

I am pleased to present the Annual Report of RBI Holdings Limited (the "Company") and its subsidiaries (together known as the "Group") to the shareholders of the Company for the year ended 31st December 2006.

### DIVIDEND

The directors of the Company recommend a final dividend of Hong Kong 3 cents per share in respect of the year ended 31st December 2006 to the shareholders of the Company whose names appear on the register of members on 11th June, 2007. Together with the interim dividend of Hong Kong 2 cents per share paid during the year, this makes a total dividend for the financial year of Hong Kong 5 cents per share.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Business Review

The Group's turnover for the year increased by 1.9% from HK\$539,688,000 to HK\$550,154,000. Consolidated profit attributable to shareholders for the year decreased by 25.9% from HK\$40,875,000 to HK\$30,307,000.

2006 was another challenging year for the toy industry, characterized by increasing costs of raw materials, notably for plastics and die-cast materials, increasing wages and other operating costs in China as well as the appreciation of Renminbi.

To meet the challenge, the Group not only strived for adjusting selling prices of products as much as possible, but also re-engineered the factory management and production flow with the objective to improve production efficiency and cost saving.

#### Business Prospects

Looking forward, it is expected to be a year continuing with challenges. The Group will continue to implement effective cost-saving measures as well as further improving the overall efficiency, and thereby enhancing the overall competitiveness.

The first phase of the factory in He Yuan City in Guangdong Province had commenced operation in 2006. However, the contribution of the factory in the current year was insignificant as compared to other factories of the Group. In 2007, the management intends to recruit more labor in He

本人謹此向紅發集團有限公司(「本公司」)各股東提呈本公司及各附屬公司(合稱「本集團」)截至二零零六年十二月三十一日止年度之年報。

### 股息

本公司董事建議向二零零七年六月十一日名列股東名冊之本公司股東派發截至二零零六年十二月三十一日止年度之年終股息每股3港仙。連同年內派發之中期股息每股2港仙計算，本財政年度之股息合共為每股5港仙。

### 管理層討論及分析

#### 業務回顧

本年度，本集團之營業額從539,688,000港元增加至550,154,000港元，增加1.9%。股東於本年度應佔溢利總額從40,875,000港元減少至30,307,000港元，減少25.9%。

二零零六年又為玩具產業困難之年，原材料(尤其是塑料及合金材料)成本不斷上升、在中國之工資及其他經營成本上漲及人民幣升值。

為迎接挑戰，本集團不但努力盡可能調整產品之銷售價格，並亦改革工廠管理及生產流程，以達成提高生產效率及節約成本之目標。

#### 業務前景

展望未來，將繼續是一個充滿挑戰的一年。本集團將繼續採取有效節約成本之措施，以及進一步提高整體效率，從而加強整體競爭力。

位於廣東省河源市之工廠之第一期已於二零零六年投入生產。然而，與本集團其他工廠相比，該工廠本年度之貢獻並不大。於二零零七年，管理層擬於河源市工廠招聘更多勞工，以更好利用其現有產能及減輕東莞和深圳其他工

# CHAIRMAN'S STATEMENT

## 主席報告

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Yuan factory so as to better utilize its existing production capacity as well as to ease the pressures from increasing operating costs and shortage of electricity encountered by other factories in Dongguan and Shenzhen.

### LIQUIDITY AND FINANCIAL POSITION

Notwithstanding the difficult operating environment, the Group maintained a healthy financial position. The Group's short-term deposits are placed with our principal bankers at competitive time-deposit interest rates. Total cash and bank deposits and marketable securities amounted to HK\$44,566,000 and HK\$52,406,000 as at 31st December, 2006.

The Group adopts a prudent management approach, and all of the Group's offices and factory premises are self-owned, with all machinery and equipment paid off from internal resources. At the balance sheet date, the Group had no borrowings.

### TREASURY POLICIES

The Group's monetary transactions and deposits continued to be in the form of US dollars, Renminbi and HK dollars. The Group adopted conservative treasury policy and did not enter into any derivatives products during the year.

### CHARGE ON ASSET

As at 31st December 2006, investment in certificates of deposits with carrying value of HK\$20,561,000 were pledged to secure banking facilities of HK\$16,585,000. No draw down on the facilities was made as at 31st December 2006.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December 2006, information on sales and purchases relating to the major customers and suppliers is summarized as follows:

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### 流動資金及財政狀況

儘管面對困難之經營環境，本集團仍保持穩健之財務政策。本集團之短期存款存放於本集團之主要往來銀行，並按具競爭力之定期存款利率計息。於二零零六年十二月三十一日，現金及銀行結存及可買賣證券總額分別為44,566,000港元及52,406,000港元。

本集團在管理方面採取審慎態度，本集團之所有辦公室及工廠物業均自資擁有，而所有機器及設備均以內部資源撥付。於結算日，本集團並無任何借貸。

### 庫務政策

本集團之貨幣交易及存款繼續以美元、人民幣及港元結算。本集團採取審慎財務政策，並無於本年度訂立任何衍生產品。

### 資產質押

於二零零六年十二月三十一日，賬面值為20,561,000港元之存款證投資已予質押，作為銀行融資16,585,000港元之抵押。於二零零六年十二月三十一日，並無提取融資。

### 主要客戶及供應商

截至二零零六年十二月三十一日止年度，有關主要客戶及供應商之銷售及採購資料概述如下：

		2006 二零零六年	2005 二零零五年
<b>Sales (Percentage over total sales)</b>	<b>銷售 (佔總銷售百分比)</b>		
The largest customer	最大客戶	9%	9%
Five largest customers	五大客戶	31%	29%
<b>Purchases (Percentage over total purchases)</b>	<b>採購 (佔總採購百分比)</b>		
The largest supplier	最大供應商	10%	11%
Five largest suppliers	五大供應商	34%	34%

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Branford Limited, holding more than 5% of the Company's issued share capital (Please refer to section of substantial shareholders for details) was one of the five largest customers.

Save as disclosed above, none of the directors of the Company, their associates, or any shareholder which to the knowledge of the directors of the Company owns more than 5% of the Company's issued share capital had a beneficial interest in any of the Group's five largest customers or five largest suppliers for the year ended 31st December 2006.

### PERSONNEL

The average number of employees of the Group during the year was approximately 5,800 (2005: 5,700) of whom 770 (2005: 740) were office administration staff. Bonuses are awarded based on individual performance and are made available to certain employees of the Group.

### APPRECIATION

I would like to thank my fellow directors, shareholders and business associates for their continued support, and to all our staff for their hard work and dedications in the past year.

Branford Limited 持有本公司超過5%已發行股本(詳細載於主要股東部份), 乃五大客戶其中一位。

除以上披露外, 截至二零零六年十二月三十一日止年度, 本公司各董事、彼等之聯繫人士或據本公司董事所知擁有本公司已發行股本5%以上之股東概無擁有本集團五大客戶或五大供應商之實際權益。

### 員工

年內, 本集團僱員之平均數目約為5,800人(二零零五年: 5,700人), 其中770人(二零零五年: 740人)為辦公室行政人員。本集團根據個別表現而向若干僱員發放花紅以示獎勵。

### 致謝

本人藉此向各董事、股東及業務夥伴於過去一年對本集團之一直支持及各員工之辛勞及貢獻致以衷心感謝。

Yip Yun Kuen  
Chairman

主席  
葉潤權

20th April 2007

二零零七年四月二十日