得政府補助。該等財務退款被當作為該等財政部門作出之稅項豁免。然而，有關退款及稅項豁免待遇須每年審閱。因此，不能確定該等附屬公司日後將繼續有權取得該等財務退款及稅項豁免待遇。



Notes to the Consolidated Financial Statements (Continued)  
 綜合財務報表附註(續)

9. PROFIT BEFORE TAXATION

9. 除稅前溢利

		<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利經扣除(計入)下列各項後列賬:		
Staff costs:	員工成本:		
– directors' emoluments (note 10)	– 董事酬金 (附註 10)	<b>2,744</b>	1,089
– other staff costs	– 其他員工成本	<b>52,347</b>	56,693
Retirement benefits scheme contributions, excluding directors:	退休福利計劃供款, 不包括董事之:		
– contributions to defined contribution plan	– 定額供款計劃供款	<b>5,161</b>	5,047
– expenses recognised in respect of defined benefit plan (note 29)	– 定額福利計劃之已確認開支 (附註 29)	<b>933</b>	944
Total staff costs	員工成本總額	<b>61,185</b>	63,773
Depreciation of property, plant and equipment	不動產、廠場及設備折舊	<b>20,815</b>	24,666
Amortisation of intangible assets, included in administrative expenses	無形資產攤銷, 包括於行政開支	<b>939</b>	915
Total depreciation and amortisation	折舊及攤銷總額	<b>21,754</b>	25,581
Release of prepaid lease payments	撥回自用土地租賃款	<b>239</b>	236
Impairment loss on goodwill	商譽減值虧損	–	3,192
Auditors' remuneration	核數師酬金	<b>2,862</b>	2,622
Loss on disposal of property, plant and equipment	出售不動產、廠場及設備虧損	<b>601</b>	3,881
Write off of intangible assets	無形資產撇銷	–	325
Research and development costs	研發成本	<b>1,996</b>	1,306
Allowance for obsolete inventories	陳舊存貨撥備	<b>1,317</b>	8,463
Cost of inventories recognised as expense	已確認為開支之存貨成本	<b>68,725</b>	73,309
Impairment loss on trade receivables	貿易應收賬款減值虧損	<b>1,531</b>	3,311
Exchange loss (gain)	匯兌虧損(收益)	<b>1,427</b>	(249)

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 7 (2005: 7) directors were as follows:

10. 董事酬金

已付或應付予七名(二零零五年:七名)董事之酬金如下:

		Dr. Tsai Yen Yu 蔡燕玉 博士	Mr. Lee Ming Ta 李明達 先生	Mr. Su Chien Cheng 蘇建誠 先生	Dr. Su Sh Hsyu 蘇詩琇 博士	Mr. Yeh Liang Fei 葉良輝 先生	Mrs. Chen Shieh Shu Chen 陳謝淑珍 女士	Mr. Chen Ching 譚清 先生	Total 2006 總計 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Fees	袍金	1,000	700	600	600	20	20	48	2,988
Other emoluments	其他酬金								
Salaries and other benefits	薪金及其他福利	14	325	291	564	-	-	-	1,194
Contributions to retirement benefits scheme	退休福利計劃供款	-	6	5	1	-	-	-	12
Waiver of fees	豁免袍金	(500)	(350)	(300)	(300)	-	-	-	(1,450)
Total emoluments	酬金總額	514	681	596	865	20	20	48	2,744

		Dr. Tsai Yen Yu 蔡燕玉 博士	Mr. Lee Ming Ta 李明達 先生	Mr. Su Chien Cheng 蘇建誠 先生	Dr. Su Sh Hsyu 蘇詩琇 博士	Mr. Yeh Liang Fei 葉良輝 先生	Mrs. Chen Shieh Shu Chen 陳謝淑珍 女士	Mr. Chen Ching 譚清 先生	Total 2005 總計 二零零五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Fees	袍金	1,000	700	600	600	20	20	48	2,988
Other emoluments	其他酬金								
Salaries and other benefits	薪金及其他福利	14	326	291	356	-	-	-	987
Contributions to retirement benefits scheme	退休福利計劃供款	-	6	6	2	-	-	-	14
Waiver of fees	豁免袍金	(1,000)	(700)	(600)	(600)	-	-	-	(2,900)
Total emoluments	酬金總額	14	332	297	358	20	20	48	1,089

For the year ended 31 December 2006, each of the executive directors voluntarily agreed to waive their entitlement to certain remuneration of approximately HK\$1.5 million (2005: HK\$2.9 million).

截至二零零六年十二月三十一日止年度，各執行董事自願同意豁免收取若干酬金約1,500,000港元(二零零五年:2,900,000港元)。

Notes to the Consolidated Financial Statements (Continued)  
 綜合財務報表附註(續)

**11. EMPLOYEES' EMOLUMENTS**

Of the five individuals with the highest emoluments in the Group, three (2005: two) as directors of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the remaining two (2005: three) individuals were as follows:

Salaries and other benefits	薪金及其他福利
Contributions to retirement benefits scheme	退休福利計劃供款

The emoluments of each of the employees are less than HK\$1,000,000 for both years.

**12. INCOME TAX EXPENSE**

The charge comprises:	支出包括：
Taxation in other jurisdictions	於其他司法權區之稅項
Current year	本年度
Underprovision in prior years	過往年度撥備不足
Deferred taxation (note 32)	遞延稅項 (附註 32)
Current year	本年度

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant laws and regulations in Taiwan, certain of the Group's Taiwan subsidiaries are eligible to certain tax concessions.

**11. 僱員酬金**

本集團五名最高薪酬人士包括三名(二零零五年:兩名)董事,彼等之酬金詳情已於上文附註10披露。其餘兩名(二零零五年:三名)人士之酬金如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
1,262	1,395
44	28
<b>1,306</b>	<b>1,423</b>

各名僱員於該兩個年度之酬金均少於1,000,000港元。

**12. 所得稅開支**

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
53,983	35,263
2,144	3,635
<b>56,127</b>	<b>38,898</b>
(4,486)	(64)
<b>51,641</b>	<b>38,834</b>

其他司法權區所產生稅項乃按各有關司法權區之現行稅率計算。

根據台灣有關法例及規例,本集團若干台灣附屬公司合資格享有若干稅務寬減。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

12. INCOME TAX EXPENSE (Continued)

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries have no assessable profit for both years.

The taxation charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

12. 所得稅開支(續)

由於本公司及其附屬公司在兩個年度均無應課稅溢利，故並無就香港利得稅作出撥備。

年內支出與綜合收益表內除稅前溢利對賬如下：

		<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>174,453</b>	119,845
Tax at domestic rates applicable to profits of taxable entities in the countries concerned	就應課稅實體於有關國家溢利，按當地稅率計算	<b>55,522</b>	38,710
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	<b>10,492</b>	8,093
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(10,273)</b>	(6,518)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>3,324</b>	5,039
Tax effect of tax concession provided to a Taiwan subsidiary	給予一家台灣附屬公司稅務寬減之稅務影響	<b>(9,631)</b>	(10,149)
Tax effect of share of loss of an associate	應佔一家聯營公司虧損之稅務影響	<b>62</b>	24
Tax effect of share of loss of a jointly controlled entity	應佔一家共同控制實體虧損之稅務影響	<b>1</b>	-
Underprovision in prior years	過往年度撥備不足	<b>2,144</b>	3,635
Taxation charge for the year	年內稅項支出	<b>51,641</b>	38,834

Note: As the Group operates in several different tax jurisdictions, separate reconciliations using the domestic tax rate in each individual tax jurisdiction have been aggregated and presented.

附註：由於本集團於多個不同稅務司法權區經營，以各個別稅務司法權區當地稅率作出之獨立對賬已合併並呈列。

Notes to the Consolidated Financial Statements (Continued)  
 綜合財務報表附註(續)

13. DIVIDENDS

Dividend recognised as distribution during the year:	年內確認作可分派之股利：
Interim dividend, paid – HK\$0.0140 per share (2005: HK\$0.0090)	已派發中期股利 – 每股 0.0140 港元 (二零零五年：0.0090 港元)
Special dividend, paid – HK\$0.0060 per share (2005: HK\$0.0040)	已派發特別股利 – 每股 0.0060 港元 (二零零五年：0.0040 港元)
Final dividend, paid – HK\$0.020 per share (2005: HK\$0.0175)	已派發末期股利 – 每股 0.020 港元 (二零零五年：0.0175 港元)

The final dividend of HK\$0.030 (2005: HK\$0.020) per share and a special dividend of HK\$0.0125 (2005: Nil) per share, amounting to approximately HK\$60,000,000 and HK\$25,000,000 respectively, have been proposed by the directors and is subject to approval by the shareholders in general meeting.

14. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the equity holders of the Company is based on the profit attributable to the equity holders of the Company of HK\$123,198,000 (2005: HK\$81,092,000) and on the number of 2,000,000,000 (2005: 2,000,000,000) ordinary shares of the Company in issue during the year.

No diluted earnings per share has been presented as the Company has no dilutive potential ordinary shares in issue.

13. 股利

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>28,000</b>	18,000
<b>12,000</b>	8,000
<b>40,000</b>	35,000
<b>80,000</b>	61,000

董事建議派付末期股利每股0.030港元(二零零五年:0.020港元)及特別股利每股0.0125港元(二零零五年:無),分別合共約60,000,000港元及25,000,000港元,惟須待股東於股東大會批准。

14. 每股盈利

本公司股東應佔每股基本盈利乃根據本公司股東應佔溢利123,198,000港元(二零零五年:81,092,000港元)及本公司年內已發行普通股數目2,000,000,000股(二零零五年:2,000,000,000股)計算。

由於本公司並無已發行具潛在攤薄影響普通股,故並無呈列每股攤薄盈利。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

15. INVESTMENT PROPERTIES

15. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2005	於二零零五年一月一日	160,459
Exchange realignment	匯兌調整	(5,283)
Increase in fair value recognised in the consolidated income statement	於綜合收益表確認之公平值增加	4,477
At 31 December 2005	於二零零五年十二月三十一日	159,653
Exchange realignment	匯兌調整	2,255
Increase in fair value recognised in the consolidated income statement	於綜合收益表確認之公平值增加	320
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>162,228</b>

The fair values of the Group's investment properties at 31 December 2006 have been arrived at on the basis of a valuation carried out on that date by Messrs. Vigers Landmart Taiwan Limited, independent qualified professional valuers not connected with the Group. Messrs. Vigers Landmart Taiwan Limited are members of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The carrying value of investment properties shown above are situated on freehold land outside Hong Kong.

本集團之投資物業於二零零六年十二月三十一日之公平值乃按與本集團並無關連之獨立合資格專業估值師Messrs. Vigers Landmart Taiwan Limited進行之估值為基準得出。Messrs. Vigers Landmart Taiwan Limited為估值師學會(Institute of Valuers)會員，具備合適資格，最近亦有評估相關地區類似物業之經驗。有關估值符合國際估值準則(International Valuation Standards)，乃經參考類似物業之交易價格市場證據得出。

本集團以經營租賃持有用作賺取租金或資本升值之物業權益，均以公平值模式計量，並分類為及列作投資物業。

以上投資物業賬面值包括於香港境外之永久業權土地。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

16. PROPERTY, PLANT AND EQUIPMENT

16. 不動產、廠場及設備

		Freehold land 永久業權 土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improve- ments 租賃改良 HK\$'000 千港元	Plant and machinery 廠場及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、裝置 及設備 HK\$'000 千港元	Construct- ion in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>		<b>成本</b>							
At 1 January 2005	於二零零五年一月一日	23,818	116,828	65,393	24,965	5,248	48,949	-	285,201
Exchange realignment	匯兌調整	-	883	334	504	61	(204)	-	1,578
Additions	增添	-	12,878	5,259	2,506	959	3,295	-	24,897
Disposals	出售	-	-	(12,360)	(1,504)	(518)	(5,085)	-	(19,467)
At 31 December 2005	於二零零五年 十二月三十一日	23,818	130,589	58,626	26,471	5,750	46,955	-	292,209
Exchange realignment	匯兌調整	336	4,135	1,598	992	(542)	1,841	12	8,372
Additions	增添	-	551	6,013	1,060	1,508	1,591	542	11,265
Disposals	出售	-	-	(5,784)	(471)	(596)	(625)	-	(7,476)
<b>At 31 December 2006</b>	於二零零六年 十二月三十一日	<b>24,154</b>	<b>135,275</b>	<b>60,453</b>	<b>28,052</b>	<b>6,120</b>	<b>49,762</b>	<b>554</b>	<b>304,370</b>
<b>DEPRECIATION</b>		<b>折舊</b>							
At 1 January 2005	於二零零五年一月一日	-	18,153	37,626	15,988	2,914	27,075	-	101,756
Exchange realignment	匯兌調整	-	17	247	384	56	(144)	-	560
Provided for the year	年內撥備	-	3,031	11,025	2,366	786	7,458	-	24,666
Eliminated on disposals	於出售時撇銷	-	-	(9,498)	(657)	(345)	(2,998)	-	(13,498)
At 31 December 2005	於二零零五年 十二月三十一日	-	21,201	39,400	18,081	3,411	31,391	-	113,484
Exchange realignment	匯兌調整	-	632	1,134	752	44	840	-	3,402
Provided for the year	年內撥備	-	3,120	8,918	2,188	675	5,914	-	20,815
Eliminated on disposals	於出售時撇銷	-	-	(5,668)	(350)	(462)	(330)	-	(6,810)
<b>At 31 December 2006</b>	於二零零六年 十二月三十一日	<b>-</b>	<b>24,953</b>	<b>43,784</b>	<b>20,671</b>	<b>3,668</b>	<b>37,815</b>	<b>-</b>	<b>130,891</b>
<b>CARRYING VALUES</b>		<b>賬面值</b>							
<b>At 31 December 2006</b>	於二零零六年 十二月三十一日	<b>24,154</b>	<b>110,322</b>	<b>16,669</b>	<b>7,381</b>	<b>2,452</b>	<b>11,947</b>	<b>554</b>	<b>173,479</b>
At 31 December 2005	於二零零五年 十二月三十一日	23,818	109,388	19,226	8,390	2,339	15,564	-	178,725

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**16. PROPERTY, PLANT AND EQUIPMENT**  
(Continued)

The carrying values of buildings shown above are situated on:

Land held in the PRC under medium term land use rights	於中國根據中期土地使用權持有之土地
Freehold land in Taiwan	於台灣持有永久業權土地

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rate per annum:

Freehold land	Nil
Buildings	40 – 55 years
Leasehold improvements	The shorter of the unexpired period of the lease and estimated useful life
Plant and machinery	5 – 10 years
Motor vehicles	3 – 5 years
Furniture, fixtures and equipment	2 – 15 years

During the year ended 31 December 2005, the Group had acquired buildings in the PRC. While the Group had paid substantially the purchase consideration, the relevant government authorities had not granted formal title to certain of the buildings to the Group. As at 31 December 2005, the carrying values of the building for which the Group had not been granted formal title amounted to approximately HK\$13.0 million. The formal title of these buildings had been granted to the Group during the year ended 31 December 2006.

Certain plant and equipment with a total carrying values of HK\$3,363,000 (2005: HK\$11,016,000) were entrusted to the operators of the Group (note 24).

**16. 不動產、廠場及設備(續)**

上述樓宇賬面值位於以下地區：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
93,622	92,321
16,700	17,067
<b>110,322</b>	<b>109,388</b>

上述不動產、廠場及設備項目採用直線法按以下年率折舊：

永久業權土地	無
樓宇	40-55年
租賃改良	剩餘租賃年期及估計可使用年期之較短者
廠場及機器	5-10年
汽車	3-5年
傢具、裝置及設備	2-15年

截至二零零五年十二月三十一日止年度，本集團已於中國購入多幢樓宇。雖然本集團已支付大部分購買代價，有關政府部門仍未就若干樓宇批出正式業權予本集團。於二零零五年十二月三十一日，本集團未獲批出正式業權之樓宇的賬面值約為13,000,000港元，該等樓宇之正式業權已於截至二零零六年十二月三十一日止年度批出予本集團。

總賬面金額3,363,000港元(二零零五年：11,016,000港元)之若干廠場及設備已委託予本集團附屬公司經營者(附註24)。



Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

17. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise land use rights in the PRC under medium-term land use rights

Analysed for reporting purposes as:  
Non-current asset  
Current asset

本集團之自用土地租賃款包括於中國以中期租約持有之土地使用權

就申報用途分析如下:  
非流動資產  
流動資產

17. 自用土地租賃款

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>9,363</b>	9,275
<b>9,119</b>	9,039
<b>244</b>	236
<b>9,363</b>	9,275

18. INTANGIBLE ASSETS

COST  
At 1 January 2005  
Exchange realignment  
Written off

At 31 December 2005  
Exchange realignment

**At 31 December 2006**

AMORTISATION  
At 1 January 2005  
Exchange realignment  
Charge for the year  
Written off

At 31 December 2005  
Exchange realignment  
Charge for the year

**At 31 December 2006**

CARRYING VALUES  
**At 31 December 2006**

At 31 December 2005

成本  
於二零零五年一月一日  
匯兌調整  
撤銷  
於二零零五年十二月三十一日  
匯兌調整  
於二零零六年十二月三十一日  
攤銷  
於二零零五年一月一日  
匯兌調整  
本年度支出  
撤銷  
於二零零五年十二月三十一日  
匯兌調整  
本年度支出  
於二零零六年十二月三十一日  
賬面值  
於二零零六年十二月三十一日  
於二零零五年十二月三十一日

Patents and trademarks 專利權及商標 HK\$'000 千港元	Web site development costs 網站開發成本 HK\$'000 千港元	Software costs 軟件成本 HK\$'000 千港元	Total 總計 HK\$'000 千港元
1,649	4,530	696	6,875
63	106	-	169
-	-	(696)	(696)
1,712	4,636	-	6,348
24	166	-	190
<b>1,736</b>	<b>4,802</b>	<b>-</b>	<b>6,538</b>
1,649	2,718	371	4,738
63	76	-	139
-	915	-	915
-	-	(371)	(371)
1,712	3,709	-	5,421
24	154	-	178
-	939	-	939
<b>1,736</b>	<b>4,802</b>	<b>-</b>	<b>6,538</b>
-	-	-	-
-	927	-	927

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**18. INTANGIBLE ASSETS (Continued)**

Patents and trademarks are internally generated and the website was acquired from third parties.

The above intangible assets have definite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Patents and trademarks	5 – 10 years
Web site development costs	5 years
Software costs	5 – 10 years

**19. GOODWILL**

COST	
At 1 January 2005	
Exchange realignment	
At 31 December 2005	
Exchange realignment	
Arising on acquisition of additional interest in a subsidiary	

**At 31 December 2006**

IMPAIRMENT	
At 1 January 2005	
Impairment loss recognised for the year	

At 31 December 2005 and 2006

CARRYING VALUES  
**At 31 December 2006**

At 31 December 2005

For the purposes of impairment testing, goodwill has been allocated to individual cash generating unit, namely, sale of cosmetic products (CGU). The carrying amounts of goodwill as at 31 December 2006 is allocated to this CGU.

**18. 無形資產 (續)**

專利權及商標為公司內部產生，而網站則自第三方購入。

上述無形資產均有限定使用年期。該等無形資產採用直線法按下列年期攤銷：

專利權及商標	5-10年
網站開發成本	5年
軟件成本	5-10年

**19. 商譽**

HK\$'000  
千港元

成本	
於二零零五年一月一日	16,801
匯兌調整	289
於二零零五年十二月三十一日	17,090
匯兌調整	531
收購附屬公司額外權益產生	8,778

於二零零六年十二月三十一日 **26,399**

減值	
於二零零五年一月一日	-
本年度確認之減值虧損	3,192

於二零零五年及二零零六年十二月三十一日 3,192

賬面值  
於二零零六年十二月三十一日 **23,207**

於二零零五年十二月三十一日 13,898

就檢測減值，商譽已分配至個別現金產生單位（即美容產品）。於二零零六年十二月三十一日之商譽賬面值乃分配至此現金產生單位。

Notes to the Consolidated Financial Statements (Continued)  
 綜合財務報表附註(續)

**19. GOODWILL (Continued)**

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period using a declining growth rate, and discount rate of 8%. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Another key assumption for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

**20. INTEREST IN AN ASSOCIATE**

Cost of unlisted investment in associate	於聯營公司非上市投資之成本
Share of post-acquisition profits, net of dividends received	應佔收購後溢利·扣除已收股利

**19. 商譽(續)**

現金產生單位的可收回金額已根據使用價值計算。計算方法按照管理層已核准的五年財務預算的現金流量預測，以下降增長率及8%折扣率計算。此增長率乃根據相關行業增長預測，惟不可超過該相關行業平均長期增長率。使用價值計算之另一項主要假設與預計現金流入／流出（包括預算售價及毛利率）有關，有關估計按現金產生單位之過往表現及管理層對市場發展之預期釐定。管理層相信任何該等假設可能出現的合理變動，不會導致現金產生單位之賬面總值超過現金產生單位之可收回總金額。

**20. 於一家聯營公司之權益**

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>942</b>	942
<b>(569)</b>	(397)
<b>373</b>	545

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**20. INTEREST IN AN ASSOCIATE (Continued)**

As at 31 December 2006, the Group had interest in the following associate, which is an unlisted corporate entity:

Name of entity 實體名稱	Form of business structure 業務結構模式	Place of registration and operation 登記及經營地點	Issued and fully paid registered capital 已發行及繳足註冊資本	Proportion of nominal value of registered capital held by the Group 本集團所持有註冊資本面值比例	Principal activity 主要業務
Shanghai Rui Mei Medical and Health-care Company Limited 上海瑞美醫療保健有限公司	Registered 已登記	PRC 中國	RMB5,000,000 人民幣5,000,000元	20%	Provision of health care services 提供健康護理服務

**20. 於一家聯營公司之權益(續)**

於二零零六年十二月三十一日，本集團於下列屬非上市企業實體之聯營公司持有權益：

The summarised financial information in respect of the Group's associate is set out below:

本集團聯營公司之財務資料摘要如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	資產總值	3,433	3,707
Total liabilities	負債總值	(1,568)	(982)
Net assets	資產淨值	1,865	2,725
Group's share of net assets of associate	本集團應佔聯營公司資產淨值	373	545
Revenue	收益	5,846	6,306
Loss for the year	本年度虧損	(860)	(300)
Group's share of loss of associate for the year	本年度本集團應佔聯營公司虧損	(172)	(60)

Notes to the Consolidated Financial Statements (Continued)  
 綜合財務報表附註(續)

**21. INTEREST IN A JOINTLY CONTROLLED ENTITY**

**21. 於一家共同控制實體之權益**

		<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
Cost of unlisted investments in a jointly controlled entity	於一家共同控制實體非上市投資之成本	<b>358</b>	-
Share of post-acquisition profits, net of dividends received	應佔收購後溢利·扣除已收股利	<b>(5)</b>	-
		<b>353</b>	-

As at 31 December 2006, the Group had interests in the following jointly controlled entity, which is an unlisted corporate entity:

於二零零六年十二月三十一日·本集團於以下屬非上市企業實體之共同控制實體持有權益：

<b>Name of entity</b> 實體名稱	<b>Form of business structure</b> 業務結構模式	<b>Place of registration and operation</b> 登記及經營地點	<b>Issued and fully paid registered capital</b> 已發行及繳足註冊資本	<b>Proportion of nominal value of registered capital held by the Group</b> 本集團所持註冊資本面值比例	<b>Principal activity</b> 主要業務
瑞昇醫學美容科技企業股份有限公司	Registered 已登記	Taiwan 台灣	NT\$3,000,000 新台幣3,000,000元	50%	Provision of health care services 提供健康護理服務

The summarised financial information in respect of the Group's jointly controlled entity which are accounted for using the equity method is set out below:

有關以權益法列賬之本集團共同控制實體之財務資料概要載列如下：

		<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
Current assets	流動資產	<b>353</b>	-
Income	收入	<b>2</b>	-
Expenses	開支	<b>(7)</b>	-

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**22. AVAILABLE-FOR-SALE INVESTMENTS**

Available-for-sale investments as at 31 December 2006 comprise:

Unlisted equity securities, at cost      非上市股本證券，按成本

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in Taiwan. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair values cannot be reliably measured.

**22. 可供出售投資**

於二零零六年十二月三十一日之可供出售投資包括：

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>6,786</b>	6,786

上述非上市投資代表於台灣註冊成立之私人實體所發行非上市股本證券的投資。由於該等非上市投資的估計合理公平值之幅度太大，本公司董事認為不能可靠量度公平值，故此該等非上市投資於各結算日按成本扣除減值後計算。

**23. INVENTORIES**

Raw materials      原材料  
Work in progress      在產品  
Finished goods      產成品

**23. 存貨**

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>29,340</b>	24,271
<b>2,676</b>	2,480
<b>31,557</b>	29,726
<b>63,573</b>	56,477

**24. TRADE AND OTHER RECEIVABLES**

Trade receivables      貿易應收賬款  
Prepayments and deposits      預付款項及押金  
Financial refunds receivable      應收財務退款  
Other receivables      其他應收賬款

Total trade and other receivables      貿易及其他應收賬款總額

**24. 貿易及其他應收賬款**

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>85,990</b>	77,891
<b>20,446</b>	14,760
<b>26,858</b>	19,206
<b>31,611</b>	29,372
<b>164,905</b>	141,229

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**24. TRADE AND OTHER RECEIVABLES (Continued)**

The Group allows a credit period ranging from one to six months to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date:

Within 180 days	180日內
181 days to 365 days	181日至365日
1 to 2 years	1至2年
Over 2 years	2年以上

Since 2002, certain subsidiaries have entered into Assets Entrustment Agreements with various operators. Pursuant to these agreements, these subsidiaries appointed an operator to manage and operate its entire business (the "Entrusted Assets"), including the provision of spa and beauty services, the sale of beauty and skin care product, the provision of beauty training courses and the provision of assistance to the subsidiary in the development of the franchise network. The appointments are effective for period ranging from one to five years and the operators are required to pay the subsidiaries an entrustment fee which is determined with reference to the net asset value of the respective subsidiaries at the date of the agreement. The operators are entitled to retain any profits and are obligated to bear any losses, excluding the depreciation of property, plant and equipment, arising of the Entrusted Assets under the operators' management and operation. The subsidiaries retain the title to the property, plant and equipment. As security for the operators' obligations under the agreement, the operators are required to place a security with the subsidiaries.

**24. 貿易及其他應收賬款(續)**

本集團給予其貿易客戶一至六個月之信貸期。於結算日之貿易應收賬款賬齡分析如下：

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>73,836</b>	71,956
<b>8,937</b>	5,022
<b>2,944</b>	307
<b>273</b>	606
<b>85,990</b>	77,891

自二零零二年起，若干附屬公司與多家經營者訂立資產委託經營協議。根據該等協議，該等附屬公司委任經營者管理及經營其全部業務（「受託管資產」），涵蓋提供spa及美容服務、銷售美容及護膚產品、提供美容培訓課程及協助附屬公司加盟經營網絡。經營者任期為一至五年，每年須向附屬公司支付一筆參考附屬公司於協議日期資產淨值釐訂之費用。經營者有權保留其於管理及經營期間自受託管資產產生的任何溢利，並須承擔其於管理及經營期間自受託管資產產生的任何虧損，惟不包括不動產、廠場及設備折舊。附屬公司保留不動產、廠場及設備之擁有權。根據該協議，經營者須向附屬公司繳交一筆保證金，以保證其履行基於協議項下責任。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**24. TRADE AND OTHER RECEIVABLES (Continued)**

The impact of the assets entrustment agreements on the consolidated financial statements are summarised as follows:

Carrying values of plant and equipment entrusted	受託管廠場及設備賬面值
Entrustment fee income for the year	年內委託經營收益

At the balance sheet date, the following outstanding balances arising from the assets entrustment agreements with operators are included as other receivables in the balance sheet:

Entrustment fees receivable	應收委託經營費用
Consideration receivable for sale of assets (other than plant and equipment) to the operators	向經營者出售資產 應收應收代價(廠場及設備除外)

The fair value of the Group's trade and other receivables at 31 December 2006 approximates to the corresponding carrying amount.

**25. HELD-FOR-TRADING INVESTMENTS**

Held-for-trading investments as at 31 December 2006 include:

Listed equity securities outside Hong Kong	香港以外之上市股本證券
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**24. 貿易及其他應收賬款(續)**

受託管資產協議對綜合財務報表之影響概述如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
3,363	11,016
4,704	5,255

於結算日,以下有關經營者的資產委託經營協議產生之未收訖餘額於資產負債表列作其他應收賬款:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
13,203	9,020
2,969	5,080
16,172	14,100

於二零零六年十二月三十一日,本集團貿易及其他應收賬款之公平值與其相應賬面值相若。

**25. 持作買賣投資**

於二零零六年十二月三十一日,持作買賣投資包括:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
27,713	26,491



Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**25. HELD FOR TRADING INVESTMENTS**  
(Continued)

The fair values of the above held-for-trading investments are determined based on the bid prices quoted in the over-the-counter market.

**26. BANK BALANCES AND CASH**

Bank balances and cash comprises cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximate their fair value. The amounts bear interest which ranged from 0.33% to 5.23% per annum (2005: 0.33% to 4.18% per annum).

**27. TRADE AND OTHER PAYABLES**

Trade payables	貿易應付賬款
Deposits from customers	客戶押金
Other tax payables	其他應付稅項
Other payables	其他應付賬款
<b>Total trade and other payables</b>	<b>貿易及其他應付賬款總額</b>

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

Within 180 days	180日內
181 days to 365 days	181日至365日
1 to 2 years	1至2年
Over 2 years	2年以上

The fair value of the Group's trade and other payables at 31 December 2006 approximates to the corresponding amount.

**25. 持作買賣投資(續)**

上述持作買賣投資之公平價值乃按有關交易所所報之市場買價計算。

**26. 銀行結存及現金**

銀行結存及現金包括本集團所持現金及原到期日三個月或以內之短期銀行存款。該等資產賬面款額與其公平值相若。該等款額按每年0.33至5.23厘計息(二零零五年:每年0.33至4.18厘)。

**27. 貿易及其他應付賬款**

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>16,607</b>	16,593
<b>20,896</b>	16,088
<b>8,618</b>	15,785
<b>24,077</b>	33,575
<b>70,198</b>	82,041

於結算日之貿易應付賬款賬齡分析如下:

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>15,347</b>	15,949
<b>16</b>	-
<b>607</b>	500
<b>637</b>	144
<b>16,607</b>	16,593

本集團貿易及其他應付賬款於二零零六年十二月三十一日之公平值與其相應賬面值相若。

## 28. DEFERRED INCOME

Prepaid treatment fees 預付療程費

Deferred income represents the receipts via credit cards, cheques and cash from sales of beauty services to customers and recognised in the consolidated income statement upon provision of the services to the customers.

## 29. RETIREMENT BENEFIT PLANS

### (a) Defined benefit plan

The Group's Taiwan subsidiaries participate in a central pension scheme providing benefits to all employees in accordance with the Labour Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the scheme to pay the benefits earned. The Group currently contributes at 2% of the total salaries as determined and approved by the relevant government authorities. Under the schemes, the employees are entitled to retirement benefits equals to two months' salary for each year of service for the first 15 years and one month's salary for each year of service following the 15 years, but not more than 45 months' salary in aggregate on the attainment age of 60. No other post-retirement benefits are provided.

The Group's net obligation in respect of the pension scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. An actuarial valuation as at 31 December 2006 was carried out by a qualified staff member of PricewaterhouseCoopers Taiwan, who is a member of the Taiwan Enrolled Pension Actuary. The actuarial valuation indicates that the Group's obligations under this defined benefit retirement scheme are 15% (2005: 18%) covered by the deposits paid with the Central Trust of China, a government institution.

## 28. 遞延收入

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>9,336</b>	8,489

遞延收入指向客戶銷售美容服務而透過信用卡、支票及現金收取之款項，於向客戶提供服務時於綜合收益表確認。

## 29. 退休福利計劃

### (a) 定額福利計劃

本集團台灣附屬公司根據台灣勞動基準法(經修訂)參加中央退休金計劃，向全體僱員提供福利。本集團有責任保證計劃有充裕資金支付僱員應獲得之福利。本集團現按有關政府當局釐定及批准之百分比就薪金總額作出2%供款。根據計劃，僱員就首15個服務年度每個年度享有相等於兩個月薪酬之退休福利，其後15個服務年度則為每個年度一個月薪酬，惟到達60歲時不得超過45個月薪金。本集團並無提供其他退休後福利。

本集團就退休金計劃承擔之債務淨額，乃按僱員現時及過往期間就提供服務應獲得之日後福利預計金額計算，有關福利會折算以釐訂現值，而任何計劃資產之公平值則會被扣減。有關計算由合資格精算師採用預計單位給付成本法計算。於二零零六年十二月三十一日之精算估值由資誠會計師事務所之合資格員工進行，彼為Taiwan Enrolled Pension Actuary之會員。精算估值顯示，本集團於定額福利退休計劃項下債務為15% (二零零五年: 18%)，由已付政府機構中央信託局之押金填補。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

29. RETIREMENT BENEFIT PLANS (Continued)

(a) Defined benefit plan (Continued)

- (i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	折讓率
Expected return on plan assets	計劃資產預期回報率
Expected rate of salary increases	預期薪酬增加幅度

The actuarial valuation showed that the market value of plan assets was HK\$1,965,000 (2005: HK\$2,366,000).

- (ii) Amounts recognised in profit or loss in respect of the defined benefit plans are as follows:

Current service cost	現時服務成本
Interest on obligation	利息成本
Expected return on plan assets	計劃資產之預期回報

- (iii) The amounts included in the consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans are as follows:

Present value of funded defined benefit obligations	已撥資金定額福利債務現值
Fair value of plan assets	計劃資產公平值
Net unrecognised actuarial gains	未確認精算收益淨額
Net liability arising from defined benefit obligation	定額福利債務之負債淨額

29. 退休福利計劃(續)

(a) 定額福利計劃(續)

- (i) 採用之主要精算假設如下:

<b>2006</b> 二零零六年	2005 二零零五年
<b>3.75%</b>	3.75%
<b>2.75%</b>	2.75%
<b>2.50%</b>	2.50%

精算估值顯示計劃資產市值為1,965,000港元(二零零五年:2,366,000港元)。

- (ii) 於損益表就定額福利計劃確認之金額如下:

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 <b>HK\$'000</b> 千港元
<b>517</b>	523
<b>482</b>	488
<b>(66)</b>	(67)
<b>933</b>	944

- (iii) 本集團就定額福利計劃所產生債務金額已計入綜合資產負債表,載列如下:

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 <b>HK\$'000</b> 千港元
<b>12,827</b>	12,686
<b>(1,965)</b>	(2,366)
<b>455</b>	570
<b>11,317</b>	10,890

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

29. RETIREMENT BENEFIT PLANS (Continued)

(a) Defined benefit plan (Continued)

(iv) Movements in the present value of the defined benefit obligations in the current year were as follows:

At 1 January	於一月一日
Current service cost	現時服務成本
Interest on obligation	債務利息
Benefits paid	已付福利
Actuarial gains	精算收益
Exchange differences on foreign plans	海外計劃匯兌差額
At 31 December	於十二月三十一日

(v) Movements in the fair value of the plan assets in the current year were as follows:

At 1 January	於一月一日
Contributions from the employer	僱主供款
Expected return on plan assets	計劃資產預期回報
Benefits paid	已付福利
Actuarial losses	精算虧損
Exchange differences on foreign plans	海外計劃匯兌差額
At 31 December	於十二月三十一日

29. 退休福利計劃(續)

(a) 定額福利計劃(續)

(iv) 於本年度之定額福利債務現值如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>12,686</b>	12,363
<b>517</b>	523
<b>482</b>	488
<b>(907)</b>	-
<b>(130)</b>	(591)
<b>179</b>	(97)
<b>12,827</b>	12,686

(v) 於本年度之計劃資產公平值變動如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>2,366</b>	1,987
<b>425</b>	671
<b>66</b>	67
<b>(907)</b>	-
<b>(15)</b>	(34)
<b>30</b>	(325)
<b>1,965</b>	2,366

**29. RETIREMENT BENEFIT PLANS (Continued)**

**(b) Defined contribution plans**

- (i) The Group operates a Mandatory Provident Fund Scheme (“the HK MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and Mandatory Provident Fund Scheme under the Labour Standards Law (as amended) in Taiwan (the “TW MPF Scheme”). The HK MPF scheme and TW MPF Scheme are defined contribution retirement scheme administered by independent trustees. Under the HK MPF scheme and TW MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% and 6% respectively, of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$20,000 for HK MPF Scheme while there is no cap to monthly income under TW MPF Scheme. Contributions to the scheme vest immediately.
- (ii) The employees of the Group’s subsidiaries in the PRC are members of the state-managed retirement benefit plan operated by the PRC government. As stipulated by the regulations of the PRC, these relevant subsidiaries participate in various defined contribution retirement plans organised by the relevant authorities for its PRC employees. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the pension liabilities to these retired staff. The Group is required to make contributions to the retirement plans which are calculated based on certain prescribed rates and the salaries, bonuses and certain allowances of its PRC employees. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

The total cost charged to income of HK\$5,173,000 (2005: HK\$5,061,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

**29. 退休福利計劃(續)**

**(b) 定額供款退休計劃**

- (i) 本集團根據香港強制性公積金計劃條例為於香港僱傭條例管轄範圍內聘用之僱員設立強制性公積金計劃(「香港強積金計劃」)及根據台灣勞動基準法(經修訂)設立強制性公積金計劃(「台灣強積金計劃」)。香港強積金計劃及台灣強積金計劃為由獨立信託人管理之定額供款退休計劃。根據香港強積金計劃及台灣強積金計劃，僱主及僱員各自須分別向計劃作出相當於僱員有關收入5%及6%之供款，香港強積金計劃之每月有關收入上限為20,000港元，而台灣強積金計劃則並無每月收入上限。計劃供款即時撥歸僱員所有。
- (ii) 本集團中國附屬公司僱員為中國政府管運之國家管理退休福利計劃成員。有關附屬公司已根據中國法規規定，為其中國僱員參加各個由有關當局統籌之定額供款退休計劃。僱員有權根據有關政府法規，按彼等於退休時之基本薪金以及服務年期收取退休金。中國政府負責向該等退休員工發放退休金，而本集團須按若干指定比率及其中國僱員之薪金、花紅與若干津貼向退休計劃供款。除上述之年度供款外，本集團並無與該等計劃有關之其他退休福利付款重大責任。

計入收入之總成本為5,173,000港元(二零零五年:5,061,000港元)，即本集團就現行會計期間應付該等計劃之供款。

### 30. SHARE CAPITAL

### 30. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
Authorised:	法定股本:		
At 1 January 2005,	於二零零五年一月一日、		
31 December 2005 and	二零零五年十二月		
31 December 2006	三十一日及二零零六年 十二月三十一日	4,000,000,000	400,000
Issued and fully paid:	已發行及繳足:		
At 1 January 2005,	於二零零五年一月一日、		
31 December 2005 and	二零零五年十二月		
31 December 2006	三十一日及二零零六年 十二月三十一日	2,000,000,000	200,000

### 31. SHARE OPTION SCHEME

Pursuant to the written resolution passed by the shareholders on 11 March 2002. The Company has adopted a share option scheme (The "Scheme") for the primary purpose of providing incentives to directors and eligible employees. Under the Scheme, the Company may grant options to full-time employees (including executive or non-executive Directors) of the Company or its subsidiaries to subscribe for the shares at a consideration of HK\$1 for each lot of share options granted. Options granted must be taken up within 28 days of the date of grant. The Scheme will remain valid for a period of 10 years commencing on 11 March 2002. Options granted may be exercised during such period as would be determined by the board of directors of the Company (the "Board") and notified to each grantee upon grant of the option, but in any event not later than 10 years from the date of grant of the option. The subscription price for shares under the Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the higher 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 business day; and (b) the average of the closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option.

### 31. 認股權計劃

根據股東於二零零二年三月十一日通過之書面決議案，本公司已採納一項認股權計劃（「認股權計劃」）。根據認股權計劃，本公司可向本公司或其附屬公司之全職僱員（包括執行董事或非執行董事）授出認股權，就每批授出認股權以代價1港元認購股份。所授出認股權必須於授出日期起計28日內接納。認股權計劃將於二零零二年三月十一日起十年期間持續生效。認股權承授人可於本公司董事會（「董事會」）授出認股權時決定並知會各承授人的期間行使認股權，惟在任何情況下，必須於授出認股權日期起計十年內行使。根據認股權計劃，董事會對於釐訂股份認購價有絕對酌情權，惟在任何情況下，認購價不得少於以下價格之較高者：(a) 授出認股權日期（必須為營業日），股份在聯交所每日報價單所示收市價；及(b) 於緊接授出有關認股權日期前五個營業日，股份於聯交所每日報價單所示平均收市價。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**31. SHARE OPTION SCHEME (Continued)**

The Company may grant share options to specified participants over and above the scheme mandate limit or the refreshed scheme mandate limit referred to above subject to shareholders' approval in general meetings and the issue of a circular.

The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company (or the subsidiary) must not exceed 30% of the relevant class of securities of the Company (or the subsidiary) in issue from time to time. No options may be granted under any schemes of the Company (or the subsidiary) if this will result in the limit being exceeded.

No option had been granted by the Company under the Scheme since its adoption.

**32. DEFERRED TAXATION**

The following are the major deferred tax assets and liabilities recognised in the balance sheet and movements thereon during the current or prior years are as follows:

		<b>Allowance for bad and doubtful debts</b>	<b>Revaluation of properties</b>	<b>Defined benefit liability</b>	<b>Unrealised profits on inventories</b>	<b>Other short-term temporary differences</b>	<b>Total</b>
		呆壞賬撥備 HK\$'000 千港元	重估物業 HK\$'000 千港元	定額福利 責任 HK\$'000 千港元	未變現 存貨溢利 HK\$'000 千港元	其他暫時 短期差額 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2005	於二零零五年一月一日	(746)	2,239	(2,350)	(3,880)	8	(4,729)
Exchange realignment	匯兌調整	182	49	(102)	(223)	171	77
Charge (credit) to consolidated income statement	於綜合收益表扣除 (計入)	34	569	(274)	(575)	182	(64)
At 31 December 2005	於二零零五年十二月三十一日	(530)	2,857	(2,726)	(4,678)	361	(4,716)
Exchange realignment	匯兌調整	(7)	40	(39)	(214)	(15)	(235)
Charge (credit) to consolidated income statement	於綜合收益表扣除 (計入)	72	(314)	(190)	(4,033)	(21)	(4,486)
<b>At 31 December 2006</b>	於二零零六年十二月三十一日	<b>(465)</b>	<b>2,583</b>	<b>(2,955)</b>	<b>(8,925)</b>	<b>325</b>	<b>(9,437)</b>

**31. 認股權計劃 (續)**

本公司可向指定參與者授出超過計劃授權限額或上文所述更新計劃授權限額的認股權，惟須取得股東在股東大會批准及刊發通函。

因根據認股權計劃及本公司(或附屬公司)任何其他計劃而授出但尚未行使發行在外的認股權獲行使而可予發行的股份總數，不得超過本公司(或附屬公司)不時已發行的有關類別證券的30%。如超過限額，則不得根據本公司(或附屬公司)的任何計劃授出認股權。

本公司自採納認股權計劃以來並無授出任何認股權。

**32. 遞延稅項**

以下為目前及過往年度於資產負債表確認之主要遞延稅項資產及負債以及變動：

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**32. DEFERRED TAXATION (Continued)**

At the balance sheet date, the Group has unutilised tax losses of approximately HK\$81,305,000 (2005: HK\$71,880,000) available for offset against future profits. No deferred tax asset has been recognised of such tax losses due to the unpredictability of future profit streams. The Hong Kong tax losses of HK\$33,659,000 (2005: HK\$30,797,000) do not expire under the current tax legislation in Hong Kong and all other tax losses will expire from 2006 to 2010.

**33. OPERATING LEASES**

**The Group as lessee**

During the year, the Group made rental payments for office premises under operating leases as follows:

Minimum lease payments	最低租金付款
Contingent rental payments	或然租金付款

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second year	第二年
In the third year	第三年
In the fourth year	第四年
In the fifth year	第五年
Over five years	超過五年

**32. 遞延稅項(續)**

於結算日，本集團有未動用稅項虧損約81,305,000港元(二零零五年:71,880,000港元)用作對銷未來溢利。由於未能確定日後溢利來源，因此並無就有關稅項虧損確認遞延稅項資產。根據香港現行稅例，香港稅項虧損33,659,000港元(二零零五年:30,797,000港元)不會到期，而所有其他虧損將於二零零六年至二零一零年到期。

**33. 經營租約**

**本集團作為承租人**

年內，本集團根據經營租約就租用辦公室物業繳付以下租金：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
13,850	13,815
3,947	4,175
<b>17,797</b>	17,990

於結算日，本集團根據不可撤銷經營租約就於下列到期日繳付之最低租金承擔如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
6,860	9,489
4,769	6,468
3,293	4,681
1,648	3,354
504	1,732
-	561
<b>17,074</b>	26,285



**33. OPERATING LEASES (Continued)**

**The Group as lessee (Continued)**

Operating lease payments represent rentals payable by the Group for certain of its leased properties. Leases are negotiated and rentals are fixed for an average term of five years. In addition, the Group's PRC subsidiaries have commitments to make rental payments at a percentage of turnover for certain leased properties.

Furthermore, there are commitments of HK\$2,172,000 (2005: HK\$5,705,000) in respect of future minimum lease payments, which fall due within one to over five years, under non-cancellable operating leases entered into by the Group. The business operations at these premises have been entrusted to operators as described in note 24 who are responsible for the payment of the rentals to the respective landlords. New lease agreements will be entered into between the landlords and operators on expiry of the current lease agreements.

**The Group as lessor**

Property rental income earned during the year was HK\$8,399,000 (2005: HK\$7,140,000), net of outgoings of HK\$486,000 (2005: HK\$539,000). All of the properties held have committed tenants for the next one to five years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

Within one year	一年內
In the second year	第二年
In the third year	第三年
In the fourth year	第四年
In the fifth year	第五年

**33. 經營租約 (續)**

**本集團作為承租人 (續)**

經營租約承擔即本集團就若干租賃物業支付之款項。租期經磋商而租金按平均五年訂定。此外，本集團中國附屬公司須按若干租賃物業營業額若干百分比支付租金。

此外，根據本集團所訂立於一年內至五年後到期之不可撤銷經營租約，日後最低租金承擔為2,172,000港元(二零零五年:5,705,000港元)。誠如附註24所述，該等物業內之業務運作已交託經營者，該等經營者須負責向有關業主繳付租金。業主與經營者將於現時租賃協議屆滿時訂立新租賃協議。

**本集團作為出租人**

於年內賺取之物業租金收益為8,399,000港元(二零零五年:7,140,000港元)，扣除支銷486,000港元(二零零五年:539,000港元)。所有持有之物業之租客租賃年期介乎一年至五年。

於結算日，本集團與租戶所訂合約之未來最低租金付款如下：

<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 HK\$'000 千港元
<b>6,625</b>	5,647
<b>4,145</b>	3,795
<b>966</b>	2,027
<b>74</b>	450
-	74
<b>11,810</b>	11,993

**34. CAPITAL COMMITMENTS**

Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements

就收購不動產、廠場及設備之已訂約但未於財務報表撥備之資本開支

**35. PLEDGE OF ASSETS**

Certain freehold investment properties of the Group with a carrying amount of HK\$157,758,000 (2005: HK\$155,290,000) are pledged to a bank. The banking facilities granted by the bank were terminated in 2002 and the charge is released upon the disposal of the investment properties subsequent to the balance sheet date as disclosed in note 37.

**34. 資本承擔**

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>3,002</b>	2,972

**35. 資產抵押**

本集團若干賬面值為157,758,000港元(二零零五年:155,290,000)之永久業權投資物業已抵押予一家銀行。該銀行所授出銀行融資已於二零零二年終止,而該等投資物業已於附註37所披露,在結算日出售後,有關抵押將予以解除。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**36. CONNECTED AND RELATED PARTY DISCLOSURES**

During the year, the Group had significant transactions with related parties, some of which are also deemed to be connected parties pursuant to the Rules Governing the Listing of Securities on the Stock Exchange. The significant transactions with these parties during the year are as follows:

**36. 關連及有關連人士交易**

年內，本集團曾與有關連人士進行重大交易，其中部分根據聯交所證券上市規則被視作關連人士。與該等人士年內進行之重大交易詳情如下：

(A) Transactions (I) Connected parties	(A) 交易 (I) 關連人士	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>Name of company</b> 公司名稱	<b>Nature of transactions</b> 交易性質		
<i>Companies controlled by the substantial shareholders:</i> 主要股東所控制公司:			
自然美雜誌社	Rental income 租金收益	17	17
財團法人台北市蔡燕萍文教事業基金會	Rental income 租金收益	3	3
中華民國儀容美協會	Rental income 租金收益	3	3
自然美出版社	Rental income 租金收益	14	14
中澳義國際股份有限公司	Rental income 租金收益	14	14
自然美美容補習班	Rental income 租金收益	27	55
台北市美容技術協會	Rental income 租金收益	3	3
瑞昇醫學美容科技企業股份有限公司	Rental income 租金收益	3	-
上海自然美生物醫學有限公司	Purchase of natural health food 採購天然健康產品	2,468	2,166
上海自然美製衣有限公司	Purchase of lingerie 採購內衣	159	198
	Balance due to at 31 December - trade payables 於十二月三十一日到期之餘額 - 貿易應付賬款	518	714
<i>Director of the Company:</i> 本公司董事:			
Su Chien Cheng 蘇建誠	Rental expenses 租金支出	200	203

**36. CONNECTED AND RELATED PARTY DISCLOSURES (Continued)**

**(A) Transactions (Continued)**

(ii) *Related parties, other than connected parties*

Name of company 公司名稱	Nature of transactions 交易性質
<i>Associate:</i> 聯繫人士:	
上海瑞美醫療保健有限公司	Rental income 租金收益

(iii) *Compensation of key management personnel*

The remuneration of directors and other members of key management during the year was as follows:

Short-term benefits	短期福利
Post-employment benefits	退休福利

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

**36. 關連及有關連人士交易(續)**

**(A) 交易(續)**

(ii) 關連人士以外有關連人士

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>853</b>	853

(iii) 主要管理人員之賠償

董事及主要管理層其他成員於年內之酬金如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>5,428</b>	3,898
<b>111</b>	102
<b>5,539</b>	4,000

董事及主要行政人員之薪酬乃參考個別表現及市場趨勢後經薪酬委員會釐定。

**36. CONNECTED AND RELATED PARTY DISCLOSURES (Continued)**

**(B) Other arrangements**

- (i) The Group has entered into agreements with the minority shareholders of NB Sanlian, Shanghai Natural Beauty Qingbo Cosmetics Company Limited ("NB Qingbo"), Shanghai Natural Beauty Fansi Jewellery Company Limited ("NB Fansi") and 上海自然美富儂化粧品有限公司 to the effect that each of these minority shareholders receive a fixed amount per annum and the Group is entitled to or responsible for the entire profits/losses of the relevant subsidiaries for the whole duration of the operating periods of the subsidiaries. The fixed amounts paid/payable to these minority shareholders of the subsidiaries during the year ended 31 December 2005 as set out below are recognised as minority interests in the consolidated income statements.

Name of company 公司名稱	Nature of transactions 交易性質	HK\$'000 千港元
NB Sanlian 自然美三聯	Annual fixed payment 定額年費	189
NB Qingbo 自然美清波	Annual fixed payment 定額年費	118
NB Fansi 自然美梵斯	Annual fixed payment 定額年費	5
上海自然美富儂化粧品有限公司	Annual fixed payment 定額年費	5

During the year ended 31 December 2006, the Group further acquired the remaining interest of the above subsidiaries from the respective minority shareholders, and, accordingly, no such payment was made.

**36. 關連及有關連人士交易(續)**

**(B) 其他安排**

- (i) 本集團與自然美三聯、自然美清波化粧品有限公司(「自然美清波」、上海自然美梵斯珠寶有限公司(「自然美梵斯」)及上海自然美富儂化粧品有限公司之少數股東訂立協議，根據該等協議，該等少數股東每年收取定額款項，而於有關附屬公司整個營業期間，本集團有權或負責有關附屬公司全部溢利／虧損。下列已於截至二零零五年十二月三十一日止年度付予／應付予該等附屬公司少數股東定額款項於綜合收益表確認為少數股東權益。

於截至二零零六年十二月三十一日止年度，本集團向各少數股東進一步收購以上附屬公司餘下權益，因此，並無作出該等付款。

**36. CONNECTED AND RELATED PARTY DISCLOSURES (Continued)**

**(B) Other arrangements (Continued)**

- (ii) Under a licensing agreement, a director of the Company granted to Natural Beauty Cosmetics Company Limited (“NB Taiwan”), a subsidiary incorporated and operated in Taiwan, a license to use a skin test software from 1 January 1997 to 31 December 2011 for a nominal consideration of NT\$1.
- (iii) On 5 October 2001, NB Taiwan entered into two separate licensing agreements with two directors of the Company. Under the agreements, the directors agreed to license a number of trademarks to NB Taiwan, on an exclusive basis, for a nominal consideration of NT\$1. The licensing agreements will be effective till the expiry of the registration of the respective trademarks.
- (iv) On 3 May 2006, Shanghai Natural Beauty Cosmetics Company Limited (“NB Shanghai”), a wholly owned subsidiary, entered into a sale and purchase agreement with Chong Ming County Sanlian Investment Development Company Limited, a substantial shareholder of a subsidiary of the Company, to acquire the remaining 10% equity interests in NB Sanlian not already held by NB Shanghai, for a consideration of RMB800,000 (equivalent to approximately HK\$774,800).

**37. POST BALANCE SHEET EVENT**

Subsequent to 31 December 2006, the Group disposed investment properties with a carrying value of HK\$157,758,000 for an aggregate consideration of approximately HK\$159,496,000, to an independent third party not connected to the Group. Details of which were set out in the announcement of the Company dated 16 April 2007.

**36. 關連及有關連人士交易(續)**

**(B) 其他安排(續)**

- (ii) 根據許可權協議，本公司董事以象徵式代價新台幣1元，向於台灣註冊成立及經營之自然美化粧品股份有限公司(「自然美台灣」)授出可自一九九七年一月一日至二零一一年十二月三十一日期間使用皮膚檢查軟件之許可權。
- (iii) 於二零零一年十月五日，自然美台灣與本公司兩名董事訂立兩份許可權協議。根據協議，董事同意以象徵式代價新台幣1元，按獨家基準向自然美台灣授出若干商標之許可權。許可權協議於各商標之註冊屆滿前仍然有效。
- (iv) 於二零零六年五月三日，全資附屬公司上海自然美化粧品有限公司(「自然美上海」)與本公司附屬公司之主要股東崇明縣三聯投資發展公司(「崇明」)訂立買賣協議收購並未由自然美上海持有之自然美三聯餘下10%股本權益，總代價為人民幣800,000元(約774,800港元)。

**37. 結算日後事項**

二零零六年十二月三十一日後，本集團以總代價約159,496,000港元，向與本集團並無關連之獨立第三方，出售賬面值157,758,000港元之投資物業。詳情載於本公司日期為二零零七年四月十六日之公佈。

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**38. BALANCE SHEET OF THE COMPANY**

The balance sheet of the Company, as at 31 December 2006, is as follows:

**38. 本公司之資產負債表**

於二零零六年十二月三十一日，本公司之資產負債表如下：

		<b>2006</b> 二零零六年 <b>HK\$'000</b> 千港元	2005 二零零五年 <b>HK\$'000</b> 千港元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	<b>621,157</b>	551,748
Available-for-sale investments	可出售投資	<b>6,786</b>	6,786
		<b>627,943</b>	558,534
Current assets	流動資產		
Other receivables	其他應收款項	<b>6,260</b>	5,534
Bank balances and cash	銀行結存及現金	<b>33,457</b>	30,737
		<b>39,717</b>	36,271
Current liability	流動負債		
Other payables	其他應付款項	<b>4,055</b>	2,972
Net current assets	流動資產淨值	<b>35,662</b>	33,299
Total assets less current liability	資產總值減流動負債	<b>663,605</b>	591,833
Capital and reserves	資本及儲備		
Share capital	股本	<b>200,000</b>	200,000
Reserves (note)	儲備(附註)	<b>463,605</b>	391,833
		<b>663,605</b>	591,833

Note:

附註：

		<b>Share premium</b> 股份溢價 <i>HK\$'000</i> 千港元	<b>Retained profits</b> 保留溢利 <i>HK\$'000</i> 千港元	<b>Total</b> 總計 <i>HK\$'000</i> 千港元
At 1 January 2005	於二零零五年一月一日	336,758	42,051	378,809
Dividend paid	已派股利	-	(61,000)	(61,000)
Profit for the year	年內溢利	-	74,024	74,024
At 31 December 2005	於二零零五年十二月三十一日	336,758	55,075	391,833
Dividend paid	已派股利	-	(80,000)	(80,000)
Profit for the year	年內溢利	-	151,772	151,772
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>336,758</b>	<b>126,847</b>	<b>463,605</b>

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

**39. PARTICULARS OF SUBSIDIARIES**

Details of the Company's subsidiaries at 31 December 2006 are as follows:

**39. 附屬公司詳情**

於二零零六年十二月三十一日，本公司附屬公司詳情如下：

<b>Name of company</b> 公司名稱	<b>Place of incorporation and operations</b> 註冊成立及經營地點	<b>Kind of legal status</b> 法定身分	<b>Registered capital/ issued and fully paid ordinary share capital</b> 註冊資本/已發行及繳足普通股股本	<b>Proportion of nominal value of issued capital held by the Company and its subsidiaries</b> 本公司及其附屬公司所持已發行之股本面值比例	<b>Attributable to the Group</b> 本集團應佔	<b>Principal activity</b> 主要業務
Shanghai Natural Beauty Cosmetics Company Limited 上海自然美化化粧品有限公司	PRC 中國大陸	Foreign investment enterprise with limited liability 有限責任外資企業	US\$29,980,000 美金29,980,000元	100%	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容產品
Shanghai Natural Beauty Sanlian Cosmetics Company Limited 上海自然美三聯化粧品有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB8,000,000 人民幣8,000,000元	100%	100%	Wholesale and retail of skin care and beauty products; provision of beauty treatments 批發及零售護膚及美容產品；提供美容護理服務
Shanghai Natural Beauty Qingbo Cosmetics Company Limited 上海自然美清波化粧品有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB5,000,000 人民幣5,000,000元	100%	100%	Wholesale and retail of skin care and beauty products 批發及零售護膚及美容產品
Shanghai Natural Beauty Fansi Jewellery Company Limited 上海自然美梵斯珠寶有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB500,000 人民幣500,000元	100%	100%	Sale of jewellery, craftwork, adornment, leather and horologe 銷售珠寶、工藝品、裝飾品、皮革及鐘錶



Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及 經營地點	Kind of legal status 法定身分	Registered capital/ issued and fully paid ordinary share capital 註冊資本/ 已發行及繳足 普通股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及 其附屬公司 所持已發行 股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Xi An Natural Beauty Mingyu Cosmetics Company Limited 西安自然美明宇化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB3,000,000 人民幣3,000,000元	100%	100%	Sale of skin care and beauty products and related instruments; provision of skin care and beauty consulting 銷售護膚及美容產品 及美容器材等; 提供皮膚護理及 美容諮詢
Qingdao Natural Beauty Ornaments Company Limited 青島自然美飾品有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB4,000,000 人民幣4,000,000元	100%	100%	Sale of skin care and beauty products and adornment 銷售護膚及美容 產品及裝飾品
Nanjing Natural Beauty Cosmetics Company Limited 南京自然美化粧品 有限責任公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB2,000,000 人民幣2,000,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理
Chengdu Natural Beauty Cosmetics Company Limited 成都自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB2,500,000 人民幣2,500,000元	100%	100%	Sale of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting and training 銷售護膚及美容產品; 提供美容護理和護膚 以及美容諮詢及培訓

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及 經營地點	Kind of legal status 法定身分	Registered capital/ issued and fully paid ordinary share capital 註冊資本/ 已發行及繳足 普通股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及 其附屬公司 所持已發行 股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Hainan Natural Beauty Cosmetics Company Limited 海南自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB2,500,000 人民幣2,500,000元	100%	100%	Sale of skin care and beauty products; provision of beauty treatments and beauty consulting and training 銷售護膚及美容產品; 提供美容護理和 美容諮詢及培訓
Shenzhen Natural Beauty Cosmetics Company Limited 深圳市自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB4,000,000 人民幣4,000,000元	100%	90%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理
Haerbin Sanlian Natural Beauty Cosmetics Company Limited 哈爾濱三聯自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,000,000 人民幣1,000,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理
Ningbo Hai Shu Natural Beauty Cosmetics Company Limited 寧波海曙自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB3,500,000 人民幣3,500,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及 經營地點	Kind of legal status 法定身分	Registered capital/ issued and fully paid ordinary share capital 註冊資本/ 已發行及繳足 普通股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及 其附屬公司 所持已發行 股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Wuhan Natural Beauty Cultural Development Company Limited 武漢自然美容文化發展 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB2,500,000 人民幣2,500,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理
Tianjin Natural Beauty Cosmetics Company Limited 天津自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB2,000,000 人民幣2,000,000元	100%	90%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理
Wenzhou Natural Beauty Cosmetics Company Limited 溫州市自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB2,000,000 人民幣2,000,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理
Beijing Natural Beauty Cosmetics Company Limited 北京自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB20,000,000 人民幣20,000,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理
Kunshan Natural Beauty Sanlian Cosmetics Company Limited 昆山自然美三聯化妝品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,500,000 人民幣1,500,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及經營地點	Kind of legal status 法定身分	Registered capital/ issued and fully paid ordinary share capital 註冊資本/已發行及繳足普通股	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及其附屬公司所持已發行的股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Changchun Natural Beauty Cosmetics Company Limited 長春自然美化粧品有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,500,000 人民幣1,500,000元	100%	100%	Sale of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting 銷售護膚及美容產品; 提供美容護理服務和護膚及美容諮詢
Mudanjiang Natural Beauty Cosmetics Company Limited 牡丹江市自然美化粧品有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB800,000 人民幣800,000元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及提供美容護理
Lanzhou Natural Beauty Cosmetics Company Limited 蘭州自然美化粧品有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,000,000 人民幣1,000,000元	100%	90%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及提供美容護理
Anshan Natural Beauty Cosmetics Company Limited 鞍山市自然美化粧品有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,000,000 人民幣1,000,000元	100%	100%	Sale of skin care and beauty products and related instruments; provision of skin care and beauty consulting 銷售護膚及美容產品及美容器材; 提供護膚及美容諮詢

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及 經營地點	Kind of legal status 法定身分	Registered capital/ issued and fully paid ordinary share capital 註冊資本/ 已發行及繳足 普通股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及 其附屬公司 所持已發行 股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Suzhou Natural Beauty Cosmetics Company Limited 蘇州自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,200,000 人民幣1,200,000元	100%	100%	Sale of skin care and beauty products and related instruments 銷售護膚及美容 產品及美容器材
Kunming Natural Beauty Cosmetics Company Limited 昆明自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,000,000 人民幣1,000,000元	100%	90%	Wholesale and retail of skin care and beauty products; provision of beauty treatments and skin care and beauty consulting 批發及零售護膚及 美容產品;提供 美容護理和護膚 及美容諮詢
Fuzhou Natural Beauty Cosmetics Company Limited 福州自然美化粧品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB1,500,000 人民幣1,500,000元	100%	90%	Wholesale and retail of skin care and beauty products and related instruments; provision of skin care and beauty consulting 批發及零售護膚及 美容產品及美容 器材;提供護膚及 美容諮詢
上海自然美富農化妝品 有限公司	PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB500,000 人民幣500,000元	100%	100%	Wholesale and retail of skin care and beauty products 批發及零售護膚及 美容產品

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及經營地點	Kind of legal status 法定身分	Registered capital/ issued and fully paid ordinary share capital 註冊資本/已發行及繳足普通股股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及其附屬公司所持已發行人股本面比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Shanghai Full-Beauty Cosmetics Company Limited 上海富麗化粧品有限公司	PRC 中國大陸	Foreign investment enterprise with limited liability 有限責任外資企業	US\$1,408,000 美金1,408,000元	100%	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容產品
Natural Beauty Cosmetics Company Limited 自然美化粧品股份有限公司	Taiwan 台灣	Limited liability company 有限責任外資企業	NT\$670,000,000 新台幣670,000,000元	100%	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容產品
Tian Ran Mei Bio-Technology Company Limited 天然美生物科技股份有限公司	Taiwan 台灣	Limited liability company 有限公司	NT\$32,000,000 新台幣32,000,000元	100%	100%	Production and sale of skin care and beauty products 生產及銷售護膚及美容產品
Huei Yao Investment Company Limited 輝耀投資股份有限公司	Taiwan 台灣	Limited liability company 有限公司	NT\$742,043,420 新台幣742,043,420元	100%	100%	Investment holding 投資控股
依森國際股份有限公司	Taiwan 台灣	Limited liability company 有限公司	NT\$1,000,000 新台幣1,000,000元	100%	100%	Provision of beauty consulting and training 提供美容諮詢及培訓
Belem Holdings Sdn. Bhd.	Malaysia 馬來西亞	Limited liability company 有限公司	MYR123,235,408 Class B shares MYR10,000 Class A shares B股馬來西亞幣 123,235,408元 A股馬來西亞幣 10,000元	100%	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements (Continued)  
綜合財務報表附註(續)

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及經營地點	Kind of legal status 法定身分	Registered capital/ issued and fully paid ordinary share capital 註冊資本/已發行及繳足普通股本	Proportion of nominal value of issued capital held by the Company and its subsidiaries 本公司及其附屬公司所持已發行股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Billion Synergy Sdn. Bhd.	Malaysia 馬來西亞	Limited liability company 有限公司	MYR2 馬來西亞幣2元	100%	100%	Wholesale of skin care and beauty products 批發護膚及美容產品
Ice Crystal Management Limited 水晶管理有限公司	British Virgin Islands ("BVI") 英屬維爾京群島 ([英屬維爾京群島])	Limited liability company 有限公司	US\$52,000 美金52,000元	100%	100%	Investment holding 投資控股
Great Glamour Company Limited	BVI 英屬維爾京群島	Limited liability company 有限公司	US\$50,000 美金50,000元	100%	100%	Investment holding 投資控股
Next Success International Limited	BVI 英屬維爾京群島	Limited liability company 有限公司	US\$100 美金100元	100%	100%	Investment holding 投資控股
Fortune Investment Global Limited	BVI 英屬維爾京群島	Limited liability company 有限公司	US\$50,000 美金50,000元	100%	100%	Investment holding 投資控股
Natural Beauty Bio-Technology (Hong Kong) Company Limited 自然美生物科技(香港)有限公司	Hong Kong 香港	Limited liability company 有限公司	HK\$10,000 10,000港元	100%	100%	Sale of cosmetic products and provision of beauty treatments 銷售化妝產品及提供美容護理
Natural Beauty Bio-Technology (Macao) Company Limited	Macau 澳門	Limited liability company 有限公司	MOP25,000 澳門幣25,000元	100%	100%	Sale of cosmetic products 銷售化粧品

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

於年終或年內任何時間，概無附屬公司有任何尚未償還債務證券。