

自然美
natural beauty

NATURAL BEAUTY BIO-TECHNOLOGY LIMITED

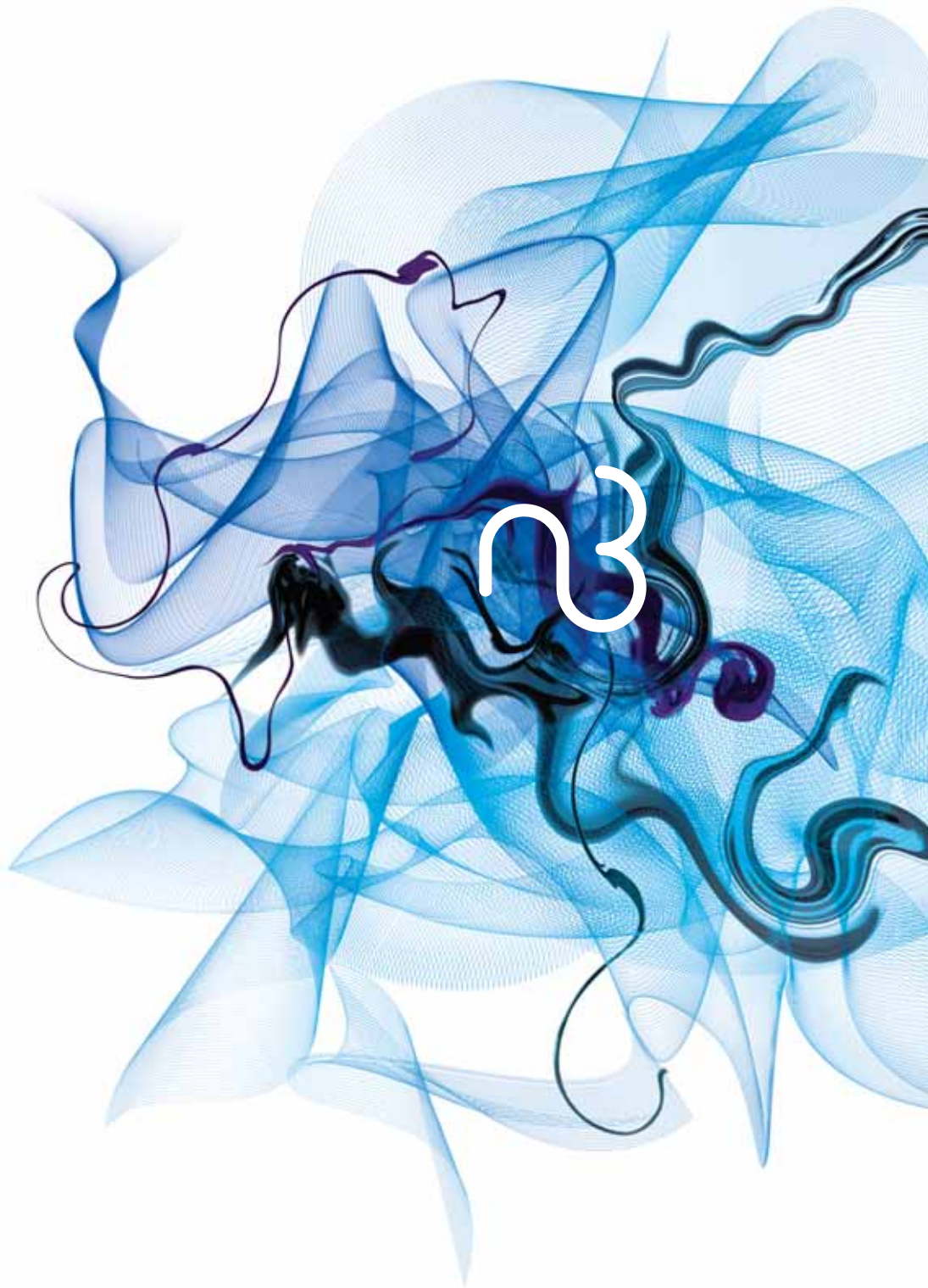
自然美生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 00157

"Qi" of Beauty



Mission Statement

我們的使命

Natural Beauty is dedicated to cultivate our staff, customers, students and franchisees to appreciate our education, products and services, which are made by the love and kindness of our founder, Dr. Tsai Yen Pin, who made modern ladies beautiful, confident and wealthy.

我們致力於使員工、顧客、學員及加盟老師們存着一份感恩的心來到自然美，學習自然美容術及使用自然美產品及服務，這都是自然美創辦人蔡燕萍博士以愛心砌成累積的成果，幫助無數女性建立美麗、自信及財富。



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Corporate Information

公司資料

Board of Directors

Dr. Tsai Yen Yu
(alias Dr. Tsai Yen Pin) (*Chairman*)
Mr. Lee Ming Ta
(alias Mr. Lee Ming Tah)
Dr. Su Chien Cheng
Dr. Su Sh Hsyu
Mr. Yeh Liang Fei
(*Independent Non-executive Director*)
Mrs. Chen Shieh Shu Chen
(*Independent Non-executive Director*)
Mr. Chen Ching
(*Independent Non-executive Director*)

Authorised Representatives

Mr. Lee Ming Ta
(alias Mr. Lee Ming Tah)
Dr. Su Chien Cheng

Company Secretary

Mr. Chan Yan Kwan, Andy CPA, FCCA

Members of the Audit Committee

Mr. Yeh Liang Fei
Mrs. Chen Shieh Shu Chen
Mr. Chen Ching

Members of the Remuneration Committee

Mr. Yeh Liang Fei
Mrs. Chen Shieh Shu Chen
Mr. Chen Ching

Registered Office

P. O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Head Office and Principal Place of Business in Hong Kong

Unit 3512, 35/F
The Center
99 Queen's Road Central
Central
Hong Kong

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

Legal Advisers

Arculli Fong & Ng
In association with King & Wood (PRC lawyers)
908 Hutchison House
Central
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road Central
Hong Kong

Land Bank of Taiwan

No. 76, Section 2, Tun Hua South Road
Taipei
Taiwan

Mega International Commercial Bank

No. 62, Section 2, Tun Hua South Road
Taipei
Taiwan

Agricultural Bank of China

Shanghai Branch
3rd Floor, 26 Zhong Shan Dong Yi Road
Shanghai
The PRC

Bank of Communications

Shanghai Branch, Zhabei Sub-branch
211 Hengtong Road
Shanghai
The PRC

Website

www.nblife.com/ir

董事會

蔡燕玉博士
(又名蔡燕萍博士)(主席)
李明達先生
蘇建誠博士
蘇詩琇博士
葉良輝先生
(獨立非執行董事)
陳謝淑珍女士
(獨立非執行董事)
譚清先生
(獨立非執行董事)

法定代表

李明達先生
蘇建誠博士

公司秘書

陳仁君先生CPA, FCCA

審核委員會成員

葉良輝先生
陳謝淑珍女士
譚清先生

薪酬委員會成員

葉良輝先生
陳謝淑珍女士
譚清先生

註冊辦事處

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

總辦事處及香港主要營業地點

香港
中環
皇后大道中99號
中環中心
35樓3512室

核數師

德勤•關黃陳方會計師行
執業會計師
香港
金鐘道88號
太古廣場一期35樓

法律顧問

夏佳理方和吳正和律師行
聯同金杜律師事務所(中國大陸律師)
香港
中環
和記大廈908室

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

台灣土地銀行

台灣
台北
敦化南路2段76號

兆豐國際商業銀行

台灣
台北
敦化南路2段62號

中國農業銀行

上海市分行
中國
上海
中山東一路26號3樓

交通銀行

上海市分行閘北支行
中國
上海
211恆通路

網址

www.nblife.com/ir



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Financial Highlights

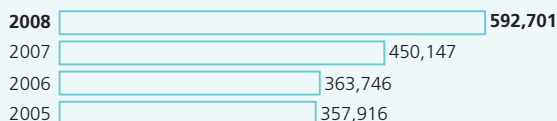
財務摘要

TURNOVER

營業額

Expressed in HK\$'000
以千港元列示

+31.7%

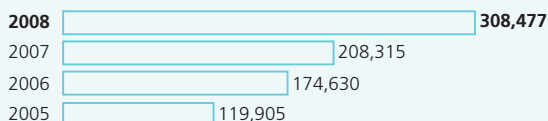


OPERATING PROFIT

經營溢利

Expressed in HK\$'000
以千港元列示

+48.1%

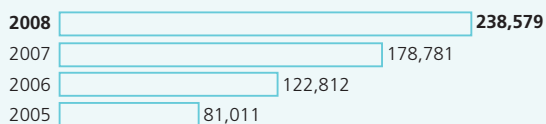


NET INCOME

淨收益

Expressed in HK\$'000
以千港元列示

+33.4%

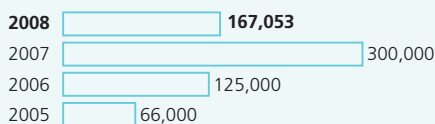


DIVIDENDS

股利

Expressed in HK\$'000
以千港元列示

-44.3%



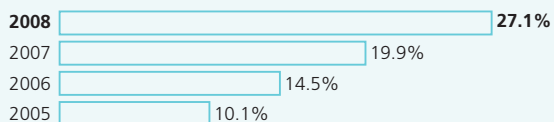
RETURN ON EQUITY (%)

股本回報 (%)

Expressed in %
以%列示

+7.2% points

百分點



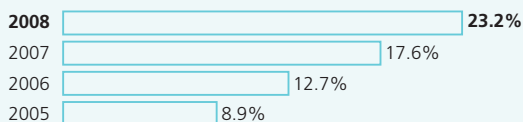
RETURN ON ASSETS (%)

資產回報 (%)

Expressed in %
以%列示

+5.6% points

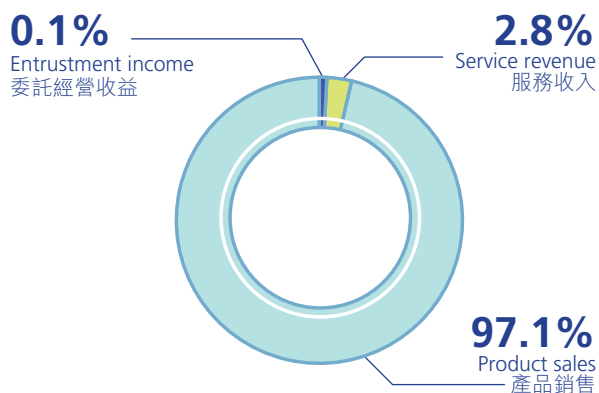
百分點



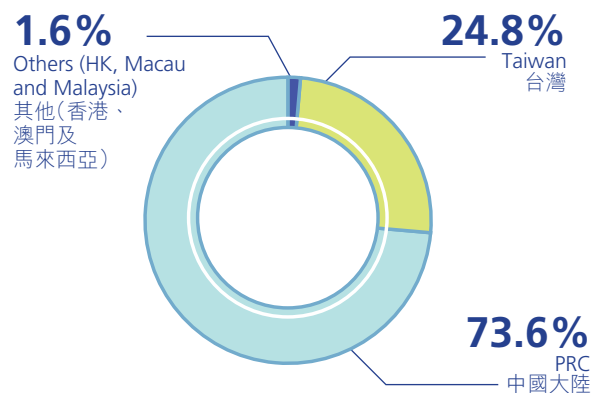
Financial Highlights 財務摘要

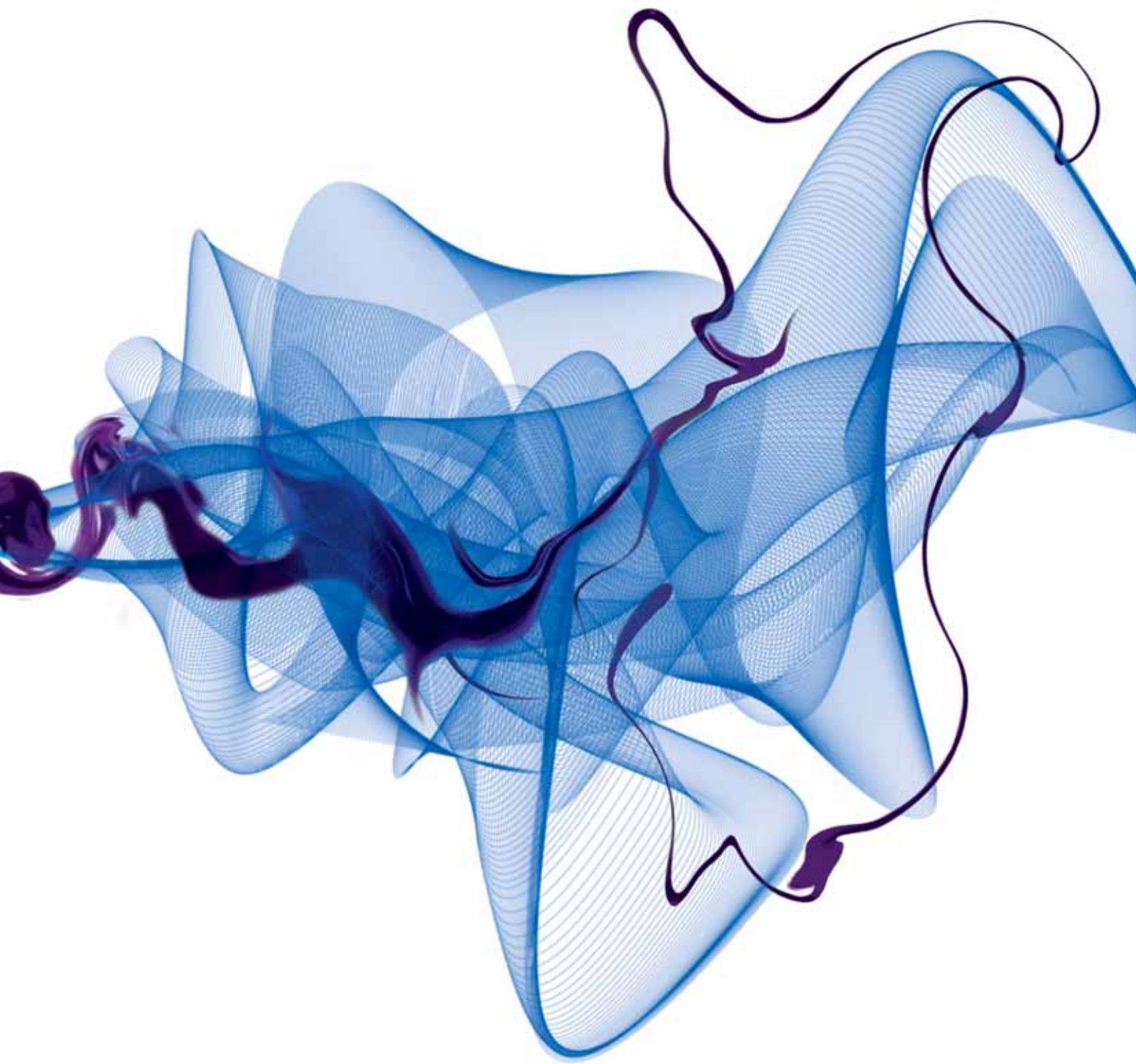
Selected Financial Data HK\$'000 (except per share data)	財務數據摘要 千港元 (每股數據除外)	FY2005 二零零五年 財政年度	FY2006 二零零六年 財政年度	FY2007 二零零七年 財政年度	FY2008 二零零八年 財政年度
Turnover	營業額	357,916	363,746	450,147	592,701
Cost of sales	銷售成本	73,309	68,725	77,573	86,102
Gross profit	毛利	284,607	295,021	372,574	506,599
Operating profit	經營溢利	119,905	174,630	208,315	308,477
Net income	淨收益	81,011	122,812	178,781	238,579
Dividends	股利	66,000	125,000	300,000	167,053
EPS – basic	每股盈利 – 基本	\$0.0410	\$0.0620	\$0.0890	\$0.1190
DPS	每股股利	\$0.0330	\$0.0625	\$0.1500	\$0.0835
Return on Equity (ROE)	股本回報	10.1%	14.5%	19.9%	27.1%
Return on Assets (ROA)	資產回報	8.9%	12.7%	17.6%	23.2%

TURNOVER BY
ACTIVITIES BREAKDOWN (%)
按業務分析之營業額(%)



TURNOVER BY
GEOGRAPHICAL BREAKDOWN (%)
按地域分析之營業額(%)







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Chairman's Statement

主席報告書

Dear Shareholders,

The Fiscal Year of 2008 is an eventful year for us in China and in Taiwan. In spring, we experienced a severe snow storm, followed by a massive earthquake in Sichuan in May. Then there was the Olympics in August, but also the financial tsunami in the fourth quarter which seems not yet subsided as we speak.

We are fortunate to have a substantial part of our business in China, one of the world's most dynamic economies. Despite all the bad news about the recession, unemployment and collapses and nationalization of financial institutions around the world, our unique business model has afforded us a leading position that sets us apart from other industries and players in the market.

Our turnover in 2008 further grew 31.7% to HK\$592.7 million, compared with HK\$450.1 million in 2007. We continue to expand our operating margin and net margin to 52.0% and 40.3% respectively. Our net profit for equity holders of the Company also increased by 33.4% to HK\$238.5 million in 2008.

Basic earnings per share also rose 33.4% from HK\$0.0890 in 2007 to HK\$0.1190 in 2008.

The board of directors of the Company recommended the payment of final dividend of HK\$0.0335 per share. Together with the 2008 interim dividend declared and paid of HK\$0.05 per share, total dividend per share for the year reached HK\$0.0835, representing a dividend pay-out ratio of 70%.

各位股東：

二零零八財政年度對中國內地和台灣來說，都是不平凡的一年。中國繼春季經歷嚴重雪災後，到了五月，四川又發生大地震。八月，奧林匹克運動會在北京舉行，但隨後在第四季發生的金融海嘯影響深遠，迄今尚未平息。

在變化多端的一年，猶幸集團大部份業務均扎根中國，而中國仍是全球最具動力的經濟體系之一。故此雖然市場充斥著有關經濟衰退、失業、金融機構倒閉及國有化等壞消息，憑藉集團獨特的業務模式，讓我們繼續處於領先地位，成功在行業及市場競爭對手中突圍而出。

於二零零八年，集團營業額較上年的450,100,000港元上升31.7%至592,700,000港元，經營利潤率及純利率分別繼續擴大至52.0%及40.3%。本公司股東應佔純利亦上升33.4%至238,500,000港元。

於二零零八年，每股基本盈利由上年的8.90港仙增加33.4%至11.90港仙。

本公司董事會建議派發末期股息每股0.0335港元。連同已宣派及支付的中期股息每股0.05港元，本年度股息總額達每股0.0835港元，派息率為70%。



PROPOSED PRIVATIZATION

It was proposed that the Company be privatized by CVC Asia Pacific Ltd through a special purpose vehicle in November 2008 by way of a scheme of arrangement. The Board was of the opinion that the proposal offered shareholders an opportunity to monetize their investments amid tumbling economies fraught with uncertainties.

The proposed privatization was voted down by about 27% of the disinterested shareholders in Court Meeting held on 26 February 2009. As we emphasized on different occasions, the management's confidence in the research and development, manufacture, education and marketing remained unchanged in spite of the capacity that carried the operations. From another perspective, we are glad that shareholders have great confidence in the Company. We will pursue more growth opportunities and weather future challenges.

OUTLOOK

China will remain one of the most promising and bright spots for growth amid the threat of global recession and stagnation in the foreseeable future. The global trade has made the countries entangled with each others. The slump in the US domestic market has weakened the exports of China and indirectly undermined the consumer confidence in respect to domestic consumption in China. We will, however, continue to boost our revenue through continuous training of our franchisees, consumer education and launch of new products.

私有化建議

於二零零八年十一月，CVC Asia Pacific Ltd透過其持股公司之特別安排形式，提出將本公司私有化的建議。董事會認為，在現時經濟環境反覆波動、充滿不明朗因素的情況下，此建議是股東套現投資的機會。

於二零零九年二月二十六日舉行的法院會議中，約27%不涉利益計劃股東投票否決私有化建議。誠如我們過往於不同場合所強調，無論我們以哪一種身份進行業務，管理層對研發、製造、教育及行銷的信心始終如一。從另一個角度看，我們因股東對於公司前景抱持極大的信心而感到高興。我們矢志爭取更多增長機會，克服未來重重挑戰。

前景

在可見的未來，儘管受到全球經濟衰退及不景氣的威脅，中國仍然是最具增長潛力的地區之一，前景秀麗。全球貿易令國與國、地區與地區之間建立緊密相連的關係。美國國內市場受挫，削弱了中國的出口業，間接打擊消費者信心，影響中國內部需求。然而，我們將透過向加盟者提供持續培訓、教育消費者及推出新產品，繼續推動集團收入增長。



Our other key market, Taiwan, is export-oriented with a focus on the electronics industry. The threat of the global recession had hit the Taiwan export hard, with the latest Taiwan GDP forecast for 2009 being put at negative 2.9%. At Natural Beauty, we strive to maintain our leading position and to outperform the Taiwan economy in general.

We will continue to promote our brand to the consumers through various advertising formats and to improve the sense of belonging of our franchisees within our network, which would make ourselves perform better than others, especially at a time when consumer spending confidence is fragile.

NOTE OF APPRECIATION

I would like to thank the members of the Board, our shareholders and business partners for their continuous support and guidance throughout the year. I would also like to thank the Group's management team and employees for their relentless efforts to strive of excellence and improvement, enabling Natural Beauty continues to grow even under adverse market conditions.

Dr. Tsai Yen Yu

Chairman

Hong Kong
15 April 2009

台灣是我們另一個主要的市場，由於台灣專注於電子行業，依賴出口，全球經濟衰退亦嚴重打擊台灣的出口業，當地最新預測的二零零九年本地生產總值為負2.9%。在此經濟環境下，自然美會致力保持其市場領導地位，並取得較台灣整體經濟優勝的成績。

我們將繼續透過不同的宣傳方式向消費者推廣我們的品牌，並提升銷售網絡內加盟者的歸屬感，讓我們在消費者信心疲弱之時，仍然取得較出色的表現。

致謝

本人欣然向董事會成員、股東及業務夥伴於年內的鼎力支持及指導致以衷心謝意，亦感謝本集團的管理隊伍及全體員工過去努力不懈，追求卓越、力求改進，使自然美的業務在嚴峻的市況下仍得以維持成長。

蔡燕玉博士

主席

香港
二零零九年四月十五日



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Management Discussion and Analysis

管理層討論及分析

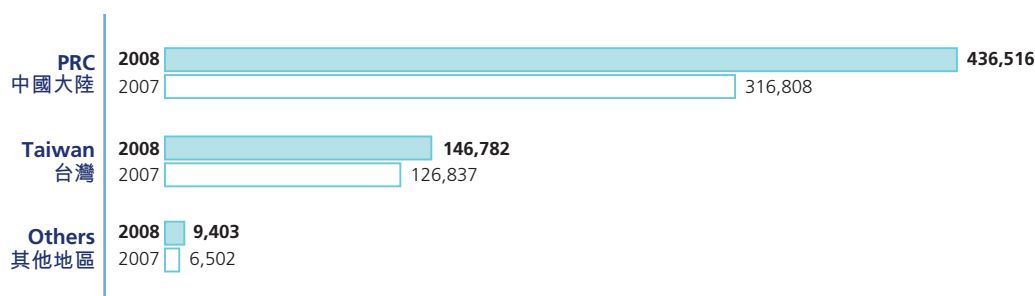
FINANCIAL REVIEW

財務回顧

Turnover by geographical region	按地域劃分之營業額	2008 二零零八年		2007 二零零七年		Changes 變動	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
PRC	中國大陸	436,516	73.6%	316,808	70.4%	119,708	37.8%
Taiwan	台灣	146,782	24.8%	126,837	28.2%	19,945	15.7%
Others	其他地區	9,403	1.6%	6,502	1.4%	2,901	44.6%
Total	總計	592,701	100.0%	450,147	100.0%	142,554	31.7%

TURNOVER BY GEOGRAPHICAL REGION

按地域劃分之營業額



Turnover surged 31.7% to HK\$592.7 million in 2008 as compared with HK\$450.1 million in the previous year. The PRC market continued to deliver robust sales growth at 37.8%. Meanwhile, the Taiwan market recorded a 15.7% year-on-year growth in turnover. The growth was attributable to the significant recovery of the core spa product business. For other markets, including Hong Kong, Macau and Malaysia, sales increased by 44.6%, but the amount remained insignificant and accounted for only 1.6% of total turnover.

Turnover in the PRC climbed 37.8% or HK\$119.7 million to HK\$436.5 million in 2008. The increase in turnover generated from the PRC market was mainly due to an encouraging increase of HK\$121.1 million in product sales, representing a year-on-year growth of 39.4%. The increase in product sales resulted from enhanced training on selling skills and product knowledge for our franchisees. The average store sales of the PRC market recorded a further growth of 30.2% in 2008. At the same time, service income increased by 13.6% to HK\$7.8 million in 2008.

營業額由去年之450,100,000港元躍升31.7%至二零零八年之592,700,000港元。中國大陸市場之銷售額持續強勁增長，升幅達37.8%。與此同時，台灣市場錄得營業額按年增幅15.7%，增長主要因為核心水療產品業務顯著復甦。包括香港、澳門及馬來西亞之其他市場之銷售額增長44.6%，惟金額比例仍屬輕微，僅佔總營業額1.6%。

中國大陸之營業額攀升37.8%或119,700,000港元至二零零八年之436,500,000港元。源自中國大陸市場之營業額增加，主要由於產品銷售額上升121,100,000港元，即按年增幅達39.4%，成績令人鼓舞。產品銷售額增加歸功於加強對加盟店銷售技巧及產品知識的培訓。於二零零八年，中國大陸市場之店舖平均銷售額更進一步增長30.2%。同時，二零零八年之服務收入亦增長13.6%至7,800,000港元。



FINANCIAL REVIEW (Continued)

In Taiwan, turnover went up by 15.7% or HK\$19.9 million to HK\$146.8 million in 2008 as compared with HK\$126.8 million in 2007. There were product sales of HK\$11.3 million directly attributable to the retail brand products of Fonperi. Average store sales (excluding the retail products which use different sales channel) in respect to Taiwan's existing spa channel registered a 30.4% year-on-year growth.

Other regions include Hong Kong, Macau and Malaysia. Sale in other regions increased by 44.6% to HK\$9.4 million, thanks to higher sales in Malaysia and the opening of the new concept store in Venetian-Hotel-Resort in Macau during the year. These regions remained insignificant and accounted for less than 2% of total turnover.

財務回顧(續)

台灣方面，營業額於二零零八年增加15.7%或19,900,000港元至146,800,000港元，而二零零七年則為126,800,000港元。Fonperi零售品牌產品直接帶來11,300,000港元之產品銷售。撇除透過不同分銷渠道銷售之零售產品，台灣現有水療中心之店舖平均銷售額按年增長30.4%。

其他地區包括香港、澳門及馬來西亞。其他地區之銷售額增加44.6%至9,400,000港元，乃由於年內馬來西亞之銷售額增加，以及於澳門威尼斯人酒店渡假村開設新概念店。該等地區所佔比例仍不重大，佔總營業額不足2%。

FINANCIAL REVIEW (Continued)

The Group's overall gross profit margin increased from 82.8% in 2007 to 85.5% in 2008.

財務回顧(續)

本集團之整體邊際毛利率由二零零七年82.8%上升至二零零八年85.5%。

Turnover by activities	按業務劃分之營業額	2008	2007	Changes	
		二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	HK\$'000 千港元	%
Products	產品銷售				
PRC	中國大陸	428,237	307,161	121,076	39.4%
Taiwan	台灣	138,770	118,130	20,640	17.5%
Others	其他地區	8,484	5,125	3,359	65.5%
Total	總計	575,491	430,416	145,075	33.7%
Services	服務				
PRC	中國大陸	7,762	6,830	932	13.6%
Taiwan	台灣	8,012	8,707	(695)	-8.0%
Others	其他地區	919	1,377	(458)	-33.3%
Total	總計	16,693	16,914	(221)	-1.3%
Entrustment	委託經營				
PRC	中國大陸	517	2,817	(2,300)	-81.6%
Taiwan	台灣	-	-	-	n/a不適用
Others	其他	-	-	-	n/a不適用
Total	總計	517	2,817	(2,300)	-81.6%

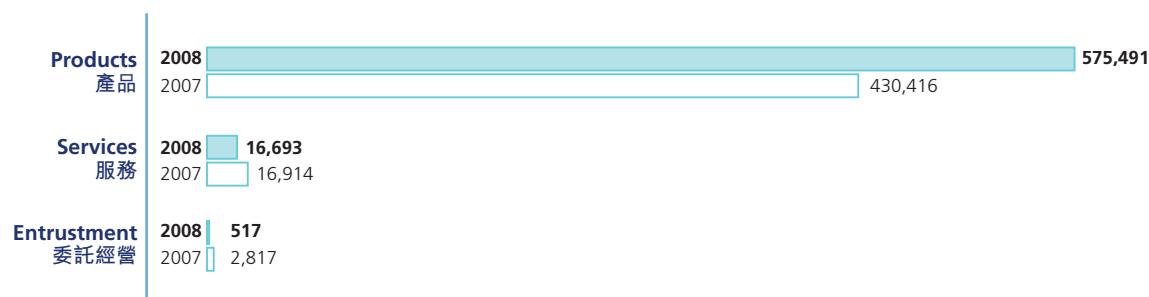


FINANCIAL REVIEW (Continued)

財務回顧(續)

Turnover by activities	按業務劃分之營業額	2008 二零零八年		2007 二零零七年		Changes 變動	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Products	產品	575,491	97.1%	430,416	95.6%	145,075	33.7%
Services	服務	16,693	2.8%	16,914	3.8%	(221)	-1.3%
Entrustment	委託經營	517	0.1%	2,817	0.6%	(2,300)	-81.6%
Total	總計	592,701	100.0%	450,147	100.0%	142,554	31.7%

TURNOVER BY ACTIVITIES
按業務劃分之營業額



Products

The Group is principally engaged in the manufacture and sale of several types of products, namely skin care products, beauty products, aromatherapeutic products, color make up and health supplements, under the "Natural Beauty" and "Fonperi" brand names. Product sales are the Group's key revenue contributor and are primarily made through franchise spas, self-owned spas and retail outlets. In 2008, products sales amounted to HK\$575.5 million, or 97.1% of total revenue, compared with HK\$430.4 million, or 95.6% in 2007. Gross margin of product sales for the year further improved by 2.3 percentage points, from 87.2% in 2007 compared with 89.5% in 2008.

產品

本集團主要以「自然美」及「Fonperi」品牌製造及銷售護膚產品、美容產品、香薰產品、彩妝及健康食品等各類產品。產品銷售為本集團主要收入來源，主要源自加盟店及自資經營之水療中心及零售店舖。於二零零八年，產品銷售額為575,500,000港元或佔總營業額97.1%，二零零七年則為430,400,000港元或佔總營業額95.6%。產品銷售之邊際毛利自二零零七年87.2%增加2.3個百分點至二零零八年之89.5%。

FINANCIAL REVIEW (Continued)

Products (Continued)

The surge in products sales was mainly attributable to the HK\$121.1 million and HK\$20.6 million increase in sales generated from the PRC market and Taiwan market respectively. Starting from 2008, the Group further enhanced product offering by introducing products for “family and friends of our existing customers”. The Group has also launched 109 new products, including 29 for health supplements. Besides, the Group provided free intensive training sessions to the franchisees in order to improve both the service quality and selling skills, which in turn stimulated product sales. The Taiwan market also recovered from the declining trend of the past two years and recorded HK\$138.8 million in sales of products in 2008, an encouraging growth of 17.5% from HK\$118.1 million in 2007. If the retail sales of Fonperi were excluded, our spa products registered a 24.1% growth in the year under review.

Our retail brand “Fonperi” launched in April 2007 recorded HK\$11.3 million in sales during 2008, when compared with HK\$15.4 million in 2007.

Other markets such as Hong Kong, Macau and Malaysia only accounted for 1.5% of total product sales for the year.

財務回顧(續)

產品(續)

產品銷售額上升，主要歸因於中國大陸及台灣市場之銷售額分別增加121,100,000港元及20,600,000港元。自二零零八年起，本集團進一步加強所提供產品種類，向「現有客戶之親友」推介產品。本集團亦推出109款新產品，當中包括29款健康食品。此外，本集團為加盟者免費提供深造培訓課程，務求改善服務質素及銷售技巧，從而刺激產品銷售。於二零零八年，台灣市場亦從過往兩年跌勢復甦，錄得138,800,000港元之銷售額，較二零零七年之118,100,000港元增長17.5%，成績令人鼓舞。倘Fonperi之零售額不計在內，本集團之水療產品於回顧年度錄得24.1%之增長。

本集團於二零零七年四月推出的「Fonperi」零售品牌於二零零八年錄得銷售額11,300,000港元，於二零零七年則為15,400,000港元。

包括香港、澳門及馬來西亞之其他市場僅佔年內產品總銷售額1.5%。

Service income	服務收益	2008 二零零八年		2007 二零零七年		Changes 變動	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Training income	培訓收益	1,672	10.0%	1,332	7.9%	340	25.5%
SPA service income	水療服務收益	12,942	77.5%	13,356	79.0%	(414)	-3.1%
Management fee income	管理費收益	327	2.0%	1,314	7.8%	(987)	-75.1%
Others	其他	1,752	10.5%	912	5.3%	840	92.1%
Total	總計	16,693	100.0%	16,914	100.0%	(221)	-1.3%

FINANCIAL REVIEW (Continued)

Services

Service income includes income from self-owned spa with services provided, training income and management fee received from franchisees, and other service-related income.

The Group provides skin treatment, beauty and spa services through our self-owned spas. Service income is generated only from our self-owned spas as the Group does not share any service income generated in franchised spas with franchisees under the current franchise arrangement. Service income generated from franchised spas is vital for them to cover their operating expenses such as rental, salary and utilities. During 2008, income from services decreased slightly by 1.3% to HK\$16.7 million when compared with 2007.

It is necessary to establish self-owned stores as model spas in new markets, and the Group considers this a more profitable and cost-efficient way as a whole to allocate resources to stimulate overall product sales.

On the other hand, SPA service income from self-owned stores decreased slightly by 3.1% to HK\$12.9 million, mainly due to the closure a self-owned spa in Taiwan.

Entrustment

Entrusted spas are owned by the Group and operated by reputable operators. The spas were previously operated by the Group. In order to allocate financial and human resources more efficiently, the Group has entrustment arrangements in the PRC ranging from one to five years, where our self-owned spas were entrusted to reputable operators in local areas. The operators are responsible for all the profits and losses of the operations and sell the Group's products in their stores, while the Group receives a fixed annual entrustment fee until those operators repay the Group's initial investment in five years. The entrusted spas then become regular franchised spas.

In 2008, entrustment income recorded a further decrease of 81.6% to HK\$0.5 million when compared with HK\$2.8 million in 2007. The drop in entrustment income was because certain entrustment arrangements expired by the end of 2007. There was only one entrusted spa as at 31 December 2008.

財務回顧(續)

服務

服務收益包括自資經營水療中心所得服務收益、來自加盟店的培訓收益及管理費以及其他服務相關收益。

本集團透過其自資經營水療中心提供肌膚護理、美容及spa服務。由於按照現行加盟經營計劃，本集團不能分佔加盟者經營水療中心所得任何服務收益，因此，服務收益僅源自自資經營的水療中心。加盟水療中心所得服務收益對加盟者甚為重要，彼等賴以承擔租金、薪金及水電費等經營開支。於二零零八年，來自該等服務之收益較二零零七年輕微減少1.3%至16,700,000港元。

本集團必須於新市場設立自資經營水療中心作為水療中心模範，並認為將資源用於刺激整體產品銷售，整體而言能帶來更為豐厚盈利，且更具成本效益。

另一方面，源自自資經營店舖之SPA服務收入微降3.1%至12,900,000港元，主要由於台灣一間自資經營之水療中心結業所致。

委託經營

委託經營的水療中心由本集團擁有並由信譽昭著的經營者經營。水療中心以往由本集團經營。為更有效劃撥財務及人力資源，本集團委託中國大陸當地優秀經營者經營本集團自資經營的水療中心，於中國大陸訂有經營年期介乎一至五年之委託安排。經營者將自負盈虧及於店內銷售本集團產品，而本集團則向經營者每年收取定額委託經營費用，直至該等經營者於五年內清償本集團初步投資額為止。屆時委託經營之水療中心將成為一般加盟水療中心。

委託經營收益由二零零七年2,800,000港元進一步減少81.6%至二零零八年500,000港元。委託經營收益減少乃由於若干委託經營安排於二零零七年底屆滿所致。於二零零八年十二月三十一日，僅設有一間委託經營之水療中心。

FINANCIAL REVIEW (Continued)

Other income

Other income mainly comprised interest on bank deposits, foreign exchange gain, financial refunds, gain on disposal of property, plant and equipments and gain on held-for-trading investments, which was HK\$6.6 million, HK\$25.4 million, HK\$2.2 million, HK\$14.7 million and HK\$2.6 million respectively and others for the remaining balance. Other income increased by 79.4%, or HK\$25.8 million from HK\$32.5 million in 2007 to HK\$58.2 million in 2008. During the year, there was the foreign exchange gain from the dividend received from a PRC subsidiary amounting to HK\$16.8 million and the gain on disposal of the building in Taiwan amounting to HK\$17.7 million. However, the increase was partly offset by a drop amounting to HK\$7.5 million in financial refunds in the PRC and decrease in rental income by HK\$3.5 million as we have sold one of our investment properties in Taiwan during 2007.

Distribution and administrative expenses

The Group's distribution and selling expenses as a percentage to turnover decreased from 26.2% in 2007 to 21.5% in 2008. Total expenses in dollar terms increased by HK\$9.7 million, from HK\$117.9 million in 2007 to HK\$127.6 million in 2008. During the year under review, the Group has reduced the focus on media exposure and introduced products offering through "family and friends of our existing customers". Instead of media advertising, free samples and gifts were given to our existing customers to promote them to their friends and family members. In percentage terms, advertising and promotion expenses represent 9.5% of total turnover in 2008, when compared with 13.2% in the previous year. Other key expenses mainly included salary, commission, travel expenses and rental expenses, amounted to HK\$22.2 million, HK\$5.2 million, HK\$4.6 million and HK\$14.1 million respectively.

Administrative expenses as a percentage to turnover increased from 16.6% in 2007 to 19.0% during 2008. The cost mainly covered salary, legal and professional fee, depreciation and rental charges. Total administrative expenses in dollar terms increased from HK\$74.5 million in 2007 to HK\$112.7 million in 2008. The increase was mainly due to the professional cost incurred in privatization and group restructuring projects, amounting to HK\$9.3 million and HK\$0.9 million. Also, HK\$15.2 million of long outstanding receivables have been written off during 2008.

Other expenses

In 2008, other expenses increased by HK\$11.8 million to HK\$16.0 million, compared with HK\$4.2 million last year. Other expenses mainly included donations totaling HK\$3.9 million, impairment loss on available-for-sale investments amounted to HK\$3.2 million and bank charges of HK\$2.9 million. The Group made donations immediately after the Sichuan earthquake in May 2008, which measured 8.0 on the Richter scale.

財務回顧(續)

其他收益

其他收益主要為銀行存款利息6,600,000港元；匯兌收益25,400,000港元；財務退款2,200,000港元；出售不動產、廠房及設備之收益14,700,000港元，以及持作買賣投資之收益2,600,000港元，餘額則來自其他項目。其他收益由二零零七年32,500,000港元增加79.4%或25,800,000港元至二零零八年之58,200,000港元。年內，本集團就收取一家中國附屬公司之股息錄得匯兌收益16,800,000港元，以及就出售於台灣之樓宇錄得收益17,700,000港元。然而，上述增幅部分為中國大陸之財務退款減少7,500,000港元以及租金收入隨著本集團於二零零七年出售台灣其中一項投資物業而減少3,500,000港元抵銷。

分銷及行政費用

本集團分銷及銷售費用佔營業額百分比由二零零七年26.2%減至二零零八年21.5%。按幣值計，總費用由二零零七年之117,900,000港元增加9,700,000港元至二零零八年127,600,000港元。本集團於回顧年度減低於各媒體的曝光率，改為透過「現有客戶之親友」的渠道推介產品。本集團向現有客戶發送免費試用裝及贈品，從而向彼等之親友推廣，取代媒體宣傳。按百分比計算，廣告及宣傳開支相當於二零零八年總營業額9.5%，而去年則為13.2%。其他重要開支項目主要包括薪金、佣金、差旅費及租金開支，分別為22,200,000港元、5,200,000港元、4,600,000港元及14,100,000港元。

行政開支佔營業額百分比由二零零七年16.6%增加至二零零八年19.0%。有關成本主要包括薪金、法律及專業費用、折舊及租金開支。行政開支總額由二零零七年74,500,000港元上升至二零零八年之112,700,000港元，主要由於私有化及集團重組項目分別產生專業費用9,300,000港元及900,000港元。此外，15,200,000港元之長期尚未償還應收款項已於二零零八年撇銷。

其他支出

其他支出由去年4,200,000港元增加11,800,000港元至二零零八年16,000,000港元。其他開支主要包括捐款3,900,000港元、可供出售投資減值虧損3,200,000港元及銀行收費2,900,000港元。本集團於二零零八年五月四川發生黎克特制8.0級之地震後即時捐款。

FINANCIAL REVIEW (Continued)

Profit before taxation

The increase in gross profit and other income, netting the increase in distribution and selling expenses, administrative expenses and other expenses contributed to the surge of 48.3% in profit before tax, from HK\$208.0 million in 2007 to HK\$308.5 million in 2008.

Taxation

Taxation expenses increased 139.0% from HK\$29.2 million in 2007 to HK\$69.9 million in 2008. The effective tax rate of the Group for the year 2007 and 2008 was 14.1% and 22.7% respectively. The increase in taxation expenses and effective tax rate was mainly due to the withholding tax amounted to HK\$32.3 million has been paid or accrued for the dividend declared in Taiwan and PRC subsidiaries during 2008.

Net profit for the year

As a result, the net income for the year rose 33.4% from HK\$178.8 million in 2007 to HK\$238.6 million in 2008.

Liquidity and financial resources

Cash generated from operating activities in 2008 was approximately HK\$269.3 million (2007: HK\$274.2 million). The increase was primarily due to the changes in working capital. As at 31 December 2008, the Group had bank balances and cash of approximately HK\$546.2 million (as at 31 December 2007: HK\$588.7 million) with no external bank borrowing.

In terms of gearing, as at 31 December 2007 and 31 December 2008, the Group's gearing ratio was zero (defined as net debt divided by shareholders' equity) as the Group was in net cash balance as at both year end dates. Current ratio of the Group (defined as current assets divided by current liabilities) as at 31 December 2007 and 31 December 2008 were 7.2 times and 4.7 times respectively. The relatively low current ratio at 31 December 2008 was due to accrual of withholding tax amounted to HK\$25.6 million for the dividend to be received from PRC subsidiaries, which will be payable in 2009. As at 31 December 2008, the Group had no material contingent liabilities, other than those disclosed in its financial statements and notes thereto. With the cash and bank balances in hand, the Group's liquidity position remains strong and the Group has sufficient financial resources to finance its commitments and working capital requirements.

財務回顧(續)

除稅前溢利

由於毛利上升及其他收益上升，扣除分銷及銷售費用、行政費用及其他支出增加後，除稅前溢利由二零零七年208,000,000港元躍升48.3%至二零零八年308,500,000港元。

稅項

稅項支出由二零零七年29,200,000港元增加139.0%至二零零八年69,900,000港元。本集團於二零零七年及二零零八年的實際稅率分別為14.1%及22.7%。稅項支出及實際稅率上升，主要有關二零零八年台灣及中國大陸之附屬公司所宣派股息已付或應計之預扣稅32,300,000港元。

本年度純利

基於上述各項，二零零八年之全年收益淨額較二零零七年178,800,000港元上升33.4%至238,600,000港元。

流動資金及財務資源

二零零八年經營業務所得現金約為269,300,000港元(二零零七年：274,200,000港元)，有關增幅主要源自營運資金變動。於二零零八年十二月三十一日，本集團有銀行結存及現金約546,200,000港元(於二零零七年十二月三十一日：588,700,000港元)，且並無外界銀行借款。

資產負債方面，於二零零七年及二零零八年十二月三十一日，本集團資產負債比率(界定為淨負債除股東權益)為零，此乃由於本集團於兩個年結日均有淨現金結餘。於二零零七年及二零零八年十二月三十一日，本集團的流動比率(界定為流動資產除流動負債)分別為7.2倍及4.7倍。於二零零八年十二月三十一日之流動比率相對較低，乃由於就收取中國大陸附屬公司之股息而應計25,600,000港元預扣稅所致，有關預扣稅須於二零零九年繳付。於二零零八年十二月三十一日，除於本財務報表及有關附註披露者外，本集團並無重大或然負債。憑藉所持有的現金及銀行結存，本集團流動資金狀況維持穩健，且財務資源充裕，足以應付其承擔及營運資金所需。

FINANCIAL REVIEW (Continued)

Charges on assets

As at 31 December 2008, the Group has a pledge of bank deposit of HK\$428,000 (2007: Nil) for ensuring one of its wholly-owned subsidiary complies with the terms set in a Tenancy Agreement entered into with the landlord in order to obtain a right of using a self-owned store in Macau.

Treasury policies and exposure to fluctuations in exchange rates

The Group derives most of the revenue denominated in Renminbi and New Taiwan Dollar from the PRC and Taiwan as our operations are mainly in these two geographical areas. As at 31 December 2008, approximately 56.7% (as at 31 December 2007: 44.9%) of the Group's bank balances and cash was denominated in Renminbi, while approximately 10.1% (as at 31 December 2007: 33.6%) was denominated in New Taiwan Dollar and the remaining 33.2% (as at 31 December 2007: 21.5%) was denominated in US Dollars, Hong Kong Dollars, Macau Pataca and Malaysia Ringgits. The Group continued to adopt a conservative approach in respect of foreign exchange exposure management. Review of the Group's exposure to foreign exchange risk will be conducted periodically and derivative financial instruments may be used to hedge against such risk when necessary.

財務回顧(續)

資產抵押

於二零零八年十二月三十一日，本集團已抵押銀行存款428,000港元(二零零七年：無)，以確保其一家全資附屬公司遵守就取得澳門一家自資經營店舖之使用權而與業主訂立之租賃協議所載條款。

理財政策及所承受之匯率波動風險

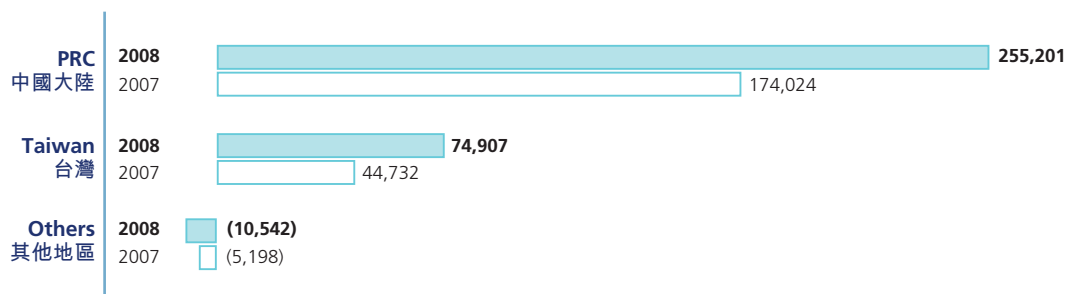
基於本集團業務主要集中於中國大陸及台灣，大部分收益亦來自上述兩地，並分別以人民幣及新台幣計值。於二零零八年十二月三十一日，本集團銀行結存及現金中約56.7%(於二零零七年十二月三十一日：44.9%)以人民幣計值，另約10.1%(於二零零七年十二月三十一日：33.6%)以新台幣計值，餘下33.2%(於二零零七年十二月三十一日：21.5%)則以美元、港元、澳門元及馬來西亞元計值。於外幣風險管理方面，本集團繼續採取穩健政策，定期檢討其所承受外幣風險，並於需要時使用衍生金融工具對沖有關風險。

BUSINESS REVIEW

業務回顧

Turnover by geographic region	按地域劃分之營業額	2008	2007	Changes	
		二零零八年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	HK\$'000 千港元	%
PRC	中國大陸				
Products	產品	428,237	307,161	121,076	39.4%
Services	服務	7,762	6,830	932	13.6%
Entrustment	委託經營	517	2,817	(2,300)	-81.6%
PRC Total	中國大陸總計	436,516	316,808	119,708	37.8%
Taiwan	台灣				
Products	產品	138,770	118,130	20,640	17.5%
Services	服務	8,012	8,707	(695)	-8.0%
Entrustment	委託經營	–	–	–	n/a不適用
Taiwan Total	台灣總計	146,782	126,837	19,945	15.7%
Others	其他地區				
Products	產品	8,484	5,125	3,359	65.5%
Services	服務	919	1,377	(458)	-33.3%
Entrustment	委託經營	–	–	–	n/a不適用
Others Total	其他地區總計	9,403	6,502	2,901	44.6%

OPERATING PROFITS BY GEOGRAPHICAL REGION 按地域劃分之經營溢利



BUSINESS REVIEW (Continued)

PRC Market

The Group continues to maintain our leading position in the PRC market despite intense market competition. In 2008, the encouraging growth in product sales resulted from strengthening of service quality and selling skills in relation to franchised stores. The improvement was attributable to video conferencing facilities in 13 locations across the PRC and headquarter training. Product sales in the PRC rose 39.4% to reach HK\$428.2 million.

The Group had raised the selling price of most of the products in the first half of 2008 amid the inflation pressure in China. Hence, the Group's overall gross profit in the PRC market increased by HK\$117.7 million and the product gross margin surged by 3 percentage points from 87.7% in 2007 to 90.7% in 2008.

Operating profit increased by 46.6% to HK\$255.2 million from HK\$174.0 million in 2007. Overall net margin also grew by 4.3 percentage points, from 49.9% in 2007 to 54.2% in 2008.

Taiwan Market

During 2008, product sales in Taiwan market also improved by 17.5% to HK\$138.8 million as compared with HK\$118.1 million in 2007.

Operating profit in Taiwan market increased by 67.5% to HK\$74.9 million from HK\$44.7 million in 2007. There was encouraging improvement in both operating margin and net margin. Overall operating margin increased by 15.7 percentage points to 51.0% in 2008, from 35.3% in 2007, and overall net margin also increased from 33.0% in 2007 to 41.7% in 2008, representing a surge of 8.7 percentage points.

業務回顧(續)

中國大陸市場

儘管市場競爭激烈，本集團繼續於中國大陸市場穩踞領導地位。於二零零八年之產品銷售額增長令人鼓舞，原因為本集團透過於中國大陸13個地點之視像會議設施以及於總部提供培訓，藉此加強加盟店之服務質素及銷售技巧。中國大陸之產品銷售增加39.4%至428,200,000港元。

中國大陸於二零零八年上半年飽受通脹壓力，本集團因而提升大部分產品之售價。因此，本集團於二零零八年在中國大陸市場之整體毛利增加117,700,000港元，而產品邊際毛利則由二零零七年87.7%上升3個百分點至90.7%。

經營溢利較二零零七年之174,000,000港元增加46.6%至255,200,000港元。整體淨邊際利潤亦由二零零七年之49.9%上調4.3個百分點至二零零八年之54.2%。

台灣市場

於二零零八年，台灣市場之產品銷售額亦較二零零七年之118,100,000港元增加17.5%至138,800,000港元。

台灣市場之經營溢利由二零零七年之44,700,000港元增加67.5%至74,900,000港元。經營邊際利潤及淨邊際利潤皆錄得顯著升幅。整體經營邊際利潤由二零零七年之35.3%增加15.7個百分點至二零零八年之51.0%，而整體淨邊際利潤亦由二零零七年之33.0%上升8.7個百分點至二零零八年之41.7%。

BUSINESS REVIEW (Continued)
Distribution channels

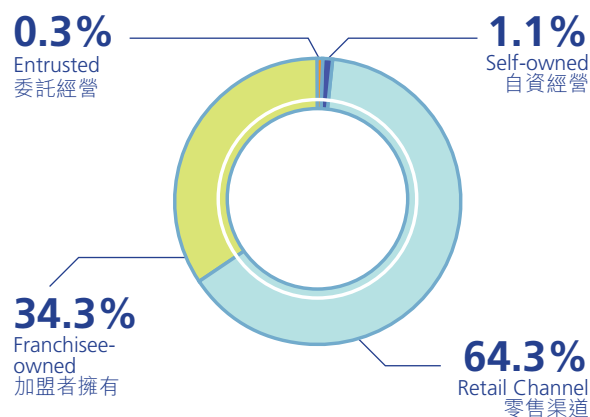
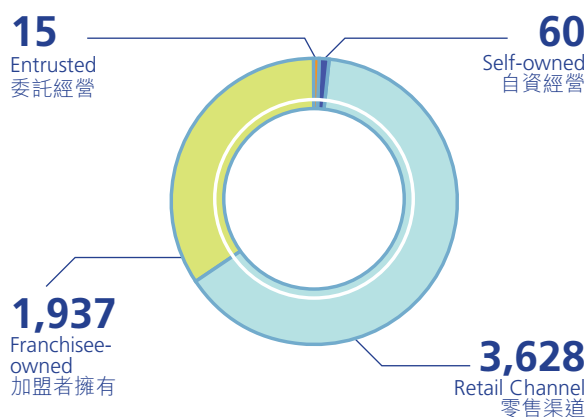
業務回顧(續)
分銷渠道

Store Number by Ownership As at 31 December 2008	按擁有權劃分之 店舖數目 於二零零八年十二月三十一日	Franchisee-	Self-	Total	Entrusted	Self-	Total	Group	Retail	Grand	
		owned	owned		Spa	owned					Spa
		Spa 加盟者 擁有	Spa 委託經營 水療中心	Spa 自資經營 水療中心	Spa 水療中心 總計	Spa 委託經營 專櫃	Spa 自資經營 專櫃	Spa 專櫃 總計	Spa 集團 總計	Spa 零售 渠道	Spa 全部 合計
Taiwan	台灣	438	-	9	447	-	-	-	447	3,628	4,075
PRC	中國大陸	1,446	1	7	1,454	14	42	56	1,510	-	1,510
Others	其他地區	53	-	2	55	-	-	-	55	-	55
Total	總計	1,937	1	18	1,956	14	42	56	2,012	3,628	5,640

Store Number by Ownership As at 31 December 2008	按擁有權劃分之店舖數目 於二零零八年 十二月三十一日	Franchisee- owned 加盟者擁有	Entrusted 委託經營	Self- owned 自資經營	Retail Channel 零售渠道	Total 總計
Taiwan	台灣	438	-	9	3,628	4,075
PRC	中國大陸	1,446	15	49	-	1,510
Others	其他地區	53	-	2	-	55
Total	總計	1,937	15	60	3,628	5,640

STORE NUMBER
BY OWNERSHIP (5,640)
按擁有權劃分之店舖數目 (5,640)

STORE NUMBER
BY OWNERSHIP (%)
按擁有權劃分之店舖數目 (%)



BUSINESS REVIEW (Continued)
Distribution channels (Continued)

業務回顧(續)
分銷渠道(續)

Average sales per store	每間店舖平均銷售額	2008 Average store* 二零零八年 店舖 平均數目*	2007 Average store* 二零零七年 店舖 平均數目*	2008 Average sales per store 二零零八年 每間 店舖平均 銷售額 HK\$ 港元	2007 Average sales per store 二零零七年 每間 店舖平均 銷售額 HK\$ 港元	Changes 變動 HK\$ 港元		%
PRC	中國大陸	1,487.5	1,407.0	293,000	225,000	68,000	30.2%	
Taiwan***	台灣***	452.0	483.5	300,000	230,000	70,000	30.4%	
Group total**	集團總計**	1,939.5	1,890.5	295,000	227,000	68,000	30.0%	

* Average store number is calculated by (opening period total + closing period total) / 2

** Group total does not include Hong Kong and Malaysia turnover and store count.

*** Taiwan sales figure excluded retail sales of "Fonperi" brand products which are sold by different distribution channel.

* 平均店舖數目以(期初總計+期末總計)/2計算

** 集團總計不包括香港及馬來西亞之營業額及店舖數目。

*** 台灣銷售額數字不包括透過不同銷售渠道出售之「Fonperi」品牌產品零售額。

The Group principally derives income through our unique distribution channels, namely spas and counters in department stores. As at 31 December 2008, there were 1,956 spas and 56 counters. All spas provide a variety of services, including hydrotherapy, facial treatment, body care and skin care analysis to its customers, whereas counters in department stores usually provide skin care analysis.

As at 31 December 2008, there were a total of 1,937 franchisee spas, and 18 spas and 42 counters directly operated by the Group. There were also 1 spa and 14 counters being entrusted to reputable operators.

A total of 198 new stores were opened and 161 stores were closed during the year under review.

The average sales per store in the PRC increased by 30.2%, from HK\$225,000 in 2007 to HK\$293,000 in 2008. In Taiwan, average sales per store also improved by 30.4%, from HK\$230,000 in 2007 to HK\$300,000 in 2008.

本集團收益主要來自其獨有之水療中心及百貨公司專櫃分銷渠道。於二零零八年十二月三十一日，本集團共有1,956間水療中心及56個專櫃。各水療中心均向顧客提供多種服務，包括水療、面部及身體護理以及皮膚護理分析服務，而百貨公司專櫃一般提供皮膚護理分析。

於二零零八年十二月三十一日，本集團直接經營共1,937間加盟水療中心、18間水療中心及42個專櫃，另有1間水療中心及14個專櫃委託優秀經營者經營。

於回顧年度內，本集團合共開設198間新店舖，另有161間店舖結業。

於中國大陸，每間店舖平均銷售額由二零零七年之225,000港元增加30.2%至二零零八年之293,000港元。於台灣，每間店舖平均銷售額亦有所改善，由二零零七年之230,000港元增加30.4%至二零零八年之300,000港元。

BUSINESS REVIEW (Continued)

Distribution channels (Continued)

Our objective is to encourage franchisees to open bigger spas, so as to improve average store sales by adding more service spaces.

Franchised spas are owned by franchisees and they are responsible for the capital investment of their spas, and are obliged to use “Natural Beauty” or “NB” brand for products in their spas.

Retail Business

Since the launch of Fonperi products, the retail outlets in Taiwan has increased from 1,394 as at 31 December 2007 to 3,628 points of sales as at 31 December 2008, including Watsons, Carrefour, Geant, RT-Mart, Wellcome, FamilyMart and others.

Research and Development

In order to maintain our competitive edge, the Group puts much emphasis on research and development, so as to improve the quality of existing products and develop new products. The Group has been collaborating with overseas cosmetic companies on technological development and imported biotechnology materials from Europe, Japan and Australia, which have been applied in over 700 NB's products. The Group's research and development team comprises 13 members and a number of overseas consultants with experience and expertise in cosmetics, medical, pharmacy and bio-chemistry. NB's products are constantly enhanced and modified with new ingredients developed by its research and development team. The Group believes that the collaboration of different expertise and experience within the team, together with Dr. Tsai's over 30 years of industry experience and knowledge, can help develop high quality beauty and skin care products. NB principally uses natural ingredients to manufacture the products and adopts special formulation to cater to the specific needs of the delicate skin type for oriental women. NB's products are attentive to the natural metabolism of skin with long-lasting effects.

In developing new products, the research and development team will take into account the feedback and advice from senior management of the Group. Prototype of new products will be distributed to over 1,000 selected senior beauty professionals. In accordance with the outcome of the tests, refinements or modifications to the products may be made, prior to its full commercial launch to ensure the high quality, effectiveness and safety standard of NB's products. When a product requires registration with relevant authorities, it will be done prior to market launch. All NB products are carefully produced to meet all relevant regulations.

業務回顧(續)

分銷渠道(續)

本集團旨在鼓勵加盟商開設更大型之水療中心，務求透過擴大服務空間，增加店舖平均銷售額。

加盟水療中心由加盟者擁有，彼等須承擔水療中心之資本投資，另須於水療中心使用「自然美」或「NB」品牌產品。

零售業務

自Fonperi產品推出以來，台灣之零售點由二零零七年十二月三十一日之1,394個增至二零零八年十二月三十一日之3,628個，當中包括設於屈臣氏、家樂福、愛買、大潤發、惠康、全家及其他店舖之銷售點。

研究及開發

為保持競爭優勢，本集團重視研究及開發，務求改善其現有產品之質素及開發新產品。本集團與海外化妝品公司合作研發新技術，同時引入歐洲、日本及澳洲生物科技物料，應用於自然美逾700種產品中。本集團之研究及開發隊伍由13名成員及多名具備化妝品、醫學、藥劑及生物化學經驗與專業知識之海外顧問組成。本集團不斷改良自然美產品，並於當中注入研究及開發隊伍研發之新成分。本集團相信，透過隊伍內不同專家之通力合作與經驗交流，加上蔡博士於業內積逾30年之經驗及知識，定必有助開發優質美容及護膚產品。自然美產品主要使用天然成分，並採用特別配方，迎合東方女性嬌嫩肌膚之特別需要。自然美產品針對肌膚自然新陳代謝，功效持久。

開發新產品時，研究及開發隊伍將考慮本集團高級管理人員之回應及意見。新產品之樣本將會分發予超過1,000名選定之資深美容專業人士。產品全面推出市場前，或需因應測試結果進行調整或修正，以確保自然美產品達致一定水平之質素、功效及安全標準。倘產品須向有關機關登記，有關手續將於產品面市前辦妥。所有自然美產品均保證符合一切相關規定。

BUSINESS REVIEW (Continued)

Research and Development (Continued)

In addition to NB's dedicated research and development team, NB has collaborated with a leading researcher in the field of human genome and stem cell technology, in the development of anti-aging NB-1 product family and other products for spot removing, whitening, anti-allergy and slimming. With Dr. Tsai's over 30 years of experience in the beauty and skin care industry and the strong professional portfolio of our research and development staff members, NB has the competitive advantages in the research and development of beauty and skin care products.

The total research and development costs remain steady at HK\$1.7 million in both 2007 and 2008.

New Products

After the successful launch of our flagship product, anti-aging NB-1 series in late 2003, we launched NB-1 Whitening series, NB-1 anti-allergy and NB-1 pore refining series. In 2008, over 271,000 sets / bottles (2007: 176,000 sets / bottles) of NB-1 family products were sold with a turnover of HK\$200.2 million (2007: HK\$134.5 million), accounting for more than one-third of total product sales during the year under review.

We also targeted our health food and supplement products as one of the growth drivers in 2008, which turnover grew 186% from HK\$16.6 million in 2007 to HK\$47.4 million in 2008.

We also launched a retail brand "Fonperi" in Taiwan in April 2007, Fonperi products are sold via retail channels like hypermarkets and drugstores, including 6 key accounts, namely Watsons, Carrefour, Geant, RT-Mart, Wellcome and FamilyMart, as well as 10 wholesalers. There were 3,628 retail points of sales selling "Fonperi" products in Taiwan. Up to 31 December 2008, over 205,000 units were sold, generating a turnover of HK\$11.3 million.

During 2008, the Group continued to enrich the product range and launched 109 new products, including 12 new products of "Fonperi" and 29 new health supplement products.

Information Technology

The Group starts to implement ERP system by Oracle to link the key decision making process throughout the Group's value chain. The ERP system is expected to enhance the Group's information flow, and to enable the generation of more accurate and timely production planning and sales forecast.

業務回顧(續)

研究及開發(續)

除自然美竭誠努力之研究及開發隊伍外，自然美亦與人類基因及幹細胞科技頂尖研究員合作，開發抗衰老NB-1產品系列及其他去斑、美白、抗敏及纖體產品。憑藉蔡博士於美容及護膚業超過30年之經驗，加上研究及開發人員之優越背景，自然美於研究及開發美容及護膚產品方面具備競爭優勢。

本集團之研究及開發成本總額於二零零七年及二零零八年間維持於1,700,000港元之穩健水平。

新產品

繼二零零三年底成功推出旗艦產品－抗衰老NB-1系列後，本集團進一步推出NB-1美白系列、NB-1防敏感及NB-1細緻毛孔系列。於二零零八年，本集團已售出超過271,000套／件（二零零七年：176,000套／件）NB-1系列產品，帶來營業額200,200,000港元（二零零七年：134,500,000港元），佔回顧年度內產品銷售總額超過三分之一。

本集團亦視健康食品及補充品為二零零八年度增長動力其中一環，其營業額由二零零七年之16,600,000港元增長186%至二零零八年之47,400,000港元。

本集團於二零零七年四月在台灣推出零售品牌「Fonperi」，Fonperi產品透過大型超級市場及藥房等零售渠道銷售，其中包括6名主要客戶屈臣氏、家樂福、愛買、大潤發、惠康及全家以及10名批發商。於台灣，共有3,628個銷售點售賣「Fonperi」產品。截至二零零八年十二月三十一日，已售出逾205,000件產品，營業額達11,300,000港元。

本集團於二零零八年繼續豐富產品種類，並推出109款新產品，其中包括12款「Fonperi」新產品及29款新健康食品。

資訊科技

本集團開始實施由甲骨文開發之企業資源規劃系統，以串連本集團價值鏈主要決策程序。企業資源規劃系統預期可提升本集團資訊傳遞，藉此更準確及適時作出生產計劃及銷售預測。

BUSINESS REVIEW (Continued)

Information Technology (Continued)

The implementation of the ERP system in Taiwan was completed in 2004. There were three logistic centers in the PRC operated by the Group. The Warehouse Management System (WMS) is now linked to Oracle ERP system.

In order to improve operating efficiency, the Group has developed a B2B portal for our franchisee to order goods online. In addition, we also have a B2C portal on our website for retail customers to shop online.

Human Resources

As at 31 December 2008, the Group had a total of 1,029 employees, of whom 809 were based in PRC, 195 in Taiwan and 25 in other areas. Total remuneration (excluding directors' emoluments) for the year ended 31 December 2008 was appropriately HK\$97.3 million (2007: HK\$79.5 million), including retirement benefits cost of HK\$10.4 million (2007: HK\$7.9 million). Competitive remuneration packages are maintained to attract, retain and motivate capable staff and are reviewed on a regular basis.

The Group maintains good relations with our employee and is committed to offering them training. Professional training courses are offered to beauticians employed by the Group and our franchisees on a regular basis to promote and maintain the quality and consistency of the services provided.

In addition, the Group adopted a share option scheme on 11 March 2002, with a view to providing incentives and reward to eligible participants who contributed to the success of the Group's operations. The Directors may, at their discretion, invite any employee or director of the Group or any qualified person as set out in the scheme, to subscribe for shares. On 16 July 2008, the Group granted options to certain employees to subscribe a maximum of 2,213,456 shares, subject to achieving certain performance targets. The stock options could be vested at a ratio of 50%, 30% and 20% for a three-year period. There were 1,336,354 options forfeited as certain performance targets were not achieved based on the audited results of respective subsidiaries of the Group for the year ended 31 December 2008. As an additional employee incentive, the Company will pay the relevant option holder a cash bonus in the amount of the total exercise price payable for the exercise of the options. The option holders are required to use any such cash bonus towards payment of the exercise price of the relevant options and HK\$1,125,397 of cash bonus had been paid and used directly for exercising those options for 639,430 share issued. On 7 July 2008, there were 639,430 ordinary shares of the Company allotted and issued in connection with the exercise of vested portion of employee stock options granted in the previous year.

業務回顧(續)

資訊科技(續)

台灣之企業資源規劃系統實施工作已於二零零四年完成。本集團於中國大陸運作三間物流中心。倉庫管理系統現已與甲骨文企業資源規劃系統連接。

為改善營運效率，本集團開發商業對商業(B2B)入門網站，供加盟者網上訂購貨品。此外，本集團亦於網站另設商業對客戶(B2C)入門網站，供零售顧客網上購物。

人力資源

於二零零八年十二月三十一日，本集團合共聘有1,029名僱員，其中809名派駐中國大陸，台灣有195名，其他地區則有25名。截至二零零八年十二月三十一日止年度，總酬金(不包括董事酬金)約為97,300,000港元(二零零七年：79,500,000港元)，其中包括退休福利成本10,400,000港元(二零零七年：7,900,000港元)。為招聘、留聘及鼓勵表現卓越之僱員，本集團保持具競爭力之酬金組合，並定期檢討。

本集團與僱員維持良好合作關係，著重僱員培訓，更定期為集團聘用之美容師及加盟者提供專業培訓課程，從而提升及確保所提供服務之質素及一貫性。

此外，本集團已於二零零二年三月十一日採納認股權計劃，以獎勵及獎賞對本集團業務成就有所貢獻之合資格參與人士。董事可酌情邀請本集團任何僱員或董事及該計劃所載任何合資格人士認購股份。於二零零八年七月十六日，本集團向若干僱員授出認股權，於達成若干表現目標後可認購最多2,213,456股股份。認股權可於三年內按50%、30%及20%比率歸屬。鑑於本集團相關附屬公司之經審核業績未能達致若干業績目標，故已於截至二零零八年十二月三十一日止年度沒收1,336,354份認股權。作為對僱員之額外獎勵，本公司將會向相關認股權持有人發放金額相當於行使認股權時應付行使價總額之現金紅利。認股權持有人須利用任何該等現金紅利支付相關認股權之行使價，其中為數1,125,397港元之現金紅利已支付並直接用作行使該等認股權發行639,430股股份。於二零零八年七月七日，本公司已於去年授出且已歸屬部分僱員之認股權獲行使時，配發及發行639,430股普通股。



BUSINESS REVIEW (Continued)

Human Resources (Continued)

The Directors also strengthened its professional management team by recruiting new staff members to fill in some key management positions like head of sales and head of marketing from multinational companies for the PRC and Taiwan markets. The Board believes that the addition of more industry experts will be beneficial to the Group's expansion and long-term development in future.

Capital Expenditures

The Group's major capital expenditures were related to self-owned spas and machinery in our factories. There were HK\$35.4 million additions to fixed assets in 2008 (2007: HK\$53.8 million), comprising renovation cost and the cost incurred as a result of additional furniture and fixtures for our new Taiwan office, as well as our newly opened self-owned spas in Beijing and Macau, which amounted to HK\$14.2 million, HK\$3.9 million and HK\$2 million respectively.

Franchisees are responsible for the capital expenditures of their spas.

業務回顧(續)

人力資源(續)

董事更聘請曾任職跨國公司人員出任銷售總監及市場策劃主管等若干主要管理職位，專責中國大陸及台灣市場，以壯大本集團之專業管理隊伍。董事會相信，增聘行業專才將有利本集團日後之擴展工作及長遠發展。

資本開支

本集團主要資本開支涉及自資經營水療中心及本集團廠房內之機器。於二零零八年，本集團添置固定資產總值35,400,000港元(二零零七年：53,800,000港元)，當中包括就位於台灣總部辦公室、北京及澳門之新開設自資經營水療中心進行翻新工程以及添置傢具和裝置之成本分別為14,200,000港元、3,900,000港元及2,000,000港元。

加盟者須承擔其水療中心之資本開支。



OUTLOOK

China

Amidst a weakening global economy, the Group still believes that the growth in PRC is far more rapid than in any other major economies. PRC market remains the Group's strategic focus in the foreseeable future. With the strengthening of sales skill training and product knowledge of the franchisees, together with new products introduced and further expansion of the franchise network, overall sales and average sales per store are targeted to improve further. Also, the Group had acquired a related company which principally engaged in the research, development and manufacture of health supplements during the year. Through this acquisition, the Group can further strengthen its position in expanding health supplements business and improving its overall competitive edge.

Taiwan

In spite of the high expectations for the newly elected Taiwan President, Taiwan's economy has not turned around during 2008. Under the worldwide economic crisis, general economy and retail market are expected to remain weak, but we will focus more on our core business of franchising spa products to outperform the economy in general.

For both markets, new products, especially health supplements, will be introduced to reach extended family and friends of our existing clients.

前景

中國

儘管全球經濟放緩，本集團仍然相信中國大陸之增長將遠勝任何其他主要經濟體系。因此，中國大陸市場於可見將來仍為本集團之策略重點。本集團透過加強培訓加盟者之銷售技巧及對產品之認知，加上推出新產品及進一步擴充加盟網絡，目標為改善整體營業額及每間店舖之平均銷售額。此外，本集團於年內收購一家主要從事研究、開發及製造健康食品之關連公司。透過是次收購，本集團得以鞏固其於日益壯大之健康食品業務的地位，以及改善其整體競爭優勢。

台灣

儘管各界對新任台灣總統寄予厚望，台灣經濟於二零零八年未能扭轉。於全球經濟危機之陰霾下，預期整體經濟及零售市場將維持疲弱，惟本集團將更著重加盟水療產品之核心業務，務求打破整體經濟困局。

就該兩個市場而言，本集團將推出新產品，特別是健康食品，務求將現有客戶基礎伸展至彼等之親友層面。

Report on Corporate Governance

企業管治報告

The Board and management of the Company are committed to maintaining high standards of corporate governance. The Board had adopted Corporate Governance Guidelines (the “CG Guidelines”) (available on website: www.nblife.com/ir) which gives guidance on how corporate governance principles are applied to the Company.

The Company applied the principles and complied with all the code provisions set out in Appendix 14 Code of Corporate Governance Practices (the “Code”) of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The following summarises the Company’s corporate governance practices and explains deviations, if any, from the Code.

In addition to complying with applicable statutory requirements, we aim to continually review and enhance our corporate governance practices in light of local and international best practices.

本公司董事會及管理層致力維持高標準之企業管治水平。董事會已採納有關本公司如何應用企業管治原則之企業管治指引(於網站 www.nblife.com/ir可供參閱)。

本公司已應用香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14之企業管治常規守則(「守則」)所載原則，並已遵守當中所載全部守則條文。下文概述本公司之企業管治常規，並闡釋偏離守則(如有)之原因。

除符合適用法規外，本公司致力參照本地及國際最佳常規，持續檢討及改進企業管治常規。

STATEMENT OF COMPLIANCE

A. Directors

A1. The Board

Details of Directors’ attendance records in 2008 are as follows:

		Remuneration Committee Meeting	Audit Committee Meeting	Independent Board Committee Meeting	Independent Board Committee Meeting
		薪酬委員會 會議	審核委員會 會議	董事會 會議	獨立 董事委員會 會議
Executive Directors	執行董事				
Dr. TSAI Yen Yu	蔡燕玉博士	n/a	n/a	12/13	n/a
Mr. LEE Ming Ta	李明達先生	n/a	n/a	12/13	n/a
Dr. SU Chien Cheng	蘇建誠博士	n/a	3/3	13/13	n/a
Dr. SU Sh Hsyu	蘇詩琇博士	n/a	n/a	12/13	n/a
Independent Non-Executive Directors	獨立非執行董事				
Mr. YEH Liang Fei	葉良輝先生	1/1	3/3	12/12	3/3
Mrs. CHEN SHIEH Shu Chen	陳謝淑珍女士	1/1	3/3	11/12	3/3
Mr. CHEN Ching	譚清先生	1/1	3/3	12/12	3/3

Note: One of the Board meetings was related to renewal of the service Contracts of two of the Independent Non-Executive Directors, hence the total number of Board meetings relevant to Independent Non-Executive Directors was one less than that of the Executive Directors.

遵例聲明

A. 董事

A1. 董事會

二零零八年之董事出席記錄詳情如下：

附註：其中一次董事會會議與重續兩名獨立非執行董事之服務合約有關，因此與獨立非執行董事有關之董事會會議總數較執行董事少一次。

Directors are consulted to include any matter in the agenda for regular Board meetings.

The Company generally gives notice and draft agenda of regular Board meetings at least 14 days in advance. The Company aims at giving reasonable notice generally for all other Board meetings.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and advises the Board on corporate governance and compliance matters.

The Company Secretary is responsible for taking minutes of Board meetings and its committee's ("Board Committee") meetings, which would be sent to Directors within a reasonable time (generally within 14 days) after each meeting and would be made available for inspection by Directors and Board Committee members.

Natural Beauty's CG Guidelines allow Directors to take independent professional advice at the Company's expense.

Instead of by way of circulation, full Board meetings will be held for any material transactions with connected persons. Independent Non-Executive Directors who, and whose associates, have no material interest in the transaction should be present at such meeting.

The Company's articles of association (the "Articles") provide for voting and quorum requirements conforming with the Code requirements.

A2. Chairman and Chief Executive Officer

Dr. TSAI Yen Yu serves as the Chairman and Mr. LEE Ming Ta serves as the Chief Executive Officer. The Chairman focuses on Group strategic and Board issues while the Chief Executive Officer has the overall responsibility for operations and development.

The Chairman has a clear responsibility to provide the whole Board with all information relevant to the discharge of the Board's responsibilities.

各董事獲諮詢，以提出任何商討事項列入董事會常規會議議程。

本公司一般就董事會常規會議發出至少十四天預先通知及會議議程初稿。本公司力求就所有其他董事會會議發出時間合理之通知。

全體董事均可與公司秘書聯絡。公司秘書之職責為確保妥為遵從董事會程序以及就企業管治及合規事宜向董事會提供建議。

公司秘書負責編製董事會及其轄下委員會(「董事委員會」)會議之會議記錄，而會議記錄將於各會議後合理時間內(一般為十四日內)送交各董事，並可供各董事及董事委員會成員查閱。

自然美之企業管治指引容許董事徵求獨立專業意見，費用由本公司支付。

就任何與關連人士進行之重大交易，將會舉行全體董事會會議，而不會以傳閱文件方式處理。於交易中並無重大權益之獨立非執行董事及彼等之聯繫人士須出席該會議。

本公司之公司組織章程細則(「章程細則」)規定投票及法定人數須符合守則之規定。

A2. 主席及行政總裁

蔡燕玉博士為主席，而李明達先生則出任行政總裁。主席專注本集團之策略及董事會事務，而行政總裁則掌管整體業務營運及發展。

主席有明確職責，須向全體董事會提供所有與履行董事會職責有關之資料。

The Company aims to continually improve on the quality and timeliness of the dissemination of information to Directors. (See Section A6 – “Supply of and access to information” for further details)

A3. Board composition

Composition of the Board, by category of Directors, including names of the Executive Directors and Independent Non-Executive Directors are disclosed in all corporate communications.

A4. Appointments, re-election and removal

All Directors, including Executive and Non-Executive Directors, serve three-year terms, and are subject to re-election.

According to the Articles, new Directors are required to submit themselves to election at the first general meeting (either Annual General Meeting (“AGM”) or Extraordinary General Meeting (“EGM”)) following their appointment.

At each AGM, one-third of the Directors (including Executive and Non-Executive Directors), or, if their number is not three or a multiple of three, then the number not less than one-third, shall retire from office by rotation such that every Director is subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereafter.

A5. Responsibilities of Directors

On appointment, new Directors will be given a comprehensive orientation training by the Company’s legal counsel, to explain the responsibilities and duties, and other regulatory requirements.

The Company Secretary is responsible for keeping all Directors updated on Listing Rules and other statutory requirements.

All Independent Non-Executive Directors are members of the two standing committees of the Board, namely the Audit Committee and the Remuneration Committee.

There was satisfactory attendance for Board and Board Committee meetings in 2008.

本公司致力持續改善向董事發佈資料之質素及適時程度。(進一步詳情請參閱第A6節—「資料提供及查閱」)

A3. 董事會組成

在所有公司通訊中均按董事類別(包括執行董事及獨立非執行董事姓名)披露董事會的組成。

A4. 委任、重選及撤換

所有董事(包括執行及非執行董事)於出任三年後均須接受重選。

根據章程細則，新任董事須在接受委任後首次股東大會(不論為股東週年大會(「股東週年大會」)或股東特別大會(「股東特別大會」))參選。

於每屆股東週年大會上，三分之一董事(包括執行及非執行董事)，或如董事人數並非三或三之倍數，則為不少於三分之一之人數須輪值退任，致令每名董事均最少每三年輪值退任一次。每年退任之董事應為自彼等上次獲選起計任期最長者，倘多名董事於同日獲委任，除非彼等私下另有協定，否則將以抽籤方式決定將退任人士。退任董事須留任直至彼將退任之大會結束為止，屆時將合資格於會上應選連任。

A5. 董事責任

新任董事於獲委任時均會獲本公司法律顧問提供全面迎新培訓，向彼闡釋有關職責、職務及其他監管規定。

公司秘書負責知會全體董事最新之上市規則及其他法例規定。

全體獨立非執行董事均為董事會兩個常務委員會之成員，即審核委員會及薪酬委員會。

二零零八年度各董事會及董事委員會會議之出席率令人滿意。

Throughout the year, Directors complied with the required standards of the Model Code set out in Appendix 10 to the Listing Rules regarding Directors' securities transactions.

There were compliance manuals provided to each of the Directors and members of senior management, which set out (a) the principal continuing obligations of the Company and the Directors as a result of the listing of the securities of the Company on the Main Board of the Stock Exchange of Hong Kong Limited; and (b) the systems and procedures that the Company, its Directors and senior management should follow in order to ensure compliance with such obligations.

A6. Supply of and access to information

Board papers were sent to all Directors at least three days before the date of the Board/Board Committee meeting.

Senior management members are from time to time brought into formal and informal contact with the Board at Board meetings and other events.

Board papers and minutes are made available for inspection by Directors and Board Committee members.

B. Remuneration of Directors and Senior Management

B1. The level and make-up of remuneration and disclosure

The Company has set up a Remuneration Committee. Full terms of reference are available on the Company's website: www.nblife.com/ir.

With reference to the remuneration committee charter, each committee member had carefully reviewed and considered the terms of the expired service contracts (namely Dr. TSAI Yen Yu, Mr. LEE Ming Ta and Dr. SU Chien Cheng) during the year, contribution of each of the Executive Directors to the Group, the Directors' experience in the beauty and spa business and the market rate paid by comparable companies.

The Board also reviewed and considered the terms of the expired service contracts of two Independent Non-Executive Directors (namely Mr. YEH Liang Fei and Mrs. CHEN SHIEH Shu Chen) during the year, contribution of each of these two Independent Non-Executive Directors to the Group, their experience in the beauty and spa business and the market rate paid by comparable companies.

於整個年度內，各董事一直遵守上市規則附錄10有關董事進行證券交易的標準守則所載規定標準。

各董事及高級管理層成員獲給予合規手冊，當中載列(a)本公司及董事因本公司證券於香港聯合交易所有限公司主板上市而須持續承擔之主要責任；及(b)本公司、董事及高級管理人員須遵從之制度及程序，以確保履行有關責任。

A6. 資料提供及查閱

董事會文件至少須於董事會／委員會會議舉行日期前三天送交各董事。

高級管理層成員不時於董事會會議及其他場合與董事會正式或非正式會面。

董事會文件及會議記錄均可供董事及委員會成員查閱。

B. 董事及高級管理人員之薪酬

B1. 薪酬水平及組合以及披露

本公司已設立薪酬委員會，其詳盡職權範圍載於本公司網站 www.nblife.com/ir。

經參考薪酬委員會之規章後，各委員會成員已詳細檢討及考慮蔡燕玉博士、李明達先生及蘇建誠博士於年內已屆滿服務合約之條款、各執行事對本集團之貢獻、董事於美容及水療中心業務之經驗以及可資比較公司支付之市場薪酬。

董事會亦已檢討及考慮兩名獨立非執行董事葉良輝先生及陳謝淑珍女士於年內已屆滿服務合約之條款、該兩名獨立非執行董事各自對本集團之貢獻、彼等於美容及水療中心業務之經驗以及可資比較公司支付之市場薪酬。

The terms of the renewed service contracts of each of these Executive Directors and Independent Non-Executive Directors remain unchanged and the service contracts were renewed for another three years.

Independent professional advice will be sought to supplement internal resources where appropriate.

有關各執行董事及獨立非執行董事經重續之服務合約條款維持不變，且已另行重續三年。

於適當時將會尋求獨立專業意見以補充內部資源。

C. Accountability and Audit

C1. Financial reporting

Directors are provided with reports on the management's strategic plans, updates on lines of business, financial objectives, plans and actions. The Directors are responsible for keeping proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2008, the Directors have:

- approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants;
- selected and applied consistently appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable;
- prepared the accounts on going concern basis.

A statement by the auditors about their reporting responsibilities is included in the Report of the Auditors on page 60.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

C. 問責及核數

C1. 財務匯報

董事獲提供管理層有關之策略計劃、各項業務最新進展、財務目標、計劃及行動之報告。董事須負責存置適當會計記錄及就各財務期間編製賬目，以真實和公平地反映本集團業務狀況及於該期間之業績及現金流量。於編製截至二零零八年十二月三十一日止年度之賬目時，董事已：

- 批准採納所有由香港會計師公會頒佈之適用香港財務報告準則；
- 挑選及貫徹應用適當會計政策；
- 作出審慎合理之判斷和估計；
- 按持續經營基準編製賬目。

核數師就其申報責任作出之聲明載於第60頁之核數師報告書內。

董事會將於年報及中期報告、其他股價敏感公佈、根據上市規則須作出之其他財務披露、呈交監管機構之報告以及根據法規規例須予披露之資料中，作出平衡、清晰及易於理解的評價。

C2. Internal controls

The Board has overall responsibility for the system of internal controls and for reviewing its effectiveness. Management regularly reviews the effectiveness of the risk management and system of internal controls and compliance with best practices. The Executive Directors and Financial Controller also report to the Audit Committee twice a year on key findings regarding internal controls. The Audit Committee, in turn, communicates any material issues to the full Board.

The Board's review will also consider the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

C3. Audit Committee

Draft minutes prepared by the Company Secretary are sent to members within 14 days of each meeting. None of the three Audit Committee members is former partners of the external auditors. Full terms of reference (Audit Committee Charter) are available on the Company's website: www.nblife.com/ir.

The Audit Committee recommended to the Board (which in turn endorsed the view) that, subject to shareholders' approval at the forthcoming AGM, Deloitte Touche Tohmatsu be reappointed as the external auditors for 2009.

During 2008, the Group paid to the auditor HK\$3.4 million for 2008 statutory audit services of the Company.

There is an agreed procedure for Audit Committee members to take independent professional advice at the Company's expense.

D. Delegation by the Board

D1. Management functions

There is a defined schedule of matters reserved for full Board decision, including:

- Long-term objectives and strategies;
- Extension of group activities into new business areas;
- Preliminary announcements of interim and final results;

C2. 內部監控

董事會須對內部監控制度負全責，並檢討其成效。管理層定期檢討風險管理及內部監控制度之成效，並遵守最佳常規。執行董事及財務總監亦會就內部監控之主要檢討結果每年向審核委員會匯報兩次，而審核委員會則會將任何重大事宜知會全體董事會。

董事會之檢討亦將考慮資源充足度，本公司會計及財務申報職能之員工資歷及經驗，以及彼等之培訓計劃及預算。

C3. 審核委員會

公司秘書草擬之會議記錄於各會議舉行十四日內寄交各成員。三名審核委員會成員中並無外聘核數師前任合夥人。完整職權範圍(審核委員會規章)刊載於本公司網站www.nblife.com/ir。

審核委員會推薦董事會，且董事會已認可其見解，待於應屆股東週年大會獲股東批准後，續聘德勤•關黃陳方會計師行為二零零九年外聘核數師。

年內，本集團就二零零八年之法定審核服務向核數師支付3,400,000港元。

設有審核委員會成員徵求獨立專業意見之協定程序，費用由本公司支付。

D. 董事會權力之轉授

D1. 管理職能

現時已設有明確事項列表，列明須由全體董事會決定之事項，包括：

- 長期目標及策略；
- 擴展集團業務至新業務範疇；
- 中期及末期業績公佈初稿；

- Material banking facilities;
- Material acquisitions and disposals;
- Material connected transactions; and
- Annual internal controls assessment.

D2. Board Committees

The Board has established two Board Committees (Audit Committee and Remuneration Committee) with specific terms of reference available at the Company's website: www.nblife.com/ir.

Board Committees present their respective reports to the Board after each meeting, which reports address their work and findings.

E. Communication with Shareholders

E1. Effective communication

Separate resolutions are proposed at the meeting on each substantially separate issue, including the election of individual Directors.

Chairman and/or Executive Directors, Independent Non-Executive Directors, and Chairman of the Audit Committee and the Remuneration Committee are requested to attend the forthcoming AGM.

There were one AGM and two EGMs held since the issue of last annual report.

This code provision stipulates that the chairman of the board and chairman of audit committee of a listed issuer should attend the issuer's AGM and EGM. Dr. Tsai Yen Yu, the Chairperson of the Company, has been heavily committed to business operations of the Group in the Mainland China and Taiwan. Despite her utmost intention to be present at the Company's 2008 annual general meeting held on 12 June 2008, business circumstances made it impossible. However, although she was unable to attend, she had duly arranged for Dr. Su Chien Cheng, an executive director of the Company who is well versed in all the business activities and operations of the Group, to attend on her behalf and to chair the meeting and to respond to shareholders' questions. Dr. Su also attended the EGM held on 16 October 2008 on behalf of the Board to answer questions from the shareholders.

- 重大銀行融資；
- 重大收購及出售；
- 重大關連交易；及
- 年度內部監控評估。

D2. 董事會轄下委員會

董事會轄下設有兩個董事委員會，即審核委員會及薪酬委員會，其明確職權範圍於本公司網站www.nblife.com/ir登載。

董事委員會於各會議後向董事會提呈相關報告，當中載列其工作或所得結果。

E. 與股東溝通

E1. 有效溝通

於股東大會上，均已就每項大致上獨立之事宜(包括選舉個別董事)個別提呈決議案。

主席及／或執行董事、獨立非執行董事、審核委員會及薪酬委員會主席均須出席應屆股東週年大會。

自上一份年報刊發日期以來曾舉行一次股東週年大會及兩次股東特別大會。

此守則條文規定上市發行人董事會主席及審核委員會主席須出席發行人之股東週年大會及股東特別大會。本公司主席蔡燕玉博士忙於處理本集團於中國大陸及台灣之業務運作。儘管彼極希望出席本公司於二零零八年六月十二日舉行之二零零八年股東週年大會，惟因公務羈身以致未克出席。然而，蔡燕玉博士雖未能出席大會，惟已正式安排熟悉本集團一切業務活動及運作的本公司執行董事蘇建誠博士代彼出席及主持大會，並回應股東提問。蘇博士亦代表董事會出席於二零零八年十月十六日舉行之股東特別大會並解答股東提問。

Mr. CHEN Ching, an Independent Non-Executive Director, attended and chaired the EGM held on 16 February 2009. Dr. SU Chien Cheng also attended the meeting.

There is a dedicated section of “Shareholder Services” in the Company’s website: www.nblife.com/ir to provide comprehensive information related to shareholders.

E2. Voting by poll

Procedures for demanding a poll were set out in the notice of AGM and EGMs during the year. These procedures were also explained during the AGM and EGMs proceedings.

A representative of the Company’s Share Registrar, Hong Kong Registrars Limited was appointed as scrutineer during the AGM and EGMs.

Poll results were published on the same day following the meetings and posted on the website of the Stock Exchange and that of the Company at www.nblife.com/ir.

ADDITIONAL CORPORATE GOVERNANCE AREAS

Institutional shareholder communications

We consider it is important to have dialogues with institutional shareholders based on mutual understanding of objectives. We participated in various road shows during the year.

Our investor relations website was also won the “Greater China Region – TOP 5 Financial Disclosure Procedures” award accredited by Investor Relations Global Ranking (IRGR) in 2009.

Additional shareholders’ services can be found in the investor relations section of the Company’s website: www.nblife.com/ir.

獨立非執行董事譔清先生已出席於二零零九年二月十六日舉行之股東特別大會並擔任大會主席。蘇建誠博士亦有出席大會。

本公司網站www.nblife.com/ir設有「股東服務」一節，提供有關股東之全面資料。

E2. 以按股數投票方式表決

要求以按股數投票方式表決之程序已載於本年度股東週年大會及股東特別大會通告。該等程序亦會於股東週年大會及股東特別大會闡釋。

本公司股份過戶登記處香港證券登記有限公司之代表已獲委任為股東週年大會及股東特別大會之監票人。

以按股數投票方式表決的結果於舉行會議後之營業日公佈，並於聯交所網站及本公司網站www.nblife.com/ir刊登。

其他企業管治範疇

機構股東通訊

本集團認為就互相理解目標與機構股東對話甚為重要。本集團於年內曾參與在多項巡迴路演。

本集團的投資者關係網站於二零零九年獲投資者關係全球評級(Investor Relations Global Ranking, IRGR)頒發「大中華地區最佳財務披露企業五強之一」(Greater China Region – TOP 5 Financial Disclosure Procedures)獎項。

其他股東服務載於本公司網站：www.nblife.com/ir「投資者關係」一頁。

Management Profile

管理層履歷

Chairman and Executive Director: Dr. Tsai Yen Yu (alias Tsai Yen Pin) (“Dr. Tsai”)

Aged 61, the founder and the Chairman of the Group. Dr. Tsai founded the Group in 1972 and is responsible for the Group’s overall management, strategic planning and development, and formulation of company policies and business strategy. Dr. Tsai is a renowned and authoritative expert in Taiwan, PRC, as well as in Southeast Asia with over 30 years. In these years, Dr. Tsai has been awarded numerous honours, positions and prizes such as:

- Honorary Doctor of Commerce, Dewey University, the USA
- Fellowship of Asian Knowledge Management Association
- Female Entrepreneur Award by Ernst & Young “Entrepreneur of the Year”
- Taiwan’s Top Ten Most Influential Female Entrepreneur awarded by CommonWealth Magazine
- Outstanding Entrepreneurs of Taiwan awarded by Taiwan Women’s Business Association
- “Top 100 Chinese Entrepreneurs” of China
- “Bai Yu Lan” Award by the Shanghai City Government
- Principal consultant in the Chinese Ministry of Labor and the programme “Ji Qing Chuang Ye” of CCTV
- Principal consultant of cosmetology arbitration panel in the Chinese Ministry of Law
- 1st Pacemaker Award and Education Award of Beauty and Cosmetics Industry in China
- Chairman of Association of Beauty Technique in Taipei
- Chairman of Association of Beauty and Hairstyle in Taiwan

Executive Director: Lee Ming Ta (alias Lee Ming Tah)

Aged 61, the husband of Dr. Tsai, is the executive director of the Group and is responsible for the general administration and internal management of the Group. Prior to joining the Group in 1993, Mr. Lee had worked for various financial institutions at senior management level for over 10 years in corporate management and staff training. Mr. Lee graduated in Fengchia University in Taiwan with a bachelor degree in Banking and Insurance.

Executive Director: Dr. Su Chien Cheng

Aged 37, the son of Dr. Tsai, is the executive director and Vice President of the Group. He is responsible for the financial management and strategic business development of the Group. Dr. Su graduated from the University of Westminster with a master degree of business administration and obtained his PhD in Business Management in the Shanghai University of Finance and Economics of the PRC. He joined the Group in 1999, and assisted in leading the listing of the Group on the Hong Kong Stock Exchange in 2002.

主席兼執行董事：蔡燕玉博士 (又名蔡燕萍)(「蔡博士」)

61歲，本集團創辦人兼主席。蔡博士於一九七二年創辦本集團，負責本集團的整體管理、策略規劃及發展、制定公司政策及業務策略。蔡博士在台灣、中國大陸及東南亞為享負盛名的專業權威，擁有超過30多年經驗。蔡博士曾獲得無數榮譽、職銜及獎項，如：

- 美國杜威大學商學榮譽博士
- 亞洲知識管理協會院士
- 安永年度國際傑出創業家－女性創業家大獎
- 台灣十大最有影響力之女企業家(天下雜誌)
- 台灣第六屆傑出工商婦女
- 中國「百名位傑出華商領袖」
- 上海市政府頒發「白玉蘭獎」
- 中國勞動部及中央電視台激情創業專欄首席顧問
- 中國法務部美容爭議評判首席顧問
- 榮選首屆中國美容化妝品時代功勳獎、教育獎
- 台北市美容技術協會理事長
- 中華民國儀容美協會理事長

執行董事：李明達

61歲，蔡博士的丈夫，本集團執行董事，負責本集團的一般行政及內部管理。於一九九三年加入本集團前，李先生曾於多家財務機構任職高級管理職務，於企業管理及員工培訓工作方面擁有超過10年經驗。李先生畢業於台灣逢甲大學，擁有銀行及保險學學士學位。

執行董事：蘇建誠博士

37歲，蔡博士的兒子，本集團執行董事兼副總裁，負責本集團的財務管理與策略性事業發展工作。蘇博士畢業於英國西敏寺大學，擁有工商管理碩士學位，並取得中國大陸上海財經大學企業管理哲學博士學位，於一九九九年加入本集團，並於2002年協助主導本集團完成香港股票上市工作。

Executive Director: Dr. Su Sh Hsyu

Aged 35, the daughter of Dr. Tsai, is the Executive Director of the Group since 21 September 2004. She advises the Group in various aspects including i) strategic planning and development, ii) project management involving in the full process from development to roll-out of products and services, iii) exploring new distribution channels and advising on the enhancement of the existing ones and iv) identifying potential strategic partner and involving in the negotiation of partnership. Dr. Su graduated from the London School of Economics with a master of science degree in industrial relations, personnel management and human resources management and obtained her PhD in International & Comparative Education, Columbia University in New York, US. Dr. Su had been actively engaged in the marketing and business development of the Group in Taiwan and the PRC during the period from 2004 to 2007.

Independent Non-executive Director: Yeh Liang Fei

Aged 77, worked in the police force of Taiwan for more than 40 years. Mr. Yeh held senior positions in several police bureaus in Taiwan. After his retirement from the police force, Mr. Yeh was appointed the honorary President of Ta Feng Securities Co., Ltd. in Taiwan. He is very experienced in administration and human resources management in large organisations. Mr. Yeh graduated from Central Police Officer College of Taiwan. He was appointed as the Company's independent non-executive director in March 2002.

Independent Non-executive Director: Chen Shieh Shu Chen

Aged 54, is a director of Taipei Australia International Investment Pty. Ltd., a company engaged in real estate development in Australia. Mrs. Chen is also a director of Ho Yin Garments Manufacturing Co., Ltd. in Taiwan. She has been a director of Taipei Australia International Investment Pty. Ltd. for over 10 years and is experienced in property investment, general management and global trading. Mrs. Chen graduated from Soochow University of Taiwan with a bachelor degree of Arts in History. She was appointed as the Company's independent non-executive director in March 2002.

執行董事：蘇詩琇博士

35歲，蔡博士的女兒，於二零零四年九月二十一日獲委任為本集團執行董事。彼於多個範疇為本集團提供意見，包括(i)策略規劃及發展；(ii)涉及由發展以至推出產品及服務整個程序之項目管理；(iii)開拓新分銷渠道及就提升現有渠道提供意見及(iv)物色潛在策略夥伴及參與商談合作關係。蘇博士畢業於英國倫敦政治經濟學院，擁有工業關係、人事管理及人力資源管理碩士學位，並獲美國紐約哥倫比亞大學頒授國際及比較教育博士學位。蘇博士於二零零四年至二零零七年期間曾積極參與本集團在台灣及中國大陸之市場推廣及業務發展。

獨立非執行董事：葉良輝

77歲，曾服務台灣警隊逾40年。葉先生曾於台灣擔任多個警察局高級職位，並於警隊榮休後，獲委任為台灣大豐證券的榮譽董事，於大型機構行政及人力資源管理工作方面積逾豐富經驗。葉先生畢業於台灣中央警官學校，於二零零二年三月獲委任為本公司獨立非執行董事。

獨立非執行董事： 陳謝淑珍

54歲，為從事澳洲房地產發展的公司台澳國際投資有限公司的董事，亦是台灣合胤製衣廠有限公司董事，並在台澳國際投資有限公司擔任董事職務超過10年，在物業投資、一般管理及全球貿易工作方面經驗豐富。陳太畢業於台灣東吳大學，擁有文學士學位，主修歷史。陳太於二零零二年三月獲委任為本公司獨立非執行董事。

Independent Non-executive Director: Chen Ching

Aged 45, is the Independent Non-Executive Director of the Group. He is also the Managing Partner of Dinkum & Co, CPAs in Taiwan and has over 15 years of experience in accounting. He was a part-time lecturer of the Accounting Information Department in Takming College from 2000 to 2001 and Accounting Department in Chung Kuo Institute of Technology from 2001 to 2002, respectively, both of which are tertiary academic institutions in Taiwan. Mr. Chen is an Independent Director of Yufo Electronics Corporation, a company listed on the GreTai Securities Market (Over-The-Counter Market) in Taiwan. Mr. Chen graduated from the National Cheng-Chi University with a master of science degree in accounting and is a member of Certified Public Accountants Association of Taiwan.

Senior Management: Shiao Wen Chung (alias Mark Shaw)

Aged 50, Group Chief Operating Officer, is responsible for consolidating and expanding the Group operations. Mr. Shiao graduate from Department of Journalism of Taiwan Culture University in 1981. Prior to joining the Group in October 2006, Mr. Shiao has over 23 years of operational management experience in the consumer goods industry. He was the National Sales Director of Energizer Schick Taiwan Limited, leading the sales team of the company operating globally in the broad categories of household and personal care products. He also worked for Warner-Lambert in Taiwan as the National Sales Directors and Unilever Taiwan as Channel Sales Manager.

Senior Management: Wang Kuang Jui

Aged 42, Supply Chain Director of NB Shanghai and is responsible for the supply chain management in the PRC, including ERP, logistics and IT department. Mr. Wang was graduated in the Chinese Culture University in Taiwan with a Bachelor of Mass Communication. He was the head of IT and also held senior position in Amigo Logistics Corporation in Taiwan. Mr. Wang has been working in China since year 2000. Prior to joining our Group in 2006, Mr. Wang held senior positions in Dragon Logistics Co., Ltd and Trust-Mart Hypermarket.

Senior Management: Chen Hwa Lien

Aged 60, is the Head of Administration for NB Shanghai and is responsible for the administration, logistics and human resources of the Group's PRC operation. Prior to joining the Group in 1993, Ms. Chen had over 10 years of regional administrative experience in Taiwan. She is one of the key employees for the Group's expansion in the PRC.

獨立非執行董事：湛清

45歲，本集團獨立非執行董事，亦為台灣鼎信聯合會計師事務所主管合夥人，從事會計工作逾15年。彼曾於二零零零年至二零零一年期間擔任德明技術學院的會計資訊科兼任講師，亦於二零零一年至二零零二年期間擔任中國工商技術學院會計科兼任講師，上述兩家學院均為台灣之專上學院。湛先生亦為育富電子股份有限公司(為在台灣證券櫃檯買賣中心上櫃之公司)之獨立董事。湛先生畢業於國立政治大學並取得會計碩士學位。彼為台灣會計師公會會員。

高級管理層：蕭文聰

50歲，集團營運長，專責鞏固及擴充集團業務。蕭先生於一九八一年畢業於台灣文化大學新聞系。於二零零六年十月加入本集團前，蕭先生於消費品行業積逾二十三年營運管理經驗。彼曾擔任勁量舒適股份有限公司台灣分公司的全國銷售總監，帶領該公司銷售團隊於全球經營各式各樣家居及個人護理產品。蕭先生亦曾擔任台灣華納藍茂公司的全國業務處長及聯合利華(股)台灣分公司的通路經理。

高級管理層：王光瑞

42歲，自然美上海供應鏈總監，負責本集團中國業務之供應鏈管理，包括工廠產銷計劃、物流及資訊部門等工作。王先生於台灣文化大學畢業，取得大眾傳播學學士學位，台灣地區工作期間曾任東源物流高階主管及資訊長等職務。於二零零零年前往中國工作，於二零零六年加入本集團前，曾於中國龍邦物流及好又多量販集團擔任高階主管。

高級管理層：陳華蓮

60歲，自然美上海副總經理，負責本集團中國大陸業務之行政管理、後勤及人力資源工作。於一九九三年加入本集團前，陳女士在台灣擁有逾10年地區行政管理經驗，為本集團開拓中國大陸市場的要員之一。

Senior Management: Yan Yi Ling

Aged 48, is the Head of accounting and finance for NB PRC region and is responsible for the accounting and financial management function of the Group's PRC operation. Ms. Yan graduated from the Shanghai University of Finance and Economics with a bachelor degree in economics in 1983 and graduated from West Virginia University in the US with a master degree in Statistics in 1997. Prior to joining the Group in 2000, Ms. Yan worked in commercial bank in US and China holding management position and has over 10 years of working experience in internal control and business administration.

Senior Management: Fong Chiu Hsia

Aged 54, is the head of accounting and finance for NB Taiwan and is responsible for the financial management and accounting function of the Group's Taiwan Business. Prior to joining the Group in 1980, Ms. Fong worked in an international accounting firm and has served management positions in a number of corporations in the region and has over 30 years of experience in accounting, finance and auditing.

Senior Management: Yang Chiao Ling

Aged 36, is the Sales and Marketing Director of NB Taiwan and is responsible for the sales and marketing of our franchise operation, self-own spas, as well as the branding in Taiwan. Ms. Yang was graduated from Shih-Chien University in Taiwan and also studied in Fashion Institute of Technology in New York. Prior to joining the Group in 2003, Ms. Yang had been working in various organizations, such as Otto, Citibank etc., in the field of merchandising and marketing. She is also the wife of Dr. Su Chien Cheng.

Senior Management: Lu Wen Sheng

Aged 42, Brand Director of NB Taiwan and is responsible for the branding and marketing execution in Taiwan. Mr. Lu was graduated with a MBA major in international management in Thunderbird, American Graduate School of International Management of USA in 1998. Prior to joining the Group in March 2007, Mr. Lu has extensive product and branding experiences of fast moving consumer products including Product Manager of Warner Lambert and Senior Product Manager of L'OREAL Taiwan.

高級管理層：顏逸翎

48歲，自然美中國大陸地區財務及會計主管，負責本集團在中國大陸業務的財務及會計管理工作。顏女士於一九八三年畢業於上海財經大學財政金融系，擁有經濟學學士學位，並於一九九七年畢業於美國西維珍尼亞大學統計學系，獲得統計學碩士學位。於二零零零年加入本集團前，顏女士曾於中國和美國的商業銀行擔任管理職位，並在內部管理及業務行政方面積逾10年工作經驗。

高級管理層：封秋霞

54歲，台灣自然美會計及財務主管，負責本集團台灣業務之財務管理及會計工作。封女士於一九八零年加入本集團前，曾於一家國際會計師事務所工作，並先後於區內數家企業擔任管理職位。彼於會計、財務及審計方面積逾30年經驗。

高級管理層：楊巧玲

36歲，為自然美台灣的銷售及市場推廣總監，負責加盟店及自資經營水療中心的銷售及市場推廣，以及於台灣的品牌形象。楊女士畢業於台灣實踐大學，亦曾於紐約FIT服裝學院修讀。於二零零三年加入本集團前，楊女士曾於Otto、花旗銀行等多家機構任職銷售規劃及市場推廣範疇。彼為蘇建誠博士之妻子。

高級管理層：盧文生

42歲，自然美台灣之品牌總監，於台灣負責品牌及市場推廣執行工作。於一九九八年，盧先生獲美國國際管理學院頒授商業企管碩士學位，主修國際管理。於二零零七年三月加入本集團前，盧先生於瞬息萬變之消費產品業擁有廣泛產品及品牌經驗，彼曾擔任台灣華納華藍茂公司的產品經理及台灣L'OREAL之高級產品經理。

Senior Management: Wang Fang

Aged 43, National Sales Director of Natural Beauty in China and is responsible for the sales operation and franchisee recruitment in China. Ms. Wang was graduated in the Wuhu Institute of Technology with a diploma of Business Administration and currently studying an Executive MBA program in School of Business Nanjing University. Ms. Wang has over 21 years of working experience. Prior to joining our Group in 2007, Ms. Wang was the District Sales Director of Avon China.

Senior Management: Chan Yan Kwan, Andy

Aged 40, is the Financial Controller and Company Secretary of the Group. Mr. Chan is responsible for the financial planning and monitoring. He graduated from the University of Hull in the UK with a bachelor's degree in economics (economics and accounting) in 1992 and graduated from Richard Ivey School of Business with University of Western Ontario, Canada with an Executive MBA in 2008. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Prior to joining the Group in July 2004, Mr. Chan worked in an international accounting firm and had served senior financial positions in a NASDAQ listed company and a renowned German exhibition company.

高級管理層：王芳

43歲，自然美全國銷售總監，負責中國業務之銷售營運及全國加盟部。王女士於蕪湖職業技術學院畢業，取得企業管理專科，現正就讀南京大學商學院之行政人員工商管理碩士課程。王女士擁有逾21年工作經驗，於二零零七年加入本集團前，曾任雅芳中國有限公司區域銷售總監。

高級管理層：陳仁君

40歲，本集團財務總監兼公司秘書，負責財務規劃及監督。彼於一九九二年畢業於英國 University of Hull，持有經濟(經濟及會計學)學士學位，以及於二零零八年畢業於加拿大西安大略大學 Richard Ivey 商學院 (Richard Ivey School of Business)，擁有行政人員工商管理碩士學位。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。於二零零四年七月加入本集團前，陳先生曾任職一家國際會計師行，亦曾於一家納斯達克上市公司及一家著名德國展覽公司擔任高級財務職位。

Directors' Report

董事會報告書

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

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 activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 62.

An interim dividend of HK\$0.050 per share amounting to HK\$100,032,000 was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK\$0.0335 per share to the shareholders on the register of members on 26 May 2009, amounting to approximately HK\$67,021,000. Details of the dividends are set out in note 12 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales and purchases attributable to the Group's five largest customers and suppliers were less than 30% of the Group's total turnover and purchases for the year respectively.

INVESTMENT PROPERTIES

The Group's investment properties at 31 December 2008 were fair valued by an independent firm of professional property valuers. The fair value increase of approximately HK\$15,000 has been recognised in the consolidated income statement. Details of movements during the year in the investment properties of the Group are set out in note 14 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

董事提呈彼等截至二零零八年十二月三十一日止年度的年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，本集團主要業務為(a)護膚、美容及香薰產品製造及銷售及(b)提供肌膚護理、美容及spa服務以及肌膚護理顧問服務及美容培訓。本集團主要附屬公司的業務載於綜合財務報表附註35。

業績及分派

本集團截至二零零八年十二月三十一日止年度的業績載於第62頁的綜合收益表。

於年內，本公司向股東派發每股0.050港元之中期股利，合共100,032,000港元。董事現建議向於二零零九年五月二十六日名列股東名冊之股東派發末期股利每股0.0335港元，合共約67,021,000港元。有關股利詳情載於綜合財務報表附註12。

主要客戶及供應商

本集團五大客戶及供應商應佔總銷售額及採購額，分別佔本集團本年度的總營業額及採購額不足30%。

投資物業

本集團投資物業於二零零八年十二月三十一日由獨立專業物業估值師行按公平值基準進行估值。按公平值，增加約15,000港元已於綜合收益表確認。有關本集團投資物業於年內的變動詳情載於綜合財務報表附註14。

不動產、廠場及設備

本集團於年內的不動產、廠場及設備變動詳情載於綜合財務報表附註15。

SHARE CAPITAL

Details of the share capital of the Company are set out in note 25 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Dr. Tsai Yen Yu (alias Dr. Tsai Yen Pin)
Mr. Lee Ming Ta (alias Mr. Lee Ming Tah)
Dr. Su Chien Cheng
Dr. Su Sh Hsyu

Independent non-executive directors:

Mr. Yeh Liang Fei
Mrs. Chen Shieh Shu Chen
Mr. Chen Ching

In accordance with Article 117 of the Company's articles of association, Dr. Su Sh Hsyu, Mr. Yeh Liang Fei and Mr. Chen Ching will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers all of the independent non-executive directors independent.

All the independent non-executive directors are members of the Company's Audit Committee and Remuneration Committee.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2008, in the opinion of the directors of the Company, the Company's reserves available for distribution to shareholders were approximately HK\$515,953,000 which represents the share premium and retained profits of the Company.

股本

本公司股本詳情載於綜合財務報表附註25。

董事

於年內及截至本報告刊發日期，本公司董事如下：

執行董事：

蔡燕玉博士(又名蔡燕萍博士)
李明達先生
蘇建誠博士
蘇詩琇博士

獨立非執行董事：

葉良輝先生
陳謝淑珍女士
譚清先生

根據本公司之公司組織章程細則第117條，蘇詩琇博士、葉良輝先生及譚清先生將輪值告退，且符合資格並願意於即將舉行之股東週年大會重選連任。

本公司已自各獨立非執行董事接獲根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條發出之年度獨立身分確認書。本公司認為，全體獨立非執行董事均為獨立人士。

全體獨立非執行董事均為本公司審核委員會及薪酬委員會成員。

本公司可供分派儲備

於二零零八年十二月三十一日，本公司董事認為，本公司可供分派予股東之儲備約為515,953,000港元，該等儲備乃本公司之股份溢價及保留溢利。

DIRECTORS' SERVICE CONTRACTS

The directors' service contracts entered into between the Company and all executive directors were for a term of three years, commencing from 11 March 2008, in the case of Dr. Tsai, Yen Yu ("Dr. Tsai"), Mr. Lee Ming Ta ("Mr. Lee") and Dr. Su Chien Cheng ("Dr. Su Chien Cheng") and from 21 September 2007 in the case of Dr. Su Sh Hsyu ("Dr. Su Sh Hsyu"). The service contracts of the independent non-executive directors were also for a term of three years, commencing from 11 March 2008 in the case of Mr. Yeh Liang Fei ("Mr. Yeh") and Mrs. Chen Shieh Shu Chen ("Mrs. Chen") and from 21 September 2007 in the case of Mr. Chen Ching ("Mr. Chen"). These services contracts may be terminated by either party giving to the other not less than three calendar months' notice in writing. The initial aggregate annual remuneration pursuant to such service contracts is HK\$2,988,000 (as to HK\$1,000,000 to Dr. Tsai, HK\$700,000 to Mr. Lee, HK\$600,000 to Dr. Su Sh Hsyu, HK\$600,000 to Dr. Su Chien Cheng, HK\$20,000 to Mr. Yeh, HK\$20,000 to Mrs. Chen and HK\$48,000 to Mr. Chen) subject to an annual increment at the discretion of the directors of not more than 10% of the annual remuneration immediately prior to such increase.

Each of Dr. Tsai, Mr. Lee, Dr. Su Chien Cheng and Dr. Su Sh Hsyu is also entitled to a management bonus. The aggregate amount of the bonuses payable to these executive directors will not exceed 15% of the audited consolidated profit attributable to equity holders of the Company in respect of that financial year of the Group. For the year ended 31 December 2008, the Remuneration Committee had recommended and the Board had approved the payment of the bonuses of HK\$4,000,000 to Dr. Tsai, HK\$3,000,000 to Dr. Su Chien Cheng and HK\$3,000,000 to Dr. Su Sh Hsyu, totaling HK\$10,000,000 for the year, which represents approximately 4.0% and 4.2% of the audited consolidated profit attributable to equity holders of the Company prior and after such expense, respectively.

Save as disclosed above, no director has any unexpired service contract which is not determinable by the Group within one year without payment of compensation, other than normal statutory obligations.

董事服務合約

本公司與全體執行董事訂立之董事服務合約均為期三年，蔡燕玉博士（「蔡博士」）、李明達先生（「李先生」）及蘇建誠博士（「蘇建誠博士」）之合約年期由二零零八年三月十一日開始；蘇詩琇博士（「蘇詩琇博士」）之合約年期則由二零零七年九月二十一日開始。各獨立非執行董事亦訂立為期三年之服務合約，葉良輝先生（「葉先生」）及陳謝淑珍女士（「陳女士」）之合約年期由二零零八年三月十一日開始；譚清先生（「譚先生」）之合約年期則由二零零七年九月二十一日開始。該等服務合約可由任何一方向對方發出不少於三個曆月的書面通告終止。根據該等服務合約的初步年度酬金總額為2,988,000港元（蔡博士獲1,000,000港元、李先生獲700,000港元、蘇詩琇博士獲600,000港元、蘇建誠博士獲600,000港元、葉先生獲20,000港元、陳女士獲20,000港元及譚先生獲48,000港元），董事每年可酌情增加酬金，惟增幅不得超過於緊接該增加前之年度酬金10%。

蔡博士、李先生、蘇建誠博士及蘇詩琇博士亦可享有管理花紅。應付該等執行董事的花紅總額不得超過本集團有關財政年度的本公司股東應佔經審核綜合溢利之15%。截至二零零八年十二月三十一日止年度，薪酬委員會建議並已獲董事會批准就本年度分別向蔡博士、蘇建誠博士及蘇詩琇博士支付花紅4,000,000港元、3,000,000港元及3,000,000港元，合共10,000,000港元，分別相當於扣除該項開支前後本公司股東應佔經審核綜合溢利約4.0%及4.2%。

除上文披露者外，各董事概無訂立任何於一年內免付補償（一般法定補償除外）而本集團不可終止的尚未屆滿服務合約。

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2008, the interests of the directors, the chief executive and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:

Long positions in shares and underlying shares of the Company

Ordinary shares

董事於股份的權益

於二零零八年十二月三十一日，董事、主要行政人員及彼等之聯繫人士於本公司及其相聯法團的股份、相關股份及債券中，擁有記錄於本公司根據證券及期貨條例(「證券及期貨條例」)第352條存置的登記冊，或根據上市規則所載上市公司董事進行證券交易的標準守則(「標準守則」)已知會本公司及聯交所的權益如下：

於本公司股份及相關股份的好倉

普通股

Name of directors	董事姓名	Number of ordinary shares		% of the issued share capital of the Company 佔本公司已發行股本百分比
		Family interests 家族權益	Corporate interests 公司權益	
Dr. Tsai	蔡博士	–	838,530,000 (Note 1)(附註1)	41.91%
Dr. Su Chien Cheng	蘇建誠博士	–	236,580,000 (Note 2)(附註2)	11.83%
Dr. Su Sh Hsyu	蘇詩琇博士	–	236,580,000 (Note 3)(附註3)	11.83%
Mr. Lee	李先生	838,530,000 (Note 1)(附註1)	–	41.91%

Notes:

(1) The two references to 838,530,000 shares relate to the same block of shares. Such block of shares are held by Efficient Market Investments Limited ("Efficient Market") which is beneficially wholly-owned by Dr. Tsai through Knightcote Enterprises Limited ("Knightcote").

Mr. Lee, the spouse of Dr. Tsai, is deemed to be interested in 838,530,000 ordinary shares of the Company.

(2) The reference to 236,580,000 shares is held by Adventa Group Limited ("Adventa") which is beneficially wholly-owned by Dr. Su Chien Cheng through Beautivalue Holdings Limited ("Beautivalue"). Dr. Su Chien Cheng is the son of Dr. Tsai.

(3) The reference to 236,580,000 shares is held by Fortune Bright Group Limited ("Fortune Bright") which is beneficially wholly-owned by Dr. Su Sh Hsyu through Colour Shine Holdings Limited ("Colour Shine"). Dr. Su Sh Hsyu is the daughter of Dr. Tsai.

附註：

(1) 以上兩次提述的838,530,000股股份指同一批股份。該等股份由Efficient Market Investments Limited(「Efficient Market」)持有，而Efficient Market則由蔡博士透過Knightcote Enterprises Limited(「Knightcote」)全資實益擁有。

蔡博士之配偶李先生被視作擁有本公司838,530,000股普通股之權益。

(2) 以上提述的236,580,000股股份由Adventa Group Limited(「Adventa」)持有，而Adventa則由蘇建誠博士透過Beautivalue Holdings Limited(「Beautivalue」)全資實益擁有。蘇建誠博士為蔡博士之兒子。

(3) 以上提述的236,580,000股股份由Fortune Bright Group Limited(「Fortune Bright」)持有，而Fortune Bright則由蘇詩琇博士透過Colour Shine Holdings Limited(「Colour Shine」)全資實益擁有。蘇詩琇博士為蔡博士之女兒。

DIRECTORS' INTERESTS IN SHARES (Continued)

Other than as disclosed above, none of the directors, the chief executive nor their associates had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2008.

SHARE OPTIONS The Company

Particulars of the Company's stock option scheme are set out in note 26 to the consolidated financial statements.

On 16 July 2008, the Group granted options to certain employees to subscribe for a maximum of 2,213,456 shares and the stock options will be vested at a ratio of 50%, 30% and 20% over a three-year period subject to the grantees achieving certain performance targets.

The following table discloses movements in the Company's share option during the year:

Category 1: Employees

Option type	Date of grant	Exercisable period	Exercise price	Outstanding					Outstanding at end of year
				at beginning of year	Granted during year	Exercised during year	Forfeited during year	Expired during year	
認股權類別	授出日期	行使期	行使價	尚未行使	於年內授出	於年內行使	於年內沒收	於年內屆滿	尚未行使
2007 Type I 二零零七年第一類	27 July 2007 二零零七年七月二十七日	1 July 2008 to 26 July 2017 二零零八年七月一日至二零一七年七月二十六日	1.76	639,430	-	(639,430)	-	-	-
2007 Type II 二零零七年第二類	27 July 2007 二零零七年七月二十七日	1 July 2009 to 26 July 2017 二零零九年七月一日至二零一七年七月二十六日	1.76	383,659	-	-	-	-	383,659
2007 Type III 二零零七年第三類	27 July 2007 二零零七年七月二十七日	1 July 2010 to 26 July 2017 二零一零年七月一日至二零一七年七月二十六日	1.76	255,772	-	-	-	-	255,772
2008 Type I 二零零八年第一類	16 July 2008 二零零八年七月十六日	1 July 2009 to 15 July 2018 二零零九年七月一日至二零一八年七月十五日	1.69	-	1,106,728	-	(668,177)	-	438,551
2008 Type II 二零零八年第二類	16 July 2008 二零零八年七月十六日	1 July 2010 to 15 July 2018 二零一零年七月一日至二零一八年七月十五日	1.69	-	664,037	-	(400,906)	-	263,131
2008 Type III 二零零八年第三類	16 July 2008 二零零八年七月十六日	1 July 2011 to 15 July 2018 二零一一年七月一日至二零一八年七月十五日	1.69	-	442,691	-	(267,271)	-	175,420
				<u>1,278,861</u>	<u>2,213,456</u>	<u>(639,430)</u>	<u>(1,336,354)</u>	<u>-</u>	<u>1,516,533</u>

董事於股份的權益(續)

除上文披露者外，於二零零八年十二月三十一日，概無董事、主要行政人員或彼等之聯繫人士於本公司或其任何相聯法團的任何股份、相關股份或債券中擁有任何權益或淡倉。

認股權 本公司

本公司認股權計劃之詳情載於綜合財務報表附註26。

於二零零八年七月十六日，本集團向若干僱員授出認股權，以認購最多2,213,456股股份。該等認股權將在承授人達到若干表現指標之情況下分三年先後按50%、30%及20%之比率歸屬。

下表披露本公司認股權於年內之變動：

組別1：僱員

SHARE OPTIONS (Continued)

The Company (Continued)

Category 1: Employees (Continued)

The closing price of the Company's share immediately before 16 July 2008, the date of grant of the 2008 options, was HK\$1.69.

There were 1,336,354 options forfeited as certain performance targets were not achieved based on the audited results of respective subsidiaries of the Group for the year ended 31 December 2008.

As an additional employee incentive, the Company will pay the relevant option holder a cash bonus in the amount of the total exercise price payable for the exercise of the options. The option holders are required to use any such cash bonus towards payment of the exercise price of the relevant options and HK\$1,125,397 of cash bonus had been paid and used directly for the exercise of those options for 639,430 share issued.

There was no options granted to substantial shareholders, executive directors or independent non-executive directors during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

認股權(續)

本公司(續)

組別1：僱員(續)

本公司股份於緊接二零零八年認股權授出日期二零零八年七月十六日之前之收市價為1.69港元。

鑑於本集團相關附屬公司於截至二零零八年十二月三十一日止年度之經審核業績未能達到若干表現指標，故此已沒收1,336,354份認股權。

作為對員工的額外獎勵，本公司將向相關認股權持有人發放金額相當於行使認股權時應付總行使價的現金花紅。認股權持有人須利用該等現金花紅支付相關認股權之行使價。本公司已支付現金花紅1,125,397港元，並直接用作行使該等認股權以發行639,430股股份。

年內並無向主要股東、執行董事或獨立非執行董事授出任何認股權。

購買股份或債券之安排

除上文所披露認股權計劃外，於年內任何時間，本公司或其任何控股公司、附屬公司或同系附屬公司並無參與訂立任何安排，致令本公司董事可藉收購本公司或任何其他法人團體的股份或債券而獲利。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2008, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, the following shareholders had notified the Company of relevant interests in the issued capital of the Company.

Long position in shares and underlying shares of the Company

Ordinary shares of HK\$0.10 each of the Company

主要股東

於二零零八年十二月三十一日，本公司根據證券及期貨條例第336條存置的主要股東名冊顯示，以下股東已知會本公司彼等於本公司已發行股本的有關權益。

於本公司股份及相關股份的好倉

本公司每股面值0.10港元的普通股

Name of shareholder 股東姓名／名稱	Notes 附註	Capacity 身分	Number of ordinary shares beneficially held 實益持有 普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比
Efficient Market	1	Beneficial owner 實益擁有人	838,530,000	41.91%
Knightcote	1 & 2	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	838,530,000	41.91%
Adventa	3	Beneficial owner 實益擁有人	236,580,000	11.83%
Beautivalue	3 & 4	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	236,580,000	11.83%
Fortune Bright	5	Beneficial owner 實益擁有人	236,580,000	11.83%
Colour Shine	5 & 6	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	236,580,000	11.83%
Dr. Tsai 蔡博士	2	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	838,530,000	41.91%
Dr. Su Chien Cheng 蘇建誠博士	4	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	236,580,000	11.83%
Dr. Su Sh Hsyu 蘇詩琇博士	6	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	236,580,000	11.83%
Martin Currie Inc.	7	Beneficial owner 實益擁有人	90,231,000	4.51%
Martin Currie Investment Management Limited 馬丁可利投資管理有限公司	7	Beneficial owner 實益擁有人	83,865,000	4.19%
Martin Currie Ltd.	7 & 8	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	174,096,000	8.70%
Martin Currie (Holdings) Ltd. 馬丁可利(控股)有限公司	8	Beneficial owner and held by a controlled corporation 實益擁有人及由受控制法團持有	174,096,000	8.70%
Keywise Capital Management (HK) Limited 凱思博投資管理(香港)有限公司		Beneficial owner 實益擁有人	161,540,000	8.07%
UBS AG		Beneficial owner 實益擁有人	120,737,000	6.03%

SUBSTANTIAL SHAREHOLDERS (Continued) Long position in shares and underlying shares of the Company (Continued)

Ordinary shares of HK\$0.10 each of the Company (Continued)

Notes:

1. Efficient Market is beneficially wholly-owned by Knightcote.
2. The controlled corporation, Knightcote, is beneficially wholly-owned by Dr. Tsai. These shares are attributable to Dr. Tsai in respect of her 100% interest in Knightcote.
3. Adventa is beneficially wholly-owned by Beautivalue.
4. The controlled corporation, Beautivalue, is beneficially wholly-owned by Dr. Su Chien Cheng. These shares are attributable to Dr. Su Chien Cheng in respect of his 100% interest in Beautivalue.
5. Fortune Bright is beneficially wholly-owned by Colour Shine.
6. The controlled corporation, Colour Shine, is beneficially wholly-owned by Dr. Su Sh Hsyu. These shares are attributable to Dr. Su Sh Hsyu in respect of her 100% interest in Colour Shine.
7. Martin Currie Inc. and Martin Currie Investment Management Limited are beneficially wholly-owned by Martin Currie Ltd.
8. Martin Currie Ltd. is beneficially wholly-owned by Martin Currie (Holdings) Ltd.

Save as the interests disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2008.

CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

The Group had the following significant transactions with connected persons:

- (i) During the year, Shanghai Natural Beauty Sanlian Cosmetics Company Limited ("NB Sanlian"), an indirect wholly-owned subsidiary, purchased natural health food of approximately HK\$6,530,000 from Shanghai Natural Beauty Bio-Med Company Limited 上海自然美生物醫學有限公司 ("Bio-Med"), a company beneficially-owned as to 20% by Dr. Tsai, 40% by Dr. Su Chien Cheng and 40% by Dr. Su Sh Hsyu pursuant to a renewed natural health food purchase agreement dated 16 January 2008. On 16 January 2008, NB Sanlian and Bio-Med entered into the Renewed Natural Health Food Purchase Agreement, for the period from 1 January 2008 to 31 December 2008, with the annual cap amount of HK\$9,000,000. The transaction under the Renewed Natural Health Food Purchase Agreement is regarded as continuing connected transactions pursuant to Chapter 14A of the Listing Rules of the Stock Exchange. Details of which were set out in the announcement of the Company dated 16 January 2008.

主要股東(續) 於本公司股份及相關股份的好倉(續)

本公司每股面值0.10港元的普通股(續)

附註：

1. Efficient Market由Knightcote全資實益擁有。
2. 受控制法團Knightcote由蔡博士全資實益擁有。由於蔡博士擁有Knightcote 100%權益，故該等股份屬彼所擁有。
3. Adventa由Beautivalue全資實益擁有。
4. 受控制法團Beautivalue由蘇建誠博士全資實益擁有。由於蘇建誠博士擁有Beautivalue 100%權益，故該等股份屬彼所擁有。
5. Fortune Bright由Colour Shine全資實益擁有。
6. 受控制法團Colour Shine由蘇詩琇博士全資實益擁有。由於蘇詩琇博士擁有Colour Shine 100%權益，故該等股份屬彼所擁有。
7. Martin Currie Inc.及馬丁可利投資管理有限公司由Martin Currie Ltd.全資實益擁有。
8. Martin Currie Ltd.由馬丁可利(控股)有限公司全資實益擁有。

除上文披露的權益外，於二零零八年十二月三十一日，本公司並無獲知會於本公司已發行股本之任何其他有關權益或淡倉。

關連交易及董事於重大合約之 權益

本集團與關連人士曾進行以下重大交易：

- (i) 年內，間接全資附屬公司上海自然美三聯化粧品有限公司(「自然美三聯」)根據日期為二零零八年一月十六日之更新天然健康食品採購協議，向上海自然美生物醫學有限公司(「自然美生物醫學」，由蔡博士、蘇建誠博士及蘇詩琇博士分別實益擁有20%、40%及40%權益)購買天然健康食品約6,530,000港元。於二零零八年一月十六日，自然美三聯與自然美生物醫學訂立更新天然健康食品採購協議，年期由二零零八年一月一日起至二零零八年十二月三十一日止，年度上限為9,000,000港元。根據聯交所上市規則第14A章，更新天然健康食品採購協議項下進行之交易被視為持續關連交易。有關詳情載於本公司日期為二零零八年一月十六日之公佈。

CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE (Continued)

- (ii) On 20 August 2008, Natural Beauty China Holding Limited, an indirect wholly-owned subsidiary of the Company, has entered into the Sales and Purchase Agreement with Uni Way Associates Limited (“Uni Way”) to acquire the entire interests of Bio-Med at a consideration of USD3,313,966 (equivalent to approximately HK\$25,848,936). Uni Way is a company beneficially-owned as to 20% by Dr. Tsai, 40% by Dr. Su Chien Cheng and 40% by Dr. Su Sh Hsyu. The details of which were set out in the announcement of the Company dated 20 August 2008 and the circular of the Company dated 10 September 2008.
- (iii) On 3 November 2008, (a) the Taipei Tenancy Agreement was entered into between Natural Beauty Bio-Technology Company Limited 自然美生物科技股份有限公司 (formerly Natural Beauty Cosmetics Company Limited 自然美化妝品股份有限公司) (“NB Taiwan”), an indirect wholly-owned subsidiary of the Company, as tenant and Dr. Tsai as landlord for a period of two years from 1 November 2008 to 31 October 2010 with a monthly rental of TWD2,250,000 (equivalent to approximately HK\$521,304); (b) the Pa-Der Tenancy Agreement was entered into between NB Taiwan as tenant and Dr. Su Chien Cheng as landlord for a period of two years from 1 January 2009 to 31 December 2010 with a monthly rental of TWD70,000 (equivalent to approximately HK\$16,218); (c) the Beijing Tenancy Agreement 1 was entered into between Beijing Natural Beauty Cosmetics Company Limited 北京自然美化妝品有限公司 (“Beijing NB”), an indirect wholly-owned subsidiary of the Company, as tenant and Beijing Zhong Ao Yi Natural Beauty Cosmetics & Hair-Style Training Company Limited 北京中澳意自然美美容美髮技術培訓有限公司 (“Beijing ZAY”) as landlord for a period of two years from 1 December 2008 to 30 November 2010 with a monthly rental of RMB230,000 (equivalent to approximately HK\$259,711); and (d) Beijing Tenancy Agreement 2 was entered into between NB Sanlian, an indirect wholly-owned subsidiary of the Company, as tenant and Beijing ZAY as landlord for a period of two years from 1 December 2008 to 30 November 2010 with a monthly rental of RMB60,000 (equivalent to approximately HK\$67,751). Beijing ZAY is a company beneficially-owned by Dr. Tsai, Dr. Su Chien Cheng and Dr. Su Sh Hsyu as to 20%, 40% and 40% respectively. Details of these tenancies were set out in the announcement of the Company dated 3 November 2008.

關連交易及董事於重大合約之權益(續)

- (ii) 於二零零八年八月二十日，本公司間接全資附屬公司自然美中國控股有限公司與Uni Way Associates Limited (「Uni Way」) 訂立買賣協議，以認購自然美生物醫學全部權益，代價為3,313,966美元(約相當於25,848,936港元)。Uni Way為由蔡博士、蘇建誠博士及蘇詩琇博士分別實益擁有20%、40%及40%權益之公司。有關詳情載於本公司日期分別為二零零八年八月二十日及二零零八年九月十日之公佈及通函。
- (iii) 於二零零八年十一月三日，(a)本公司間接全資附屬公司自然美生物科技股份有限公司(前稱自然美化妝品股份有限公司，「自然美台灣」，作為租戶)與蔡博士(作為業主)訂立台北租賃協議，自二零零八年十一月一日起至二零一零年十月三十一日止為期兩年，月租為新台幣2,250,000元(約相當於521,304港元)；(b)自然美台灣(作為租戶)與蘇建誠博士(作為業主)訂立八德租賃協議，自二零零九年一月一日起至二零一零年十二月三十一日止為期兩年，月租為新台幣70,000元(約相當於16,218港元)；(c)本公司間接全資附屬公司北京自然美化妝品有限公司(「自然美北京」，作為租戶)與北京中澳意自然美美容美髮技術培訓有限公司(「北京中澳意」，作為業主)訂立北京租賃協議1，自二零零八年十二月一日起至二零一零年十一月三十日止為期兩年，月租為人民幣230,000元(約相當於259,711港元)；及(d)本公司間接全資附屬公司自然美三聯(作為租戶)與北京中澳意(作為業主)訂立北京租賃協議2，自二零零八年十二月一日起至二零一零年十一月三十日止為期兩年，月租為人民幣60,000元(約相當於67,751港元)。北京中澳意為由蔡博士、蘇建誠博士及蘇詩琇博士分別實益擁有20%、40%及40%權益之公司。上述租約之詳情載於本公司日期為二零零八年十一月三日之公佈。

CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE (Continued)

- (iv) On 10 November 2008, Dr. Tsai, Dr. Su Chien Cheng and Dr. Su Sh Hsyu (collectively the "Licensors") and the Company (the "Licensee") entered into a license agreement at a consideration of HK\$10 for the royalty-free, fully paid-up, perpetual and non-revocable licence and privilege throughout the world to use the certain trade marks on exclusive use and non-exclusive use basis.
- (v) On 10 November 2008, the Company (the "Licensor") and Dr. Tsai (the "Licensee") entered into a license agreement at a consideration of HK\$10 for a non-exclusive, royalty-free and perpetual licence (including the right to grant sub-licences) to use certain trademarks solely in relation to the operation of resorts and hotels, for education related purposes and in the field of healthcare and only in the jurisdiction in which such trademarks are registered or has been applied for. The Licensee shall offer the Company the opportunity to participate in any new investments.

The above transactions are regarded as connected transactions pursuant to Chapter 14A of the Listing Rules. Particulars of the transactions are disclosed in note 31 to the consolidated financial statements.

The independent non-executive directors confirm that the transactions have been entered into by the Group in the ordinary course of its business, on terms no less favourable than terms available from independent third parties and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Save as disclosed above:

- (i) no contracts of significance subsisted to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year; and
- (ii) there were no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

關連交易及董事於重大合約之權益(續)

- (iv) 於二零零八年十一月十日，蔡博士、蘇建誠博士及蘇詩琇博士(統稱「授權方」)與本公司(「獲授權方」)訂立許可權協議，以按10港元之代價授出免特許權使用費、全數繳足、永久性及其不可撤回之許可權及特權，以於全球各地按獨家及非獨家基準使用若干商標。
- (v) 於二零零八年十一月十日，本公司(「授權方」)與蔡博士(「獲授權方」)訂立許可權協議，以按10港元之代價授出非獨家、免特許權使用費及永久性的特許權(包括分授特許權之權利)，以純粹於經營渡假村及酒店、教育相關用途及保健範疇方面使用若干商標，並僅可於註冊或申請有關商標之司法權區使用。獲授權方須給予本公司機會參與任何新投資項目。

根據上市規則第14A章，上述交易被視作關連交易。交易詳情於綜合財務報表附註31披露。

獨立非執行董事確認，該等交易乃於本集團日常業務中訂立，其條款不遜於自獨立第三方獲取者，且根據規管該等交易、屬公平合理且符合本公司股東整體利益之協議條款進行。

除上文披露者外：

- (i) 在年結日或本年度任何時間，本公司或其任何附屬公司概無訂立本公司董事直接或間接於當中擁有重大權益的任何重大合約；及
- (ii) 並無任何其他按照上市規則規定被視作關連交易而須予披露的交易。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the board of directors on the basis of their merit, qualifications and competence.

The emoluments of the executive directors of the Company are recommended by the Remuneration Committee and are decided by the board of directors, as authorised by shareholders at the annual general meeting, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Dr. Tsai Yen Yu
Chairman

Hong Kong
15 April 2009

酬金政策

本集團僱員的酬金政策由董事會按彼等之貢獻、資歷及能力而設立。

本公司執行董事酬金由薪酬委員會建議，並由股東於股東週年大會授權董事會，因應本公司經營業績、個別表現及可資比較市場數據決定。

本公司已採納認股權計劃，以獎勵董事及合資格僱員。該計劃之詳情載於綜合財務報表附註26。

優先購買權

本公司之公司細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向現有股東提呈發售新股份。

充足公眾持股量

本公司於截至二零零八年十二月三十一日止年度一直維持充足公眾持股量。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

核數師

本公司將於股東週年大會提呈決議案，以續聘德勤•關黃陳方會計師行為本公司核數師。

承代表董事會
蔡燕玉博士
主席

香港
二零零九年四月十五日

Independent Auditor's Report

獨立核數師報告書

Deloitte.

德勤

TO THE MEMBERS OF NATURAL BEAUTY BIO-TECHNOLOGY LIMITED (incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Natural Beauty Bio-Technology Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 147, which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

致自然美生物科技有限公司 全體股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第62至147頁自然美生物科技有限公司(以下簡稱「公司」)及其附屬公司(以下合稱「集團」)的綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日的綜合資產負債表，與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編制及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編制及真實而公平地列報綜合財務報表相關的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅為股東(作為一個團體)而編製，並不為其他任何目的。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

AUDITOR'S RESPONSIBILITY (Continued)

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15 April 2009

核數師的責任(續)

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編制及真實而公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映集團於二零零八年十二月三十一日的事務狀況及集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》妥為編制。

德勤•關黃陳方會計師行
執業會計師
香港
二零零九年四月十五日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Revenue	收入	5	592,701	450,147
Cost of sales	銷售成本		(86,102)	(77,573)
Gross profit	毛利		506,599	372,574
Other income	其他收益	7	58,222	32,461
Distribution and selling expenses	分銷及銷售費用		(127,587)	(117,937)
Administrative expenses	行政開支		(112,731)	(74,536)
Other expenses	其他支出		(16,026)	(4,247)
Share of loss of an associate	應佔一家聯營公司虧損		-	(373)
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		-	87
Profit before taxation	除稅前溢利		308,477	208,029
Income tax expense	所得稅開支	8	(69,898)	(29,248)
Profit for the year	本年度溢利	9	238,579	178,781
Attributable to:	應佔：			
Equity holders of the Company	本公司股東盈利		238,477	178,707
Minority interests	少數股東權益		102	74
			238,579	178,781
Dividends	股利	12	300,032	185,000
Earnings per share	每股盈利	13		
Basic	基本		11.9 cents港仙	8.9 cents港仙

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2008

於二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	14	4,486	4,544
Property, plant and equipment	不動產、廠場及設備	15	230,569	218,025
Prepaid lease payments	自用土地租賃款	16	9,809	9,516
Goodwill	商譽	17	25,766	24,562
Available-for-sale investments	可供出售投資	18	5,926	9,126
Deferred taxation assets	遞延稅項資產	27	9,156	7,550
			285,712	273,323
Current assets	流動資產			
Inventories	存貨	19	100,859	71,017
Trade and other receivables	貿易及其他應收賬款	20	92,744	98,971
Prepaid lease payments	自用土地租賃款	16	278	262
Pledged bank deposit	已抵押銀行存款	21	428	–
Bank balances and cash	銀行結存及現金	21	546,205	588,741
			740,514	758,991
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	22	105,979	90,308
Deferred income	遞延收益	23	10,374	9,763
Taxation payable	應付稅項		41,207	4,693
			157,560	104,764
Net current assets	流動資產淨值		582,954	654,227
Total assets less current liabilities	總資產減流動負債		868,666	927,550
Non-current liability	非流動負債			
Retirement benefit obligations	退休福利責任	24	12,259	11,899
			856,407	915,651

Consolidated Balance Sheet
綜合資產負債表

At 31 December 2008

於二零零八年十二月三十一日

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	25	200,064	200,000
Reserves	儲備		649,896	709,626
Equity attributable to equity holders of the Company	本公司股東應佔權益		849,960	909,626
Minority interests	少數股東權益		6,447	6,025
Total equity	總權益		856,407	915,651

The consolidated financial statements on pages 62 to 147 were approved and authorised for issue by the Board of Directors on 15 April 2009 and are signed on its behalf by:

第62至147頁的綜合財務報表於二零零九年四月十五日獲董事會批准並授權刊發，並由以下董事代表簽署：

Dr. Tsai Yen Yu
蔡燕玉博士
Director
董事

Mr. Lee Ming Ta
李明達先生
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股東應佔									
		Share capital	Capital surplus	Share premium	Statutory reserve	Translation reserve	Share option reserve	Retained profits	Total	Minority interests	Total
		股本	資本盈餘	股份溢價	法定儲備	匯兌儲備	認股權儲備	保留溢利	總計	股東權益少數	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2007	於二零零七年一月一日	200,000	42,554	336,758	106,803	26,124	-	166,500	878,739	432	879,171
Exchange differences arising from translation of foreign operation recognised directly in equity	折算直接於權益確認之海外業務匯率差額	-	-	-	-	37,079	-	-	37,079	(27)	37,052
Profit for the year	本年度溢利	-	-	-	-	-	-	178,707	178,707	74	178,781
Total recognised income and expense for the year	就本年度確認之收入及開支總額	-	-	-	-	37,079	-	178,707	215,786	47	215,833
Transfers	轉撥	-	-	-	43,919	-	-	(43,919)	-	-	-
Contribution from minority shareholders	少數股東注資	-	-	-	-	-	-	-	-	5,115	5,115
Acquisition of a subsidiary (note 28)	收購一家附屬公司(附註28)	-	-	-	-	-	-	-	-	431	431
Dividends paid (note 12)	已派股利(附註12)	-	-	-	-	-	-	(185,000)	(185,000)	-	(185,000)
Recognition of share based payments	確認股份付款	-	-	-	-	-	138	-	138	-	138
Forfeiture of share options	沒收認股權	-	-	-	-	-	(37)	-	(37)	-	(37)
At 31 December 2007	於二零零七年十二月三十一日	200,000	42,554	336,758	150,722	63,203	101	116,288	909,626	6,025	915,651
Exchange differences arising from translation of foreign operation recognised directly in equity	折算直接於權益確認之海外業務匯率差額	-	-	-	-	519	-	-	519	317	836
Profit for the year	本年度溢利	-	-	-	-	-	-	238,477	238,477	102	238,579
Total recognised income and expense for the year	就本年度確認之收入及開支總額	-	-	-	-	519	-	238,477	238,996	419	239,415
Transfers	轉撥	-	-	-	(2,376)	-	-	2,376	-	-	-
Contribution from minority shareholders	少數股東注資	-	-	-	-	-	-	-	-	377	377
Acquisition of additional interest in a subsidiary	收購一家附屬公司之額外權益	-	-	-	-	-	-	-	-	(374)	(374)
Dividends paid (note 12)	已派股利(附註12)	-	-	(300,032)	-	-	-	-	(300,032)	-	(300,032)
Recognition of share based payments	確認股份付款	-	-	-	-	-	840	-	840	-	840
Forfeiture of share options	沒收認股權	-	-	-	-	-	(595)	-	(595)	-	(595)
Shares issued upon exercise of share options	行使認股權時發行股份	64	-	1,298	-	-	(237)	-	1,125	-	1,125
At 31 December 2008	於二零零八年十二月三十一日	200,064	42,554	38,024	148,346	63,722	109	357,141	849,960	6,447	856,407

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

SHARE PREMIUM

In accordance with the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

STATUTORY RESERVE

According to the relevant laws and regulations in the People's Republic of China ("the PRC"), the PRC companies with foreign investment are required to transfer a certain percentage of its profit after taxation, as determined under PRC accounting regulations (the "net profit under PRC generally accepted accounting principles" ("PRC GAAP")), to the general reserve fund, enterprise expansion fund. Distribution of these reserves shall be made in accordance with the Article of Association and approved by the board of directors each year. Other PRC companies are required to transfer a certain percentage of their net profit under PRC GAAP to the statutory surplus reserve fund until the reserve balance reaches 50% of their paid-in capital.

According to the laws and regulations of Taiwan, Taiwan companies shall set aside 10% of their statutory net income each year for legal reserve, until the reserve balance has reached the paid-in share capital amount.

CAPITAL SURPLUS

The capital surplus represents the difference between the consideration paid and the relevant share of the carrying value of the subsidiaries' net assets acquired upon Group Reorganisation in year 2002.

These above-mentioned reserves and funds cannot be used for purposes other than those for which they were created and are not distributable as cash dividends.

股份溢價

根據開曼群島公司法，股份溢價賬可分派予本公司股東，惟本公司須於緊隨擬分派股利日期後，仍能償還其於日常業務中到期之債務。

法定儲備

根據中華人民共和國(「中國」)法例及規例，中國外商投資公司須將按中國會計規例(「中國公認會計原則」)釐訂之除稅後溢利(「中國公認會計原則項下純利」)若干百分比轉撥至一般儲備基金及企業發展基金。分派該等儲備須根據公司組織章程細則之規定進行，並經董事會每年批准。其他中國公司須將中國公認會計原則項下純利若干百分比轉撥至法定盈餘公積金，直至法定盈餘公積金結餘達到實繳股本50%為止。

根據台灣法例及規例，台灣公司每年須預留其法定淨收益的10%作為法定儲備，直至結餘達到實繳股本金額為止。

資本盈餘

資本盈餘指已付代價與應佔二零零二年集團重組所收購附屬公司資產淨值賬面值之差額。

上述儲備及基金不得用於其成立目的以外的其他用途，亦不得用作派付現金股利。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	308,477	208,029
Adjustments for:	經調整下列各項：		
Interest income	利息收益	(6,583)	(6,754)
Depreciation of property, plant and equipment	不動產、廠場及設備折舊	17,131	17,522
Gain on disposal of property, plant and equipment	出售不動產、廠場及設備收益	(14,699)	(858)
Gain on disposal of an associate	出售一家聯營公司收益	–	(1,024)
Gain on disposal of investment properties	出售投資物業收益	–	(1,199)
Release of prepaid lease payments	撥回自用土地租賃款	275	252
Gain of held-for-trading investments	持作買賣投資收益	(2,617)	(4,102)
Increase in fair value of investment properties	投資物業公平值增加	(15)	(50)
Write back of obsolete inventories	陳舊存貨撥回	(1,495)	(1)
Impairment loss on trade receivables	貿易應收賬款減值虧損	15,243	2,185
Impairment loss on available-for-sale investments	可供出售投資減值虧損	3,200	–
Share of loss of an associate	應佔一家聯營公司虧損	–	373
Share based payments	股份付款	245	101
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利	–	(87)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	319,162	214,387
Increase in inventories	存貨增加	(27,010)	(7,443)
(Increase) decrease in trade and other receivables	貿易及其他應收賬款(增加)減少	(8,032)	65,132
Decrease in held-for-trading investments	持作買賣投資減少	2,617	31,815
Increase in trade and other payables	貿易及其他應付賬款增加	16,530	19,604
Increase in deferred income	遞延收益增加	611	427
Increase in defined benefit obligations	定額福利責任增加	360	582
Cash generated from operations	經營業務產生之現金	304,238	324,504
Overseas tax paid	已付海外稅項	(34,950)	(50,306)
Net cash from operating activities	經營活動所得現金淨額	269,288	274,198

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

		Notes 附註	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Investing activities	投資活動			
Purchase of property, plant and equipment	購買不動產、廠場及設備		(35,427)	(53,778)
Acquisition of a subsidiary	收購一家附屬公司	28	(3,123)	(6)
Increase in pledged bank deposit	已抵押銀行存款增加		(428)	–
Acquisition of additional interest in a subsidiary	收購一家附屬公司之額外權益		(374)	–
Proceeds from disposal of property, plant and equipment	出售不動產、廠場及設備所得款項		30,356	2,732
Interest received	已收利息		6,583	6,754
Proceeds on disposal of investment properties	出售投資物業所得款項		–	158,056
Proceeds on disposal of an associate	出售一家聯營公司所得款項		–	1,024
Acquisition of available-for-sale investment	收購可供出售投資		–	(2,340)
Net cash (used in) from investing activities	投資業務(所用)所得現金淨額		(2,413)	112,442
Financing activities	融資活動			
Dividends paid	派付股利		(300,032)	(185,000)
Contribution from minority shareholders	少數股東注資		377	5,115
Net cash used in financing activities	融資活動所用現金淨額		(299,655)	(179,885)
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額		(32,780)	206,755
Cash and cash equivalents at beginning of the financial year	財政年初之現金及現金等價物		588,741	356,243
Effect of foreign exchange rate changes	匯率變動之影響		(9,756)	25,743
Cash and cash equivalents at end of the financial year, represented by bank balances and cash	財政年終之現金及現金等價物(指銀行結存及現金)		546,205	588,741

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2008
截至二零零八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") on 28 March 2002. Its ultimate holding company and immediate holding company are Knightcote Enterprises Limited and Efficient Market Investments Limited, respectively, and both were incorporated in the 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 35 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 the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position 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，其股份於二零零二年三月二十八日在香港聯合交易所有限公司（「聯交所」）上市，其最終控股公司及直接控股公司分別為Knightcote Enterprises Limited及Efficient Market Investments Limited，兩家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。本集團主要業務為(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35。

綜合財務報表以本公司之功能貨幣港元呈列。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團應用香港會計師公會（「香港會計師公會」）所頒佈多項現正或已生效之修訂及詮釋（「新香港財務報告準則」）。

香港會計準則第39號及香港財務報告準則第7號（修訂本）	重新分類金融資產
香港（國際財務報告詮釋委員會）—詮釋第11號	香港財務報告準則第2號：集團及庫務股份交易
香港（國際財務報告詮釋委員會）—詮釋第12號	服務經營權安排
香港（國際財務報告詮釋委員會）—詮釋第14號	香港會計準則第19號—界定福利資產限額、最低資金規定及其相互關係

採納新香港財務報告準則對本會計期間或過往會計期間業績及財務狀況之編製及呈列方式並無造成重大影響。因此，毋須作出前期調整。

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

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁶
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfer of Assets from Customers ⁷

- ¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 January 2009
- ³ Effective for annual periods beginning on or after 1 July 2009
- ⁴ Effective for annual periods ending on or after 30 June 2009
- ⁵ Effective for annual periods beginning on or after 1 July 2008
- ⁶ Effective for annual periods beginning on or after 1 October 2008
- ⁷ Effective for transfers on or after 1 July 2009

2. 應用新訂及經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下列已頒佈但尚未生效之新訂及經修訂準則、修訂或詮釋：

香港財務報告準則(修訂本)	香港財務報告準則之改進 ¹
香港會計準則第1號(經修訂)	財務報表之呈列 ²
香港會計準則第23號(經修訂)	借貸成本 ²
香港會計準則第27號(經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及第1號(修訂本)	可沽售財務工具及清盤所產生責任 ²
香港會計準則第39號(修訂本)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號(修訂本)	投資於附屬公司、共同控制實體或聯營公司之成本 ²
香港財務報告準則第2號(修訂本)	歸屬條件及註銷 ²
香港財務報告準則第3號(經修訂)	業務合併 ³
香港財務報告準則第7號(修訂本)	有關財務工具披露之改進 ²
香港財務報告準則第8號	營運分部 ²
香港(國際財務報告詮釋委員會) – 詮釋第9號及香港會計準則第39號(修訂本)	內含衍生工具 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第13號	顧客長期支持計劃 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第15號	房地產建造協議 ²
香港(國際財務報告詮釋委員會) – 詮釋第16號	對沖海外業務投資淨額 ⁶
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產 ³
香港(國際財務報告詮釋委員會) – 詮釋第18號	來自客戶之資產轉讓 ⁷

- ¹ 於二零零九年一月一日或之後開始之年度期間生效，惟香港財務報告準則第5號之修訂於二零零九年七月一日或之後開始之年度期間生效
- ² 於二零零九年一月一日或之後開始之年度期間生效
- ³ 於二零零九年七月一日或之後開始之年度期間生效
- ⁴ 於截至二零零九年六月三十日或之後止之年度期間生效
- ⁵ 於二零零八年七月一日或之後開始之年度期間生效
- ⁶ 於二零零八年十月一日或之後開始之年度期間生效
- ⁷ 於二零零九年七月一日或之後來自客戶之資產轉讓生效

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

The application of HKFRS 3 (Revised) may affect the Group’s accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group’s ownership interest in a subsidiary.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain 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.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

應用香港財務報告準則第3號(經修訂)可能導致本集團對收購日期為於二零一零年一月一日或之後之業務合併會計處理方法造成影響。香港會計準則第27號(經修訂)將會影響本集團於附屬公司擁有權益變動之會計處理方法。

本公司董事預期，應用其他新訂及經修訂準則、修訂或詮釋對本集團業績及財務狀況並無重大影響。

3. 主要會計政策

除投資物業及若干金融工具按公平值計量外，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。

綜合財務報表已按照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。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2008
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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 combination. 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.

Business combinations

The acquisition of businesses 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.

3. 主要會計政策(續)

綜合基準(續)

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、收入及開支已於綜合賬目時對銷。

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。於該淨資產中之少數股東權益包括該等權益於原業務合併日期之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股本中應佔權益之差額，將分配至本集團權益，惟少數股東有具約束力責任且有作出額外投資以填補虧損則除外。

業務合併

收購業務以收購法入賬。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之公平值總額，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，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。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Acquisition of additional interest in a subsidiary

On acquisition of additional interest in a subsidiary, goodwill is measured at the aggregate of the carrying amounts of identified assets and liabilities of the subsidiary and any excess of the consideration over the net assets acquired.

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of net assets and operations of another entity 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 acquiree at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of net assets and operations of another entity after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill 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 business 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 business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

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

3. 主要會計政策(續)

收購一家附屬公司額外權益

於收購附屬公司額外權益時，商譽按附屬公司已識別資產及負債賬面總計及任何代價超出所購入淨資產差額計量。

商譽

於二零零五年一月一日前進行收購所產生商譽

收購另一公司之資產淨值及業務所產生商譽，倘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收購對象之可識別資產與負債公平值權益之差額。

就二零零一年一月一日後因收購另一公司之資產淨值及業務所產生目前已撥充資本之商譽而言，本集團已由二零零五年一月一日起終止攤銷，而有關商譽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

收購業務所產生商譽，倘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業務之可識別資產、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。

已撥充資本之收購業務所產生商譽，於綜合資產負債表獨立呈列。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

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

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.

On subsequent disposal of the relevant cash-generating unit, 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 is 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 associates are 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 the 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.

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)

就減值檢測而言，收購所產生商譽分配至預期受惠於收購協同效益之有關現金產生單位或多組現金產生單位。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。就於某一財政年度因收購產生商譽而言，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。

倘往後出售相關現金產生單位，於釐定出售損益金額時會計入已撥充資本之商譽應佔金額。

於聯營公司之權益

聯營公司為投資者對其具有重大影響力而非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(包括任何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分佔虧損。僅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，方就分佔額外虧損撥備並確認負債。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest in associate (Continued)

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.

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 share of the 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, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

Revenue recognition

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

Revenue from sales of goods is recognised when goods are delivered and title has passed.

3. 主要會計政策(續)

於聯營公司之權益(續)

倘集團實體與本集團聯營公司進行交易，溢利及虧損按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。

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，並就本集團於共同控制實體之資產淨值的收購後變動調整另減任何已識別減值虧損。倘本集團分佔共同控制實體虧損等於或超出其於該共同控制實體之權益(包括任何實質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。本集團已產生法定或推定責任或代表共同控制實體付款情況下，方會就分佔額外虧損撥備及確認負債。

倘集團實體與本集團共同控制實體進行交易，溢利或虧損按本集團於共同控制實體之權益對銷。

收入確認

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

銷售貨品之收益於貨品付運及擁有權轉移時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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 arrangements for third party operators to operate the same business as the Group are recognised in the consolidated income statement in equal instalments over the entrustment periods.

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, including financial assets at fair value through profit or loss, 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 including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than freehold land and 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 freehold land and construction in progress) over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Freehold land is stated at cost less accumulated impairment losses, if any.

3. 主要會計政策(續)

收入確認(續)

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益。

本集團委託第三方經營者經營與本集團相同之業務安排所得委託經營收益，於委託經營期間分期按等額於綜合收益表確認。

經營租賃項下租金收益於有關租賃期按直線基準確認。

來自金融資產(包括按公平值計入損益之金融資產)之利息收益參考未償還本金及適用實際利率按時間比例計算。適用實際利率指將金融資產預期可使用年期之估計未來現金收入實際折算至該資產賬面淨值之比率。

不動產、廠場及設備

除永久業權土地及在建工程外，不動產、廠場及設備包括用以生產或供應貨品或服務或就行政用途持有之樓宇，乃按成本減日後累計折舊及累計減值虧損列賬。

除永久業權土地及在建工程外，不動產、廠場及設備項目在其估計可使用年期並經計及其估計剩餘價值後以直線法折舊，以撇銷其成本。

永久業權土地乃以成本減累計減值虧損(如有)列值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Construction in progress includes 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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values 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 and 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.

3. 主要會計政策(續)

不動產、廠場及設備(續)

在建工程包括就生產或自用目的而正在興建中的不動產、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開始計算折舊。

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。

投資物業

投資物業指就賺取租金及/或資本增值持有之物業。

於初步確認時，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按其公平值計量。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及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)，於解除確認項目之年度計入綜合收益表。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

Leases are classified as finance leases 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.

Contingent rentals arising under operating leases are charged as an expense in the period in which they are incurred.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases except for those that are classified and accounted for as investment properties under the fair value model.

3. 主要會計政策(續)

租賃

租賃條款向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自損益扣除。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。

經營租賃項下產生之或然租金於產生期間計入開支。

租賃土地及樓宇

土地及樓宇租賃之土地及樓宇部分，就租賃分類獨立考慮，除非付款可在土地及樓宇部分間可靠分配，在此情況下，整份租賃一般被視作融資租賃，按不動產、廠場及設備入賬。只要能夠可靠分配租賃付款，土地之租賃權益即計入經營租賃，惟根據公平值模式獲分類及記入為投資物業者除外。

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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 translation 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 retranslated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation 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在損益確認。

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重新換算。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 benefits costs

Payments to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and the Labour Standards Law (as amendment) in Taiwan and 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 benefit 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% 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益。有關開支項目之補助金，於該等開支自綜合收益表扣除之相同期間確認，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、台灣勞動基準法(經修正)及中國市政府退休計劃規定之強制性公積金付款，於僱員提供服務而應得供款時作為開支扣除。

就定額福利退休福利計劃而言，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。

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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.

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

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

除非本集團能控制有關暫時差額之撥回，且暫時差額可能不會於可見未來撥回，否則就於附屬公司、聯營公司之投資以及於合營企業之權益產生之應課稅暫時差異確認遞延稅項負債。

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) Research and development expenditure

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Inventories

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

3. 主要會計政策(續) 研發支出

研究活動支出於產生期間確認為開支。

當預期一項明確界定項目所產生之開發成本可透過日後的商業活動收回，方會確認開發支出之內部產生無形資產。所產生資產按其可使用年期以直線法攤銷，並按成本減其後累計攤銷及任何累計減值虧損列賬。

內部產生無形資產之初步確認金額為無形資產首次達致確認情況日期起所產生費用總和。倘若並無內部產生之無形資產可予確認，開發支出於產生年度內計入損益。

於初步確認後，內部產生之無形資產按成本減累計攤銷及累計減值虧損列賬，與獨立購入之無形資產所用基準相同。

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步按公平值計量。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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

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

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

金融工具(續)

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供出售金融資產。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。各類金融資產採納之會計政策載列如下。

實際利息法

實際利息法為計算金融資產攤銷成本及於有關期間分配利息收入之方法。實際利率為實際折算金融資產預期可使用年期或(視適用情況而定)較短期間估計未來現金收入(包括組成實際利率其中部分之已付或已收費用、交易成本及其他溢價或折扣)之比率。

利息收入乃按債務工具之實際利率確認。

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乃指持作買賣金融資產。

金融資產於下列情況按持作買賣分類：

- 主要就於短期出售而購入；或
- 屬本集團共同管理，且最近有實際短期獲利回吐趨勢之已識別金融工具組合其中部分；或
- 屬衍生工具，但並無指定亦非實際作為對沖工具。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

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. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

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, pledged bank deposit and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

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 investments.

For 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 (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產(續)

於初步確認後各結算日，按公平值計入損益之金融資產按公平值計量，而其公平值變動於產生年度直接在損益確認。於損益確認之盈虧淨額不包括就金融資產賺取之任何股利或利息。

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。於初步確認後各結算日，貸款及應收賬款(包括貿易及其他應收賬款、已抵押銀行存款以及銀行結存)採用實際利率法按攤銷成本，減任何已識別減值虧損列賬。(參閱下文金融資產減值虧損之會計政策。)

可供出售金融資產

可供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。

於初步確認後各結算日，並無活躍市場報價且公平值未能可靠計量之可供出售股本投資按成本減任何已識別減值虧損計量。(參閱下文金融資產減值虧損之會計政策。)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period ranging from one to six months, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, 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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount 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 loss will not be reversed in profit or loss in subsequent periods.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

金融資產於每個結算日評估有否出現減值跡象。倘有客觀證據顯示金融資產基於初步確認金融資產後發生之一項或多項事件而出現減值，則金融資產估計未來現金流量已受到影響。

減值之客觀跡象包括：

- 發行人或訂約方出現重大財政困難；或
- 利息或本金付款逾期或拖欠；或
- 借款人可能破產或作出債務重組。

就貿易及其他應收賬款等若干類別金融資產而言，並非個別評估為減值之資產其後按集體基準評估減值。應收賬款組合減值之客觀證據包括本集團過往收賬經驗、組合內逾期付款超過平均信貸期一至六個月次數增加、與應收賬款相關國家或當地經濟環境明顯轉變。

就按攤銷成本列賬之金融資產而言，其減值虧損於有客觀證據證明資產減值時於損益確認，並按資產賬面值與按原實際利率貼現之估計未來現金流量現值間差額計量。

就按成本列賬之金融資產而言，減值虧損數額按資產賬面值與以類似金融資產之現行市場回報率貼現之估計未來現金流量現值間之差額計量。該減值虧損不會於往後期間經損益撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods.

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就所有金融資產而言，減值虧損直接於賬面值扣除，惟貿易及其他應收賬款則透過撥備賬扣除。撥備賬之賬面值轉變，於損益確認。倘應收賬款被視為無法收回，則於撥備賬撇銷。倘其後收回過往撇銷之款額，則計入損益。

就按攤銷成本計量之金融資產，倘減值虧損款額於往後期間減少，而減少可與確認減值虧損後發生之事件客觀相關，則過往已確認減值虧損透過損益撥回，惟撥回減值當日資產賬面值不得超逾假設並無確認減值之原有攤銷成本。

可供銷售股本投資之減值虧損不會於往後期間經損益撥回。

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。

實際利息法

實際利息法為計算金融負債攤銷成本及於有關期間分配利息開支之方法。實際利率為實際折算金融負債預期年期或(如適用)較短期間估計未來現金付款之比率。

利息開支按實際息率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities

The Group's 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. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for proceeds received.

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(續)

金融負債

本集團金融負債包括貿易及其他應付賬款，乃於其後按攤銷成本以實際利率法計量。

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與已直接於股本權益確認之累計損益總和之間差額，於損益確認。倘本集團保留已轉讓資產擁有權絕大部分風險及回報，本集團繼續確認金融資產，並確認已收所得款項之已抵押借貸。

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值與已付或應付代價之間差額，於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share based payment transactions

Equity-settled share based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

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

Impairment losses on tangible assets (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible 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.

3. 主要會計政策(續)

股份付款交易

股本結算股份付款交易

授予僱員認股權

所獲得服務之公平值參考所授出認股權於授出日期之公平值釐定，於歸屬期間以直線法支銷，或於認股權即時歸屬之情況下在授出日期全數確認為開支，而股本權益將相應增加(認股權儲備)。

本集團於每個結算日修訂其對預期最終歸屬認股權數目之估計。修訂估計之影響(如有)於損益確認，認股權儲備亦會作出相應調整。

行使認股權時，過往於認股權儲備確認之款額將轉撥至股份溢價。倘認股權於歸屬日期後沒收或於屆滿日期仍未獲行使，則過往於認股權儲備確認之款額將轉撥至保留溢利。

有形資產減值虧損(商譽除外)

本集團於每個結算日檢討其有形資產之賬面值，以確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. 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 trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2008, the carrying amount of trade receivable is approximately HK\$65,302,000 (2007: HK\$59,351,000), net of allowance for doubtful debts of approximately HK\$2,963,000 (2007: HK\$1,767,000).

5. REVENUE

Revenue represents (i) the net amount received and receivables for goods sold by the Group to outside customers which 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

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。

貿易應收賬款之估計減值

當出現減值虧損之客觀證據時，本集團會考慮估計未來現金流量。減值虧損款額乃按資產賬面值與按原實際利率（即初步確認時估算之實際利率）折算之估計未來現金流量現值（不包括尚未產生之未來信貸虧損）之差額計量。實際未來現金流量一旦低於預期，可能會產生重大減值虧損。於二零零八年十二月三十一日，貿易應收賬款之賬面值約為65,302,000港元（二零零七年：59,351,000港元），當中已扣除呆賬撥備約2,963,000港元（二零零七年：1,767,000港元）。

5. 收入

收入指本年度(i)本集團售予外界客戶貨品之已收及應收淨額，乃經扣除銷售退貨及折扣後列賬；(ii)來自提供肌膚護理、美容及SPA服務之服務收入；及(iii)委託經營收益，分析如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
575,491	430,416
16,693	16,914
517	2,817
592,701	450,147

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6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Geographical segments

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

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:

6. 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、馬來西亞及澳門。

本集團按客戶所在地而定之地域分部(不論貨品/服務來源地)劃分之收入、對分部業績之貢獻以及分部資產及負債之分析如下：

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2008	截至二零零八年 十二月三十一日 止年度				
Revenue	收入	436,516	146,782	9,403	592,701
Segment results	分部業績	255,201	74,907	(10,542)	319,566
Unallocated corporate expenses	未撥配公司支出				(30,982)
Unallocated income	未撥配收益				19,893
Profit before taxation	除稅前溢利				308,477
Income tax expense	所得稅開支				(69,898)
Profit for the year	本年度溢利				238,579

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6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Geographical segments (Continued)

Consolidated balance sheet

6. 業務及地域分部(續)

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 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Segment assets	分部資產	315,898	140,542	9,626	466,066
Unallocated corporate assets	未撥配公司資產				560,160
Consolidated total assets	綜合總資產				1,026,226
Liabilities	負債				
Segment liabilities	分部負債	51,373	47,794	1,921	101,088
Unallocated corporate liabilities	未撥配公司負債				68,731
Consolidated total liabilities	綜合總負債				169,819
Other information	其他資料				
Capital expenditure	資本開支	18,280	15,017	2,130	35,427
Depreciation of property, plant and equipment	不動產、廠場及 設備折舊	10,321	4,702	2,108	17,131
Release of prepaid lease payments	撥回自用土地 租賃款	275	-	-	275
Loss (gain) on disposal of property, plant and equipment	出售不動產、 廠場及設備 虧損(收益)	3,100	(17,953)	154	(14,699)
(Write back of) allowance for obsolete inventories	陳舊存貨(撥回) 撥備	(1,501)	(82)	88	(1,495)
Impairment loss on trade receivables	貿易應收賬款 減值虧損	13,963	1,280	-	15,243
Increase in fair value of investment properties	投資物業 公平值增加	-	15	-	15

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截至二零零八年十二月三十一日止年度

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Geographical segments (Continued)

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2007	截至二零零七年 十二月三十一日 止年度				
Revenue	收入	316,808	126,837	6,502	450,147
Segment results	分部業績	174,024	44,732	(5,198)	213,558
Unallocated corporate expenses	未撥配公司支出				(11,997)
Unallocated income	未撥配收益				6,754
Share of loss of an associate	應佔一家聯營公司 虧損				(373)
Share of profit of a jointly controlled entity	應佔一家共同 控制實體溢利				87
Profit before taxation	除稅前溢利				208,029
Income tax expense	所得稅開支				(29,248)
Profit for the year	本年度溢利				178,781

6. 業務及地域分部(續)

地域分部(續)

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6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Geographical segments (Continued)

Consolidated balance sheet

		PRC 中國大陸 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Segment assets	分部資產	291,155	131,218	10,666	433,039
Unallocated corporate assets	未撥配公司資產				599,275
Consolidated total assets	綜合總資產				1,032,314
Liabilities	負債				
Segment liabilities	分部負債	58,448	45,728	1,824	106,000
Unallocated corporate liabilities	未撥配公司負債				10,663
Consolidated total liabilities	綜合總負債				116,663
Other information	其他資料				
Capital expenditure	資本開支	44,821	4,408	4,549	53,778
Depreciation of property, plant and equipment	不動產、廠場及 設備折舊	11,461	4,930	1,131	17,522
Release of prepaid lease payments	撥回自用土地租賃款	252	-	-	252
(Gain) loss on disposal of property, plant and equipment	出售不動產、廠場及 設備(收益)虧損	(884)	(3)	29	(858)
Gain on disposal of investment properties	出售投資物業收益	-	(1,199)	-	(1,199)
(Write back of) allowance for obsolete inventories	陳舊存貨(撥回)撥備	(866)	809	56	(1)
Impairment loss on trade receivables	貿易應收賬款 減值虧損	1,401	784	-	2,185
Increase in fair value of investment properties	投資物業公平值增加	-	50	-	50

6. 業務及地域分部(續)

地域分部(續)

綜合資產負債表

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6. 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 revenue.

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

		Revenue 收入		Other income 其他收益	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cosmetic products and beauty services	美容產品及美容服務	592,701	450,147	–	–
Investment properties	投資物業	–	–	195	4,942
Others	其他	–	–	58,027	27,519
		592,701	450,147	58,222	32,461

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 included:

		Carrying amount of segment assets 分部資產賬面值		Capital expenditure 資本開支	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Cosmetic products and beauty services	美容產品及美容服務	461,580	428,495	35,427	53,778
Investment properties	投資物業	4,486	4,544	–	–
		466,066	433,039	35,427	53,778

6. 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作本集團主要業務，因此，來自此分部之收入不計入營業額內。

本集團按業務分部劃分之收入分析如下：

按資產所在業務分部劃分之分部資產賬面值及資本開支分析如下：

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7. OTHER INCOME

Interest on bank deposits	銀行存款利息
Rental income from investment properties	來自投資物業之租金收益
Rental income from other properties and equipment	來自其他不動產及設備之租金收益
Financial refunds (note)	財務退款(附註)
Increase in fair value of investment properties	投資物業公平值增加
Foreign exchange gain	匯兌收益
Gain on held-for-trading investments	持作買賣投資收益
Gain on disposal of an associate	出售一家聯營公司收益
Gain on disposal of property, plant and equipment	出售不動產、廠場及設備收益
Gain on disposal of investment properties	出售投資物業收益
Write back of obsolete inventories	陳舊存貨撥回
Others	其他

7. 其他收益

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
6,583	6,754
180	3,693
4,745	3,839
2,170	9,659
15	50
25,371	–
2,617	4,102
–	1,024
14,699	858
–	1,199
1,495	1
347	1,282
58,222	32,461

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省份之財政部門所採納當地慣例，中國大陸附屬公司將於與有關財政部門商議後，參考收益及其他已繳稅款某個百分比透過政府補助金方式獲得財務退款。該等財務退款被當作該等財政部門作出之稅項豁免處理。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合資格享有該等財務退款及稅項豁免待遇。

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8. INCOME TAX EXPENSE

The charge comprises:	支出包括：
Taxation in PRC and Taiwan	於中國大陸及台灣之稅項
Current year	本年度
Underprovision in prior years	過往年度撥備不足
Deferred tax (note 27):	遞延稅項(附註27):
Current year	本年度
Attributable to a change in tax rate	稅率變動影響
Dividend withholding tax	股利預扣稅

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the “New Law”) by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulation of the New Law. Under the New Law and Implementation Regulation, the Enterprise Income Tax rate of the Group’s subsidiaries in the PRC was reduced from 27% or 33% to 25% from 1 January 2008 onwards. The relevant tax rate for the Group’s subsidiaries in the PRC is 25% (2007: 27% or 33%).

Pursuant to the relevant laws and regulations in the PRC, certain of the Group’s PRC subsidiaries are exempted from PRC income tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years (the “Tax Holiday”). The Tax Holiday will continue on the implementation of the New Law using the new tax rate of 25%.

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

8. 所得稅開支

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
37,667	26,772
1,537	233
39,204	27,005
(1,566)	1,625
–	618
(1,566)	2,243
32,260	–
69,898	29,248

二零零七年三月十六日，中國透過中國主席令第六十三號頒佈中國企業所得稅法(「新法」)。於二零零七年十二月六日，中國國務院發出新法實施條例。根據新法及實施條例，本集團於中國成立之附屬公司之企業所得稅率由27%或33%減至25%，由二零零八年一月一日起生效。本集團中國附屬公司之相關稅率現為25%(二零零七年：27%或33%)。

根據中國相關法例及規例，本集團若干中國附屬公司自首個獲利年度起獲豁免繳納中國所得稅兩年，其後三年獲寬減50%(「稅務減免期」)。新法實行後將繼續按25%之新稅率享有稅務減免。

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。

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8. INCOME TAX EXPENSE (Continued)

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

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

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

8. 所得稅開支(續)

二零零八年六月二十六日，香港立法會通過《二零零八年收入條例草案》，公司利得稅率由17.5%調低至16.5%，自二零零八/二零零九年課稅年度起生效。故此，香港利得稅乃根據本年度估計應課稅溢利按稅率16.5%（二零零七年：17.5%）計算。

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。

年內稅項支出與綜合收益表所示除稅前溢利對賬如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	308,477	208,029
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	89,154	66,429
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	11,264	9,026
Tax effect of income not taxable for tax purpose	毋須課稅收益之稅務影響	(7,325)	(5,769)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	10,578	4,593
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	(7,859)	(6,614)
Tax effect of tax exemption granted to a PRC subsidiary under the Tax Holiday	授予一家中國大陸附屬公司於稅務減免期獲稅務豁免之稅務影響	(60,803)	(39,268)
Underprovision in prior years	過往年度撥備不足	1,537	233
Increase in opening deferred tax liability resulting from a decrease in applicable tax rate	因適用稅率下調而導致承前遞延稅項負債增加	-	618
Dividend withholding tax	股利預扣稅	32,260	-
Deferred tax liabilities arising on undistributed profits of PRC subsidiaries from 1 January 2008	因中國附屬公司自二零零八年一月一日以來之未分派溢利而產生之遞延稅項負債	1,092	-
Tax charge for the year	年內稅項支出	69,898	29,248

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業務，以各個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。

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9. PROFIT FOR THE YEAR

9. 本年度溢利

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	本年度溢利已扣除(計入)下列各項：		
Staff costs:	員工成本：		
– directors' emoluments (note 10)	– 董事酬金 (附註10)	14,325	1,560
– other staff costs	– 其他員工成本	<u>86,684</u>	<u>71,476</u>
		<u>101,009</u>	<u>73,036</u>
Retirement benefits scheme contributions, excluding directors:	退休福利計劃供款，不包括董事：		
– defined contribution plans (note 24 (b))	– 定額供款計劃 (附註24(b))	9,509	7,062
– defined benefit plan (note 24 (a))	– 定額福利計劃 (附註24(a))	<u>866</u>	<u>870</u>
		<u>10,375</u>	<u>7,932</u>
Share based payments Equity-settled share based payments	股份付款 股本權益結算股份付款	<u>245</u>	<u>101</u>
Total staff costs	員工成本總額	<u>111,629</u>	<u>81,069</u>
Depreciation of property, plant and equipment	不動產、廠場及設備折舊	17,131	17,522
Release of prepaid lease payments	撥回自用土地租賃款	275	252
Auditors' remuneration	核數師酬金	3,435	3,508
Gain on disposal of property, plant and equipment	出售不動產、廠場及設備收益	<u>(14,699)</u>	(858)
Research and development costs	研發成本	1,714	1,693
Write back of obsolete inventories	陳舊存貨撥回	<u>(1,495)</u>	(1)
Cost of inventories recognised as an expense	已確認為開支之存貨成本	86,102	77,573
Net exchange (gain) loss	匯兌(收益)虧損淨額	<u>(25,371)</u>	180
Impairment losses on trade receivables	貿易應收賬款減值虧損	15,243	2,185
Impairment losses on available-for-sale investments	可供出售投資減值虧損	<u>3,200</u>	–

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10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the seven (2007: seven) directors were as follows:

For the year ended 31 December 2008

		Dr. Tsai Yen Yu	Mr. Lee Ming Ta	Dr. Su Chien Cheng	Dr. Su Sh Hsyu	Mr. Yeh Liang Fei	Mrs. Chen Shieh Shu Chen	Mr. Chen Ching	Total 2008 總計
		蔡燕玉博士	李明達先生	蘇建誠博士	蘇詩琇博士	葉良輝先生	陳謝淑珍女士	譚清先生	二零零八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	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	15	340	305	664	-	-	-	1,324
Contributions to retirement benefits scheme	退休福利計劃供款	-	6	5	2	-	-	-	13
Discretionary and performance related incentive payments (Note)	酌情及表現掛鈎獎勵計劃(附註)	4,000	-	3,000	3,000	-	-	-	10,000
Total emoluments	酬金總額	5,015	1,046	3,910	4,266	20	20	48	14,325

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10. 董事酬金

已付或應付七名(二零零七年:七名)董事之酬金如下:

For the year ended 31 December 2007

		Dr. Tsai Yen Yu	Mr. Lee Ming Ta	Dr. Su Chien Cheng	Dr. Su Sh Hsyu	Mr. Yeh Liang Fei	Mrs. Chen Shieh Shu Chen	Mr. Chen Ching	Total 2007 總計
		蔡燕玉博士	李明達先生	蘇建誠博士	蘇詩琇博士	葉良輝先生	陳謝淑珍女士	譚清先生	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	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	292	805	-	-	-	1,436
Contributions to retirement benefits scheme	退休福利計劃供款	-	17	15	4	-	-	-	36
Discretionary and performance related incentive payments (Note)	酌情及表現掛鈎獎勵計劃(附註)	-	-	-	-	-	-	-	-
Waiver of fees	放棄袍金	(1,000)	(700)	(600)	(600)	-	-	-	(2,900)
Total emoluments	酬金總額	14	342	307	809	20	20	48	1,560

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10. DIRECTORS' EMOLUMENTS (Continued)

Note: Dr. Tsai, Mr. Lee, Dr. Su Chien Cheng and Dr. Su Sh Hsyu are entitled to a management bonus aggregately not exceed 15% of the audited consolidated profit attributable to equity holders of the Company in respect of that financial year of the Group, as recommended by the Remuneration Committee.

For the year ended 31 December 2007, each of the executive directors voluntarily agreed to waive their entitlement to certain remuneration of approximately HK\$2.9 million. No directors waived any emoluments in the year ended 31 December 2008.

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2007 and 2008.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three of them (2007: Nil) were directors of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the two (2007: five) 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
Share based payments expense	股份付款
Discretionary and performance related incentive payments	酌情及表現掛鈎獎勵計劃

10. 董事酬金(續)

附註：根據薪酬委員會之建議，蔡博士、李先生、蘇建誠博士及蘇詩琇博士有權收取總數不超過本公司股東就本集團有關財政年度應佔經審核綜合溢利的15%之管理花紅。

截至二零零七年十二月三十一日止年度，各執行董事自願同意放棄收取若干酬金約2,900,000港元。截至二零零八年十二月三十一日止年度，概無董事放棄任何酬金。

於截至二零零七年及二零零八年十二月三十一日止年度，本集團概無向董事支付酬金，作為加盟本集團時或其後之報酬或離職補償。

11. 僱員酬金

本集團五名最高薪酬人士當中三名(二零零七年：無)為本公司董事，彼等之酬金詳情已於上文附註10披露。餘下兩名(二零零七年：五名)人士之酬金如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
3,919	6,223
31	36
61	70
372	1,545
4,383	7,874

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11. EMPLOYEES' EMOLUMENTS (Continued)

The emoluments of the two (2007: five) within the following bands:

HK\$0 – HK\$1,000,000	零港元至1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至3,500,000港元

11. 僱員酬金(續)

兩名(二零零七年：五名)最高薪酬人士之酬金介乎以下範圍：

2008 二零零八年 Headcount 人數	2007 二零零七年 Headcount 人數
–	1
–	3
1	–
1	–
–	1

12. DIVIDENDS

Dividends recognised as distribution during the year:	年內確認為分派之股利：
Interim dividend, paid – HK\$0.050 per share (2007: HK\$0.030 per share)	已派付中期股利—每股0.050港元 (二零零七年：每股0.030港元)
Interim special dividend, paid – Nil per share (2007: HK\$0.020 per share)	已派付中期特別股利—每股零港元 (二零零七年：每股0.020港元)
Final dividend, paid – HK\$0.042 per share for 2007 (2007: HK\$0.030 per share for 2006)	已派付末期股利 —二零零七年每股0.042港元 (二零零七年：二零零六年每股0.030港元)
Final special dividend, paid – HK\$0.058 per share for 2007 (2007: HK\$0.0125 per share for 2006)	已派付末期特別股利 —二零零七年每股0.058港元 (二零零七年：二零零六年每股0.0125港元)

12. 股利

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
100,032	60,000
–	40,000
84,000	60,000
116,000	25,000
300,032	185,000

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12. DIVIDENDS (Continued)

The final dividend of HK\$0.0335 per share (2007: HK\$0.0420 per share for 2007), amounting to approximately HK\$67,021,000 have been proposed by the directors and is subject to approval by the shareholders in general meeting.

No final special dividend (2007: HK\$0.0580 per share for 2007) has been proposed by the directors after the balance sheet date.

13. 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 approximately HK\$238,477,000 (2007: HK\$178,707,000) and on the weighted average number of 2,000,310,980 (2007: 2,000,000,000) ordinary shares of the Company in issue during the year.

No diluted earnings per share has been presented because the exercise price of the Company's options was higher than the average market price of the shares for both years.

14. INVESTMENT PROPERTIES

12. 股利(續)

董事建議派付末期股利每股0.0335港元(二零零七年：二零零七年每股0.0420港元)，合共約67,021,000港元，惟須待股東於股東大會批准。

於結算日後，董事概無建議派付末期特別股利(二零零七年：二零零七年每股0.0580港元)。

13. 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約238,477,000港元(二零零七年：178,707,000港元)及本公司年內加權平均已發行普通股數2,000,310,980股(二零零七年：2,000,000,000股)計算。

由於本公司認股權行使價高於兩個年度之每股平均市價，故並無呈列每股攤薄盈利。

14. 投資物業

FAIR VALUE	公平值	HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	162,228
Exchange realignment	匯兌調整	(877)
Disposal during the year	年內出售	(156,857)
Increase in fair value recognised in the consolidated income statement	於綜合收益表確認之公平值增加	50
At 31 December 2007	於二零零七年十二月三十一日	4,544
Exchange realignment	匯兌調整	(73)
Increase in fair value recognised in the consolidated income statement	於綜合收益表確認之公平值增加	15
At 31 December 2008	於二零零八年十二月三十一日	4,486

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14. INVESTMENT PROPERTIES (Continued)

The fair values of the Group's investment properties at 31 December 2008 and 2007 have been arrived at on the basis of a valuation carried out on that date by Messrs. Vigers Appraisal & Consulting Limited and Euro-Asia Real Estate Appraisers Firm, respectively, independent qualified professional valuers not connected with the Group. Both Messrs. Vigers Appraisal & Consulting Limited and Euro-Asia Real Estate Appraisers Firm 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 was arrived at using the direct comparison approach by reference to market evidence of recent transaction prices for similar properties in the same locations and conditions.

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.

14. 投資物業(續)

本集團之投資物業於二零零八年及二零零七年十二月三十一日之公平值乃分別按與本集團並無關連之獨立合資格專業估值師威格斯資產評估顧問有限公司及Euro-Asia Real Estate Appraisers Firm進行之估值為基準得出。威格斯資產評估顧問有限公司及Euro-Asia Real Estate Appraisers Firm均為估值師學會(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。有關估值按直接比較法進行，乃經參考同區類似狀況及相近物業之近期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增值之所有物業權益，均以公平值模式計量，並分類為及列作投資物業。

上述投資物業賬面值包括位於香港境外之永久業權土地。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 不動產、廠場及設備

		Freehold land	Buildings	Leasehold improve- ments	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Total
		永久業權土地	樓宇	租賃改良	廠場及機器	汽車	傢具、 裝置及設備	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST	成本								
At 1 January 2007	於二零零七年 一月一日	24,154	135,275	60,453	28,052	6,120	49,762	554	304,370
Exchange realignment	匯兌調整	132	8,005	2,728	1,940	377	2,219	1,280	16,681
Additions	增添	-	30	9,596	2,032	3,115	9,130	29,875	53,778
Disposals	出售	-	(1,176)	(9,223)	(683)	(2,581)	(1,353)	-	(15,016)
At 31 December 2007	於二零零七年 十二月三十一日	24,286	142,134	63,554	31,341	7,031	59,758	31,709	359,813
Exchange realignment	匯兌調整	(12)	6,722	1,411	1,580	298	1,411	1,888	13,298
Additions	增添	-	-	23,065	3,534	561	8,125	142	35,427
Disposals	出售	(8,635)	(3,709)	(25,162)	(11,633)	(1,886)	(9,303)	-	(60,328)
Acquired on acquisition of subsidiaries (note 28)	於收購附屬公司時 購入(附註28)	-	-	-	768	-	300	-	1,068
Transfer	轉撥	-	1,336	-	-	-	-	(1,336)	-
At 31 December 2008	於二零零八年 十二月三十一日	15,639	146,483	62,868	25,590	6,004	60,291	32,403	349,278
DEPRECIATION	折舊								
At 1 January 2007	於二零零七年 一月一日	-	24,953	43,784	20,671	3,668	37,815	-	130,891
Exchange realignment	匯兌調整	-	1,287	1,949	1,500	181	1,600	-	6,517
Provided for the year	年內撥備	-	3,246	7,066	1,677	453	5,080	-	17,522
Eliminated on disposals	於出售時撇銷	-	(463)	(9,223)	(489)	(1,931)	(1,036)	-	(13,142)
At 31 December 2007	於二零零七年 十二月三十一日	-	29,023	43,576	23,359	2,371	43,459	-	141,788
Exchange realignment	匯兌調整	-	1,051	1,157	1,241	118	894	-	4,461
Provided for the year	年內撥備	-	3,514	5,568	1,657	729	5,663	-	17,131
Eliminated on disposals	於出售時撇銷	-	(1,192)	(24,608)	(9,843)	(844)	(8,184)	-	(44,671)
At 31 December 2008	於二零零八年 十二月三十一日	-	32,396	25,693	16,414	2,374	41,832	-	118,709
CARRYING VALUES	賬面值								
At 31 December 2008	於二零零八年 十二月三十一日	15,639	114,087	37,175	9,176	3,630	18,459	32,403	230,569
At 31 December 2007	於二零零七年十二月 三十一日	24,286	113,111	19,978	7,982	4,660	16,299	31,709	218,025

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15. 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	於台灣持有之永久業權土地

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

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

At 31 December 2007, certain plant and equipment with a total carrying values of HK\$1,798,000 were entrusted to the operators of the Group (note 20). Such entrustment of plant and equipment was terminated during the year ended 31 December 2008.

15. 不動產、廠場及設備(續)

上述樓宇賬面值位於以下地區：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
101,161	96,930
12,926	16,181
114,087	113,111

除在建工程外，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3至10年之較短者
廠場及機器	5–10年
汽車	3–5年
傢具、裝置及設備	2–15年

於二零零七年十二月三十一日，總賬面值1,798,000港元之若干廠場及設備已委託予本集團之經營者(附註20)。有關廠場及設備之委託已於截至二零零八年十二月三十一日止年度終止。

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16. PREPAID LEASE PAYMENTS

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

本集團之自用土地租賃款包括於中國以中期土地使用權持有之永久業權土地使用權

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

就申報用途分析如下：
非流動資產
流動資產

16. 自用土地租賃款

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
<u>10,087</u>	<u>9,778</u>
<u>9,809</u>	9,516
<u>278</u>	<u>262</u>
<u>10,087</u>	<u>9,778</u>

17. GOODWILL

COST
At 1 January 2007
Exchange realignment

成本
於二零零七年一月一日
匯兌調整

At 31 December 2007
Exchange realignment

於二零零七年十二月三十一日
匯兌調整

At 31 December 2008

於二零零八年十二月三十一日

IMPAIRMENT
At 1 January 2007, 31 December 2007 and 31 December 2008

減值
於二零零七年一月一日、二零零七年十二月三十一日及二零零八年十二月三十一日

CARRYING VALUES
At 31 December 2008

賬面值
於二零零八年十二月三十一日

At 31 December 2007

於二零零七年十二月三十一日

HK\$'000
千港元

26,399
1,355

27,754
1,204

28,958

3,192

25,766

24,562

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17. GOODWILL (Continued)

For the purposes of impairment testing, goodwill has been allocated to an individual cash generating unit, namely, sale of cosmetic products (CGU). The carrying amounts of goodwill as at 31 December 2008 and 2007 is allocated to this CGU.

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 5% (2007: 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.

18. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments 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 the British Virgin Islands and Cayman Islands which are engaged in investment holding and online health consultancy service respectively. They are measured at cost less accumulated 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 measured reliably.

17. 商譽(續)

就減值檢測而言，商譽已分配至個別現金產生單位(即銷售美容產品)。於二零零八年及二零零七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。

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5%(二零零七年：8%)折現率計算。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。使用價值計算方法之另一項主要假設與估計現金流入／流出(包括預算銷售額及毛利率)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。

18. 可供出售投資

可供出售投資包括：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
5,926	9,126

上述非上市投資指於英屬維爾京群島及開曼群島註冊成立，分別從事投資控股及網上健康顧問服務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幅度甚大，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累計減值計量。

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19. INVENTORIES

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

19. 存貨

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
49,612	35,735
–	2,354
51,247	32,928
100,859	71,017

20. TRADE AND OTHER RECEIVABLES

Trade receivables	貿易應收賬款
Less: allowance for doubtful debts	減：呆賬撥備
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

20. 貿易及其他應收賬款

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
68,265	61,118
(2,963)	(1,767)
65,302	59,351
16,713	14,064
–	9,834
10,729	15,722
92,744	98,971

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20. 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 (net of allowance for doubtful debts) 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

Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits to customers are reviewed twice a year. 89% (2007: 76%) of the trade receivables that are neither past due nor impaired have the best credit attributable under the system used by the Group as at 31 December 2008.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$7,410,000 (2007: HK\$14,477,000) which are past due at the balance sheet date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is within 180 days (2007: within 180 days).

Aging of trade receivables which are past due but not impaired:

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

20. 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。於結算日扣除呆賬撥備後之貿易應收賬款賬齡分析如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
57,892	44,874
3,828	5,096
3,246	7,391
336	1,990
65,302	59,351

接受任何新客戶前，本集團採用內部信貸制度，評估潛在客戶之信貸質素及按客戶釐定信貸額。客戶信貸額每年檢討兩次。於二零零八年十二月三十一日，根據本集團採用之信貸制度，89%(二零零七年：76%)貿易應收賬款未逾期及並未減值。

計入本集團之貿易應收賬款結餘為於結算日已逾期而本集團並無計提減值虧損之應收賬款賬面值合共7,410,000港元(二零零七年：14,477,000港元)。本集團並無就該等結餘持有任何抵押。該等應收賬款之平均賬齡為180日(二零零七年：180日)。

已逾期但未減值之貿易應收賬款之賬齡：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
3,828	5,096
3,246	7,391
336	1,990
7,410	14,477

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20. TRADE AND OTHER RECEIVABLES (Continued)

Since 2002, certain subsidiaries have entered into Assets Entrustment Agreements with various operators. Pursuant to these agreements, these subsidiaries and the operators agreed for the latter to manage and operate the same business (the "Entrusted Assets") as the subsidiaries, 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 by the subsidiaries to the operators 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 from the operation 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. The Group is not permitted to repledge the collateral in the absence of default by the operators.

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

20. 貿易及其他應收賬款(續)

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，該等附屬公司及經營者同意後者管理及經營相同業務(「受託管資產」)，作為附屬公司，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附屬公司協助經營者開發加盟經營網絡。經營者任期為一至五年，每年須向附屬公司支付一筆參考各附屬公司於協議日期資產淨值釐訂之委託經營費用。經營者有權保留其於管理及經營期間自經營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，以保證其履行協議項下責任。在經營者並無違約的情況下，本集團不獲准再抵押有關抵押品。

資產委託經營協議對綜合財務報表之影響概述如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
—	1,798
517	2,817

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20. TRADE AND OTHER RECEIVABLES (Continued)

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

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

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘
Impairment losses recognised on receivables	於應收賬款確認之減值虧損
Amounts written off as uncollectible	不可收回賬款之已撇銷金額
Amounts recovered during the year	年內已收回金額
Balance at end of the year	年終結餘

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$2,963,000 (2007: HK\$1,767,000), which have been identified with financial difficulties. The Group does not hold any collateral over these balances.

20. 貿易及其他應收賬款(續)

於結算日，以下自經營者的資產委託經營協議產生之未收訖餘額，於綜合資產負債表列作其他應收賬款：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
960	3,686
1,862	1,990
2,822	5,676

呆賬撥備變動

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1,767	2,300
15,327	3,502
(14,047)	(2,718)
(84)	(1,317)
2,963	1,767

呆賬撥備中包括個別減值且發現有財政困難之應收賬款結餘合共2,963,000港元(二零零七年：1,767,000港元)，本集團並無就該等結餘持有任何抵押品。

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21. PLEDGED BANK DEPOSIT/BANK BALANCES AND CASH

Pledged bank deposit

The pledged bank deposit is an interest-free deposit which represents deposit pledged to bank to secure the obligation under the rental agreement. The pledge will be released upon the termination of the relevant rental agreement.

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 amounts bear interest at market rates which ranged from 0.36% to 2.86% per annum (2007: 0.18% to 5.27% per annum).

At 31 December 2008, the Group's bank deposits of US\$22,970,000 (equivalent to approximately HK\$178,031,000) (2007: HK\$124,940,000) was denominated in a currency other than the functional currency of the relevant group entity.

22. 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
Total trade and other payables	貿易及其他應付賬款總額

21. 已抵押銀行存款/銀行結存及現金

已抵押銀行存款

已抵押銀行存款為已抵押予銀行作為租賃協議項下責任之擔保的免息存款。抵押將會於有關租賃協議終止時解除。

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。該等款額按年利率0.36厘至2.86厘計息(二零零七年：年利率0.18厘至5.27厘)。

於二零零八年十二月三十一日，本集團銀行存款為22,970,000美元(相當於約178,031,000港元)(二零零七年：124,940,000港元)，乃按相關集團實體功能貨幣以外之貨幣計算。

22. 貿易及其他應付賬款

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
14,035	21,813
25,730	25,389
9,998	12,743
56,216	30,363
105,979	90,308

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22. TRADE AND OTHER PAYABLES (Continued)

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 average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe.

23. DEFERRED INCOME

Prepaid treatment fees	預付療程費
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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.

22. 貿易及其他應付賬款(續)

於結算日之貿易應付賬款賬齡分析如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
13,814	21,795
199	–
22	2
–	16
14,035	21,813

購買貨品之平均信貸期為90天。本集團已設立財務風險管理政策，以確保所有應付款項為於設定信貸時限內。

23. 遞延收益

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
10,374	9,763

遞延收益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，並於向客戶提供服務時在綜合收益表確認。

24. RETIREMENT BENEFITS 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 2008 and 2007 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 2% (2007: 15%) covered by the deposits paid with the Bank of Taiwan, Ltd.

24. 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薪金總額2%作出供款。根據計劃，僱員就首15個服務年度每年享有相等於兩個月薪酬之退休福利，繼該15個服務年度後之每個年度則為一個月月薪酬，惟屆60歲時合共不超過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。於二零零八年及二零零七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2%(二零零七年：15%)，由已付予台灣銀行有限公司之押金填補。

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24. RETIREMENT BENEFITS 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	預期薪金增加幅度

The actuarial valuation showed that the market value of plan assets was HK\$560,000 (2007: HK\$1,282,000).

- (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	計劃資產預期回報率

24. 退休福利計劃(續)

(a) 定額福利計劃(續)

- (i) 所採用主要精算估值假設如下：

2008 二零零八年	2007 二零零七年
2.75%	3.50%
1.50%	2.75%
2.50%	2.50%

精算估值顯示計劃資產市值為560,000港元(二零零七年：1,282,000港元)。

- (ii) 於損益表就定額福利計劃確認之金額如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
407	446
495	478
(36)	(54)
866	870

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24. RETIREMENT BENEFITS PLANS (Continued)

(a) Defined benefit plan (Continued)

- (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 (losses)	未確認精算收益(虧損)淨額		
Net liability arising from defined benefit obligation	定額福利債務產生之負債淨額		

- (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) losses	精算(收益)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		

24. 退休福利計劃(續)

(a) 定額福利計劃(續)

- (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：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
12,162	13,757
(560)	(1,282)
657	(576)
12,259	11,899

- (iv) 於本年度之定額福利債務現值變動如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
13,757	12,827
407	446
495	478
(1,095)	(1,105)
(1,247)	1,031
(155)	80
12,162	13,757

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24. RETIREMENT BENEFITS PLANS (Continued)

(a) Defined benefit plan (Continued)

- (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	計劃資產預期回報率
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

The major categories of plan assets, and the percentage of the fair value at the balance sheet date for each category are as follows:

Deposits with financial institutions	付予財務機構之押金
Short term bills	短期票據
Stocks	股份
Bonds	債券
Others	其他

24. 退休福利計劃(續)

(a) 定額福利計劃(續)

- (v) 於本年度之計劃資產公平值變動如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
1,282	1,965
293	356
36	54
(1,095)	(1,105)
33	8
11	4
560	1,282

計劃資產之主要類別以及各類別於結算日之公平值百分比如下：

2008 二零零八年 %	2007 二零零七年 %
32.27	39.58
12.90	11.61
12.11	11.17
11.69	12.20
31.03	25.44
100.0	100.00

24. RETIREMENT BENEFITS 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 consolidated income statement of HK\$10,388,000 (2007: HK\$7,968,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

24. 退休福利計劃(續)

(b) 定額供款計劃

- (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」)，另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，僱主及僱員各自須向計劃分別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理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。

計入綜合收益表之總成本為10,388,000港元(二零零七年：7,968,000港元)，乃本集團就現行會計期間應付該等計劃之供款。

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25. SHARE CAPITAL

		Number of shares 股份數目		Share Capital 股本	
		2008 二零零八年 '000 千股	2007 二零零七年 '000 千股	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 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 beginning of year and end of year	於年初及年終	<u>4,000,000</u>	<u>4,000,000</u>	<u>400,000</u>	<u>400,000</u>
Issued and fully paid:	已發行及繳足：				
At beginning of year	於年初	<u>2,000,000</u>	<u>2,000,000</u>	<u>200,000</u>	<u>200,000</u>
Shares issued upon exercise of share options	行使認股權時 發行股份	<u>640</u>	<u>—</u>	<u>64</u>	<u>—</u>
At end of year	於年終	<u>2,000,640</u>	<u>2,000,000</u>	<u>200,064</u>	<u>200,000</u>

25. 股本

26. 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.

26. 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」），旨在為董事及合資格僱員提供獎勵。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。

26. SHARE OPTION SCHEME (Continued)

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.

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.

At 31 December 2008, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 1,516,533 (2007: 1,278,861), representing 0.08% (2007: 0.06%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in the 12-month period up to and including the date of such grant in excess of 0.1% of the Company's share capital in issue or with an aggregate value in excess of HK\$5 million based on the closing price of the shares at the date of each grant must be approved in advance by the Company's shareholders.

26. 認股權計劃(續)

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。

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。

根據認股權計劃及本公司或附屬公司任何其他計劃於已授出但有待行使之尚未行使認股權獲行使時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有關類別證券的30%。如超逾限額，則不得根據本公司或附屬公司的任何計劃授出認股權。

於二零零八年十二月三十一日，根據認股權計劃已授出但仍然尚未行使認股權之相關股份數目為1,516,533股(二零零七年：1,278,861股)，相當於本公司當日已發行股份0.08%(二零零七年：0.06%)。未經本公司股東事先批准前，根據認股權計劃可能授出認股權之相關股份數目，不得超出本公司任何時間已發行股份10%。未經本公司股東事先批准前，於任何一年內已授予及可能授予任何人士認股權之已發行及將予發行之相關股份數目，不得超出本公司任何時間已發行股份1%。向主要股東或獨立非執行董事於截至授出當日止十二個月期間內授出之認股權超出本公司已發行股本0.1%或根據授出當日之股份收市價計算之認股權總值多於5,000,000港元，須事先獲本公司股東批准。

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26. SHARE OPTION SCHEME (Continued)

There was no option granted to substantial shareholders, executive directors or independent non-executive directors during both years.

The following table discloses movements of the Company's share options held by employees during the years ended 31 December 2007 and 2008:

Option type	Date of grant	Vesting period	Exercisable period	Exercise price	Outstanding	Granted	Forfeited	Outstanding	Granted	Exercised	Forfeited	Outstanding
					at 1.1.2007	during year ended 31.12.2007	during year ended 31.12.2007	at 31.12.2007	during year ended 31.12.2008	during year ended 31.12.2008	during year ended 31.12.2008	at 31.12.2008
					於 2007年1月1日	於 2007年12月31日止年度授出	於 2007年12月31日止年度沒收	於 2007年12月31日	於 2008年12月31日止年度授出	於 2008年12月31日止年度行使	於 2008年12月31日止年度沒收	於 2008年12月31日
認股權類別	授出日期	歸屬期	行使期	行使價	尚未行使	止年度授出	止年度沒收	尚未行使	止年度授出	止年度行使	止年度沒收	尚未行使
2007 Type I 二零零七年第一類	27 July 2007 二零零七年七月二十七日	1 year 一年	1 July 2008 to 26 July 2017 二零零八年七月一日至二零零七年七月二十六日	1.76	-	864,771	(225,341)	639,430	-	(639,430)	-	-
2007 Type II 二零零七年第二類	27 July 2007 二零零七年七月二十七日	2 years 兩年	1 July 2009 to 26 July 2017 二零零九年七月一日至二零零七年七月二十六日	1.76	-	518,863	(135,204)	383,659	-	-	-	383,659
2007 Type III 二零零七年第三類	27 July 2007 二零零七年七月二十七日	3 years 三年	1 July 2010 to 26 July 2017 二零零一零年七月一日至二零零七年七月二十六日	1.76	-	345,908	(90,136)	255,772	-	-	-	255,772
2008 Type I 二零零八年第一類	16 July 2008 二零零八年七月十六日	1 year 一年	1 July 2009 to 15 July 2018 二零零九年七月一日至二零零八年七月十五日	1.69	-	-	-	-	1,106,728	-	(668,177)	438,551
2008 Type II 二零零八年第二類	16 July 2008 二零零八年七月十六日	2 years 兩年	1 July 2010 to 15 July 2018 二零零一零年七月一日至二零零八年七月十五日	1.69	-	-	-	-	664,037	-	(400,906)	263,131
2008 Type III 二零零八年第三類	16 July 2008 二零零八年七月十六日	3 years 三年	1 July 2011 to 15 July 2018 二零零一一年七月一日至二零零八年七月十五日	1.69	-	-	-	-	442,691	-	(267,271)	175,420
					-	1,729,542	(450,681)	1,278,861	2,213,456	(639,430)	(1,336,354)	1,516,533
Exercisable at the end of the year 年終時可行使					Nil 無			Nil 無				Nil 無
Weighted average exercise price 加權平均行使價					-	1.76	1.76	1.76	1.69	1.76	1.69	1.72

During the year ended 31 December 2007, the Group granted option to certain employees to subscribe for a maximum of 1,729,542 shares and will be vested on a ratio of 50%, 30% and 20% over a three year period subject to the grantees achieving certain performance targets. The options were granted on 27 July 2007. The estimated fair values of the options granted on that date were HK\$673,000.

26. 認股權計劃(續)

本公司於年內並無向主要股東、執行董事或獨立非執行董事授出任何認股權。

下表披露由僱員於截至二零零七年及二零零八年十二月三十一日止年度持有之本公司認股權變動：

於截至二零零七年十二月三十一日止年度，本集團向若干僱員授出認股權，以於承授人達致若干表現目標時認購最多1,729,542股股份，並將於三年內按50%、30%及20%比率歸屬。認股權已於二零零七年七月二十七日授出。於當日所授出認股權公平值估計為673,000港元。

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26. SHARE OPTION SCHEME (Continued)

During the year ended 31 December 2008, the Group granted options to certain employees to subscribe for a maximum of 2,213,456 shares and will be vested on a ratio of 50%, 30% and 20% over a three year period subject to the grantees achieving certain performance targets. The options were granted on 16 July 2008. The estimated fair values of the options granted on that date were HK\$984,000.

As an additional employee incentive, the Company will pay the relevant option holder a cash bonus in the amount of the total exercise price payable for the exercise of the options. The option holders are required to use any such cash bonus towards payment of the exercise price of the relevant options and a cash bonus of approximately HK\$1,125,000 had been paid and used directly for the exercise of those options for 639,430 share issued during the year ended 31 December 2008.

These fair values were calculated using the Black-Scholes Options Pricing Model. The inputs into the model were as follows:

2007 Options

		Option type 認股權類別		
		2007 Type I 二零零七年 第一類	2007 Type II 二零零七年 第二類	2007 Type III 二零零七年 第三類
Vest date	歸屬日期	01/07/2008 二零零八年 七月一日	01/07/2009 二零零九年 七月一日	01/07/2010 二零一零年 七月一日
Grant date share price	授出日期股價	HK\$1.76 1.76港元	HK\$1.76 1.76港元	HK\$1.76 1.76港元
Exercise price	行使價	HK\$1.76 1.76港元	HK\$1.76 1.76港元	HK\$1.76 1.76港元
Expected volatility	預計波幅	39.88%	39.88%	39.88%
Expected life	預計年期	3 years 三年	4 years 四年	5 years 五年
Expected dividend yield	預計股利率	5.91%	5.91%	5.91%
Risk-free interest rate	無風險利率	4.17%	4.28%	4.38%
		4.17厘	4.28厘	4.38厘

26. 認股權計劃(續)

於截至二零零八年十二月三十一日止年度，本集團向若干僱員授出認股權，以於承授人達致若干表現目標時認購最多2,213,456股股份，並將於三年內按50%、30%及20%比例歸屬。認股權已於二零零八年七月十六日授出。於當日所授出認股權公平值估計為984,000港元。

作為額外僱員獎勵，本公司將會向相關認股權持有人支付金額相當於就行使認股權應付總行使價之現金花紅。認股權持有人須運用任何該等現金花紅支付相關認股權之行使價，而於截至二零零八年十二月三十一日止年度，已支付約1,125,000港元之現金花紅並直接用作行使發行639,430股股份之認股權。

此等公平值乃採用柏力克－舒爾斯期權定價模式計算。該模式輸入之數據如下：

二零零七年認股權

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26. SHARE OPTION SCHEME (Continued)
2008 Options

		Option type 認股權類別		
		2008 Type I 二零零八年 第一類	2008 Type II 二零零八年 第二類	2008 Type III 二零零八年 第三類
Vest date	歸屬日期	01/07/2009 二零零九年 七月一日	01/07/2010 二零一零年 七月一日	01/07/2011 二零一一年 七月一日
Grant date share price	授出日期股價	HK\$1.69 1.69港元	HK\$1.69 1.69港元	HK\$1.69 1.69港元
Exercise price	行使價	HK\$1.69 1.69港元	HK\$1.69 1.69港元	HK\$1.69 1.69港元
Expected volatility	預計波幅	47.97%	47.97%	47.97%
Expected life	預計年期	3 years 三年	4 years 四年	5 years 五年
Expected dividend yield	預計股利率	5.44%	5.44%	5.44%
Risk-free interest rate	無風險利率	2.61% 2.61厘	2.94% 2.94厘	3.13% 3.13厘

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 7 years. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Group recognised the total expense of approximately HK\$840,000 (2007: HK\$138,000) and reversal of expenses of HK\$595,000 (2007: HK\$37,000) for the year ended 31 December 2008 in relation to share options granted and share options forfeited by the Company respectively.

The number of share options granted expected to vest has been reduced to reflect historical experience of forfeiture of 60% (2007: 26%) of options granted prior to completion of vesting period and accordingly the share option expenses has been adjusted. At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognized in the profit and loss over the remaining vest period, with a corresponding adjustment to the share options reserve.

The Black-Scholes Options Pricing Model has been used to estimate the fair value of the options. The valuables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of the option varies with different variables of certain subjective assumptions.

26. 認股權計劃(續)
二零零八年認股權

預計波幅乃採用本公司股價於過往七年之歷史波幅釐定。所採用模式之預計年期已根據管理層對不可轉讓、行使限制及行為模式考慮因素影響之最佳估計調整。

截至二零零八年十二月三十一日止年度，本集團已確認有關本公司授出之認股權開支總額約840,000港元(二零零七年：138,000港元)及沒收之認股權撥回開支595,000港元(二零零七年：37,000港元)。

預計歸屬已授出認股權數目已減少，以反映過往於歸屬期完結前沒收60%(二零零七年：26%)已授出認股權，認股權開支已因而調整。於各結算日，本集團修訂其對預期最終歸屬之認股權數目之估計。歸屬期間修訂原有估計之影響(如有)已於餘下歸屬期於損益確認，認股權儲備亦作出相應調整。

柏力克-舒爾斯期權定價模式已用作估計認股權之公平值。用於計算認股權公平值之變數及假設乃根據董事之最佳估計作出。認股權價值因若干主觀假設之不同變數而各有不同。

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27. DEFERRED TAXATION

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

		Allowance for bad and doubtful debts	Revaluation of properties	Defined benefit liability	Unrealised profits on inventories	Other short-term temporary differences	Undistributed earnings of PRC entities	Total
		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	其他短期 暫時差額 HK\$'000 千港元	中國實體之 未分配盈利 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	(465)	2,583	(2,955)	(8,925)	325	-	(9,437)
Exchange realignment	匯兌調整	(1)	(24)	(18)	(304)	(9)	-	(356)
Effect of change in tax rate	稅率變動之影響	-	-	-	617	1	-	618
Charge (credit) to consolidated income statement	於綜合收益表扣除(計入)	134	(3,413)	(191)	5,182	(87)	-	1,625
At 31 December 2007	於二零零七年 十二月三十一日	(332)	(854)	(3,164)	(3,430)	230	-	(7,550)
Exchange realignment	匯兌調整	18	4	66	(152)	24	-	(40)
(Credit) charge to consolidated income statement	於綜合收益表(計入)扣除	(327)	3	(362)	(1,814)	(158)	1,092	(1,566)
At 31 December 2008	於二零零八年 十二月三十一日	(641)	(847)	(3,460)	(5,396)	96	1,092	(9,156)

At the balance sheet date, the Group has unutilised tax losses of approximately HK\$127,343,000 (2007: HK\$91,231,000) 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\$44,170,000 (2007: HK\$38,278,000) do not expire under the current tax legislation in Hong Kong and all other tax losses will expire from 2009 to 2013 (2007: 2008 to 2010).

Deferred taxation has been provided in full in respect of the undistributed earnings of the Group's PRC subsidiaries arising since 1 January 2008 as the directors consider that such earnings are estimated to be distributable in the foreseeable future. In respect of the undistributed earnings of the Group's PRC subsidiaries for the same period, because the Group is in a position to control the quantum and timing of the distribution thereof, deferred taxation is only provided to the extent that such earnings are estimated to be distributable in the foreseeable future. Deferred tax has been provided for in respect of the temporary differences attributable to such profits amounting to approximately HK\$20,874,000.

27. 遞延稅項

以下為目前或過往年度於綜合資產負債表確認之主要遞延稅項資產及負債以及其變動：

於結算日，本集團有未動用稅項虧損約127,343,000港元(二零零七年：91,231,000港元)可用作抵銷未來溢利。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44,170,000港元(二零零七年：38,278,000港元)未有到期，而所有其他稅項虧損將於二零零九年至二零一三年到期(二零零七年：二零零八年至二零一零年到期)。

有關本集團之中國大陸附屬公司自二零零八年一月一日以來所產生未分派盈利之遞延稅項已作出全數撥備，原因為董事認為該等盈利估計於可預見將來可用作分派。就中國大陸附屬公司於同期之未分派盈利方面，由於本集團未能控制分派之數額及時間性，故此僅按該等估計於可預見將來可供分派之盈利作出遞延稅項撥備。本集團已就與該等溢利有關之臨時差額作出約20,874,000港元之遞延稅項撥備。

28. ACQUISITION OF A SUBSIDIARY

(i) For the year ended 31 December 2008

On 20 August 2008, the Group acquired 100% interest in Shanghai Natural Beauty Bio-Med Company Limited (上海自然美生物醫學有限公司) ("Bio-Med"), from Uni Way Associates Limited, a company beneficially owned by shareholders of the Company, at a consideration of USD3,313,966 (equivalent to approximately HK\$25,848,936). Bio-Med is engaged in the business of manufacturing and sale of health supplement. This acquisition has been accounted for using the purchase method.

The net assets acquired in the transaction are as follows:

Net assets acquired:	購入資產淨值：	
Bank and cash balances	銀行及現金結存	22,726
Plant and equipment	廠場及設備	1,068
Inventories	存貨	1,337
Trade and other receivables	貿易及其他應收賬款	984
Trade and other payables	貿易及其他應付賬款	(266)
		<hr/>
Total consideration	總代價	25,849
		<hr/>
Satisfied by:	以下列方法支付：	
Cash consideration paid	已付現金代價	25,849
		<hr/>
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	(25,849)
Bank balances and cash acquired	所購入銀行結存及現金	22,726
		<hr/>
		(3,123)

Note: The fair value of the net assets acquired approximate to their carrying amounts on or before the date of acquisition.

28. 收購一家附屬公司

(i) 截至二零零八年十二月三十一日止年度

於二零零八年八月二十日，本集團按代價3,313,966美元(約相當於25,848,936港元)，向由本公司股東實益擁有之公司Uni Way Associates Limited收購上海自然美生物醫學有限公司(「自然美生物醫學」)全部權益。自然美生物醫學從事製造及銷售健康食品。是項收購以收購法入賬。

於該項交易購入之資產淨值如下：

Acquiree's carrying
amount before
combination (Note)
合併前收購對象之
賬面值(附註)
HK\$'000
千港元

附註：所購入資產淨值之公平值與其於收購日期或之前的賬面值相若。

28. ACQUISITION OF A SUBSIDIARY (Continued)

(i) For the year ended 31 December 2008 (Continued)

If the acquisition had been completed on 1 January 2008, total group revenue for the year would have been approximately HK\$593,343,000, and profit for the year would have been approximately HK\$237,040,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2008, nor is it intended to be a projection of future results.

(ii) For the year ended 31 December 2007

On 15 August 2007, the Group acquired an additional 1% interest in 瑞昇醫學美容科技企業有限公司, previously a 50% jointly controlled entity of the Group, at a consideration of approximately HK\$6,000. This acquisition has been accounted for using the purchase method.

The net assets acquired in the transaction are as follows:

Net assets acquired:	購入資產淨值：	
Trade and other receivables	貿易及其他應收賬款	1,383
Trade and other payables	貿易及其他應付賬款	(506)
Minority interests	少數股東權益	(431)
		<hr/>
		446
Transfer from interest in jointly controlled entity	轉撥自一家共同控制實體之權益	(440)
		<hr/>
Total consideration	總代價	6
		<hr/>
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	(6)
		<hr/>

Note: The fair value of the net assets acquired approximate to their carrying amounts on or before the date of acquisition.

28. 收購一家附屬公司(續)

(i) 截至二零零八年十二月三十一日止年度(續)

倘若收購已於二零零八年一月一日完成，集團年內總收入應約為593,343,000港元，而年度溢利應約為237,040,000港元。備考資料僅供說明用途，不一定反映倘收購於二零零八年一月一日完成，本集團實際應達致之收入及經營業績，亦不擬作未來業績之預測。

(ii) 截至二零零七年十二月三十一日止年度

於二零零七年八月十五日，本集團按代價約6,000港元收購本集團以往佔50%之共同控制實體瑞昇醫學美容科技企業有限公司額外1%權益。是項收購以收購法入賬。

於該項交易購入之資產淨值如下：

**Acquiree's carrying
Amount before
Combination (Note)**
合併前收購對象之
賬面值(附註)
HK\$'000
千港元

附註：所購入資產淨值公平值與其於收購日期或之前的賬面值相若。

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28. ACQUISITION OF A SUBSIDIARY (Continued)

(ii) For the year ended 31 December 2007 (Continued)

If the acquisition had been completed on 1 January 2007, to total group revenue for the year would have been approximately HK\$450,774,000, and profit for the year would have been approximately HK\$178,948,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2007, nor is it intended to be a projection of future results.

29. 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 to fifth year inclusive	第二至第五年(包括首尾兩年)
Over five years	超過五年

28. 收購一家附屬公司(續)

(ii) 截至二零零七年十二月三十一日止年度(續)

倘若收購已於二零零七年一月一日完成，集團年內總收入應約為450,774,000港元，而年度溢利應約為178,948,000港元。備考資料僅供說明用途，不一定反映倘收購於二零零七年一月一日完成，本集團實際應達致之收入及經營業績，亦不擬作未來業績之預測。

29. 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：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
18,929	15,920
5,393	2,315
24,322	18,235

於結算日，本集團根據不可撤銷經營租約須於下列到期日繳付之日後最低租金承擔如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
18,705	14,807
24,612	22,412
8,478	6,010
51,795	43,229

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29. 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.

The Group as lessor

(i) Property

Property rental income earned during the year was HK\$4,723,000 (2007: HK\$7,109,000), net of outgoings of HK\$203,000 (2007: HK\$423,000). 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 to fifth year inclusive	第二至第五年（包括首尾兩年）

29. 經營租約(續)

本集團作為承租人(續)

經營租約款項即本集團就若干租賃物業支付之租金。租期經磋商而租金按平均五年租賃期訂定。此外，本集團中國附屬公司須按若干租賃物業營業額某個百分比支付租金。

本集團作為出租人

(i) 不動產

扣除支銷203,000港元(二零零七年：423,000港元)後，於年內賺取之物業租金收益為4,723,000港元(二零零七年：7,109,000港元)。所有持有之不動產有已承諾租戶，租賃年期介乎一年至五年。

於結算日，本集團與租戶已訂約之日後最低租金付款如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
623	4,547
623	2,195
1,246	6,742

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29. OPERATING LEASES (Continued)

The Group as lessee (Continued)

(ii) Entrustment arrangement

At the balance sheet date, the Group had contracted with operators for the following future minimum lease payments for use by them of the Group's plant and machinery:

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

29. 經營租約(續)

本集團作為承租人(續)

(ii) 委託經營安排

於結算日，本集團與經營者就使用本集團之廠場及機器已訂約之日後最低租金付款如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
-	1,802
-	1,132
-	587
-	231
-	3,752

30. 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綜合財務報表撥備之資本開支

30. 資本承擔

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
349	1,545

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31. 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:

(A) TRANSACTIONS

(i) CONNECTED PARTIES

Name of company 公司名稱	Nature of transactions 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
財團法人台北市蔡燕萍文教事業基金會	Rental income 租金收益
中華民國儀容美協會	Rental income 租金收益
自然美出版社	Rental income 租金收益
中澳義國際股份有限公司	Rental income 租金收益
台北市美容技術協會	Rental income 租金收益
瑞昇醫學美容科技企業股份有限公司	Rental income 租金收益
上海自然美生物醫學有限公司	Rental income 租金收益
(Prior to 20 August 2008, Note a) (二零零八年八月二十日前，附註a)	Purchase of natural health food 採購天然健康食品
上海自然美製衣有限公司	Purchase of lingerie 採購內衣
	Balance due to at 31st December – trade payables
	於十二月三十一日到期之結餘 – 貿易應付賬款
北京中澳意自然美化妝品有限公司	Rental expenses 租金支出
<i>Director of the Company:</i> 本公司董事：	
Su Chien Cheng 蘇建誠	Rental expenses 租金支出
Tsai Yen Yu 蔡燕玉	Rental expenses 租金支出

31. 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，其中部分人士根據聯交所證券上市規則被視作關連人士。年內與該等人士進行之重大交易如下：

(A) 交易

(i) 關連人士

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
9	4
5	1
5	1
9	4
9	4
5	1
–	4
235	–
7,327	4,992
15	125
4	1,131
324	–
207	199
1,110	–

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31. CONNECTED AND RELATED PARTY DISCLOSURES (Continued)

(A) TRANSACTIONS (Continued)

(I) CONNECTED PARTIES (Continued)

Note:

- (a) 上海自然美生物醫學有限公司 has become a wholly-owned subsidiary of the Company on 20 August 2008 upon the acquisition of the 100% interest from Uni Way Associates Limited, a connected party to the Company, as set out in note 28.

(II) 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
Share based payments	股份付款

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

(B) OTHER ARRANGEMENTS

- (i) 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.
- (ii) 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.

31. 關連及有關連人士交易(續)

(A) 交易(續)

(I) 關連人士(續)

附註：

- (a) 於二零零八年八月二十日向本公司之關連人士 Uni Way Associates Limited 收購全部權益後，上海自然美生物醫學有限公司已成為本公司之全資附屬公司，詳情載於附註28。

(II) 主要管理人員之酬金

董事及主要管理層其他成員於年內之酬金如下：

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
23,998	9,316
111	172
220	98
24,329	9,586

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。

(B) 其他安排

- (i) 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營運之附屬公司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。
- (ii) 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獨立許可權協議。根據該等協議，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。

31. CONNECTED AND RELATED PARTY DISCLOSURES (Continued)

(B) OTHER ARRANGEMENTS (Continued)

- (iii) On 10 November 2008, Dr. Tsai, Dr. Su Chien Cheng and Dr. Su Sh Hsyu (collectively the “Licensors”) and the Company (the “Licensee”) entered into a license agreement at a consideration of HK\$10 for the royalty-free, fully paid-up, perpetual and non-revocable licence and privilege throughout the world to use the certain trade marks on exclusive use and non-exclusive use basis.

- (iv) On 10 November 2008, the Company (the “Licensor”) and Dr. Tsai (the “Licensee”) entered into a license agreement at a consideration of HK\$10 for a non-exclusive, royalty-free and perpetual licence (including the right to grant sub-licences) to use certain trademarks solely in relation to the operation of resorts and hotels, for education related purposes and in the field of healthcare and only in the jurisdiction in which such trademarks are registered or has been applied for. The Licensee shall offer the Company the opportunity to participate in any new investments.

31. 關連及有關連人士交易(續)

(B) 其他安排(續)

- (iii) 於二零零八年十一月十日，蔡博士、蘇建誠博士及蘇詩琇博士(統稱「授權方」)與本公司(「獲授權方」)訂立許可權協議，以按10港元之代價授出毋須特許權使用費、全數繳足、永久性及不可撤回之許可權及特權，以於全球各地按獨家及非獨家基準使用若干商標。

- (iv) 於二零零八年十一月十日，本公司(「授權方」)與蔡博士(「獲授權方」)訂立許可權協議，以按10港元之代價授出非獨家、毋須特許權使用費及永久性的特許權(包括分授特許權之權利)，以純粹於經營渡假村及酒店、教育相關用途及保健範疇方面使用若干商標，並僅可於註冊或申請有關商標之司法權區使用。獲授權方須給予本公司機會參與任何新投資項目。

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32. BALANCE SHEET OF THE COMPANY

The balance sheet of the Company is as follows:

32. 本公司之資產負債表

本公司之資產負債表如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Assets	資產		
Investments in subsidiaries	於附屬公司之投資	169,602	287,129
Available-for-sale investments	可供出售投資	5,926	9,126
Amounts due from subsidiaries	應收附屬公司款項	414,836	277,900
Other receivables	其他應收賬款	2,960	2,989
Bank balances and cash	銀行結存及現金	177,883	93,406
		771,207	670,550
Liabilities	負債		
Other payables	其他應付賬款	27,523	5,941
Amounts due to subsidiaries	欠附屬公司款項	27,558	727
		55,081	6,668
Net assets	資產淨值	716,126	663,882
Capital and reserves	股本及儲備		
Share capital	股本	200,064	200,000
Reserves (note)	儲備(附註)	516,062	463,882
		716,126	663,882

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32. BALANCE SHEET OF THE COMPANY (Continued)

Note:

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 認股權儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	336,758	-	126,847	463,605
Profit for the year and total recognised income for the year	年內溢利及年內已確認收益總額	-	-	185,176	185,176
Dividends paid	已派股利	-	-	(185,000)	(185,000)
Recognition of share based payments	確認股份付款	-	138	-	138
Forfeiture of share options	沒收認股權	-	(37)	-	(37)
At 31 December 2007	於二零零七年十二月三十一日	336,758	101	127,023	463,882
Shares issued upon exercise of share options	於行使認股權時發行股份	1,298	(237)	-	1,061
Profit for the year and total recognised income for the year	年內溢利及年內已確認收益總額	-	-	350,906	350,906
Dividends paid	已派股利	(300,032)	-	-	(300,032)
Recognition of share based payments	確認股份付款	-	840	-	840
Forfeiture of share options	沒收認股權	-	(595)	-	(595)
At 31 December 2008	於二零零八年十二月三十一日	38,024	109	477,929	516,062

32. 本公司之資產負債表(續)

附註：

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs or issue of new debt.

33. 資本風險管理

本集團管理資本，以確保本集團旗下實體將可持續發展，並透過完善債務及股本結餘獲取最大股東回報。本集團之整體策略與去年相同。

本集團資本結構包括現金及現金等價物以及本公司股東應佔權益，包括已發行股本、儲備及保留盈利。

本公司董事按半年度基準審閱資本結構。作為審閱其中一環，董事會考慮資金成本及各類資本相關之風險。根據董事之建議，本集團將透過派付股利、發行新股份及購回股份或發行新債務之方式，平衡其整體資本結構。

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34. FINANCIAL INSTRUMENTS

34a. Categories of financial instruments

Financial assets	金融資產
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等價物)
Available-for-sale investments	可供出售投資
Financial liabilities	金融負債
Amortised cost	攤銷成本

34b. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade and other receivables, pledged bank deposit, bank balances and trade and other 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. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to bank balances due to the fluctuation of the prevailing market interest rates. It is also exposed to fair value interest rate risk in relation to the short-term bank deposits. The directors of the Company consider the Group's exposure to the interest rate risk is not significant as interest bearing bank balances are within a short maturity period.

The Group currently does not have any interest rate hedging policy in relation to interest rate risks. The directors of the Company will continuously monitor interest rate fluctuation and will consider hedging interest rate risk should the need arise.

34. 金融工具

34a. 金融工具類別

2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
622,664	673,648
5,926	9,126
70,251	52,176

34b. 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、貿易及其他應收賬款、已抵押銀行款、銀行結存以及貿易及其他應付賬款。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之政策載於下文。管理層管理及監控該等風險，確保及時有效採取適當措施。

市場風險

(i) 利率風險

本集團因現行市場利率波動而須就銀行結存承受現金流量利率風險，此外亦就短期銀行存款承受公平值利率風險。本公司董事認為，本集團之利率風險並不重大，原因為計息銀行結存之到期日短。

本集團現時並無就利率風險設有任何利率對沖政策。本公司董事將持續監察利率波幅，並將於有需要時考慮對沖利率風險。

34. FINANCIAL INSTRUMENTS (Continued)

34b. Financial risk management objectives and policies

(Continued)

Market risk (Continued)

(i) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for the bank balances at the balance sheet date. For bank balances, the analysis is prepared assuming the amount of balances at the balance sheet date was held the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2008 would increase/decrease by HK\$2,731,000 (2007: increase/decrease by HK\$2,944,000). This is mainly attributable to the Group's exposure to interest rates on its bank balances.

(ii) Currency risk

The Group has bank deposits denominated in foreign currency which expose the Group to foreign currency risk.

The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Management considers that Group does not expose to significant foreign currency risk as majority of its transactions are either denominated in functional currency of the Group's subsidiaries or in USD. Since USD is pegged to HKD, relevant foreign currency risk is minimal.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 利率風險(續)

敏感度分析

以下敏感度分析乃根據銀行結存於結算日之利率風險釐定。就銀行結存而言，分析乃假設結算日之結存金額整年持有而編製。向主要管理人員內部申報利率風險時採用之50個基點增減反映管理層對利率之合理潛在變動之評估。

倘利率增加／減少50個基點而其他變數維持不變，本集團截至二零零八年十二月三十一日止年度之溢利將增加／減少2,731,000港元(二零零七年：增加／減少2,944,000港元)，主要源自本集團就銀行結存面對之利率風險。

(ii) 貨幣風險

本集團有以外幣列值而令本集團承受外匯風險之銀行存款。

本集團並無外幣對沖政策。然而，管理層監察外匯風險並將於需要時考慮對沖重大外匯風險。

管理層認為，由於本集團大部分交易以本集團附屬公司之功能貨幣或美元列值，故本集團並無重大外匯風險。由於美元與港元掛鈎，相關外匯風險甚微。

34. FINANCIAL INSTRUMENTS (Continued)

34b. Financial risk management objectives and policies

(Continued)

Credit risk

As at 31 December 2008, 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 2008, the five largest trade receivable balances accounted for approximately 23% (2007: 20%) of the trade receivables and the largest trade receivables attributable to the Group's trade receivables were approximately 9% (2007: 6%) 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 39% (2007: 42%) and 60% (2007: 58%) of the trade receivables as at 31 December 2008.

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.

The Group's remaining contractual maturity for its financial liabilities falls within 30 to 90 days as at 31 December 2007 and 2008.

34. 金融工具(續)

34b. 財務風險管理目標及政策(續)

信貸風險

於二零零八年十二月三十一日，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作出足夠減值虧損。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給予良好信貸評級之銀行。

於二零零八年十二月三十一日，五大應收賬款結餘約佔貿易應收賬款23%（二零零七年：20%），而本集團貿易應收賬款中最大應收賬款約佔本集團貿易應收賬款總額9%（二零零七年：6%）。

本集團按地域劃分之信貸風險主要集中於中國（香港除外）及台灣。於二零零八年十二月三十一日，分別佔貿易應收賬款39%（二零零七年：42%）及60%（二零零七年：58%）。

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價物水平，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作為主要流動資金來源。

於二零零七年及二零零八年十二月三十一日，本集團餘下金融負債之合約到期日為30至90日內。

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34. FINANCIAL INSTRUMENTS (Continued)

34c. 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 in active liquid markets are determined with reference to quoted market bid prices; and
- 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 and dealer quotes for similar instruments.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

34. 金融工具(續)

34c. 公平值

金融資產及金融負債公平值按以下各項釐定：

- 附標準條款及條件且於活躍市場買賣之金融資產公平值，乃參考市場買入報價釐定；及
- 其他金融資產及金融負債公平值，按照普遍採納之定價模式，代入可得知現行市場交易價格及交易商就類似工具之報價，按貼現現金流量分析釐定。

董事認為，於綜合財務報表按攤銷成本入賬之金融資產及金融負債賬面值與其公平值相若。

35. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2007 and 2008 are as follows:

35. 附屬公司詳情

於二零零七年及二零零八年十二月三十一日，本公司附屬公司詳情如下：

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之股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Shanghai Natural Beauty Cosmetics Company Limited 上海自然美化粧品有限公司	The 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 上海自然美三聯化妝品有限公司	The 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

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Shanghai Natural Beauty Qingbo Cosmetics Company Limited 上海自然美清波化粧品有限公司	The 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	The 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
Xi An Natural Beauty Mingyu Cosmetics Company Limited 西安自然美明宇化粧品有限公司	The 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相關器材等；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	The 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 南京自然美化化粧品有限公司	The 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

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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之股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Chengdu Natural Beauty Cosmetics Company Limited 成都自然美化粧品有限公司	The 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
Hainan Natural Beauty Cosmetics Company Limited 海南自然美化粧品有限公司	The 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	The 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	90%	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	The 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

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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之股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Ningbo Hai Shu Natural Beauty Cosmetics Company Limited 寧波海曙自然美化粧品有限公司	The 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
Wuhan Natural Beauty Cutural Development Company Limited 武漢自然美容文化發展有限公司	The 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	The 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	90%	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	The 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	The 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 昆山自然美三聯化粧品有限公司	The 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

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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	The 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	The 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
Suzhou Natural Beauty Cosmetics Company Limited 蘇州自然美化粧品有限公司	The 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相關器材
Fuzhou Natural Beauty Cosmetics Company Limited 福州自然美化粧品有限公司	The 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	90%	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相關器材；提供護膚及美容諮詢

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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的股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Shanghai Natural Beauty Fuli Nong Cosmetics Company Limited 上海自然美富麗化妝品有限公司	The 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
Shanghai Natural Beauty Fuli Cosmetics Company Limited (Formerly known as Shanghai Full-Beauty Cosmetics Company Limited) 上海自然美富麗化妝品有限公司(前稱上海富麗化妝品有限公司)	The 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
北京自然美九鼎軒投資有限公司	The PRC 中國大陸	Limited liability joint venture enterprise 有限責任合營企業	RMB10,000,000 人民幣10,000,000元	51%	51%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及提供美容護理
Natural Beauty Bio-Technology Company Limited (Formerly known as Natural Beauty Cosmetics Company Limited) 自然美生物科技股份有限公司(前稱自然美化妝品股份有限公司)	Taiwan 台灣	Limited liability company 有限責任公司	NT\$200,000,000 新台幣200,000,000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 有限責任公司	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

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截至二零零八年十二月三十一日止年度

35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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之股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Huei Yao Investment Company Limited 輝耀投資股份有限公司	Taiwan 台灣	Limited liability company 有限責任公司	NT\$122,043,420 新台幣122,043,420元	100%	100%	Investment holding 投資控股
Beauty Essen Cosmetics Company Limited 依森國際股份有限公司	Taiwan 台灣	Limited liability company 有限責任公司	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
Ray-Sen Medical Cosmetics Company Limited 瑞昇醫學美容科技企業股份有限公司	Taiwan 台灣	Limited liability company 有限責任公司	NT\$50,000,000 (2007: NT\$3,000,000) 新台幣50,000,000元 (二零零七年： 新台幣3,000,000元)	94%	94%	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 有限責任公司	MYR68,609,858 (2007: MYR123,235,408) Class B shares MYR10,000 Class A shares B股馬來西亞幣 68,609,858元 (二零零七年： 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
Billion Synergy Sdn. Bhd.	Malaysia 馬來西亞	Limited liability company 有限責任公司	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

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
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 有限責任公司	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 有限責任公司	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 有限責任公司	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 有限責任公司	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 有限責任公司	HK\$10,000 港幣10,000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
Natural Beauty Bio-Technology (Macao) Company Limited 自然美生物科技(澳門)有限公司	Macau 澳門	Limited liability company 有限責任公司	MOP25,000 澳門幣25,000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

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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的股本面值比例	Attributable to the Group 本集團應佔	Principal activity 主要業務
Natural Beauty China Holding Limited 自然美中國控股有限公司	Hong Kong 香港	Limited liability company 有限責任公司	HK\$1 港幣1元	100% (Note i) (附註i)	100%	Investment holding 投資控股
Shanghai Natural Beauty Bio-Med Company Limited 上海自然美生物醫學有限公司	The PRC 中國大陸	Limited liability company joint venture enterprise 有限責任合營企業	US\$2,600,000 美金2,600,000元	100% (Note iii) (附註iii)	100%	Manufacture and sale of health supplement 製造及銷售健康食品
上海自然美美容休閒有限公司	The PRC 中國大陸	Limited liability company joint venture enterprise 有限責任合營企業	RMB6,000,000 人民幣6,000,000元	100% (Note i) (附註i)	100%	Beauty consulting; wholesale and retail of skin care and beauty products 美容諮詢；批發及零售護膚及美容產品
Spring Perfect Biomedical Company Limited 青春無痕生醫股份有限公司	Taiwan 台灣	Limited liability company joint venture enterprises 有限責任合營企業	NT\$16,500,000 新台幣16,500,000元	100% (Note i) (附註i)	94%	Provision of professional medical care products 供應專業醫療護理產品
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% (Note ii) (附註ii)	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相關器材；提供護膚及美容諮詢

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35. PARTICULARS OF SUBSIDIARIES (Continued)

35. 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
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	90% (Note ii) (附註ii)	90%	Sale of cosmetic products and provision of beauty treatments 銷售彩妝產品及 提供美容護理

Notes:

- (i) The subsidiary was incorporated during the year ended 31 December 2008.
- (ii) The subsidiary was deregistered during the year ended 31 December 2008.
- (iii) The subsidiary was newly acquired on 20 August 2008.

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

附註：

- (i) 該附屬公司於截至二零零八年十二月三十一日止年度註冊成立。
- (ii) 該附屬公司於截至二零零八年十二月三十一日止年度取消註冊。
- (iii) 該附屬公司於二零零八年八月二十日新購入。

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。

Financial Summary

財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				2008
		2004 二零零四年 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	2007 二零零七年 HK\$'000 千港元	二零零八年 HK\$'000 千港元
REVENUE	收入	<u>358,142</u>	<u>357,916</u>	<u>363,746</u>	<u>450,147</u>	592,701
PROFIT BEFORE TAXATION	除稅前溢利	99,058	119,845	174,453	208,029	308,477
INCOME TAX EXPENSE	所得稅開支	<u>(36,333)</u>	<u>(38,834)</u>	<u>(51,641)</u>	<u>(29,248)</u>	(69,898)
PROFIT FOR THE YEAR	本年度溢利	<u>62,725</u>	<u>81,011</u>	<u>122,812</u>	<u>178,781</u>	238,579
ATTRIBUTABLE TO:	應佔：					
EQUITY HOLDERS OF THE COMPANY	本公司股東	63,262	81,092	123,198	178,707	238,477
MINORITY INTERESTS	少數股東權益	<u>(537)</u>	<u>(81)</u>	<u>(386)</u>	<u>74</u>	102
		<u>62,725</u>	<u>81,011</u>	<u>122,812</u>	<u>178,781</u>	238,579

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於十二月三十一日				2008
		2004 二零零四年 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	2007 二零零七年 HK\$'000 千港元	二零零八年 HK\$'000 千港元
TOTAL ASSETS	總資產	900,231	937,470	997,660	1,032,314	1,026,226
TOTAL LIABILITIES	總負債	<u>(95,600)</u>	<u>(117,173)</u>	<u>(118,489)</u>	<u>(116,663)</u>	(169,819)
		<u>804,631</u>	<u>820,297</u>	<u>879,171</u>	<u>915,651</u>	856,407
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股東 應佔權益	794,969	813,511	878,739	909,626	849,960
MINORITY INTERESTS	少數股東權益	<u>9,662</u>	<u>6,786</u>	<u>432</u>	<u>6,025</u>	6,447
		<u>804,631</u>	<u>820,297</u>	<u>879,171</u>	<u>915,651</u>	856,407

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of Natural Beauty Bio-Technology Limited (the “Company”) will be held at 3:00 p.m. on 5 June 2009 (Friday) at Alexandra Room, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong, for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements and the Directors’ Report and the Independent Auditor’s Report for the year ended 31 December 2008.
2. To re-elect Dr. Su Sh Hsyu as executive director of the Company.
3. To re-elect Mr. Yeh Liang Fei as independent non-executive director of the Company.
4. To re-elect Mr. Chen Ching as independent non-executive director of the Company.
5. To re-appoint Messrs. Deloitte Touche Tohmatsu as the Auditor and authorise the Board of Directors (the “Board”) to fix its remuneration.
6. To authorise the Board to fix the directors’ remuneration.
7. To declare a final dividend of HK\$0.0335 per share for the year ended 31 December 2008.

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following resolutions (with or without modification) as ordinary resolutions:

8. “**THAT:**

(a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares, to issue warrants to subscribe for shares and to make offers or agreements or grant options which would or might require shares to be issued and allotted, be and is hereby generally and unconditionally approved;

茲通告自然美生物科技有限公司(「本公司」)謹訂於二零零九年六月五日(星期五)下午三時正假座香港中環干諾道中5號香港文華東方酒店亞歷山大廳舉行股東週年大會(「股東週年大會」)，以處理下列事項：

普通事項

1. 省覽及考慮截至二零零八年十二月三十一日止年度之經審核財務報表、董事會報告書及獨立核數師報告書。
2. 重選蘇詩琇博士為本公司執行董事。
3. 重選葉良輝先生為本公司獨立非執行董事。
4. 重選譚清先生為本公司獨立非執行董事。
5. 續聘德勤•關黃陳方會計師行為核數師，並授權董事會(「董事會」)釐定其酬金。
6. 授權董事會釐定董事之薪酬。
7. 宣派截至二零零八年十二月三十一日止年度之末期股利每股0.0335港元。

特別事項

作為特別事項，考慮並酌情通過下列決議案(不論有否修訂)為普通決議案：

8. 「**動議：**

(a) 在下文(c)段規限下，一般及無條件批准本公司董事於有關期間(定義見下文)內行使本公司一切權力以發行、配發及處理額外股份、發行可認購股份之認股權證，以及提出、訂立或授出將會或可能須發行及配發股份之建議或協議或認股權；

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(b) the approval in paragraph (a) above shall authorise the directors of the Company to make offers or agreements or grant options or warrants during the Relevant Period (as defined below) which would or might require shares to be issued and allotted either during or after the end of the Relevant Period (as defined below);

(c) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue; (ii) the exercise of the subscription rights under warrants issued otherwise than pursuant to this Resolution; (iii) the exercise of the subscription rights under the share option scheme of the Company; and (iv) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on the shares of the Company; shall not exceed 20% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; or
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”

9. “**THAT:**

(a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase its own shares subject to paragraph (b) below and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and

(b) 上文(a)段之批准授權本公司董事於有關期間(定義見下文)內提出或訂立或授出將會或可能須於有關期間(定義見下文)內或結束後發行及配發股份之建議或協議或認股權或認股權證;

(c) 本公司董事根據上文(a)段及(b)段之批准而配發或有條件或無條件同意配發之股份總面值，(不包括(i)供股；(ii)因本決議案以外發行之認股權證所附認購權獲行使；(iii)根據本公司之認股權計劃行使認購權；及(iv)以任何代息股份或配發股份以代替全部或部分本公司股份股息之類似安排)不得超過於通過本決議案當日本公司現有已發行股本總面值之20%，而上述批准亦須受此限制；及

(d) 就本決議案而言：

「有關期間」指通過本決議案起至下列兩者中較早日期為止之期間：

- (i) 通過本決議案後之本公司下屆股東週年大會結束；或
- (ii) 股東於股東大會上通過普通決議案撤銷或修訂根據本決議案授予本公司董事之權力。」

9. 「**動議：**

(a) 一般及無條件批准本公司董事在下文(b)段規限下及遵照所有適用法律，於有關期間(定義見下文)行使本公司一切權力以購回其本身之股份；

(b) 根據上文(a)段之批准，本公司可於有關期間(定義見下文)購回本公司股份之總面值不得超過於本決議案提呈當日本公司現有已發行股本總面值之10%，而上述批准亦須受此限制；及

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(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; or
- (ii) the passing of an ordinary resolution by shareholders in a general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”

10. “**THAT** conditional upon Resolutions 8 and 9 above being passed (with or without amendments), the general mandate referred to in Resolution 8 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of shares repurchased by the Company pursuant to the general mandate referred to in Resolution 9 above provided that such amount shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of the passing of this Resolution.”

11. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

11(A) “**THAT** the memorandum of association of the Company be and is hereby amended in the following manner:

(a) Clause 6

By deleting the following words:

“The share capital of the Company is HK\$390,000.00 divided into 3,900,000 shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law,”

from the first three lines of the clause and replacing with the following words:

“The share capital of the Company is HK\$400,000,000.00 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.1 each with power for the Company insofar as is permitted by law,”.

(c) 就本決議案而言：

「有關期間」指通過本決議案起至下列兩者中較早日期為止之期間：

- (i) 通過本決議案後之本公司下屆股東週年大會結束；或
- (ii) 股東於股東大會上通過普通決議案撤銷或修訂根據本決議案授予本公司董事之權力。」

10. 「**動議**待上文第8及9項決議案通過後（不論有否修訂），擴大上文第8項決議案所述一般授權，方法為於本公司董事根據上述一般授權而言可能配發或同意配發之本公司股本總面值內，加入本公司根據上文第9項決議案所述一般授權購回之股份總面值，惟該數額不得超過於通過本決議案當日本公司現有已發行股本總面值之10%。」

11. 作為特別事項，考慮及酌情通過下列決議案（不論有否修訂）為特別決議案：

11(A) 「**動議**以下列方式修訂本公司之組織章程大綱：

(a) 第6條

刪除該條中下列首三行之語句：

「本公司股本為390,000.00港元，分為3,900,000股每股面值0.10港元之股份，且本公司在法律允許之情況下有權，」

並以下列語句取代：

「本公司股本為400,000,000.00港元，分為4,000,000,000股每股面值0.1港元之股份，且本公司在法律允許之情況下有權，」。

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11(B) **“THAT** the existing articles of association of the Company be and are hereby amended in the following manner:

(a) Article 2

By adding the new entries in the following form to Article 2:

“business day “business day” shall mean any day on which the Exchange is open for business of dealing in securities;

“Company’s Website “Company’s Website” shall mean the website of the Company, the address or domain name of which has been notified to members;”

“Corporate Communication “Corporate Communication” shall mean any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditor’s report, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form, within the meaning ascribed thereto under the Listing Rules;”

“electronic “electronic” shall have the meaning given to it in the Electronic Transactions Law;”

11(B) **「動議**以下列方式修訂本公司現有之組織章程細則：

(a) 組織章程細則第2條

按以下方式於組織章程細則第2條加入新增項目：

「營業日 「營業日」指交易所進行證券買賣之任何日子；」

「公司網站 「公司網站」指本公司之網站，其網址或域名已知會股東；」

「公司通訊 「公司通訊」指本公司發出或將予發出以供本公司任何證券持有人參照或採取行動之任何文件，包括但不限於：(a)董事會報告、本公司之年度賬目連同核數師報告以及財務報告概要(如適用)；(b)中期報告及中期報告概要(如適用)；(c)會議通告；(d)上市文件；(e)通函；及(f)代表委任表格，具有上市規則所賦予之涵義；」

「電子 「電子」之涵義與電子交易條例賦予該詞之定義相同；」

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“electronic means	“electronic means” includes sending or otherwise making available to the intended recipients of the communication in electronic format;”	「電子方式	「電子方式」指透過電子形式向收件人發送或提供通訊；」
“Electronic Signature	“Electronic Signature” shall mean an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;”	「電子簽署	「電子簽署」指依附電子通訊或與其邏輯地相關連，並由有意簽署電子通訊之人士所簽立或採納之電子符號或程序；」
“Electronic Transactions Law	“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;”	「電子交易 條例	「電子交易條例」指開曼群島電子交易條例(二零零三年修訂本)及於當時有效之任何修訂條文或重新制定之條文，並包括就此而綜合或被替代之每項其他法例；」
“Non-application of section 8 of the Electronic Transactions Law	section 8 of the Electronic Transactions Law shall not apply;”.	「電子交易 條例第8節 並不適用	電子交易條例第8節不適用；」。

(b) Article 3

By deleting the following sentence from Article 3:

“The capital of the Company at the date of the adoption of these Articles is HK\$390,000.00 divided into 3,900,000 shares of HK\$0.10 each.”

and replacing with the following sentence:

“The capital of the Company at the date of the adoption of these Articles is HK\$400,000,000.00 divided into 4,000,000,000 shares of HK\$0.10 each.”.

(b) 組織章程細則第3條

刪除組織章程細則第3條之下列語句：

「於採納該等組織章程細則當日，本公司之股本為390,000.00港元，分為3,900,000股每股面值0.10港元之股份。」

並以下列語句取代：

「於採納該等組織章程細則當日，本公司之股本為400,000,000.00港元，分為4,000,000,000股每股面值0.10港元之股份。」。

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(c) Article 6(a)

By deleting the following words

“, and that any holder of shares of the class present in person or by proxy or, in the case of a member being corporation, by its duly authorized representative may demand a poll”

in Article 6(a).

(d) Article 74(a)

By deleting the following words from Article 74(a):

“An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days’ notice in writing and any other extraordinary general meeting shall be called by not less than 14 days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given...”

and replacing with the following words:

“An annual general meeting (whether for the passing of a special resolution and/or an ordinary resolution) shall be called by not less than 20 business days’ notice or 21 days’ notice (whichever is longer) in writing at the least, and any extraordinary general meeting called for the passing of a special resolution shall be called by 21 days’ notice in writing at the least and any other extraordinary general meeting shall be called by not less than 10 business days’ notice or 14 days’ notice (whichever is longer) in writing at the least. Subject to the requirements of the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given...”

(e) Article 74(c)

By deleting the words “, on a poll,” in the fourth line of Article 74(c).

(c) 組織章程細則第6(a)條

刪除細則第6(a)條之下列語句

「，而任何親自出席或委任代表出席之該類股份持有人(倘股東為公司，則為正式授權代表)均可要求以按股數投票方式表決」

(d) 組織章程細則第74(a)條

刪除組織章程細則第74(a)條之下列語句：

「股東週年大會及就通過特別決議案而召開之任何股東特別大會應以不少於21日之書面通知召開，而任何其他股東特別大會應以不少於14日之書面通知召開。發出通告所需之日數並不包括送達或視作送達之日及發出之日…」

並以下列語句取代：

「股東週年大會(不論就通過特別決議案及／或普通決議案)須以不少於20個營業日或21日(以較長時間為準)之書面通知召開，就通過特別決議案而召開之任何股東特別大會須以不少於21日之書面通知召開，而任何其他股東特別大會應以不少於10個營業日或14日(以較長時間為準)之書面通知召開。除上市規則另有規定外，發出通告所需之日數並不包括送達或視作送達之日及召開會議之日…」

(e) 組織章程細則第74(c)條

刪除組織章程細則第74(c)條第四行「於按股數投票方式表決時」等字詞。

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(f) Article 81

By deleting Article 81 in its entirety and replacing with the following new paragraph:

“Poll
81. At any general meeting a resolution put to the vote at the meeting shall be decided on a poll.”.

(g) Article 82(a) and (b)

By deleting Article 82(a) and (b) in their entirety and replacing with the following new sentence:

“Manner of Poll
82. A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman directs.”.

(h) Article 83

By deleting the Article 83 in its entirety and replacing with the following paragraph:

“Question of adjournment
83. Any question of adjournment shall be decided at the meeting and without adjournment.”.

(i) Article 84

By deleting Article 84 in its entirety and replacing with the following new paragraph:

“Chairman to have casting vote
84. In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.”.

(f) 組織章程細則第81條

刪除組織章程細則第81條全文，並以下列新段落取代：

「按股數投票
方式表決
81. 任何於股東大會上提呈之決議案均須以按股數投票方式表決。」。

(g) 組織章程細則第82(a)及(b)條

刪除組織章程細則第82(a)及(b)條全文，並以下列新段落取代：

「按股數投票
方式表決之
形式
82. 以按股數投票方式表決須按主席所指示形式(包括使用選舉票、投票單或投票表格)進行。」。

(h) 組織章程細則第83條

刪除組織章程細則第83條全文，並以下列新段落取代：

「有關續會之
問題
83. 任何有關續會之問題須在該大會上決定而不得押後。」。

(i) 組織章程細則第84條

刪除組織章程細則第84條全文，並以下列新段落取代：

「主席擁有決
定性投票權
84. 如票數均等，大會主席有權投第二票或決定票。」。

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(j) Article 85

By deleting the word “A” at the beginning of Article 85 and replacing it with “Subject to the Listing Rules, a”.

(k) Article 86

By deleting Article 86 in its entirety and replacing with the following new paragraph:

“Votes of Members 86. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house or its nominee(s), each proxy is under no obligation to cast all his votes in the same way.”.

(j) 組織章程細則第85條

刪除組織章程細則第85條開首「一份」一字，並以「除上市規則另有規定外，一份」取代。

(k) 組織章程細則第86條

建議刪除組織章程細則第86條全文，並以下列新段落取代：

「股東投票 86. 在任何類別股份當時所附帶有關投票之任何特別權利、特權或限制之規限下，於任何股東大會上，每位親身出席之股東（或倘為公司，則其正式授權代表）或其受委代表均可就股東名冊中以其名義登記之每股股份投一票。有權投一票以上之股東毋須使用其全部票數，亦毋須以同一方式盡投所用全部票數。為釋疑慮，倘超過一名受委代表獲一家認可結算所或其代名人委任，每名受委代表毋須以同一方式盡投其全部票數。」。

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(l) Article 89

By deleting Article 89 in its entirety and replacing with the following new paragraph:

“Votes of members of unsound mind 89. A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so by proxy.”.

(m) Article 91

By deleting Article 91 in its entirety and replacing with the following new paragraph:

“Proxies 91. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member (whether or not a recognized clearing house) may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).”.

(l) 組織章程細則第89條

建議刪除組織章程細則第89條全文，並以下列新段落取代：

「神智不清 89. 任何被有管轄權之股東之投票 法院或官員頒令以患有或有可能患有精神紊亂或因其他理由而無能力管理其事宜之股東，可由在該情況下獲授權代其投票之人士代為投票，而該人士亦有權在以按股數投票方式表決時由受委代表代為投票。」。

(m) 組織章程細則第91條

建議刪除組織章程細則第91條全文，並以下列新段落取代：

「受委代表 91. 凡有權出席本公司大會並於會上投票之任何股東均有權委任另一名人士（須為個人）為其受委代表，代其出席大會並於會上投票，就此獲委任之代表於大會享有與股東相同之發言權。股東可親身或委派代表投票。受委代表毋須為本公司股東。股東（不論是否為認可結算所）可委任任何數目之受委代表，代其出席任何股東大會或任何類別大會。」。

(n) Article 93

By deleting Article 93 in its entirety and replacing with the following new paragraph:

“Delivery of authority for appointment of proxy 93. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.”.

(n) 組織章程細則第93條

建議刪除組織章程細則第93條全文，並以下列新段落取代：

「遞交委任代表之授權文件 93. 代表委任文據連同（若董事會要求）經簽署之授權書或其他授權文件（如有）或經公證人簽署之該等授權書或授權文件副本，必須於代表委任文據內指定之人士擬表決之大會或其續會指定舉行時間前48小時送交本公司之註冊辦事處（或大會或其任何續會通告或所發出文件所指定之任何其他地點），逾時交回之代表委任文據將不會被視作有效，惟於所有情況下，大會主席可於接獲委任人以電傳或電報或傳真確認已正式簽署之委任代表文據正送交本公司時，酌情決定視委任代表文據為已正式送達。任何委任代表文據於委任文件上標記的簽署日期後十二個月失效。交回代表委任文據後，股東仍可親身出席會議，並於會上投票，於此情況下，代表委任文據將被視作已撤回論。」。

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(o) Article 95

By deleting Article 95 in its entirety and replacing with the following new paragraph:

“Authority under Instrument Appointing Proxy 95. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.”.

(p) Article 97(b)

By deleting Article 97(b) in its entirety and replacing with the following new paragraph:

“If a recognised clearing house (or its nominees) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision will be deemed to have been duly authorised without the need for producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominees) which he represents as that recognized clearing house (or its nominees) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation.”

(o) 組織章程細則第95條

建議刪除組織章程細則第95條全文，並以下列新段落取代：

「代表委任文據項下授權 95. 委任受委代表於股東大會上投票之文據須：(a)被視作授權受委代表於其認為適當時就大會上提呈之任何決議案修訂投票；及(b)於有關會議之任何續會上同樣有效（除非其中載有相反規定），惟原有會議必須於續會日期之前12個月內舉行。」。

(p) 組織章程細則第97(b)條

建議刪除組織章程細則第97(b)條全文，並以下列新段落取代：

「倘認可結算所（或其代名人）為本公司股東，則可經由其董事或其他監管團體之議決或以授權書酌情授權任何人士作為其代表或受委代表，出席本公司任何股東大會或本公司任何類別股東大會，惟倘授權超過一名人士，則該授權書或代表委任表格須列明每名獲授權人士所代表之股份數目及類別。按此條文獲授權之人士將被視為獲正式授權，而毋須出示任何所有權文件、公證授權書及／或其他證據以證明其獲正式授權，並有權代表該認可結算所（或其代名人）以行使其所代表認可結算所（或其代名人）所能行使之相同權利及權力，猶如其為有關授權所列該等數目及類別本公司股份之獨立持有人。」。

(q) Article 168(a)

By deleting Article 168(a) in its entirety and replacing with the following new paragraph:

“Services of notices or documents 168.(a) Except as otherwise provided in these Articles, any Corporate Communication may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company’s Website provided that the Company has obtained either (a) the member’s prior express positive confirmation in writing or (b) the member’s deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”.

(q) 組織章程細則第168(a)條

建議刪除組織章程細則第168(a)條全文，並以下列新段落取代：

「發出通告或文件 168.(a) 除組織章程細則另有規定外，本公司及董事會可透過親身送遞或以預付郵資之郵件寄發至股東於股東登記冊內登記之地址或（在上市規則及一切適用法律及法規允許之情況下）以電子方式傳送至本公司股東提供之任何電子號碼或網址或網站或上載於本公司網站之方式向任何股東發出任何公司通訊及通告（惟本公司必須以上市規則訂明之方式取得(a)該股東之事先明確書面確認或(b)股東之視作同意以該等電子方式收取通告及文件，或以其他方式向彼發出該等通告及文件），或（如屬通告）按上市規則所述之方式刊登廣告。倘為股份之聯名持有人，所有通告須寄發予當時在股東登記冊名列首位之聯名持有人，而就此發出之通告，即代表已向所有聯名持有人發出足夠通知。」。

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(r) Article 169

By deleting Article 169 in its entirety and replacing with the following new paragraph:

“Members out of Hong Kong 169. A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation or a deemed confirmation to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 169 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”.

(r) 組織章程細則第169條

建議刪除組織章程細則第169條全文，並以下列新段落取代：

「香港境外股東 169.股東有權以任何香港地址收取通告。任何股東未有以上市規則訂明之方式向本公司明確表示願意或可被視為確認，以電子方式收取通告及文件，或本公司以其他方式向彼發出該等通告及文件，而其註冊地址在香港以外者，可書面向本公司知會其位於香港之地址，就送達通告而言，該地址被視為其註冊地址。如股東在香港沒有註冊地址，將被視為已收悉於本公司註冊辦事處內展示之任何通告，而該等通告將持續展示24小時，且該股東於初次展示通告翌日即被視為已收悉通告。在不損害本組織章程細則其他條款下，本組織章程細則第169條不應詮釋為阻止本公司發出或授權本公司不發出本公司通告或其他文件予註冊地址在香港以外之股東。」。

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(s) Article 170

By deleting Article 170 in its entirety and replacing with the following new paragraph:

- “When Corporate Communication deemed to be served
170. (a) Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof.
- (b) Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.
- (c) Any notice served by advertisement shall be deemed to have been served on the day of issue of official publication and/or newspaper(s) in which the advertisement is published (or on the first day of issue if the publication and/or newspaper(s) are published on different dates).

(s) 組織章程細則第170條

建議刪除組織章程細則第170條全文，並以下列新段落取代：

- 「當公司通訊被視為已送交
- 170.(a) 任何以郵寄方式送出之通告或文件將被視為於投入香港境內郵局翌日已經送達，而證明載有有關通告或文件之信封或密封封套已繳足郵資、填妥地址並投入郵局，將足以證明有關通告或文件已送達，而由秘書或董事會委任之其他人士就載有有關通告或文件之信封或密封封套已填妥地址並投入郵局而簽署之書面證書，將為最終證明。
- (b) 任何送出或放置在註冊地址之通告或其他文件被視為於送出或放置當日發出或送出，郵遞除外。
- (c) 任何以廣告形式發出之通告被視為在正式之刊物及／或報章上刊登之同日發出（或如該刊物及／或報章之出版日期不同，則以刊登首日視為發出日期）。

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(d) Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.”.

(d) 根據本條文以電子方式傳送之任何通告，須被視為於成功傳送當日之翌日或上市規則或任何適用法律或法規指定之較後時間，已經送達及交付。」。

(t) Article 174

(t) 組織章程細則第174條

By deleting Article 174 in its entirety and replacing with the following new paragraph:

建議刪除組織章程細則第174條全文，並以下列新段落取代：

“How notice to be signed

174. The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.”.

「通告簽署方法

174.本公司可以書寫或模本印刷方式藉傳真或(如適用)電子簽署方式簽發任何通告。」。

11(C) “**THAT** the new restated and consolidated memorandum and articles of association of the Company, consolidating all of the proposed amendments referred to in paragraphs 11(A) and 11(B) above and all previous amendments made in compliance with the Listing Rules and applicable laws, a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of this meeting for the purpose of identification, be and are hereby adopted with immediate effect in replacement of the existing memorandum and articles of association of the Company.”.

11(C) 「**動議**即時採納本公司綜合上文11(A)及11(B)段所述之一切建議修訂及先前遵守上市規則及適用法例作出之所有修訂(註有「A」字樣的副本已呈交本大會並由大會主席簡簽，以資識別)後，加以重列及整合之新組織章程大綱及細則，以取代本公司現有組織章程大綱及細則。」。

By order of the Board
Dr. Tsai Yen Yu
Chairman

承董事會命
蔡燕玉博士
主席

Hong Kong
23 April 2009

香港
二零零九年四月二十三日

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Notes:

1. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the AGM and vote in person. In such event, his form of proxy will be deemed to have been revoked.
2. A form of proxy for the AGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time for holding the AGM or any adjournment thereof.
3. With regard to Resolutions 8 and 10 above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to the general mandate granted under Resolution 8 above.

As at the date of this notice, the Executive Directors of the Company are Dr. Tsai Yen Yu, Mr. Lee Ming Ta, Dr. Su Chien Cheng and Dr. Su Sh Hsyu. The Independent Non-executive Directors of the Company are Mr. Yeh Liang Fei, Mrs. Chen Shieh Shu Chen and Mr. Chen Ching.

附註：

1. 凡持有兩股或以上股份且有權出席股東週年大會並於會上投票之本公司股東，可委派代表出席及代其投票。受委代表毋須為本公司之股東。填妥及交回代表委任表格後，本公司股東仍可親身出席股東週年大會並於會上投票。於此情況下，其代表委任表格將被視作已撤銷論。
2. 隨附股東週年大會適用之代表委任表格。代表委任表格連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之授權書或其他授權文件副本，最遲須於股東週年大會或其任何續會指定舉行時間48小時前，送抵本公司之香港股份過戶登記分處香港證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖，方為有效。
3. 就上文第8項及第10項決議案而言，董事謹此表明，彼等暫無計劃根據上文第8項決議案授出之一般授權而發行本公司任何新股。

於本通告日期，本公司執行董事為蔡燕玉博士、李明達先生、蘇建誠博士及蘇詩琇博士。本公司獨立非執行董事為葉良輝先生、陳謝淑珍女士及譚清先生。

Concept, design and printing: iOne Financial Press Limited

設計及印刷：卓智財經印刷有限公司

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