



SAU SAN TONG HOLDINGS LIMITED

修身堂控股有限公司

Stock Code 股份代號: 8200

Reaching for 達至完美

Excellence



2007 Annual Report
年度報告



Characteristics of the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Exchange”) 香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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The Exchange takes no responsibility for the contents of this annual report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this annual report.

This annual report, for which the directors (the “Directors”) of Sau San Tong Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given the compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) *the information contained in this annual report is accurate and complete in all material respects and not misleading;*
- (2) *there are no other matters the omission of which would make any statement in this annual report misleading; and*
- (3) *all opinions expressed in this annual report have been arrived at after due and careful consideration and are founded on the bases and assumptions that are fair and reasonable.*

創業板乃為帶有高投資風險之公司提供一個上市市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須承擔預測未來溢利之任何責任。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。準投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之風險較高及其他特色，均表示創業板較適合專業及其他資深投資者。

基於創業板上市公司之新興性質，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要途徑為經聯交所之互聯網網站刊登。上市公司一般毋須在憲報指定報章刊登付款公佈。因此，準投資者需注意彼等應瀏覽創業板網站 www.hkgem.com，以便取得創業板上市發行人之最新資料。

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本年報(修身堂控股有限公司(「本公司」)董事願共同及個別對此負全責)乃遵照聯交所創業板證券上市規則(「創業板上市規則」)之規定而提供有關本公司之資料。本公司董事經作出一切合理查詢後，確認就彼等所知及所信：

- (1) 本年報所載資料在各重大方面均屬準確及完整，且無誤導成份；
- (2) 並無遺漏任何其他事實致使本年報所載任何聲明產生誤導；及
- (3) 本年報內表達之一切意見乃經審慎周詳考慮後方作出，並以公平合理之基準及假設為依據。

Contents

目錄

02	Corporate Profile 公司簡介
04	Financial Summary 財務概要
05	Chairman's Statement 主席報告
10	Management Discussion and Analysis 管理層討論及分析
18	Directors and Senior Management Profile 董事及高級管理人員履歷
20	Corporate Governance Report 企業管治報告
25	Directors' Report 董事會報告
33	Independent Auditor's Report 獨立核數師報告
35	Consolidated Income Statement 綜合收益表
36	Balance Sheets 資產負債表
38	Consolidated Statement of Changes In Equity 綜合權益變動表
39	Consolidated Cash Flow Statement 綜合現金流量表
41	Notes to the Financial Statements 財務報表附註
91	Corporate Information 公司資料

Corporate Profile 公司簡介

Founded in July 2000, Sau San Tong Holdings Limited and its subsidiaries (the "Group") have established itself as the leading beauty and slimming services providers in Hong Kong and Mainland China over the past seven years through the introduction of a series of innovative health and beauty treatment and products as well as the provision of the most professional and attentive slimming and trimming solution to its customers. The Group was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (Stock Code: 8200) in November 2003 and is the first listed slimming and beauty company in Hong Kong.

The Group has seven slimming and beauty centres with three in Hong Kong and four in Mainland China including two in Shanghai, one in Shenzhen and one in Hangzhou. All these centers provide unique all-rounded personalized slimming and beauty services, which include the VIP Slimming Programmes, "Nursing Slimming Service", "Pilates Self-Active Bodyline", "Anti-Aging" and the latest "Anaplastic Cosmetology" programmes. Combining the effective treatments and comprehensive follow up, all programmes enable customers to achieve their desired skin quality, weight and body shape in the healthiest manner.

The Group has been widely recognized and highly praised for its outstanding products and services and received numerous accolades during the years of which included "Top Service Award" of Next Magazine, "PRC Tourists — My Best HK Brand" by China Enterprise Reputation & Credibility Association and "Hong Kong Top Ten Brand Names Award" by Chinese Manufacturers' Association of Hong Kong etc..

To further diversify its businesses, the Group has acquired a distribution business in Mainland China in September 2005 who distributes P&G's personal care products in Shanghai and cosmetic and skin care products with famous brands like SK-II and Olay in the eastern and western part of Mainland China. Although the SK-II brand has been challenged by the PRC authority in September 2006, the Group is confident that sales of SK-II will be accelerated after short-term psychological barriers.

成立於二零零零年七月的修身堂控股有限公司及其附屬公司(「本集團」)，於短短的七年間，憑著一系列創新的保健美容療程及產品，以及致力為客戶提供最專業優質的纖體美容服務的態度，本集團已穩佔香港及中國內地美容及纖體業的龍頭位置。本集團於二零零三年十一月於香港聯合交易所有限公司創業板上市(股份編號：8200)，成為首間於香港上市之纖體及美容公司。

本集團共開設七間纖體及美容中心，其中三間位於香港，另外四間則設於中國內地，當中兩間位於上海，另外兩間分別位於深圳及杭州。每間纖體中心都為客戶提供多元化創新獨特的全方位個人化纖體及美容服務，包括「一定得纖體療程」、「保母式纖體服務」、「Pilates手造塑身療程」、「抗衰老計劃」以及全新的「整形美容術」計劃。結合可靠有效的療程及細心貼身的跟進服務，度身設計最健康及安全的計劃，必能為客戶塑造最完美的肌膚、體重及身段。

一直以來本集團的產品及服務品質均受各界認同及稱譽，過往數年已獲取多個獎項，包括：壹周刊《服務第壹大獎》、中華(海外)企業信譽協會《全國旅客最喜愛香港名牌》及香港中華廠商聯合會《香港十大名牌》等等。

為了令業務更多元化，本集團於二零零五年九月在中國內地收購於上海分銷寶潔(P&G)個人護理產品的分銷業務，並於華東及華西地區分銷SK-II及Olay等著名品牌的美容及護膚產品。儘管SK-II品牌於二零零六年九月受中國當局質疑，惟本集團堅信SK-II的銷售將於短期心理障礙影響消除後取得增長。

Corporate Profile 公司簡介

In October 2006, the Group has successfully open a beauty and slimming centre in Vancouver, Canada. This marked a crucial start for the Group's new type of business, namely, the management consultation service. The characteristic of this business is that a fee will be received for the using of our brand name and logo and subsequently a monthly management fee will also be received based on the turnover or profit of such beauty centre. Unlike the previous beauty and slimming centres which required heavy investment initially, this business model secured the Group's income in the first day of the project.

於二零零六年十月，本集團成功於加拿大溫哥華開設美容及纖體中心，標誌著本集團管理諮詢服務這項全新業務類別的重要開始。此業務特色為就使用本集團品牌名稱及標誌收取費用，並於其後按有關美容中心的營業額或盈利收取每月管理費。有別於過往的美容及纖體中心，新業務模式毋須於初期投資龐大金額，因而從項目一開始就可保障本集團的收入。

Financial Summary 財務概要

		For the year ended 31 March 截至三月三十一日止年度				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)	2003 二零零三年 HK\$'000 千港元 (Restated) (重列) (附註)
Turnover	營業額	443,588	358,650	141,709	135,653	58,945
Gross profit	毛利	95,424	82,287	123,628	110,360	49,330
(Loss)/profit from operations	經營(虧損)/溢利	(8,050)	(64,534)	18,546	29,124	4,703
(Loss)/profit attributable to equity holders of the Company	本公司權益持有人應佔(虧損)/溢利	(21,457)	(59,901)	31,123	27,426	2,921
Non-current assets	非流動資產	19,978	23,385	21,801	13,531	6,786
Goodwill	商譽	250	177	140	439	581
Current assets	流動資產	88,265	73,425	90,897	63,218	11,686
Current liabilities	流動負債	(82,553)	(61,300)	(21,479)	(19,140)	(8,263)
Non-current liabilities	非流動負債	(232)	—	—	(222)	(782)
Minority interests	少數股東權益	(16,636)	(5,331)	42	(413)	(296)
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	9,072	30,356	91,401	57,413	9,712

Note:

The summary of the financial information as at 31 March 2003 has been extracted from the accountants' report included in the Company's prospectus dated 10 November 2003 (the "Prospectus"). The above financial information has been prepared as if the group structure at the date of the listing of the Company's shares on 19 November 2003 had been in existence and remained unchange throughout the above periods.

附註:

於二零零三年三月三十一日之財務資料概要，乃摘自本公司於二零零三年十一月十日刊發之招股章程（「招股章程」）所載之會計師報告。上述財務資料乃假設於本公司股份在二零零三年十一月十九日上市當日之集團架構，在上述期間均已存在並維持不變而編製。

Chairman's Statement 主席報告

I am pleased to present the annual results to the shareholders of the Group for the year ended 31 March 2007 (the "Year Under Review").

The past financial year was a year full of challenges to the Group. The general price war in Hong Kong has undercut the profit, the beauty and slimming centres in Shenzhen and Hangzhou are still in its infant stages which means more time and efforts were devoted to these two centres in order to firmly establish their local presence. The SK-II brand, one of the major brands which our Group engaged in its product distribution in part of the PRC, was challenged by the PRC authority in using harmful elements.

However, our Group was able to overcome all the setbacks above. In Hong Kong, besides slimming services, we have launched many other types of non-slimming beauty services since we realize that a slim body must be matched by overall beauty. The customers' response was positive since they acknowledge our high-quality brand name. In the coming year, we would continue to position ourselves not only as a slimming leader but also a general beauty service provider.

For the Shenzhen and Hangzhou centres, they have already passed the infant stage in the first three quarters of the Year Under Review with properly trained-up local professionals and start to contribute a slice of profit during the final quarter of the Year Under Review while for SK-II, the PRC authority has subsequently clarify the above mentioned matter and sales of SK-II is now under recovery.

During the Year Under Review, the Group's turnover reached approximately HK\$443,588,000, an increase of 24% compared to HK\$358,650,000 during the corresponding period last year. Turnover generated from the beauty and slimming centers in Hong Kong and in Mainland China amounted to approximately HK\$91,090,000, an increase of 17% compared to corresponding period in 2006. For the product distribution business in Mainland China, the turnover amounted to approximately HK\$348,249,000, compared to approximately HK\$270,175,000 in the corresponding period in last year (acquired since September 2005).

本人欣然向各位股東提呈本集團截至二零零七年三月三十一日止年度(「回顧年度內」)之年度業績。

本集團於上一個財政年度歷盡挑戰。香港整體出現之減價戰削弱了利潤，而深圳及杭州之美容及纖體中心仍處於起步階段，故需在該兩間中心投入更多時間及心血，務求在當地確立穩固之市場地位。SK-II品牌為本集團參與其在中國部份地區之產品分銷之主要品牌之一，則受到中國當局質疑其使用有害原料。

然而，本集團已成功跨越重重考驗。在香港，除纖體服務外，本集團認知到纖瘦身段必須與全身儀容互相配合，因而推出眾多其他類別之非纖體服務。客戶對本集團之優質品牌深表認同，反應熱烈。來年，本集團不但將繼續位居纖體業之龍頭，更力求將其本身定位為一般美容服務供應商。

深圳及杭州中心均已於回顧年度內首三個季度穩度起步階段，已具備正式優良培訓之該地專才，並於回顧年度內最後一個季度開始貢獻盈利。就SK-II而言，中國當局其後已就上述事宜作出澄清，而SK-II之銷售現正逐漸恢復。

於回顧年度內，本集團營業額達約443,588,000港元，較去年同期358,650,000港元上升24%。香港及中國內地纖體及美容中心之營業額約為91,090,000港元，較二零零六年同期上升17%。中國內地產品分銷業務之營業額約為348,249,000港元，去年同期則約為270,175,000港元(自二零零五年九月起收購)。

Chairman's Statement 主席報告

During the Year Under Review, although our Group have incurred a loss attributable to shareholders of approximately HK\$21,457,000, this was a substantial and remarkable improvement from the corresponding loss of approximately HK\$59,901,000 in the Year 2005-2006. Thanks to the effort from all staff of our Group to boost sales and the strict cost control implemented. The reduction in the magnitude of loss attributable to the shareholders reflected our ability to adapt to adverse situation which allowed us to rebound within one year time.

In addition to overcome various problems as mentioned above, the Group has actively considered potential new income stream. During the Year Under Review, we were delighted to have our Canada beauty centre opened (the "Canada Centre"). The operational model of Canada Centre was different from the existing beauty centres of our Group. We used to invest substantial sums for decoration and beauty machinery, though to be shared by minority shareholder while for the Canada Centre, it was operated by a third party using our brand name and logo. Surely, our Group must provide relevant training and tutorials to the staff of that third party to ensure adequate and professional quality to the customers there. In return to the usage of logo and training provided, the Group received a one-off service fee which has been recognized as income during the Year Under Review. Therefore, the Group was able to secure an income stream in the early stage of Canada Centre while for the existing beauty centres, it generally required one year or more in order to pay back for the capital expenditure. With the success of the Canada Centre, the Group believed and expected that such management consultation services to be one of the major revenue drivers of the Group for the foreseeable future.

During the Year Under Review, the Group's beauty and slimming centers in Mainland China has shown an impressive growth. The success of the new beauty centres in Shenzhen and Hangzhou has also strengthen the Group's confidence in opening new beauty centres in the PRC. Therefore, besides maintaining the growth of the existing beauty centres, the Group will actively explore possibilities in opening new beauty and slimming centres in the major cities in the PRC to capture the untapped market and to make the Group's brand to be a generally recognized brand in the PRC.

於回顧年度內，儘管本集團產生股東應佔虧損約21,457,000港元，惟已較二零零五年至二零零六年度之相應虧損約59,901,000港元大幅顯著改善，這實為本集團全體員工努力提升銷售額及實施嚴緊成本監控之成果。股東應佔虧損之大幅減少，反映本集團有能力在逆境中自強不息，令本集團之業績在短短一年間出現反彈。

除上述種種問題已迎刃而解外，本集團正積極考慮潛在之新收入來源。於回顧年度內，本集團之加拿大美容中心（「加拿大中心」）經已開幕。加拿大中心之經營模式有別與本集團現有之美容中心，過往本集團在裝潢及美容器材方面作出大額投資（雖然由少數股東攤分），而加拿大中心則由第三方使用本集團之品牌名稱及商標經營。誠然，本集團須向該名第三方之員工提供相關培訓及課程，以確保其就當地客戶而言已具備足夠之專業水平。本集團就使用商標及所提供之培訓收取一筆過服務費，並已於回顧年度內確認為收入，因此，本集團得以在加拿大中心經營之初即鞏固收入來源，而現有之美容中心則一般需時一年以上方可付還資本開支。加拿大中心之成功，令本集團相信並預期該等管理諮詢服務將於可見未來成為本集團主要收益來源之一。

於回顧年度內，本集團在中國內地之美容及纖體中心錄得可觀增長，深圳及杭州新美容中心之成功亦加強本集團於中國開設新美容中心之信心。因此，除令現有美容中心維持增長外，本集團將積極發掘機會於中國主要城市開設全新美容及纖體中心，以打入尚未開發之市場，將本集團之品牌打造成為於中國廣獲認同之品牌。

Chairman's Statement 主席報告

Over the years, the "Sau San Tong" brandname is firmly established in both Hong Kong and the PRC with services and treatments that leads the beauty and slimming industry. During the Year Under Review the Group was awarded "Yahoo! Emotive Brand Award" in May 2006, "Most Favourable Hong Kong Brands 2006" by China Enterprise Reputation & Credibility Association in June 2006, "Top Service Award" of Next Magazine in July 2006 and "2007 Consumers' Brand of First Choice of Slimming Services in China Market" by China Market Consuming Tendency Research Committee in January 2007. All these awards and recognitions helped the Group in strengthening its corporate image in Hong Kong as well as in Mainland China.

The Group excelled by the ability to stay ahead of the market. Over the years, the Group has introduced many innovative beauty and slimming products to Hong Kong. These beauty and slimming products enables the Group to gain additional market share as well as strengthened its brandname. For the years to come, the Group will continue its effort in the product distribution market, especially in the Mainland China. In fact, the Group at present already have the distribution network of Shanghai Dong Fang Ri Hua Sales Co. Ltd., a subsidiary of the Company mainly distributing P&G personal care products in Shanghai and P&G's cosmetic and skin care products, including SK-II and Olay in the eastern and western part of the PRC. As the market shows immense potential for quality beauty and skincare products together with the widening of the product range under P&G, the management is confident that this business segment of the Group will become a revenue driver in the coming years.

On behalf of the board of Directors, I would like to express my sincere gratitude to our shareholders, customers, staff and business partners for their support and trust to the Group. With our persistent effort, I am confident that the Group will achieve steady growth in the future and provide satisfactory return for all shareholders.

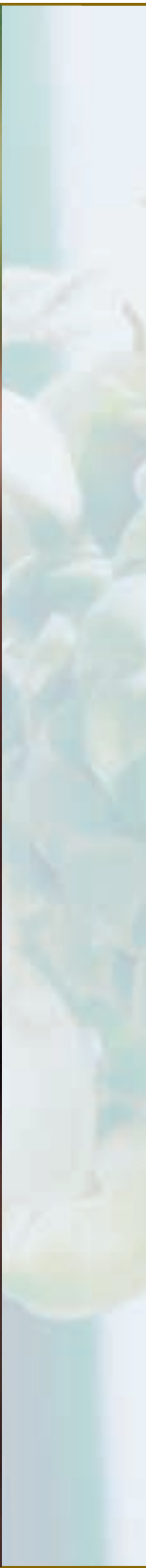
Cheung Yuk Shan, Shirley
Chairman
Hong Kong, 20 June 2007

過往數年，「修身堂」品牌成功建立於香港及中國，其服務及療程於美容及纖體界首屈一指。於回顧年度內，本集團獲取多個獎項，包括：於二零零六年五月獲取「Yahoo!感情品牌大獎」、於二零零六年六月獲取中華(海外)企業信譽協會《2006年我最喜愛香港名牌行業金獎》、於二零零六年七月獲取《壹周刊》《服務第一大獎2006》及於二零零七年一月獲取中國市場消費趨向組委會「2007中國美容纖身市場消費者首選品牌」。這些獎項及認同增強本集團於香港及中國內地之企業形象。

本集團具備帶動市場能力之優勢。過往數年，本集團於香港推出不少創新美容及纖體產品，這些美容及纖體產品使本集團獲得額外市場佔有率以及加強其品牌之影響力。展望未來數年，本集團將繼續投身於產品分銷市場，尤其中國內地之市場。事實上，本集團目前已取得上海東紡日化銷售有限公司(本集團之附屬公司，主要從事於上海分銷寶潔(P&G)個人護理產品及於華東及華西地區分銷寶潔(P&G)美容及護膚產品，包括SK-II及Olay)之分銷網絡。由於優質美容護膚產品之市場潛力雄厚，加上寶潔(P&G)旗下產品範圍不斷擴闊，故管理層相信本集團該業務分類將成為未來數年內之主要收益來源。

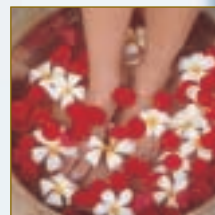
本人謹在此代表董事會，感謝各股東、客戶、員工及業務伙伴對本集團多年來的支持及信賴。本人深信，憑藉我們的不懈努力，本集團業務將於未來持續穩定增長，並為全體股東帶來豐盛的回報。

主席
張玉珊
香港，二零零七年六月二十日



BRINGING FORTH OPPORTUNITIES IN PRC MARKET

國內市場之開拓將帶來更大商機



Management Discussion and Analysis 管理層討論及分析

Business Review

For the year ended 31 March 2007 (“the Year Under Review”), turnover amounted to approximately HK\$443,588,000, representing an 24% increase from approximately HK\$358,650,000 in last year. Such increase was mainly contributed by the improved performance of our slimming centres in both Hong Kong and in the People’s Republic of China (the “PRC”) and the contribution by Shanghai Dong Fang Ri Hua Sales Co. Ltd. (“Dong Fang”), a subsidiary of the Company since September 2005. Dong Fang is engaged in the distribution of P&G’s personal care products in Shanghai and P&G’s cosmetic and skin care products, including SK-II in the eastern and western part of PRC. Turnover from such distribution business amounted to approximately HK\$348,249,000 during the Year Under Review (2006: approximately HK\$270,175,000).

During the Year Under Review, turnover generated from all the slimming centres in Hong Kong and in the PRC amounted to approximately HK\$91,090,000 (2006: approximately HK\$77,600,000). Such increase was mainly contributed by the impressive performance of our beauty and slimming centres in the PRC, together with the opening of our Hangzhou centre in June 2006 and the general rebound in the local market. Such encouraging results once again provided a solid proof of customer’s recognition of the Group’s brand and quality.

During the Year Under Review, the Group recorded an increase of approximately HK\$13,137,000 in gross profit. In addition to the improved turnover as mentioned above, the increased efficiency and the recognition of income from the provision of management consultation services (more details in the section “Outlook” below) have all contributed to such increase in gross profit.

The Group has incurred a loss attributable to equity holders of the Company of approximately HK\$21,457,000. Nevertheless, such loss represented a dramatic and radical reduction of 64% when compared with a loss of approximately HK\$59,901,000 in last year. In fact, those business segments with loss during the first three quarters has started to profit in the final quarter, especially the beauty and slimming services segment (including both Hong Kong and the PRC), with profit of approximately HK\$1,940,000 in the final quarter. The implication is crucial as this has proved that the Group’s formulated strategy during the Year under Review was correct. Such strategies included the exploring of new revenue stream such as management consultation services while adopting vigorous cost control as reflected from the substantial reduction of administrative expenses from approximately HK\$52,467,000 to approximately HK\$45,505,000 during the Year Under Review, notwithstanding the increased number of subsidiary.

業務回顧

截至二零零七年三月三十一日止年度（「回顧年度」），營業額約443,588,000港元，較去年約358,650,000港元上升24%。營業額上升，主要由香港及中華人民共和國（「中國」）纖體中心業績有所改善及上海東紡日化銷售有限公司（「東紡」）所帶來，該公司自二零零五年九月起為本公司之附屬公司。東紡在上海從事分銷P&G個人護理產品之業務，並於中國東部及西部分銷P&G化妝及皮膚護理產品，包括SK-II。於回顧年度內，有關分銷業務之營業額約為348,249,000港元（二零零六年：約270,175,000港元）。

於回顧年度內，香港及中國之所有纖體中心產生營業額約91,090,000港元（二零零六年：約77,600,000港元）。有關增加乃主要由於中國美容及纖體中心之業績理想，加上杭州中心於二零零六年六月開幕及本地市場整體反彈所致。該等令人鼓舞之業績再一次足證顧客對本集團品牌及質素之認知。

於回顧年度內，本集團之毛利錄得約13,137,000港元之增加。除上述營業額改善外，提供管理諮詢服務所確認之收入（詳情載於下文「未來展望」一節）及效率之增加均有助增加毛利。

本集團產生本公司權益持有人應佔虧損約21,457,000港元。然而，有關虧損較去年約59,901,000港元之虧損大幅及顯著減少64%。事實上，該等於首三個季度錄得虧損之業務分類已開始於最後一個季度錄得盈利，尤其是美容及纖體服務分類（包括香港及中國）更在最後一個季度取得溢利約1,940,000港元，有關意義深遠，證實了本集團於回顧年度內制訂之策略正確無誤。該等策略包括尋求新收入來源（如管理諮詢服務），同時採取嚴格成本控制，從附屬公司數目增加，惟行政開支卻由約52,467,000港元大幅減少至回顧年度內約45,505,000港元可見。



Management Discussion and Analysis 管理層討論及分析

Outlook

Beauty and Slimming Centres

For Hong Kong, the Group has been aware of the market misconception that our Group provides only slimming services while in fact, the proportion of non-slimming services have accounted for increasing proportion of the Group's income. In addition to a range of comprehensive beauty and health services and the "Anti-aging program" launch in 2006, the Group has decided to launch the anaplastic cosmetology which directly inject botox tissue filler onto skins instead of conventional surgery which will cause destructive effect on skin structure. Customers can be benefited from having the desired shapes without physical pains and without side effect. With the above-mentioned advantage, the Group is optimistic on this new type of service which in turn will strengthen the profitability of the Group.

For PRC, due to economic boom in the PRC, the citizens there are more affordable and more willing to pay for beauty and health of her own. This benefit the beauty and slimming centres of our Group, as shown by our strong performance of our PRC beauty and slimming centres. As the Group expects the prosperity in the PRC will continue, the Group is actively seeking opportunities to open new beauty and slimming centres in major cities in the PRC in order to capture the untapped market.

Management Consultation Services

Being the leading beauty and slimming services provider, our Group has accumulated a wealth of experience in the management and operation of beauty and slimming centres as well as high caliber professionals from the industry. In order to capitalize its existing resources, the Group has embarked the provision of management consultation services for the setting up beauty and slimming centres.

In June 2006, the Group has entered into an agreement under which management consultation services are to be provided for the setting up of a beauty and slimming centre in Canada which was subsequently open in early October and was the focus of local and Canada media. In general, the service scope of the above agreement includes, scouting of premises, licenses application, legal and financial advises, staff training, management and operation.

In January 2007, the Group has entered into an agreement under which management consultation services are to be provided for the operation of a spa and massage centre in Shenzhen. The centre is in the preparation stage and is expected to commence its business in July 2007.

未來展望

美容及纖體中心

在香港，本集團注意到市場上存有認為本集團僅提供纖體服務之誤解，但其實，非纖體服務佔本集團收入之比重日益增加。除一系列全面美容及保健服務及於二零零六年推出之「抗衰老計劃」外，本集團已決定推出整形美容術，即直接將肉毒桿菌組織代用品注射到皮膚，取代會對皮膚結構構成破壞性影響之傳統手術。顧客毋須受皮肉之苦及副作用影響便可塑造出理想形態。基於上述優點，本集團對此類新服務將可提高本集團之盈利能力抱樂觀態度。

中國方面，由於中國經濟迅速增長，故市民購買力提高，且更樂意購買美容及保健產品自用。由中國美容及纖體中心之業績強勁可見，本集團之美容及纖體中心因而受惠。由於本集團預期中國將持續興旺，故本集團正積極尋求機會於中國主要城市開設新美容及纖體中心，以打入尚未開發之市場。

管理諮詢服務

貴為美容及纖體服務供應商之領導者，本集團除擁有具水準之行內專業人才外，在美容及纖體中心之管理及運作方面亦累積了豐富經驗。為了能充分利用本集團之現有資源，本集團已為成立美容及纖體中心提供管理諮詢服務。

於二零零六年六月，本集團訂立協議，據此，將於加拿大提供有關成立美容及纖體中心之管理諮詢服務，該中心其後於十月初開幕，並為本地與加拿大傳媒之焦點。整體而言，上述協議之服務範圍包括選址、牌照申請、法律及財務諮詢、員工培訓、管理及運作。

於二零零七年一月，本集團訂立協議，據此，將於深圳提供有關營運水療及按摩中心之管理諮詢服務。該中心現處於籌備階段，預期將於二零零七年七月開業。



Management Discussion and Analysis 管理層討論及分析

The above encouraging start has further strengthened the confidence of the Group in this kind of new business. The Group also believes that there will be an immense demand for this kind of services in the PRC since the beauty and slimming market there is still under developed with a shortage of expertise. Also, provision of this kind of services command not much overhead costs and thus contributing to a positive revenue growth to the Group.

Health and Beauty Products

During the past years, the Group's ability to introduce innovative and quality products has earned a leading status in the Hong Kong market. Besides Hong Kong, the Group is planning the distribution of health and beauty products to the major cities in the PRC, with satisfactory progress. The management believes by leveraging on "Sau San Tong" brand name and the customer confidence built up over the prior years, these health and beauty products will be well received in the market bringing forth an additional revenue stream for the Group.

Distribution Business in the PRC

In September 2006, the SK-II brand was being challenged by the PRC authority in the using of chromium and neodymium which can cause skin allergies and other health problems. The PRC government has subsequently announced that small amounts of such elements will not cause harms to human. Unfortunately, the pace of recovery of SK-II sales is not as fast as the Group expected which limited the level of profit derived from Dong Fang during the Year Under Review. However, the Group firmly believed that the pace of recovery was solely limited by short-term psychological barriers so that SK-II will resume its position in the PRC market soon. Looking forward, as the PRC market continues to boom showing immense potential for P&G products, the management anticipates the revenues generated from the distribution business will experience further growth and will in turn provide the Group with stable source of income.

Capital structure, liquidity and financial resources

Cash and bank balances as at 31 March 2007 were approximately HK\$20,533,000 compared to approximately HK\$21,005,000 as at 31 March 2006. The Group's gearing ratio of 43% (2006: zero) was based on the total of bank borrowings and obligations under finance leases of approximately HK\$11,176,000 and the net assets of the Group of approximately HK\$25,708,000.

As at 31 March 2007, the Group's liability was approximately HK\$82,785,000, compared to approximately HK\$61,300,000 as at 31 March 2006. Such liability are intended to be financed by internal resources of the Group.

上述令人振奮之新開始，進一步加強了本集團推行此類全新業務之信心。由於美容纖體市場在中國仍處於發展階段，缺乏有關專業知識，故本集團相信此類服務於中國將有龐大需求。此外，提供此類服務毋須大額經營成本，因而可為本集團帶來正面收益增長。

保健及美容產品

於過往年度，本集團於推出富創意之優質產品之實力，令本集團登上香港市場之領導地位。除香港外，本集團計劃於中國之主要城市分銷保健及美容產品，進展令人滿意。經過本集團多年來建立之「修身堂」品牌效應及客戶之信心，管理層相信該等保健及美容產品會廣為市場所接受，並成為本集團日後收入來源之一。

中國分銷業務

於二零零六年九月，SK-II品牌在使用可引致皮膚敏感及其他健康問題之鎳及釷上受到中國當局質疑。中國政府其後已公佈少量上述元素不會對人體造成損害。不幸地，SK-II銷售之復甦速度較本集團預期慢，局限了於回顧年度內來自東紡之盈利水平。然而，本集團堅信復甦速度僅受短期心理障礙影響，故SK-II將在不久後恢復其中國市場地位。展望將來，由於P&G產品在中國市場具有雄厚潛力，故管理層預期分銷業務之收入將錄得進一步增長，並因而為本集團帶來穩定之收入來源。

資本架構、流動資金及財務資源

於二零零七年三月三十一日之現金及銀行結餘約為20,533,000港元，而於二零零六年三月三十一日則約為21,005,000港元。本集團之資產負債比率為43%（二零零六年：零），乃按銀行借貸與融資租賃承擔總額約11,176,000港元及本集團資產淨值約25,708,000港元計算。

於二零零七年三月三十一日，本集團之負債約為82,785,000港元，而於二零零六年三月三十一日則約為61,300,000港元。有關負債擬以本集團之內部資源撥付。

Management Discussion and Analysis 管理層討論及分析

Treasury policy

The Group adopts a conservative approach towards its treasury policies. The Group evaluates the financial condition of its customers regularly so as to reduce the credit risk. The average outstanding days of the Group's accounts receivable was maintained at below 90 days. To manage liquidity risk, the Group closely monitors the Group's liquidity position to ensure the liquidity structure of the Group's assets, liabilities and commitments and to ensure that the Group can meet its funding requirements.

Foreign Exchange Exposure

Since the Group's assets and liabilities, revenue and payments are mainly denominated in Hong Kong Dollars and Renminbi, the Groups considers that there was no significant exposure to foreign exchange fluctuations.

Net Assets

As at 31 March 2007, the Group's net assets amounted to approximately HK\$25,708,000 compared to approximately HK\$35,687,000 as at 31 March 2006. Except for those assets charged in the obligations under finance lease, there are no other charges on the Group's assets as at 31 March 2007.

Contingent Liabilities

As at 31 March 2007, the Company had given a corporate guarantee to a finance company in respect of the finance lease facilities of approximately HK\$1,748,000 granted to a subsidiary. As at 31 March 2006, a subsidiary had given a corporate guarantee to a bank in respect of banking facilities of approximately RMB1,500,000 granted to a shareholder of this subsidiary. This guarantee was subsequently released in November 2006. Save as disclosed above, there were no other material contingent liabilities.

Employee Information

As at 31 March 2007, the Group had 433 employees (2006: around 500 employees). During the year, the Group's total staff costs amounted to approximately HK\$40,201,000 (2006: approximately HK\$45,343,000). Pursuant to the share option scheme adopted by the Company, share options have been granted to eligible participants to subscribe for shares in the Company under the terms and conditions stipulated therein.

庫務政策

本集團採取保守之庫務政策。本集團定期檢討其客戶之財務狀況以減低信貸風險。本集團應收賬款之平均收款期維持低於90日。本集團密切監管本集團之流動資金狀況，以確保本集團之資產、負債及承擔之流動性結構足以管理其流動資金風險及應付其營運資金所需。

外匯風險

由於本集團之資產與負債、收益及付款主要以港元及人民幣計算，本集團認為並無面臨任何重大之外匯波動風險。

資產淨值

於二零零七年三月三十一日，本集團之資產淨值約達25,708,000港元，而於二零零六年三月三十一日則約為35,687,000港元。除根據融資租約承擔作抵押之該等資產外，於二零零七年三月三十一日，本集團並無其他資產抵押。

或然負債

於二零零七年三月三十一日，本集團就授予一間附屬公司之融資租賃融資約1,748,000港元而向財務公司提供公司擔保。於二零零六年三月三十一日，一間附屬公司就授予該附屬公司一名股東之銀行融資約人民幣1,500,000元而向一間銀行提供公司擔保。該項擔保其後於二零零六年十一月解除。除了上述以外，本集團並無任何其他重大或然負債。

僱員資料

於二零零七年三月三十一日，本集團在香港及中國共聘用433名僱員（二零零六年：約500名僱員）。年內，本集團之員工成本總額約達40,201,000港元（二零零六年：約45,343,000港元）。本公司已根據其採納之購股權計劃向合資格參與者授出購股權，可按照訂明之條款及條件認購本公司股份。

Management Discussion and Analysis 管理層討論及分析

The Group's remuneration policies are formulated on the basis of the performance and experience of individual employee and are in line with local market practices where the Group operates. In addition to salary, the Group also offers to its employees other fringe benefits including provident fund and medical benefits. The Group has a share option scheme whereby qualified participants may be granted options to acquire shares of the Company. There is an aggregate of 30,090,000 outstanding options to subscribe for 30,090,000 shares of the Company pursuant to the share option scheme as at 31 March 2007.

Significant Investments and Acquisitions

In June 2006, the Group established a beauty and slimming centre in Hangzhou ("Hangzhou Centre"), a wholly owned foreign enterprise, for a term of 10 years. Hangzhou Centre's registered capital is HK\$3.5 million. The Group has injected capital of approximately HK\$0.5 million up to 31 March 2007 and the remaining are expected to be injected within the coming financial year.

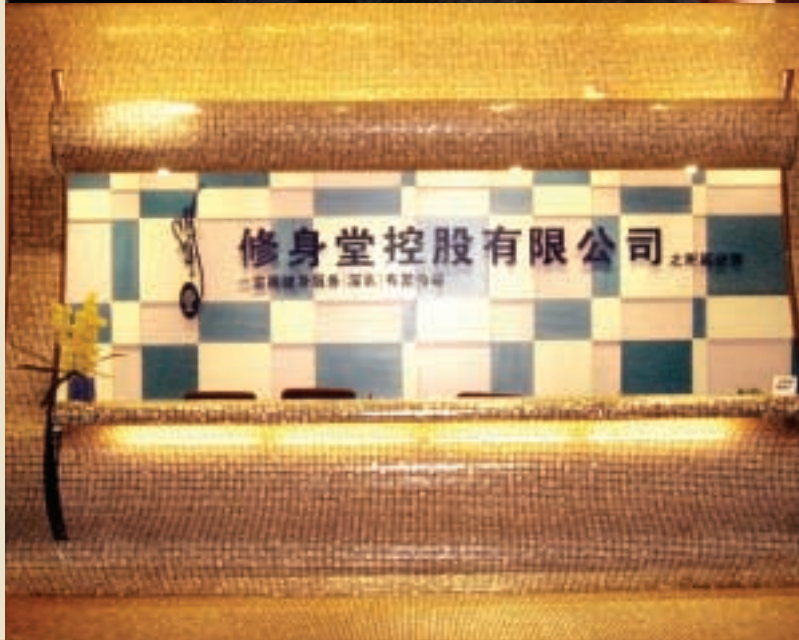
The capital contribution will be funded by internal resources of the Group.

本集團之薪酬政策依據個別僱員之表現及經驗制定，並符合當地市場慣例。除薪金外，本集團亦向僱員提供其他額外福利，包括公積金及醫療福利。本集團設有一項購股權計劃，據此，合資格參與人可獲授可購入本公司股份之購股權。於二零零七年三月三十一日，合共30,090,000份尚未行使購股權可根據購股權計劃認購30,090,000股本公司股份。

重大投資及收購事項

於二零零六年六月，本集團以全外資企業之方式於杭州成立一間美容及纖體中心（「杭州中心」），為期10年。杭州中心之註冊資本為3,500,000港元。截至二零零七年三月三十一日，本集團已注資約500,000港元，預期餘額將於下一個財政年度注入。

有關資本貢獻將以本集團之內部資源撥付。



Directors and Senior Management Profile 董事及高級管理人員履歷

Directors

Executive Directors

Dr. CHEUNG Yuk Shan, Shirley, aged 32, is the Chairman and Founder of the Group. She established the Group seven years ago and successfully developed it to a group with over 400 staff. Dr. Cheung is responsible for the overall stewardship of the Group which includes directions and formulating strategies. Leading the Group to a new height, she achieved various accomplishments complimenting her management style and innovative promotional strategies. Dr. Cheung received the Honour Award of the Innovative Entrepreneur of the Year 2004 of the Hong Kong district, organised by the City Junior Chamber in May 2004. In November of the same year, Dr. Cheung was awarded as one of the "100 Outstanding Women Entrepreneurs in China" by the "Women Entrepreneurs' Association of China". She is also one of the few Hong Kong awardees and one of the youngest awarded entrepreneurs. Furthermore, she was invited to be one of the deputy chairmen of the "China Foreign Trade Council" and the honorary president of the "Federation of Beauty Industry (Hong Kong)".

Mr. CHEUNG Ka Heng, Frankie, aged 34, is an Executive Director. He is responsible for the business development and administration of the Group. Mr. Cheung holds a master degree in business administration from Americus University of the United States. Prior to joining the Group in June 2002, he was the director of Vicorp Credit Services Limited, a company which provides credit information, commencing from September 1999. Mr. Cheung is the elder brother of Dr. Cheung Yuk Shan, Shirley.

Mr. LEE Man Kwong, aged 52, is an Executive Director and joined the Group in March 2006. He is mainly responsible for the formulation of business strategy and provide legal advice to the Group. He has been practising as a solicitor in Hong Kong for over 21 years and is a partner at Messrs. Chan, Lau & Wai, Solicitors. He is also a solicitor qualified in England and Wales and Singapore. Mr. Lee was an independent non-executive director of Mei Ah Entertainment Group Limited between 1993 and October 2004 and had various directorships in listed companies in Hong Kong in prior years.

董事

執行董事

張玉珊博士，三十二歲，本集團之主席及創辦人。彼於七年前創辦本集團，成功發展至一間擁有超過400名員工的集團。張博士負責本集團之整體策劃，包括制訂業務方向和策略，憑其管理風格及嶄新之宣傳策略，帶領本集團屢創佳績，業務更上一層樓，成為行內翹楚。張博士於二零零四年五月榮獲城市青年商會頒發「創意創業大賞2004榮譽大獎」香港區得主。於同年十一月，張博士獲得「中國女企業家協會」頒發《中國百名傑出女企業家》的全國性獎項，成為最年輕的得獎者之一，亦為少數的香港區得獎者。此外，彼亦獲邀參加「中國對外貿易理事會」，成為新一任副理事長其中一員，兼且為「香港美容業總會」的榮譽會長。

張嘉恒先生，三十四歲，執行董事，負責本集團之業務發展及行政事務。張先生持有美國Americus University工商管理碩士學位。於二零零二年六月加盟本集團前，張先生於一九九九年九月起曾為中建商業資訊有限公司，一間提供信貸資料之公司擔任董事一職。張先生為張玉珊博士之胞兄。

李文光先生，五十二歲，執行董事，於二零零六年三月加盟本集團，主要負責製訂業務策略及向本集團提供法律意見。李先生為香港執業律師逾二十一年，現為陳劉韋律師行合夥人，亦為英格蘭及威爾斯及新加坡之合資格律師。李先生於一九九三年至二零零四年十月期間出任美亞娛樂資訊集團有限公司之獨立非執行董事並於過往年度在香港多間上市公司出任董事。

Directors and Senior Management Profile 董事及高級管理人員履歷

Independent Non-Executive Directors

Mr. HONG Po Kui, Martin, aged 57, is an Independent Non-Executive Director and joined the Group in June 2002. He is responsible for giving advices to the board of Directors and shareholders of the Company. Mr. Hong is a practicing solicitor and a notary public in Hong Kong. He has been practicing as a solicitor of the High Court of Hong Kong for over 31 years and is the senior partner of Messrs Lau, Chan & Ko, Solicitors. He holds a bachelor degree in science from University of New South Wales. Mr. Hong is an independent non-executive director of Simsen International Corporation Limited and Fulbond Holdings Limited, companies listed on the Main Board of the Exchange, as well as the commissioner of Hong Kong Road Safety Patrol.

Mr. LI Kuo Hsing, aged 48, is an Independent Non-Executive Director and joined the Group in June 2002. He is the Vice Chairman of the Federation of Motion Film Producers of Hong Kong Limited since 1998 and appointed Member of the Election Committee for the Performing Arts sub-sector of the Legislative Council Election. Mr. Li is the founder and chairman of Mei Ah Entertainment Group Limited and an Executive Director of BIG Media Group Limited, companies listed on the Main Board and GEM Board of the Exchange respectively.

Mr. HO Yiu Ming, aged 63, is an Independent Non-Executive Director and joined the Group in September 2003. Mr. Ho has extensive experience in the auditing and accounting fields. He is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Association of International Accountants and an Associate of the Institute of Chartered Accountants in England and Wales. He has been the managing partner of Billy Ho and Company, Certified Public Accountants, since 1984. Mr. Ho is an independent nonexecutive director of Kantone Holdings Limited and Jade Dynasty Group Limited, companies listed on the Main Board of the Exchange and DIGITALHONGKONG.COM, a company listed on GEM of the Exchange.

Senior Management

Mr. SIT Hon Wing, aged 30, is the Financial Controller, Qualified Accountant and Company Secretary of the Group. Mr. Sit is responsible for overseeing the accounting and financial management and company secretarial functions of the Group. He is an associate member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Sit joined the Group in June 2006 and has accumulated over seven years of accounting and auditing experience.

獨立非執行董事

康寶駒先生，五十七歲，獨立非執行董事，於二零零二年六月加盟本集團，負責向本公司董事會及股東提供意見。康先生為一名在香港執業之律師及公證人，為香港高等法院執業律師超過三十一年，是劉陳高律師事務所之高級合夥人，持有新南威爾士大學科學學士學位。康先生為於聯交所主板上市公司，天行國際(控股)有限公司及福邦控股有限公司之獨立非執行董事，亦為香港交通安全隊總監。

李國興先生，四十八歲，獨立非執行董事，於二零零二年六月加盟本集團。彼從一九九八年開始出任香港電影製片家協會副主席，現任立法會選舉之選舉委員會演藝小組委員。李先生為分別於聯交所主板及創業板上市公司，美亞娛樂資訊集團有限公司創辦人及主席，以及天下媒體集團有限公司之執行董事。

何耀明先生，六十三歲，獨立非執行董事，於二零零三年九月加盟本集團。何先生在核數及會計專業具有豐富之經驗，彼為香港會計師公會、英國特許公認會計師公會及國際會計師公會之資深會員及英格蘭及威爾斯特許會計師公會之會員。自一九八四年起，彼已是執業會計師行何耀明會計師事務所之主理合夥人。何先生為於聯交所主板上市公司，看通集團有限公司及玉皇朝集團有限公司，聯交所創業板上市公司數碼香港之獨立非執行董事。

高級管理人員

薛漢榮先生，三十歲，本集團之財務總監、合資格會計師及公司秘書。薛先生負責監督本集團之會計、財務管理及公司秘書職務。彼為香港會計師公會及英國特許公認會計師公會之會員。薛先生於二零零六年六月加盟本集團，累積超過七年會計及核數經驗。

Corporate Governance Report 企業管治報告

Introduction

The Company puts strong emphasis on the superiority, steadiness and rationality of corporate governance. Subject to the deviations as disclosed in this report, the Company has complied with all the provisions in the Code on Corporate Governance Practices (the "Code") as set out in the GEM Listing Rules by establishing a formal and transparent procedures to protect and maximize the interests of shareholders during the year.

Directors' Securities Transaction

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM listing rules. Having made specific enquiry of all Directors, they all confirmed having complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Group.

The Board of Directors

The Board of Directors (the "Board") currently comprises six directors, including three executive directors and three independent non-executive directors. The Board is mainly accountable to the shareholders. It is also in charge of the management, business strategy, annual and interim results, risk management, major acquisitions, disposals and capital transactions and other major operational and financial aspects of the Group. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim accounts for board approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Details of backgrounds and qualifications of the members of the Board are set out in the "Directors and Senior Management Profile" of this annual report. All Directors have given sufficient time and attention to the affairs of the Group. Each executive director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently.

The Board fulfilled the minimum requirement of appointing at least three independent non-executive directors throughout the year. It also met the requirement of having one independent non-executive director with appropriate professional qualification or professional accounting or financial management expertise throughout the year.

簡介

本公司極為強調企業管治之優越性、穩固性與理性。除本報告所披露之偏離外，本公司於本年度已設立正式而透明之程序保障及最佳化股東之利益，從而遵守創業板上市規則所載企業管治常規守則（「守則」）之全部條文。

董事進行證券交易

本公司已就董事進行證券交易採納一套條款與載於創業板上市規則第5.48至5.67條之交易必守標準同樣嚴格之行為守則。在向所有董事作出特別查詢後，各董事確認，彼等均已遵守交易必守標準及本集團就董事進行證券交易而採納之行為守則。

董事會

董事會（「董事會」）目前由六名董事組成，包括三名執行董事及三名獨立非執行董事。董事會主要向股東負責，亦負責本集團之管理、業務策略、年度及中期業績、風險管理、重大收購、出售與股本交易，以及其他重大營運及財務事宜。由董事會明確轉委管理層之重大企業事宜包括編製年度及中期賬目以待董事會於刊發前批准、執行董事會已採納之業務策略及倡議、落實完備之內部監控及風險管理程序制度，以及遵從相關法定規定及規則與規例。

董事會成員之背景及資歷詳情載於本年報「董事及高級管理人員履歷」。全體董事均已為本集團事務投入充份時間與專注。各執行董事均擁有足夠經驗擔任有關職位，以有效並有效率地履行其職務。

董事會於本年度全年均符合有關委任最少三名獨立非執行董事之最低規定，亦於本年度全年符合有一名獨立非執行董事擁有適合專業資格或專業會計或財務管理專業經驗之規定。

Corporate Governance Report 企業管治報告

Each of the independent non-executive directors have entered into a service contract with the Company for a term expiring on 31 July 2006, with the term being renewed for a further term of one year commencing from 1 August 2006.

The Company has received annual confirmations of independence from each independent non-executive directors and therefore still considers them to be independent.

Mr. Cheung Ka Heng, Frankie, an executive director, is the elder brother of Dr. Cheung Yuk Shan, Shirley, the chairman. Save as disclosed above, there is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

During the year, the Board held four meetings. The details of the attendance rate of each director are as follows:

各獨立非執行董事與本公司訂有服務合約，任期至二零零六年七月三十一日屆滿，而有關年期已獲續訂一年，由二零零六年八月一日起計。

本公司已接獲各獨立非執行董事之年度確認書，因此仍認為彼等均為獨立。

執行董事張嘉恒先生為主席張玉珊博士之胞兄。除上文所披露者外，董事會各成員間並無其他關係（包括財務、業務、家族或其他重大／相關關係）。

於本年度，董事會曾舉行四次會議。各董事之出席率詳情如下：

Name of directors	董事姓名	Attendance at Board meeting 董事會出席次數	Attendance rate 出席率
Dr. Cheung Yuk Shan, Shirley	張玉珊博士	4/4	100%
Mr. Cheung Ka Heng, Frankie	張嘉恒先生	4/4	100%
Mr. Lee Man Kwong	李文光先生	4/4	100%
Mr. Hong Po Kui, Martin	康寶駒先生	3/4	75%
Mr. Li Kuo Hsing	李國興先生	2/4	50%
Mr. Ho Yiu Ming	何耀明先生	4/4	100%

Chairman and the Chief Executive Officer

Dr. Cheung Yuk Shan, Shirley assumes the role of both the chairman and the chief executive officer of the Company. While serving as the chairman of the Group, Dr. Cheung leads the Board and is responsible for the proceedings and workings of the Board. The role of chairman and chief executive officer of the Group rests on the same individual which deviates from the Code of not having a clear division of responsibilities.

The Board is of the view that it is in the best interests of the Group to have Dr. Cheung, who is the founder of the Group with vast and solid experience in the beauty sector, to perform the dual role so that the Board can have the benefit of a chairman who is knowledgeable about the business of the Group and is most capable to guide discussions and brief the Board in a timely manner on pertinent issues. With Dr. Cheung being the chief executive officer, the Group can also benefit from having strong connection and network in the beauty market.

主席及行政總裁

張玉珊博士身兼本公司之主席及行政總裁兩個職位。張博士一方面擔任本集團主席，另一方面亦帶領董事會，負責董事會之會議事項及工作。本集團之主席及行政總裁由同一人擔任，由於並無清楚分開職責，而偏離守則。

董事會認為，由張博士（本集團之創辦人，在美容業擁有實質豐富經驗）身兼兩職，既可獲得主席對本集團業務有深入認識之益處，彼亦能及時就有關事項及進展為董事會帶領討論及作出簡報，因此符合本集團之最佳利益。由張博士擔任行政總裁，本集團亦可獲得於美容市場之強大連繫及網絡之益處。

Corporate Governance Report 企業管治報告

Audit Committee

The Company has established the Audit Committee in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are: to independent review and supervise the financial reporting process and internal control systems, to ensure good communications among Directors and the Company's auditors, to recommend the appointment of external auditors on an annual basis and approval of the audit fees, to assist the Board in oversight of the independence, qualifications, performance and compensation of the independent accountant, to review quarterly, interim and annual results announcements as well as the financial statements prior to their approval by the Board, to provide advice on audit report, accounting policies and comments to all Directors.

The Audit Committee comprises three independent non-executive Directors including Mr. Li Kuo Hsing (Chairman of the Audit Committee), Mr. Ho Yiu Ming and Mr. Hong Po Kui, Martin. During the year, the Audit Committee held four meetings to assess the effectiveness of internal control system, to review all draft annual, quarterly and interim financial reports, and to know about external auditors' statutory audit plan. The attendance records of the audit committee meetings are set out below:

Mr. Li Kuo Hsing 李國興先生	2/4	50%
Mr. Ho Yiu Ming 何耀明先生	4/4	100%
Mr. Hong Po Kui, Martin 康寶駒先生	3/4	75%

Auditors' Remuneration

The audit committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year, auditors' remuneration for audit services (inclusive of taxation services) is HK\$842,000. Save as disclosed above, no services such as due diligence and other advisory services were provided during the year.

審核委員會

本集團已遵照創業板上市規則第5.28及5.33條之規定成立審核委員會。審核委員會之主要職責為：獨立審閱及監察財務報告程序及內部監控制度；確保董事與本公司核數師溝通良好；按年推薦委任外部核數師及批准核數費用；協助董事會監督獨立會計師之獨立性、資格、表現與補償；審閱季度、中期及年度業績公佈及財務報表以待董事會批准；就核數報告、會計政策及評論向全體董事提供意見。

審核委員會之成員包括三名獨立非執行董事李國興先生(審核委員會主席)、何耀明先生及康寶駒先生。於本年度，審核委員會曾舉行四次會議，以評估內部監控制度之有效性，審閱所有年度、季度及中期財務報告之草稿，以及瞭解外部核數師之法定核數計劃。審核委員會會議之出席紀錄載列如下：

核數師酬金

本公司之審核委員會負責考慮外部核數師之委任及檢討外部核數師履行之任何非核數工作，包括該等非核數工作是否可對本公司導致任何潛在重大不利影響。於本年度，核數師就核數服務(包括稅項服務)之酬金為842,000港元。除上文所披露者外，於本年度並無提供其他服務如盡職審查及其他顧問服務。

Corporate Governance Report 企業管治報告

Remuneration Committee

The Remuneration Committee of the Group was established in accordance with the Code. The main role and function included the determination of the specific remuneration packages of all Executive Directors, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

Members of the Remuneration Committee include three independent non-executive directors, namely, Mr. Ho Yiu Ming (Chairman of the Remuneration Committee), Mr. Hong Po Kui, Martin and Mr. Li Kuo Hsing.

The Remuneration Committee has held one meeting to consider and approve (i) the remuneration of the Directors for the year ending 31 March 2008, (ii) salary adjustment of the management of the Group; and (iii) range of salary adjustment of employees of the Group. The attendance record of the Remuneration Committee meeting is set out below:

Mr. Ho Yiu Ming (Chairman)
何耀明先生 (主席)
Mr. Hong Po Kui, Martin
康寶駒先生
Mr. Li Kuo Hsing
李國興先生

1/1	100%
0/1	0%
1/1	100%

Nomination of Directors

The Board is empowered under the Company's Articles of Association to appoint any person as a director either to fill a casual vacancy on or, subject to authorization by the shareholders of the Company in general meeting, as an additional member of the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications and experience. The Board selects and recommends candidates for directorship having regard to the balance of skills and experience appropriate to the Group's business.

薪酬委員會

本集團之薪酬委員會乃根據守則成立，主要角色及功能包括釐定全體執行董事之薪酬計劃(包括實物利益、退休金權利及補償款項，以及任何失去或終止職務或委任之補償)。薪酬委員會須考慮因素包括可比較公司所支付薪金、董事投入之時間與責任、本集團其他職位之聘任條件，以及與表現掛鈎的薪酬制度是否適用。

薪酬委員會之成員包括三名獨立非執行董事何耀明先生(薪酬委員會主席)、康寶駒先生及李國興先生。

薪酬委員會已舉行一次會議，以考慮及批准(i)董事截至二零零八年三月三十一日止年度之薪酬；(ii)本集團管理層之薪金調整；及(iii)本集團僱員之薪金調整幅度。薪酬委員會會議之出席紀錄載列如下：

提名董事

董事會獲本公司組織章程細則授權委任任何人士為董事，以填補空缺，或在本公司股東於股東大會上授權之情況下增聘董事會成員。合資格候選人將建議予董事會以供其考慮，而評選準則主要乃按照其專業資歷及經驗之評估而定。董事會乃經參照對本集團業務而言適合之技能與經驗之平衡而挑選及建議董事候選人。

Corporate Governance Report 企業管治報告

Responsibility of Preparation of the Financial Statements

The Directors acknowledge their responsibility of preparing the financial statements of the Company. As at 31 March 2007, the Directors are not aware of any material uncertainties or events which may have a significant impact on the Company's ability to operate as an on-going concern. Accordingly, the Directors have prepared the financial statements of the Company on an on-going concern basis. The responsibility of the auditors with respect to financial reporting are set out in the Report of the Auditors in this annual report.

Internal Control Systems

The Company has conducted a review of its system of internal control periodically to ensure an effective and adequate internal control system exists. The Company convened meeting periodically to discuss financial, operational and risk management control. The Directors consider that the Company has implemented a series of procedures for safeguarding the Company's assets against unauthorised use or misappropriation, maintaining accounting records properly and ensuring the reliability of financial information.

編製財務報表之責任

董事確認彼等有責任編製本公司之財務報表。於二零零七年三月三十一日，董事並不知悉任何可能嚴重影響本公司持續經營能力之重大不明朗因素或事件。因此，董事已按持續經營基準編製本公司之財務報表。核數師有關財務申報之責任載於本年報核數師報告內。

內部監控制度

本公司已定期檢討其內部監控制度，以確保已具備有效及足夠之內部監控制度。本公司定期召開會議商討財務、經營及風險管理監控。董事認為本公司已實施一系列程序保障本公司之資產免遭未經授權使用或挪用，並妥善存置會計紀錄及確保財務資料之可靠性。

Directors' Report 董事會報告

The Directors have pleasure in submitting the directors' report together with the audited financial statements of the Company and the Group for the year ended 31 March 2007.

The Company was incorporated in Cayman Islands on 21 May 2002 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 19 November 2003.

Principal Activities

The Group is principally engaged in the provision of beauty and slimming services from slimming centres, distribution sales of cosmetic and skin care products and sale of other health and beauty products. The slimming centres, which are operated under the "Sau San Tong" brand name, provide services such as whole and partial body slimming, weight management, body treatment services and facial treatment services to its customers.

Results

Details of the results and cash flow of the Group for the year ended 31 March 2007, and the state of affairs of the Company and of the Group as at that date, are set out in the financial statements on pages 35 to 90.

Subsequent events

Details of subsequent events are set out in note 36 to the financial statements on page 90.

Dividends

The Directors do not recommend the payment of a dividend (2006: Nil).

Summary Financial Information

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years is set out on page 4. The summary does not form part of the audited financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the financial statements on page 70.

董事欣然提呈本公司及本集團截至二零零七年三月三十一日止年度之董事會報告及經審核財務報表。

本公司於二零零二年五月二十一日根據開曼群島法律第22章公司法(一九六一年法例三, 經綜合及修訂), 於開曼群島註冊成立為獲豁免有限公司, 而其股份自二零零三年十一月十九日起於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

主要業務

本集團主要從事自纖體中心提供美容及纖體服務, 自分銷銷售化妝及護膚產品以及銷售其他保健及美容產品。纖體中心以「修身堂」品牌經營, 為客戶提供全身及局部纖體、體重管理、全身護理及面部護理等服務。

業績

本集團截至二零零七年三月三十一日止年度之業績及現金流量詳情, 以及本公司與本集團於該日之財務狀況載於第35至第90頁之財務報表內。

結算日後事項

結算日後事項詳情載於第90頁之財務報表附註36。

股息

董事並不建議派付股息(二零零六年: 無)。

財務資料概要

本集團在過去五個財政年度已公佈之業績及資產、負債及少數股東權益之概要已載於第4頁。此概要並不構成經審核財務報表之一部份。

物業、機器及設備

本集團物業、機器及設備之變動詳情載於第70頁之財務報表附註16。

Directors' Report 董事會報告

Share Capital

Details of the movements in share capital of the Company are set out in note 27 to the financial statements on page 79

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 29 to the financial statements and in the consolidated statement of changes in equity on page 84.

Distributable Reserves

Pursuant to the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, share premium and contributed surplus of the Company are distributable to the shareholders. As at 31 March 2007, the Company has no reserves available for distribution to shareholders.

Segment Information

An analysis of the Group's performance for the year by business and geographical segment is set out in note 7 to the financial statements on pages 60 to 62.

Share Option Information

A summary of the share option scheme and details of the movements in share options of the Company during the year are set out in note 28 to the financial statements on pages 79 to 83.

Directors

The Directors who held office during the year and up to the date of this annual report are:

Executive Directors

Dr. Cheung Yuk Shan, Shirley
Mr. Cheung Ka Heng, Frankie
Mr. Lee Man Kwong

Independent Non-Executive Directors

Mr. Ho Yiu Ming
Mr. Hong Po Kui, Martin
Mr. Li Kuo Hsing

In accordance with Article 87 of the Company's Articles of Association, Mr. Cheung Ka Heng, Frankie and Mr. Hong Po Kui, Martin will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

股本

本公司股本之變動詳情載於第79頁之財務報表附註27。

儲備

本集團與本公司於年內之儲備變動載於財務報表附註29及第84頁之綜合權益變動表內。

可分派儲備

根據開曼群島法律第22章公司法(一九六一年法例三,經綜合及修訂),本公司之股份溢價及繳入盈餘可分派予股東。於二零零七年三月三十一日,本公司並無可分派予股東之儲備。

分類資料

年內,本集團按業務及地域分類之表現分析載於第60至第62頁之財務報表附註7。

購股權資料

購股權計劃之概要及本公司於年內之購股權變動詳情載於第79至第83頁之財務報表附註28。

董事

直至本年報編製日期,年內在任董事包括以下人士:

執行董事

張玉珊博士
張嘉恒先生
李文光先生

獨立非執行董事

何耀明先生
康寶駒先生
李國興先生

根據本公司組織章程細則第87條,張嘉恒先生及康寶駒先生將於應屆股東週年大會退任並合資格膺選連任。

Directors' Report 董事會報告

The Company has received annual confirmations of independence from Mr. Hong Po Kui, Martin, Mr. Li Kuo Hsing and Mr. Ho Yiu Ming as at the date of this annual report and therefore still considers them to be independent.

Directors' and Senior Management's Biographies

Biographical details of the Directors of the Company and senior management of the Group as at the date of this annual report are set out on pages 18 to 19.

Directors' Service Contracts

Dr. Cheung Yuk Shan, Shirley and Mr. Cheung Ka Heng, Frankie each has entered into a service contract with the Company for a term of three years commencing 4 November 2003 and will continue thereafter for successive term of one year unless and until terminate by not less than six months' notice in writing served by either party to the other provided that such notice period shall not expire at any time during the first 12 calendar months of the term of the appointment.

Mr. Lee Man Kwong has entered into a service agreement with the Company for a term of two years commencing 20 March 2006, which can be terminated by not less than three months' notice in writing served by either party to the other.

Each of these Executive Directors is entitled to a basic salary and a discretionary bonus provided that the aggregate amount of the bonuses payable to all the Executive Directors for any financial year of the Company may not exceed 10% of the audited consolidated net profit of the Group (after taxation and minority interest but before extraordinary and exceptional items of the Group) in respect of the financial year.

The Independent Non-Executive Directors have been appointed for a term expiring on 31 July 2006 with the term being renewed for a further term of one year commencing from 1 August 2006. Save for a total fee of approximately HK\$121,000 for all of them for the year ended 31 March 2007, the Independent Non-Executive Directors are not entitled to any other remuneration.

於本年報日期，本公司已接獲康寶駒先生、李國興先生及何耀明先生就其獨立性發出之年度確認書，故仍認為彼等均為獨立。

董事及高級管理人員之履歷

於本年報日期，本公司董事及本集團高級管理人員之履歷詳情載於第18至第19頁。

董事之服務合約

張玉珊博士及張嘉恒先生分別與本公司訂有服務合約，由二零零三年十一月四日起計為期三年，並將於合約屆滿後續期一年，除非及直至任何一方向另一方發出至少六個月書面通知終止合約為止，惟有關通知期間不得於委任年期首12個月內任何時間屆滿。

李文光先生與本公司訂有服務合約，由二零零六年三月二十日起計為期兩年，可由任何一方向另一方發出至少三個月書面通知終止合約。

該等執行董事各自有權收取一筆基本薪金及酌情花紅，惟就本公司於任何財政年度應付全體執行董事之花紅總金額，不得超過有關財政年度本集團之經審核綜合純利(除稅及少數股東權益後但未計非經常性及特殊項目前)之10%。

獨立非執行董事獲委任之任期已於二零零六年七月三十一日屆滿，而有關年期已獲續訂一年，由二零零六年八月一日起計。除於截至二零零七年三月三十一日止年度支付予彼等全體之袍金合共約121,000港元外，獨立非執行董事無權享有任何其他酬金。

Directors' Report 董事會報告

Directors' Interests in Contracts

As at 31 March 2007, the Company has an amount due to Dr. Cheung Yuk Shan, Shirley of approximately HK\$5,585,000, details of which is set out in note 22 to the financial statements.

Save as disclosed above, none of the Directors had a material interest, whether directly or indirectly, in any contract of significance subsisting during or at the end of the financial year to which the Company or any of its subsidiaries was a party.

Directors' and Chief Executive's Interests and Short Positions in Shares

As at 31 March 2007, the interests or short positions of the Directors and the chief executive of the Company or their respective associates in shares and underlying shares (the "Shares") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and/or short positions which they are deemed or taken to have under such provisions of the SFO, or which will be required, pursuant to section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in shares of the Company:

Name of Director 董事姓名	Corporate interests 公司權益	Number of shares 股份數目		Total 總數	Approximate percentage of interest in the Company's issued share capital 佔於本公司 已發行股本 權益之概約百分比
		Personal interests 個人權益			
Dr. Cheung Yuk Shan, Shirley 張玉珊博士	293,200,000 (Note 1) (附註1)	81,070,000		374,270,000	56.12%

Note 1:

The 293,200,000 shares were held by Biochem Investments Limited ("Biochem"), a company incorporated in the British Virgin Islands with limited liability. The entire issued share capital of Biochem is wholly owned by Dr. Cheung Yuk Shan, Shirley.

董事之合約權益

於二零零七年三月三十一日，本公司應付張玉珊博士之款項約為5,585,000港元，其詳情載於財務報表附註22。

除上文所披露者外，董事概無於本公司或其任何附屬公司所訂立而於本財政年度內或結束時仍然存在之任何重大合約中直接或間接擁有重大權益。

董事及主要行政人員於股份之權益及淡倉

於二零零七年三月三十一日，本公司董事及主要行政人員或其各自之聯繫人士於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份（「股份」）中擁有權益或淡倉，而須根據證券及期貨條例第XV部第7及第8分部規定知會本公司及聯交所（包括根據證券及期貨條例之有關條文，其被視為或當作擁有之權益及／或淡倉），或根據證券及期貨條例第352條須要，或須根據創業板上市規則第5.46至5.67條知會本公司及聯交所者如下：

於本公司股份之好倉：

附註1：

上述293,200,000股股份由Biochem Investments Limited（「Biochem」）持有，Biochem為一間於英屬處女群島註冊成立之有限公司。Biochem之全部已發行股本由張玉珊博士全資擁有。

Directors' Report 董事會報告

Long position in underlying shares of the Company:

Share Option Scheme

The interests in the underlying shares of the Company arise from share options granted to the Directors of the Company under the Company's share option scheme, details of which are as follows:

於本公司相關股份之好倉：

購股權計劃

本公司相關股份之權益來自本公司根據購股權計劃授予本公司董事之購股權，其詳情如下：

Name of Director 董事姓名	Date of grant 授予日期	Exercisable period 行使期	Subscription Price per share 每股股份 認購價	Aggregate Long position in underlying Shares of the Company 於本公司 相關股份中 好倉之總數	Approximate percentage interest in the Company's issued share capital 佔本公司 已發行股本 權益之概約 百分比
Dr. Cheung Yuk Shan, Shirley 張玉珊博士	10 September 2004 二零零四年九月十日	10 September 2004 — 3 November 2013 二零零四年九月十日 至 二零一三年十一月三日	HK\$0.512 0.512港元	5,000,000	0.75%
Mr. Cheung Ka Heng, Frankie 張嘉恒先生	10 September 2004 二零零四年九月十日	10 September 2004 — 3 November 2013 二零零四年九月十日 至 二零一三年十一月三日	HK\$0.512 0.512港元	5,000,000	0.75%

Note 1:

The above interest constitutes a long position of the Director in a physically settled equity derivative for the purpose of the SFO.

Save as disclosed above, as at 31 March 2007, none of the Directors or chief executive of the Company or their respective associates has any personal, family, corporate or other interests or short positions in the Shares of the Company or its associated (within the meaning of Part XV of SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the minimum standard of dealings by Directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, are required to be notified to the Company and the Exchange.

附註 1：

就證券及期貨條例而言，上述權益構成董事於以實物結算股本衍生工具之好倉。

除上文所披露者外，於二零零七年三月三十一日，本公司董事、主要行政人員或其各自之聯繫人士概無於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份中，擁有任何記錄於根據證券及期貨條例第352條規定存置之登記冊中，或根據創業板上市規則第5.46至5.67條所述本公司董事進行交易之最低標準須知會本公司及聯交所之個人、家族、公司或其他權益或淡倉，而須知會本公司及聯交所。

Directors' Report 董事會報告

Substantial Shareholders' Interests and Short Positions in Shares

As at 31 March 2007, so far was known to any Directors or chief executive of the Company, the following interests of which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who were deemed to be directly or indirectly interested in 5% or more of the issued capital of the Company, or which were recorded in the register of interests required to be kept under Section 336 of the SFO or have notified to the Company were as follows:

Long position in Shares:

Substantial shareholder 主要股東	Capacity 身份	Number of shareholding 持股數目		Number of share options held 所持 購股權數目
		Share 股份	Percentage 百分比	
Biochem	Beneficial owner 實益擁有人	293,200,000	43.96%	—
Dr. Cheung Yuk Shan, Shirley 張玉珊博士	Beneficial owner 實益擁有人	81,070,000	12.16%	5,000,000

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the heading "Directors and Chief Executive's Interests and Short Positions in Shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Competing Interests

None of the Directors or substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) has any interest in a business which compete or might compete with the business of the Group.

主要股東於股份之權益及淡倉

於二零零七年三月三十一日，就本公司任何董事或主要行政人員所知，下列權益根據證券及期貨條例第XV部第2及第3分部須予披露，或被視為直接或間接擁有本公司已發行股本5%或以上，或須記錄於根據證券及期貨條例第336條規定存置之權益登記冊或知會本公司者如下：

於股份之好倉：

董事收購股份或債券之權利

除上文「董事及主要行政人員於股份之權益及淡倉」一節所披露者外，任何董事、其各自之配偶或未滿十八歲之子女於年內任何時間概無獲授權利以藉收購本公司之股份或債券而獲益，而彼等亦無行使該等權利；且本公司、其控股公司、或其任何附屬公司或同系附屬公司概無訂立任何安排致使董事可獲得任何其他法人團體之該等權利。

競爭性權益

本公司董事、主要股東或其各自之聯繫人士（定義見創業板上市規則）並無在與本集團業務構成競爭或可能構成競爭之業務中擁有任何權益。

Directors' Report 董事會報告

Purchase, Sale or Redemption of Listed Securities of the Company

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

Major Customers and Suppliers

During the year, purchases from the Group's five largest suppliers accounted for 97.36% (2006: 93.74%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 48.17% (2006: 54.99%). Sales to the Group's five largest customers accounted for 21.49% (2006: 16.72%) of the total sales for the year.

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

Principal Subsidiaries

The activities of the Company's subsidiaries are set out in note 17 to the financial statements.

Charitable Donations

Charitable donations made by the Group during the year amounted to approximately HK\$200,000.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands.

Audit Committee

The Group has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. Details of the role and work performed by the committee are set out in "Corporate Governance Report" in this annual report.

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司概無於年內購買、贖回或出售本公司任何上市證券。

主要客戶及供應商

年內，本集團自其五大供應商之採購佔其年度總採購額之97.36%（二零零六年：93.74%），而自當中最大供應商之採購達48.17%（二零零六年：54.99%）。本集團之五大客戶之銷售佔其年度總銷售額之21.49%（二零零六年：16.72%）。

本公司董事或其任何聯繫人士或任何股東（就董事所知，彼等擁有之股本超過本公司已發行股本之5%）於本集團五大供應商中概無擁有任何實益權益。

主要附屬公司

本公司附屬公司之業務載於財務報表附註17。

慈善捐款

本集團於年內撥出之慈善捐款達約200,000港元。

優先購買權

本公司之組織章程細則並無訂明任何有關優先購買權之條文，而開曼群島法律亦無就該等權利設置任何限制。

審核委員會

本集團已遵照創業板上市規則第5.28至5.33條之規定成立審核委員會，並以書面訂立其職權範圍。委員會之角色及所進行之工作詳情載於本年報「企業管治報告」內。

Directors' Report 董事會報告

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Director on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Auditors

The accounts were audited by CCIF CPA Limited. A resolution to re-appoint the retiring auditors, CCIF CPA Limited, is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Cheung Yuk Shan, Shirley
Chairman

Hong Kong, 20 June 2007

有關董事進行證券交易之行為守則

本公司已就董事進行證券交易採納一套條款與載於創業板上市規則第5.48至5.67條之交易必守標準同樣嚴格之行為守則，作為董事進行證券交易之行為守則。在向所有董事作出特別查詢後，本公司確定所有董事均已遵守載於創業板上市規則第5.48至5.67條所述之交易必守標準。

核數師

該等賬目乃由陳葉馮會計師事務所有限公司審核。本公司將於應屆股東週年大會上提呈一項決議案，續聘退任核數師陳葉馮會計師事務所有限公司。

代表董事會

主席
張玉珊

香港，二零零七年六月二十日



CCIF CPA LIMITED

20th Floor
Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAU SAN TONG HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sau San Tong Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 90, which comprise the consolidated and company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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



陳葉馮會計師事務所有限公司

香港 銅鑼灣
希慎道10號
新寧中心
20樓

致修身堂控股有限公司各股東 (於開曼群島註冊成立之有限公司) 之獨立核數師報告

本核數師已審核刊載於第35至第90頁修身堂控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，當中包括於二零零七年三月三十一日之綜合及公司資產負債表以及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策之概要及其他說明附註。

董事對財務報表之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製並真實而公平地呈列該等財務報表。此責任包括設計、實行及維持與編製並真實而公平地呈列財務報表相關之內部監控，以確保其並無存有重大錯誤陳述(不論由欺詐或錯誤引起)；選擇並應用適當會計政策；及因應不同情況作出合理之會計估計。

核數師之責任

本核數師有責任依據本核數師之審核發表有關該等財務報表之意見。本報告僅向閣下(作為團體)作出，除此以外並無其他目的。就本報告之內容而言，本核數師不會向任何其他人士承擔或接納任何責任。

Independent Auditor's Report 獨立核數師報告

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 March 2007 and of the Group's loss 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.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 20 June 2007

Chan Wai Dune, Charles
Practising Certificate Number P00712

本核數師乃按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則規定本核數師遵守道德規範，並策劃及進行審核工作，以就財務報表是否存有重大錯誤陳述，作出合理之確定。

審核工作涉及進程序，以取得財務報表所載有關金額及披露事項之審核憑證。所選取之程序取決於核數師之判斷，包括評估財務報表之重大錯誤陳述（不論其由欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師考慮與實體編製並真實而公平地呈列之財務報表相關之內部監控，以因應不同情況設計適當審核程序，惟並非旨在就實體內部監控是否有效作出意見。審核工作亦包括評估董事所採用之會計政策是否適當及所作出之會計估計是否合理，並對財務報表之整體呈列方式作出評估。

本核數師相信，本核數師已獲得充分恰當之審核憑證，以為本核數師之審核意見提供基礎。

意見

本核數師認為，根據香港財務報告準則，綜合財務報表真實而公平地反映 貴公司與 貴集團於二零零七年三月三十一日之財務狀況，以及 貴集團截至該日止年度之虧損與現金流量，並已根據香港公司條例之披露規定妥善編製。

陳葉馮會計師事務所有限公司
香港執業會計師
香港，二零零七年六月二十日

陳維端
執業證明書編號P00712

Consolidated Income Statement 綜合收益表

For the Year Ended 31 March 2007 截至二零零七年三月三十一日止年度

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover	營業額	6	443,588	358,650
Cost of sales	銷售成本		(348,164)	(276,363)
Gross profit	毛利		95,424	82,287
Other revenue	其他收益	6	7,408	1,775
Selling and distribution costs	銷售及分銷成本		(65,370)	(92,359)
General and administrative expenses	一般及行政開支		(45,505)	(52,467)
Other operating expenses	其他經營開支		(7)	(3,770)
Loss from operations	經營虧損		(8,050)	(64,534)
Finance costs	融資成本	8	(666)	(144)
Gain on partial disposal of interest in a subsidiary	出售一間附屬公司 部份權益之收益		—	6,009
Loss before taxation	除稅前虧損	9	(8,716)	(58,669)
Taxation	稅項	11	(7,231)	(2,759)
Loss for the year	年內虧損		(15,947)	(61,428)
Attributable to:	歸屬於：			
Equity holders of the Company	本公司權益持有人	12	(21,457)	(59,901)
Minority interests	少數股東權益		5,510	(1,527)
			(15,947)	(61,428)
Dividends	股息	13	—	—
Loss per share	每股虧損	14	(3.22) cents 仙	(9.11) cents仙
Basic	基本			
Diluted	攤薄		N/A 不適用	(9.11) cents仙

The notes on pages 41 to 90 form an integral part of these financial statements.

第41至第90頁之附註乃此等財務報表之其中部份。

Balance Sheets 資產負債表

As at 31 March 2007 於二零零七年三月三十一日

		Notes 附註	Group 本集團		Company 本公司		
			2007	2006	2007	2006	
			二零零七年 HK\$'000 千港元	二零零六年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	二零零六年 HK\$'000 千港元	
Non-current assets	非流動資產						
Goodwill	商譽	15	250	177	—	—	—
Property, plant and equipment	物業、機器及設備	16	19,978	23,019	—	—	—
Deferred tax assets	遞延稅項資產	24	—	366	—	—	—
Investment in subsidiaries	於附屬公司之投資	17	—	—	4	—	3,663
			20,228	23,562	4	—	3,663
Current assets	流動資產						
Inventories	存貨	18	15,864	10,158	—	—	—
Due from subsidiaries	應收附屬公司款項	17	—	—	18,104	—	31,616
Due from minority shareholders	應收少數股東款項	19	10,327	—	—	—	—
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		16,863	17,004	114	—	419
Trade receivables	應收貿易款項	20	24,678	25,258	—	—	—
Cash and bank balances	現金及銀行結餘	21	20,533	21,005	314	—	582
			88,265	73,425	18,532	—	32,617
Current liabilities	流動負債						
Bank borrowings	銀行借貸	25	10,110	—	—	—	—
Due to a director	應付一名董事款項	22	5,585	2,953	5,585	—	2,953
Due to subsidiaries	應付附屬公司款項	17	—	—	4,903	—	2,338
Due to minority shareholders	應付少數股東款項	19	—	16,385	—	—	—
Trade payables	應付貿易款項	23	16,312	15,534	—	—	—
Obligations under finance leases	融資租賃承擔	26	834	—	—	—	—
Deferred income	遞延收入		23,415	22,166	—	—	—
Other payables and accruals	其他應付款項及應計款項		22,827	3,620	939	—	941
Taxation payable	應付稅項		3,470	642	—	—	—
			82,553	61,300	11,427	—	6,232
Net current assets	流動資產淨額		5,712	12,125	7,105	—	26,385
Total assets less current liabilities	資產總額減流動負債		25,940	35,687	7,109	—	30,048
Non-current liabilities	非流動負債						
Obligations under finance leases	融資租賃承擔	26	232	—	—	—	—
Net assets	資產淨額		25,708	35,687	7,109	—	30,048

Balance Sheets 資產負債表

As at March 2007 於二零零七年三月三十一日

		Notes 附註	Group 本集團		Company 本公司	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Capital and reserves	資本及儲備					
Share capital	股本	27	6,669	6,669	6,669	6,669
Reserves	儲備	29	2,403	23,687	440	23,379
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		9,072	30,356	7,109	30,048
Minority interests	少數股東權益		16,636	5,331	—	—
Total equity	權益總額		25,708	35,687	7,109	30,048

Approved and authorised for issue by the board of directors on 20 June 2007. 董事會於二零零七年六月二十日批准及授權刊發。

On behalf of the board
代表董事會

Cheung Yuk Shan, Shirley
張玉珊
Director
董事

Cheung Ka Heng, Frankie
張嘉恒
Director
董事

The notes on pages 41 to 90 form an integral part of these financial statements.

第41至第90頁之附註乃此等財務報表之其中部份。

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

For the Year Ended 31 March 2007 截至二零零七年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔										
		Share capital	Share premium	Merger reserve	Exchange reserves	Employee share-based compensation reserve	Statutory surplus reserve	Capital reserve	Retained profits/ losses (Accumulated)	Total	Minority interests	Total equity
		股本	股份溢價	合併儲備	滙兌儲備	僱員股份付款補償儲備	法定公積金	資本儲備	保留盈利/ (累計虧損)	合共	股東權益	權益總額
		HK\$'000	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	千港元
At 1 April 2005	於二零零五年四月一日	6,569	41,527	(3,652)	12	—	—	—	46,945	91,401	(42)	91,359
Placing of new shares	配售新股	100	3,900	—	—	—	—	—	—	4,000	—	4,000
Share issuance costs	股份發行成本	—	(85)	—	—	—	—	—	—	(85)	—	(85)
Equity settled share-based transactions	權益支付之股份交易	—	—	—	—	2,219	—	—	—	2,219	—	2,219
Loss for the year	年內虧損	—	—	—	—	—	—	—	(59,901)	(59,901)	(1,527)	(61,428)
Transfer	轉讓	—	—	—	—	—	395	—	(395)	—	—	—
Exchange adjustments	滙兌調整	—	—	—	(56)	—	4	—	—	(52)	(8)	(60)
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	—	—	—	—	—	—	1,963	1,963
Equity contribution by minority shareholders	少數股東注入權益	—	—	—	—	—	—	—	—	—	4,945	4,945
Dividends	股息	—	—	—	—	—	—	—	—	—	—	—
— 2005 final dividend	— 二零零五年末期股息	—	—	—	—	—	—	—	(7,226)	(7,226)	—	(7,226)
At 31 March 2006	於二零零六年三月三十一日	6,669	45,342	(3,652)	(44)	2,219	399	—	(20,577)	30,356	5,331	35,687
At 1 April 2006	於二零零六年四月一日	6,669	45,342	(3,652)	(44)	2,219	399	—	(20,577)	30,356	5,331	35,687
Increase in capital reserve	資本儲備增加	—	—	—	—	—	—	100	—	100	95	195
(Loss)/profit for the year	年內(虧損)/溢利	—	—	—	—	—	—	—	(21,457)	(21,457)	5,510	(15,947)
Share options forfeited	沒收購股權	—	—	—	—	(462)	—	—	462	—	—	—
Transfer	轉讓	—	—	—	—	—	27	—	(27)	—	—	—
Exchange adjustments	滙兌調整	—	—	—	55	—	18	—	—	73	236	309
Equity contribution by minority shareholders	少數股東注入權益	—	—	—	—	—	—	—	—	—	5,391	5,391
Reduction in minority interests on acquisition of additional interest in a subsidiary by the Group	本集團收購一間附屬公司額外權益時少數股東權益減少	—	—	—	—	—	—	—	—	—	73	73
At 31 March 2007	於二零零七年三月三十一日	6,669	45,342	(3,652)	11	1,757	444	100	(41,599)	9,072	16,636	25,708

The notes on pages 41 to 90 form an integral part of these financial statements.

第41至第90頁之附註乃此等財務報表之其中部份。

Consolidated Cash Flow Statement 綜合現金流量表

For the Year Ended 31 March 2007 截至二零零七年三月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	經營活動現金流入／(流出)淨額		
Loss before taxation	除稅前虧損	(8,716)	(58,669)
Adjustments for:	經以下調整：		
Depreciation	折舊	9,084	10,276
Employee share option costs	僱員購股權成本	—	2,219
Gain on disposal of property, plant and equipment	出售物業、機器 及設備之收益	(427)	—
Gain on partial disposal of interest in a subsidiary	出售一間附屬公司部份權益 之收益	—	(6,009)
Impairment on amount due from a minority shareholder	應收一名少數股東 款項之減值	—	3,000
Impairment on trade receivables	應收貿易款項之減值	7	128
Interest income	利息收入	(125)	(61)
Interest expenses	利息開支	666	144
Write-down on inventories	撇減存貨	—	643
Operating profit/(loss) before working capital changes	營運資金變動前之 經營溢利／(虧損)	489	(48,329)
Increase in inventories	存貨增加	(5,706)	(10,016)
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項 減少	141	18,593
Decrease/(increase) in trade receivables	應收貿易款項減少／(增加)	573	(20,691)
Increase in trade payables	應付貿易款項增加	778	12,526
Increase in deferred income	遞延收入增加	1,249	10,971
Increase in due to a director	應付一名董事款項增加	2,632	2,953
(Increase)/decrease in due from minority shareholders	應收少數股東款項 (增加)／減少	(10,327)	13,369
(Decrease)/increase in due to minority shareholders	應付少數股東款項 (減少)／增加	(16,385)	16,385
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項 增加／(減少)	19,207	(927)
Cash used in operations	用於經營業務之現金	(7,349)	(5,166)
Income tax paid	已付所得稅	(4,036)	(5,186)
Interest received	已收利息	125	61
Interest paid	已付利息	(666)	(144)
NET CASH USED IN OPERATING ACTIVITIES	用於經營活動 之現金淨額	(11,926)	(10,435)

Consolidated Cash Flow Statement 綜合現金流量表

For the Year Ended 31 March 2007 截至二零零七年三月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購入物業、機器及設備	(7,868)	(11,812)
Acquisition of a subsidiary (Note 30)	收購一間附屬公司(附註30)	—	2,214
Acquisition of additional interest in a subsidiary	收購一間附屬公司之額外權益	(1)	—
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	2,540	—
Proceeds from partial disposal of interest in a subsidiary	出售一間附屬公司部份權益之所得款項	—	6,000
NET CASH USED IN INVESTING ACTIVITIES	用於投資活動之現金淨額	(5,329)	(3,598)
FINANCING ACTIVITIES	融資活動		
Proceeds from placing of new shares	配售新股之所得款項	—	4,000
Share issuance expenses	股份發行開支	—	(85)
Inception of bank loans	新增銀行貸款	10,110	—
Inception of obligations under finance lease	新增融資租賃承擔	1,645	—
Repayment of finance leases	償還融資租賃	(579)	—
Reduction in minority interests on acquisition of additional interest in a subsidiary by the Group	於本集團收購一間附屬公司額外權益時之少數股東權益減少	73	—
Increase in capital reserve	資本儲備增加	195	—
Capital contribution by minority shareholders	少數股東之資本貢獻	5,391	4,945
Dividend paid	已付股息	—	(7,226)
NET CASH GENERATED FROM FINANCING ACTIVITIES	來自融資活動之現金淨額	16,835	1,634
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物減少淨額	(420)	(12,399)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及現金等值物	21,005	33,454
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	匯率變動影響淨額	(52)	(50)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等值物	20,533	21,005
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘之分析		
Cash and bank balances	現金及銀行結餘	20,533	21,005

The notes on pages 41 to 90 form an integral part of these financial statements.

第41至第90頁之附註乃此等財務報表之其中部份。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

1. Corporate Information

The Company was incorporated in the Cayman Islands on 21 May 2002 as an exempted company with limited liability under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 19 November 2003.

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 17 to the financial statements.

2. Application of New and Revised Hong Kong Financial Reporting Standards

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

The Group has not early applied the following new standards, amendment and interpretations that have been issued but are not yet effective. The Group anticipates that the application of new standards, amendment and interpretations will have no material impact on the financial information of the Group.

HKAS 1 (Amendment)	Capital disclosures (effective for annual periods beginning on or after 1 January 2007)
HKFRS 7	Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2007)
HKFRS 8	Operating segments (effective for annual periods beginning on or after 1 January 2009)
HK(IFRIC) — Int 8	Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006)
HK(IFRIC) — Int 9	Reassessment of embedded derivative (effective for annual periods beginning on or after 1 June 2006)
HK(IFRIC) — Int 10	Interim financial reporting and impairment (effective for annual periods beginning on or after 1 November 2006)

1. 公司資料

本公司於二零零二年五月二十一日根據開曼群島公司法第二十二章(一九六一年法例三，經綜合及修訂)於開曼群島註冊成立為獲豁免有限責任公司，而其股份自二零零三年十一月十九日起在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司註冊辦事處及主要營業地點於年報「公司資料」一節內披露。

本公司為一間投資控股公司。其主要附屬公司之主要業務載於財務報表附註17。

2. 應用新訂及經修訂香港財務報告準則

本集團於本年度首次採用香港會計師公會(「香港會計師公會」)所頒佈之多項新準則、修訂及詮釋(「新香港財務報告準則」)，該等準則於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效。採納新香港財務報告準則對如何編製及呈列本會計年度及過往會計年度之業績並無構成重大影響。

本集團並無提早採用下列已頒佈但尚未生效之新準則、修訂及詮釋。本集團預期，採用新準則、修訂及詮釋將不會對本集團之財務資料有任何重大影響。

香港會計準則第1號(修訂本)	資本披露(於二零零七年一月一日或之後開始之年度期間生效)
香港財務報告準則第7號	金融工具：披露(於二零零七年一月一日或之後開始之年度期間生效)
香港財務報告準則第8號	經營分類(於二零零九年一月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) — 詮釋第8號	香港財務報告準則第2號之範疇(於二零零六年五月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) — 詮釋第9號	重估嵌入式衍生工具(於二零零六年六月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) — 詮釋第10號	中期財務報告及減值(於二零零六年十一月一日或之後開始之年度期間生效)

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

2. Application of New and Revised Hong Kong Financial Reporting Standards (Continued)

HK(IFRIC) — Int 11	HKFRS 2: Group and treasury share transactions (effective for annual periods beginning on or after 1 March 2007)
HK(IFRIC) — Int 12	Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)

3. Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

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

a) Basis of consolidation

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

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

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

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

2. 應用新訂及經修訂香港財務報告準則(續)

香港(國際財務報告詮釋委員會) — 詮釋第11號	香港財務報告準則第2號：集團及庫存股份交易(於二零零七年三月一日或之後開始之年度期間生效)
香港(國際財務報告詮釋委員會) — 詮釋第12號	服務特許安排(於二零零八年一月一日或之後開始之年度期間生效)

3. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，惟按以公平值計量之若干金融工具除外。

綜合財務報表乃根據由香港會計師公會頒佈之新香港財務報告準則編製。此外，綜合財務報表包括一切聯交所創業板證券上市規則及香港公司條例規定之適用披露。

a) 綜合賬目之基準

綜合財務報表載有本公司及由本公司控制之實體(包括特殊目的實體)之財務報表。當本公司有權規管一間實體之財務及經營政策，以於其業務中獲取利益時，即達致控制權。

年內所收購或出售附屬公司之業績乃自收購生效日期起或截至出售生效日期止(如適用)計入綜合收益表內。

如有需要，附屬公司之財務報表將作調整，以使其會計政策與本集團其他成員公司所用者一致。

所有公司間之交易、結餘、收入及開支均於綜合賬目時抵銷。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

a) Basis of consolidation (Continued)

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.

b) Interests in subsidiaries

A subsidiary is a company controlled by the Company. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

In the Company's balance sheet, interests in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale.

c) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's share of fair value of the identifiable assets and liabilities acquired on acquisitions of subsidiaries.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment. On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Negative goodwill arising on acquisitions of subsidiaries represents the excess of the Group's share of the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition. Negative goodwill is recognised immediately in the consolidated income statement as it arises.

3. 主要會計政策(續)

a) 綜合賬目之基準(續)

於已綜合附屬公司資產淨額之少數股東權益與本集團之權益分開呈列。於資產淨額之少數股東權益包括於原有業務合併日期之該等權益金額，以及合併日期以來少數股東應佔權益變動。少數股東應佔虧損超出少數股東於附屬公司權益之金額將與本集團之權益對銷，惟於少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損者除外。

b) 於附屬公司之權益

附屬公司指由本公司控制之公司。倘本公司有權直接或間接規管其財務及經營政策，以於其業務中獲取利益，則附屬公司被視為受控制。

於本公司之資產負債表，於附屬公司之權益乃按成本減減值虧損列賬，惟已分類為持作出售之投資則除外。

c) 商譽

因綜合賬目而產生之正商譽指收購成本超出本集團於收購附屬公司應佔所收購之可識別資產及負債公平值之數額。

商譽按成本減任何累計減值虧損列賬。商譽乃分配至現金產生單位，且不再進行攤銷，惟會每年作出減值測試。其後出售附屬公司時，資本化商譽之應佔金額計入出售所得溢利或虧損之金額。

因收購附屬公司而產生之負商譽指本集團應佔所收購之可識別資產及負債公平值超出收購成本之數額。負商譽於產生時即時在綜合收益表內確認。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

d) 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 discount and sales related taxes.

- i) Revenues from the distribution sales of cosmetic and skin care products and the sale of other health and beauty products are recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- ii) Revenue from the provision of beauty and slimming services is recognised in proportion to when services are rendered. Payments that are related to services not yet rendered are deferred and shown as deferred income in balance sheet. Upon expiry of the prepaid service packages, the corresponding deferred income is fully recognised.
- iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.
- iv) Management and consultancy fee income is recognised when services are rendered.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment are depreciated at rates sufficient to write off their cost over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Furniture and fixtures	20%
Leasehold improvements	Over the lease terms
Machinery	20%
Motor vehicles	15% — 30%
Office equipment	15% — 20%

3. 主要會計政策(續)

d) 收益之確認

收益按已收或應收代價之公平值計量，指在一般業務過程中出售貨品及提供服務所應收之金額，扣除折扣及銷售相關稅項。

- i) 分銷銷售化妝及護膚產品及銷售其他保健及美容產品之收益會在擁有權之風險及回報轉移予客戶後確認入賬，一般與貨品送交客戶及所有權轉移時同時發生。
- ii) 提供美容及纖體服務之收益會在提供服務後按比例確認入賬。有關尚未提供之服務之款項會予以遞延，並於資產負債表列為遞延收入。於預付服務組合屆滿時，將全數確認相應之遞延收入。
- iii) 利息收入按未償還本金金額及適用利率按時間比例確認入賬。
- iv) 管理及諮詢費收入乃於提供服務時確認。

e) 物業、機器及設備

物業、機器及設備乃按成本減累計折舊及累計減值虧損列賬(如有)。

物業、機器及設備是以直線法基準按其估計可使用年期撇銷其成本之年率折舊。主要年折舊率如下：

傢俬及固定裝置	20%
租賃物業裝修	在租約期內
機器	20%
汽車	15% — 30%
辦公室設備	15% — 20%

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

e) Property, plant and equipment (Continued)

Major costs incurred in restoring property, plant and equipment to their normal working conditions are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives to the Group.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected. Gain or loss on derecognition of property, plant and equipment, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the period the item is derecognised.

f) Inventories

Inventories are stated at the lower of cost and net realisable value and is calculated using the first-in, first-out method. Net realisable value represents the estimate selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

h) Operating leases

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

3. 主要會計政策(續)

e) 物業、機器及設備(續)

為回復物業、機器及設備之正常操作情況而產生之重大成本在收益表內扣除。裝修均資本化，並按其對本集團之估計可使用年期折舊。

物業、機器及設備項目於出售或預期不會有未來經濟效益時解除確認。解除確認物業、機器及設備之盈虧乃按出售所得款項淨額與該項目賬面值之差額計算，並計入解除確認該項目期間之收益表內。

f) 存貨

存貨乃以成本及可變現淨值(兩者之較低者)入賬，並以先進先出法計算。可變現淨值指估計售價減去完成之所有估計成本，及於市場推廣、銷售及分銷時產生之成本。

g) 應收貿易款項及其他應收款項

應收貿易款項及其他應收款項初步以公平值確認，其後則採用實際利率法按攤銷成本減去減值撥備計量。倘有客觀憑證顯示本集團將無法按應收款項之原有條款收回全數金額，即就應收貿易款項及其他應收款項設定減值撥備。債務人出現重大財務困難、債務人可能進行破產或財務重組，及拖欠或未能支付款項均被視為應收貿易款項出現減值之指標。撥備金額為資產賬面值與按實際利率貼現之估計未來現金流量之現值之差額。撥備金額於收益表中確認。

h) 經營租賃

根據經營租賃之應付租金乃按直線法於有關租賃期在收益表內扣除。作為訂立經營租賃獎勵之已收及應收利益以直線法按租賃期確認為租金開支之減少。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

i) Foreign currencies

These financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency. 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, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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.

3. 主要會計政策(續)

i) 外幣

此等財務報表以本公司之功能及呈列貨幣港元呈列。編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃以其各自之功能貨幣(即該實體經營之主要經濟環境貨幣)按交易日期之現行匯率記錄。於各結算日，以外幣為單位之貨幣項目以結算日之現行匯率重新換算。以外幣為單位並以公平值列賬之非貨幣項目按釐定公平值當日之現行匯率重新換算。以外幣為單位並按歷史成本計量之非貨幣項目則不會重新換算。

結算貨幣項目及換算貨幣項目所產生滙兌差額於產生期間在盈虧內確認，惟組成本公司於海外業務投資淨額之貨幣項目產生之滙兌差額除外，於此情況下，該等滙兌差額於綜合財務報表內確認為權益。重新換算以公平值列賬之非貨幣項目所產生之滙兌差額則於有關期間計入損益，惟重新換算損益直接於權益確認之非貨幣項目而產生之滙兌差額除外，於此情況下，該等滙兌差額亦直接於權益確認。

就綜合財務報表之呈列而言，本集團海外業務之資產及負債按結算日之現行匯率換算為本集團之呈列貨幣(即港元)，而其收入及開支按年內平均匯率換算，惟期內匯率出現重大波幅除外，於此情況下，將採用交易日期之現行匯率換算。所產生滙兌差額(如有)確認為權益之獨立部份(滙兌儲備)。該等滙兌差額於該項海外業務出售期間在損益內確認。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

i) Foreign currencies (Continued)

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

j) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

k) Impairment of assets

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

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

l) 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 instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are 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)

i) 外幣(續)

因收購海外業務而產生之已收購可識別資產之公平值調整將當作該海外業務之資產及負債，並按結算日之現行匯率換算。所產生之滙兌差額於滙兌儲備確認。

j) 借貸成本

所有借貸成本於產生期間確認為溢利或虧損。

k) 資產減值

於各結算日，本集團均會檢討其有形及無形資產之賬面值以釐定是否有任何跡象顯示該等資產出現減值虧損。倘估計資產之可收回金額少於其賬面值，有關資產之賬面值將減少至其可收回金額。減值虧損即時確認為開支。

當減值虧損於其後撥回，則有關資產之賬面值須調升至其經修訂之估計可收回金額，惟該調升之賬面值不得超過假設過往年度並無確認任何減值虧損而將釐定之資產賬面值。減值虧損撥回即時確認為收入。

l) 金融工具

當一間集團實體成為工具合約條文之一方，則在資產負債表內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直接應佔之交易成本(按公平值計入損益之金融資產及金融負債除外)乃於初步確認時加入或扣除自金融資產或金融負債之公平值(如適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時在損益內確認。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

l) Financial instruments (Continued)

Financial assets

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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 period in which they arise.

3. 主要會計政策(續)

l) 金融工具(續)

金融資產

本集團之金融資產分類為四個類別之一，包括按公平值計入損益之金融資產、貸款及應收款項、持至到期日之投資及可供出售金融資產。按正常途徑買賣金融資產按交易日為基準確認及解除確認。按正常途徑買賣指金融資產之買賣均按市場規則或慣例於既定時限內交付資產。就各類別金融資產所採納會計政策載列於下文。

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有兩個分類，包括持作買賣及於初步確認時指定為按公平值計入損益之金融資產。

倘出現下列情況，持作買賣金融資產以外之金融資產可於初步確認時指定為按公平值計入損益：

- 有關指定撤銷或大幅減低計量或確認可能出現不一致之情況；或
- 金融資產組成金融資產或金融負債類別或二者之其中部份，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而有關分類資料則按該基準由內部提供；或
- 金融資產組成包含一項或多項嵌入式衍生工具之合約其中部分，而香港會計準則第39號准許整份合併合約(資產或負債)指定為按公平值計入損益。

於初步確認後之各結算日，按公平值計入損益之金融資產按公平值計量，而公平值變動乃直接於產生期之損益內確認。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

l) Financial instruments (Continued)

Loans and receivables

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

Held-to-maturity investment

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed on initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策(續)

l) 金融工具(續)

貸款及應收款項

貸款及應收款項指設有固定或待定付款金額之非衍生金融資產，且並無在活躍市場掛牌。於初步確認後各結算日，貸款及應收款項(包括應收貿易款項、預付款項、按金及其他應收款項)採用實際利率法按已攤銷成本減去任何已識別減值虧損列賬。倘有客觀憑證顯示資產出現減值，則減值虧損於損益確認，並按資產賬面值及原有實際利率貼現之估計未來現金流量現值之差額計量。倘資產可收回金額增加並客觀上與確認減值後發生之事件相關，則減值虧損於其後期間撥回，惟以撥回減值日期之資產賬面值不超過在並無確認減值之情況下而將予攤銷之成本為限。

持至到期日之投資

持至到期日之投資指設有固定或待定付款金額之非衍生性金融資產，且具備固定到期時間，而本集團管理層確實有意及有能力持至到期為止。於初步確認後各結算日，持至到期日之投資乃採用實際利率法按已攤銷成本減去任何已識別減值虧損計量。倘有客觀憑證顯示資產出現減值，則減值虧損於損益確認，並按資產賬面值及初步確認時計算之實際利率貼現之估計未來現金流量現值之差額計量。倘投資之可收回金額增加並客觀上與確認減值後發生之事件相關，則減值虧損於其後期間撥回，惟以撥回減值日期之資產賬面值不超過在並無確認減值之情況下而將予攤銷之成本為限。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

l) Financial instruments (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are either designated as available for sale or are not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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 and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

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.

3. 主要會計政策(續)

l) 金融工具(續)

可供出售金融資產

可供出售金融資產為指定作可供出售或並未分類為任何其他類別(如上文所載)之非衍生性金融資產。於初步確認後各結算日,可供出售金融資產按公平值計量。公平值變動在權益內確認,直至金融資產獲出售或釐定出現減值為止,屆時先前在權益內確認之累計收益或虧損會自權益剔除,並在損益內確認。可供出售金融資產之任何減值虧損在損益內確認。可供出售股本投資之減值虧損將不會於其後期間撥回。就可供出售債務投資而言,倘投資之公平值增加在客觀上與確認減值虧損後發生後之事件相關,則減值虧損於其後撥回。

就在活躍市場上並無報價及其公平值未能可靠計量之可供出售股本投資以及與該等非上市股本工具有關並須以交付該等股本工具結算之衍生工具而言,於首次確認後各結算日均按成本減去任何已識別減值虧損計量。倘有客觀憑證顯示資產出現減值,則在損益內確認減值虧損。減值虧損之金額按資產賬面值及類似金融資產之現行市場回報率貼現估計未來現金流量之現值之差額計量。有關減值虧損將不會於其後期間撥回。

金融負債及權益

一間集團實體發行之金融負債及股本工具按所訂立合約安排之實質內容以及金融負債及股本工具之定義分類。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

l) Financial instruments (Continued)

Financial liabilities and equity (Continued)

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including trade payables, other payables and accruals, bank borrowings and obligations under finance leases 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.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expired). The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

3. 主要會計政策(續)

l) 金融工具(續)

金融負債及權益(續)

股本工具為顯示集團資產經扣除其所有負債後之剩餘權益之任何合約。本集團之金融負債一般分類作其他金融負債。所採納有關財務負債及股本工具之會計政策載列如下。

其他金融負債

其他金融負債包括應付貿易款項、其他應付款項及應計款項、銀行借貸及融資租賃承擔，乃於其後採用實際利率法按已攤銷成本計量。

股本工具

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後記錄入賬。

解除確認

金融資產於自資產收取現金流量之權利屆滿或金融資產已轉讓且本集團已轉讓金融資產所有權之絕大部分風險及回報時解除確認。於解除確認金融資產時，資產賬面值與已收代價及已直接在權益內確認之累計收益或虧損之總和之差額在損益內確認。

金融負債乃自本集團資產負債表剔除(即於有關合約所指定責任獲解除、註銷或屆滿時)。解除確認之金融負債賬面值與已付或應付代價之差額在損益內確認。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

n) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and a state-sponsored retirement plan organised by municipal government as stipulated by the regulations of the Mainland China are recognised as an expense in the income statement as incurred.
- (iii) The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

3. 主要會計政策(續)

m) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金、銀行及其他財務機構之通知存款，以及短期及可隨時兌換為可已知數額現金之高流通性投資，而其價值變動風險並不重大，且自收購起三個月內到期。就現金流量表而言，須按要求償還並構成本集團現金管理其中部份之銀行透支亦列為現金及現金等值物之部份。

n) 僱員福利

- (i) 薪金、年度花紅、有薪年假、休假及本集團之非金錢性福利均在本集團僱員提供有關服務之年度累計。倘須延遲付款或結算及將因此而產生重大影響，則有關金額按其現值列賬。
- (ii) 香港強制性公積金計劃條例所規定之強制性公積金及中國大陸法規所規定由市政府管理之國家資助退休計劃之供款於產生時在收益表內列支。
- (iii) 本集團設立一項權益結算之股份付款補償計劃。所收取以交換授出購股權之僱員服務之公平值乃確認為開支。於歸屬期內列支之總金額經參考已授出購股權之公平值後釐定，惟不計及任何非市場歸屬條件(如盈利能力及銷售增長目標)之影響。非市場歸屬條件已計入有關預期成為可予行使之購股權數目之假設內。於各結算日，有關實體會修訂其估計預期成為可予行使之購股權數目，並在收益表內確認對原估計作出修訂之影響(如有)及在餘下歸屬期對權益作出相應調整。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

n) Employee benefits (Continued)

(iii) (Continued)

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

o) Income tax

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

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

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with interests in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

3. 主要會計政策(續)

n) 僱員福利(續)

(iii) (續)

於購股權獲行使時，任何已收取之所得款項於扣除直接應佔交易成本後，乃計入股本(面值)及股份溢價。

o) 所得稅

所得稅包括當期及遞延稅項。所得稅在收益表內確認，或倘其與於相同或不同期間直接在權益內確認之項目有關，則亦在權益內確認。

遞延稅項乃採用負債法就結算日資產與負債之稅基與其供財務申報之賬面值之所有暫時差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額予以確認，惟遞延稅項負債乃因商譽或初次確認一項交易中之資產或負債而產生，而於進行交易時並無影響會計溢利或應課稅溢利或虧損則除外；就與附屬公司及聯營公司權益有關之應課稅暫時差額而言，則可控制撥回暫時差額之時間及暫時差額可能不會於可見將來撥回則除外。

遞延稅項資產乃就所有可扣除暫時差額、承前未動用稅項資產及未動用稅項虧損予以確認，惟以將可能有應課稅溢利可對銷可扣減暫時差額，以及承前未動用稅項資產及未動用稅項虧損均可予動用者為限，惟倘遞延稅項資產乃有關初次確認一項交易(並非業務合併)中之資產或負債而產生之可扣減暫時差額，而於進行交易時並無影響會計溢利或應課稅溢利或虧損則除外；而就與附屬公司及聯營公司權益有關之可扣減暫時差額而言，則所確認之遞延稅項資產乃僅以暫時差額可能將於可見將來撥回及有應課稅溢利可用以對銷暫時差額為限。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

o) Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. 主要會計政策(續)

o) 所得稅(續)

於各結算日會對遞延稅項資產之賬面值進行檢討，並以不再可能有足夠應課稅溢利以容許動用全部或部份遞延稅項資產為限予以減少。與此相反，過往未確認之遞延稅項資產乃以可能將有足夠應課稅溢利以容許動用全部或部份遞延稅項資產為限予以確認。遞延稅項資產及負債乃根據於結算日已頒佈或實際上已頒佈之稅率(及稅務法例)按預期適用於資產變現或負債清償期間之稅率計量。

p) 撥備及或然負債

當本公司或本集團有因過去事件而引起之法律或推定責任，而清償該責任很可能須流出經濟效益及能作出可靠之估計時，須對時間或金額不明之負債確認撥備。倘金錢之時間價值屬重大，則撥備會以預期清償責任所須支出之現值列賬。

倘很可能毋須流出經濟效益，或不能可靠地估計金額，該責任即披露為或然負債，除非經濟效益流出之可能性微乎其微則作別論。有可能之責任僅會在一項或多項未來事件出現或沒有出現後方可確認，並會列作或然負債予以披露，除非經濟效益流出之可能性微乎其微。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

q) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) on other entities and include entities which are under significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before inter-company balances and inter-company transactions are eliminated as part of the consolidation process, except to the extent that such inter-company balances and transactions are between group companies within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

3. 主要會計政策(續)

q) 關連人士

就此等財務報表而言，倘本集團有能力直接或間接控制另一方，或對另一方之財務及經營決策施加重大影響力(反之亦然)，或倘本集團與另一方受共同控制或受共同重大影響，則被視為與本集團有關連。關連人士可為個人(主要管理人員、主要股東及／或彼等之近親)或其他實體，亦包括受本集團屬個人之關連人士重大影響之實體，及為本集團或屬本集團關連人士之任何實體之僱員福利而設之僱用後福利計劃。

r) 分類報告

分類指本集團內可明顯區分之組成部份，負責提供產品或服務(業務分類)，或在一特定之經濟環境中提供產品或服務(地域分類)，並且承擔有別於其他分類之風險及回報。

按照本集團之內部財務申報模式，本集團選擇以業務分類資料作為主要申報形式，而地域分類資料作為次要申報形式。

分類收益、開支、業績、資產及負債包括直接歸屬某一分類，以及可按合理基準分配至該分類之項目。例如，分類資產可包括應收貿易款項以及物業、機器及設備。分類收益、開支、資產及負債在公司間結餘及公司間交易抵銷前釐定，作為綜合賬目過程之一部份，惟在單一分類中集團公司間之公司間結餘及交易除外。分類間之定價以其他外部各方之類似條款為基礎。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

3. Significant Accounting Policies (Continued)

r) Segment reporting (Continued)

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

4. Critical Accounting Estimates and Judgements

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and judgements 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.

a) Property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgements and estimates.

b) Write-downs of inventories

Inventories are written down to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

3. 主要會計政策(續)

r) 分類報告(續)

分類資本開支指在期內購入預計可於超過一個期間使用之分類資產(包括有形及無形資產)所產生之成本總和。

未分配項目主要包括財務及公司資產、付息貸款、借貸、公司及融資支出及少數股東權益。

4. 關鍵會計估計及判斷

估計及判斷會被持續評估，並根據過往經驗及其他因素進行評價，包括在有關情況下相信為合理之對未來事件之預測。

本集團對未來作出估計及假設。所得之會計估計如其定義，很少會與有關實際結果相同。很大機會導致對下個財政年度之資產及負債賬面值作出重大調整之估計及判斷討論如下。

a) 物業、機器及設備

本集團每年評估物業、機器及設備有否出現任何減值跡象。物業、機器及設備之可收回金額按在用價值計算法釐定。計算過程中須使用判斷及估計。

b) 撇減存貨

存貨乃根據其評估之可變現程度撇減至可變現淨值。倘有任何事件或情況變動顯示可能未能變現結餘，則記錄存貨撇減。識別撇減時須使用判斷及估計。倘預期情況有別於原先估計，則有關差異將對有關估計出現變動之期間存貨賬面值及存貨撇減構成影響。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

4. Critical Accounting Estimates and Judgements (Continued)

c) Impairment on trade receivables

In determining whether any of the trade receivables is impaired, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered.

5. Financial Instruments

a) Financial risk management objectives and policies

The Group's major financial instruments include debtors, bank balances and cash, creditors, amounts due to related parties and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and an effective manner.

i) Foreign exchange risk

Most of the Group's monetary assets and liabilities are denominated in Hong Kong Dollars and Renminbi and the Group conducted its business transactions principally in Hong Kong Dollars and Renminbi. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure if necessary.

ii) Credit risks

The Group's credit risk is primarily attributable to trade receivables. The management has a credit policy in place and the exposures to the credit risk is monitored on an ongoing basis.

4. 關鍵會計估計及判斷(續)

c) 應收貿易款項減值

於釐定應收貿易款項有否出現任何減值時，需要作出重大判斷。於作出此判斷時，本集團將評估(其中因素包括)以所有方法收回款項之期間及程度。

5. 金融工具

a) 財務風險管理目標及政策

本集團之主要金融工具包括應收賬款、銀行結餘及現金、應付賬款、應付關連人士款項及銀行借貸。該等金融工具之詳情於有關附註披露。有關此等金融工具之風險及減低此等風險之政策載列如下。管理層管理及監察此等風險，以確保已及時及有效地推行適當措施。

i) 外匯風險

本集團大部份貨幣資產及負債以港元及人民幣為單位，而本集團主要以港元及人民幣進行業務交易。本集團目前並無任何外幣對沖政策。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。

ii) 信貸風險

本集團之信貸風險主要與應收貿易款項有關。管理層設有信貸政策，並持續監察信貸風險。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

5. Financial Instruments (Continued)

a) Financial risk management objectives and policies (Continued)

iii) Interest rate risk

The Group's fair value interest rate risk relates to fixed-rate and variable-rate borrowings, as further details of these borrowings refer to notes 25 and 26. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing bank borrowings and obligations under finance leases. The interest rates and terms of repayment of bank borrowings and obligations under finance leases of the Group are disclosed in Notes 25 and 26 respectively.

The Group has not used any interest rate swaps to hedge its exposure in interest rate risk.

iv) Liquidity risk

The Group manages its liquidity risk by maintaining sufficient cash from internally generated cash flows.

b) Fair value

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

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

Except as indicated in the financial information, the directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial information approximate to their fair values.

5. 金融工具(續)

a) 財務風險管理目標及政策(續)

iii) 利率風險

本集團之公平值利率風險與固定利率及浮息借貸有關，此等借貸之進一步詳情載於附註25及26。本集團因附息銀行借貸及融資租賃承擔之利率變動影響而面臨利率風險。本集團銀行借貸還款以及融資租賃承擔之利率及年期分別於附註25及26披露。

本集團並無使用任何利率調期對沖其利率風險。

iv) 流動資金風險

本集團透過內部產生現金流量維持足夠之現金，從而管理其流動資金風險。

b) 公平值

金融資產及金融負債之公平值釐定如下：

- 附帶標準條款及條件並於活躍流通市場買賣之金融資產及金融負債之公平值乃參考所報之市場買入價而釐定；及
- 其他金融資產及金融負債(不包括衍生工具)之公平值按公認之定價模型以可依循之現行市場交易之價格進行之貼現現金流量分析而釐定。

除財務資料所示者外，董事認為，按已攤銷成本記錄於財務資料之金融資產及金融負債之賬面值與其公平值相若。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

6. Turnover and Revenue

Turnover represents the invoiced value of goods sold, net of discounts and returns, value-added tax and sales tax, and the appropriate proportion of contract revenue from beauty and slimming services rendered, net of discounts.

Turnover and revenue consisted of:

6. 營業額及收益

營業額指已售貨品之發票值減去折扣及退貨、增值稅及銷售稅，以及來自提供美容及纖體服務之合約收益適當比例減去折扣。

營業額及收益包括：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover	營業額		
— Provision of beauty and slimming services from slimming centers (i)	— 自纖體中心提供美容及纖體服務(i)	91,090	77,600
— Distribution sales of cosmetic and skin care products	— 分銷銷售化妝及護膚產品	348,249	270,175
— Sales of other health and beauty products	— 銷售其他保健及美容產品	4,249	10,875
		443,588	358,650
Other revenue	其他收益		
— Gain on disposal of property, plant and equipment	— 出售物業、機器及設備之收益	427	—
— Interest income	— 利息收入	125	61
— Management and consultancy fee incomes	— 管理及諮詢費收入	4,017	407
— Others	— 其他	2,839	1,307
		7,408	1,775
Total revenue	收益總額	450,996	360,425

(i) During the year ended 31 March 2007, revenue arising from provision of beauty and slimming services from slimming centers included revenue of approximately HK\$13,357,000 (2006: HK\$7,758,000) from expired prepaid service packages for services not yet rendered, the contracts of which lapsed after six months from the date of purchase of the service packages.

(i) 於截至二零零七年三月三十一日止年度內，自纖體中心提供美容及纖體服務所產生之收益包括未提供服務之已屆滿預付服務組合(其合約於購買服務組合日期起計六個月後失效)收益約13,357,000港元(二零零六年：7,758,000港元)。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

7. Segment Information

The Group's principal activities comprise the following three business segments:

- provision of beauty and slimming services from slimming centres
- distribution sales of cosmetic and skin care products
- sales of other health and beauty products

a) Business segments

7. 分類資料

本集團之主要業務由以下三個業務分類構成：

- 自纖體中心提供美容及纖體服務
- 分銷銷售化妝及護膚產品
- 銷售其他保健及美容產品

a) 業務分類

Year ended 31 March 2007
截至二零零七年三月三十一日止年度

		Distribution sales 分銷銷售 HK\$'000 千港元	Provision of beauty and slimming services 提供美容及纖體服務 HK\$'000 千港元	Sales of other health and beauty products 銷售其他保健及美容產品 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Turnover	營業額					
External sales	外部銷售	348,249	91,090	4,249	—	443,588
Inter-segment sales	分類間銷售	—	—	1,490	(1,490)	—
Total revenue	收益總額	348,249	91,090	5,739	(1,490)	443,588
Segment profit/(loss)	分類溢利/(虧損)	331	1,973	(570)		1,734
Unallocated corporate expenses	未分配公司開支					(17,192)
Unallocated corporate other revenue	未分配公司其他收益					7,408
Loss from operations	經營虧損					(8,050)
Finance costs	融資成本					(666)
Loss before taxation	除稅前虧損					(8,716)
Taxation	稅項					(7,231)
Loss after taxation	除稅後虧損					(15,947)
Minority interests	少數股東權益					(5,510)
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損					(21,457)
Segment assets	分類資產					
— Property, plant and equipment	— 物業、機器及設備	3,889	14,700	73		18,662
— Other assets	— 其他資產	63,567	14,226	4,372		82,165
Unallocated corporate assets	未分配公司資產					7,666
Total assets	資產總額					108,493
Segment liabilities	分類負債	(41,737)	(32,958)	(779)		(75,474)
Unallocated corporate liabilities	未分配公司負債					(7,311)
Total liabilities	負債總額					(82,785)
Capital expenditure	資本開支					
— Segment capital expenditure	— 分類資本開支	1,940	5,856	55		7,851
— Unallocated corporate capital expenditure	— 未分配公司資本開支					17
						7,868
Depreciation	折舊					
— Segment depreciation	— 分類折舊	934	7,553	144		8,631
— Unallocated corporate depreciation	— 未分配公司折舊					453
						9,084

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

7. Segment Information (Continued)

a) Business segments (Continued)

		Year ended 31 March 2006 截至二零零六年三月三十一日止年度					
		Distribution sales 分銷銷售 HK\$'000 千港元	Provision of beauty and slimming services 提供美容及纖體服務 HK\$'000 千港元	health and beauty products 銷售其他保健及美容產品 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元	
Turnover	營業額						
External sales	外部銷售	270,175	77,600	10,875	—	358,650	
Inter-segment sales	分類間銷售	—	—	2,540	(2,540)	—	
Total revenue	收益總額	270,175	77,600	13,415	(2,540)	358,650	
Segment profit/(loss)	分類溢利/(虧損)	4,851	(47,360)	(8,806)		(51,315)	
Unallocated corporate expenses	未分配公司開支					(14,994)	
Unallocated corporate other revenue	未分配公司其他收益					1,775	
Loss from operations	經營虧損					(64,534)	
Finance costs	融資成本					(144)	
Gain on partial disposal of interest in a subsidiary	出售一間附屬公司部份權益之收益					6,009	
Loss before taxation	除稅前虧損					(58,669)	
Taxation	稅項					(2,759)	
Loss after taxation	除稅後虧損					(61,428)	
Minority interests	少數股東權益					1,527	
Loss attributable to equity holders of the Company	本公司權益持有人應佔虧損					(59,901)	
Segment assets	分類資產						
— Property, plant and equipment	— 物業、機器及設備	2,790	16,494	194		19,478	
— Other assets	— 其他資產	44,213	16,023	8,233		68,469	
Unallocated corporate assets	未分配公司資產					9,040	
Total assets	資產總額					96,987	
Segment liabilities	分類負債	(31,194)	(23,150)	(2,377)		(56,721)	
Unallocated corporate liabilities	未分配公司負債					(4,579)	
Total liabilities	負債總額					(61,300)	
Capital expenditure	資本開支						
— Segment capital expenditure	— 分類資本開支	3,613	6,915	6		10,534	
— Unallocated corporate capital expenditure	— 未分配公司資本開支					1,278	
						11,812	
Depreciation	折舊						
— Segment depreciation	— 分類折舊	862	6,944	289		8,095	
— Unallocated corporate depreciation	— 未分配公司折舊					2,181	
						10,276	

7. 分類資料(續)

a) 業務分類(續)

Year ended 31 March 2006

截至二零零六年三月三十一日止年度

	Distribution sales 分銷銷售 HK\$'000 千港元	Provision of beauty and slimming services 提供美容及纖體服務 HK\$'000 千港元	health and beauty products 銷售其他保健及美容產品 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Group 本集團 HK\$'000 千港元
Turnover					
External sales	270,175	77,600	10,875	—	358,650
Inter-segment sales	—	—	2,540	(2,540)	—
Total revenue	270,175	77,600	13,415	(2,540)	358,650
Segment profit/(loss)	4,851	(47,360)	(8,806)		(51,315)
Unallocated corporate expenses					(14,994)
Unallocated corporate other revenue					1,775
Loss from operations					(64,534)
Finance costs					(144)
Gain on partial disposal of interest in a subsidiary					6,009
Loss before taxation					(58,669)
Taxation					(2,759)
Loss after taxation					(61,428)
Minority interests					1,527
Loss attributable to equity holders of the Company					(59,901)
Segment assets					
— Property, plant and equipment	2,790	16,494	194		19,478
— Other assets	44,213	16,023	8,233		68,469
Unallocated corporate assets					9,040
Total assets					96,987
Segment liabilities	(31,194)	(23,150)	(2,377)		(56,721)
Unallocated corporate liabilities					(4,579)
Total liabilities					(61,300)
Capital expenditure					
— Segment capital expenditure	3,613	6,915	6		10,534
— Unallocated corporate capital expenditure					1,278
					11,812
Depreciation					
— Segment depreciation	862	6,944	289		8,095
— Unallocated corporate depreciation					2,181
					10,276

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

7. Segment Information (Continued)

b) Geographical segments

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

		Year ended 31 March 2007 截至二零零七年三月三十一日止年度		
		Mainland China 中國大陸	Hong Kong 香港	Group 本集團
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue Turnover	分類收益 營業額	393,839	49,749	443,588
Segment profit/(loss)	分類溢利/(虧損)	17,244	(5,510)	11,734
Segment assets	分類資產	78,004	30,489	108,493
Capital expenditure	資本開支	4,120	3,748	7,868

		Year ended 31 March 2006 截至二零零六年三月三十一日止年度		
		Mainland China 中國大陸	Hong Kong 香港	Group 本集團
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue Turnover	分類收益 營業額	284,607	74,043	358,650
Segment profit/(loss)	分類溢利/(虧損)	569	(51,884)	(51,315)
Segment assets	分類資產	58,655	38,332	96,987
Capital expenditure	資本開支	9,172	2,640	11,812

8. Finance Costs

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	314	—
Interest on other borrowings repayable within five years	須於五年內償還之 其他借貸之利息	72	—
Interest on amount due to a director	應付一名董事款項之利息	220	144
Finance charges on obligations under finance leases	融資租賃承擔之財務費用	60	—
		666	144

7. 分類資料(續)

(b) 地域分類

下表呈列本集團根據地域分類之收益、業績以及若干資產、負債及開支之資料。

		Year ended 31 March 2007 截至二零零七年三月三十一日止年度		
		Mainland China 中國大陸	Hong Kong 香港	Group 本集團
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue Turnover	分類收益 營業額	393,839	49,749	443,588
Segment profit/(loss)	分類溢利/(虧損)	17,244	(5,510)	11,734
Segment assets	分類資產	78,004	30,489	108,493
Capital expenditure	資本開支	4,120	3,748	7,868

		Year ended 31 March 2006 截至二零零六年三月三十一日止年度		
		Mainland China 中國大陸	Hong Kong 香港	Group 本集團
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue Turnover	分類收益 營業額	284,607	74,043	358,650
Segment profit/(loss)	分類溢利/(虧損)	569	(51,884)	(51,315)
Segment assets	分類資產	58,655	38,332	96,987
Capital expenditure	資本開支	9,172	2,640	11,812

8. 融資成本

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on bank borrowings	銀行借貸利息	314	—
Interest on other borrowings repayable within five years	須於五年內償還之 其他借貸之利息	72	—
Interest on amount due to a director	應付一名董事款項之利息	220	144
Finance charges on obligations under finance leases	融資租賃承擔之財務費用	60	—
		666	144

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

9. Loss Before Taxation

Loss before taxation is stated after crediting and charging the following:

9. 除稅前虧損

除稅前虧損已計入及扣除下列各項：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Crediting	計入		
Interest income	利息收入	125	61
Gain on partial disposal of interest in a subsidiary	出售一間附屬公司部份權益之收益	—	6,009
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	427	—
Management and consultancy fee incomes	管理及諮詢費收入	4,017	407
Charging	扣除		
Auditors' remuneration	核數師酬金	842	750
Cost of sales (i)	銷售成本(i)	348,164	276,363
Depreciation	折舊		
— Leased assets	— 已租賃資產	189	—
— Owned assets	— 已擁有資產	8,895	10,276
Finance charges on obligations under finance leases	融資租賃承擔之財務費用	60	—
Impairment on amount due from a minority shareholder	應收一名少數股東款項之減值	—	3,000
Impairment on trade receivables	應收貿易款項之減值	7	128
Interest on bank borrowings	銀行借貸之利息	314	—
Interest on other borrowings repayable within five years	須於五年內償還之其他借貸之利息	72	—
Interest on amount due to a director	應付一名董事款項之利息	220	144
Operating lease rentals	經營租賃租金		
— Land and buildings	— 土地及樓宇	16,060	11,586
Staff costs (excluding directors' emoluments)	職員成本(不包括董事酬金)		
— Basic salaries and allowances	— 基本薪金及津貼	38,959	41,435
— Employee share option costs	— 僱員購股權成本	—	2,219
— Other benefits	— 其他福利	288	149
— Pension scheme contribution	— 退休金計劃供款	954	1,540
Write-down on inventories	撇減存貨	—	643

Notes :

(i) Cost of sales includes depreciation of machinery approximately of HK\$1,875,000 (2006: HK\$1,319,000).

附註：

(i) 銷售成本包括機器折舊約為1,875,000港元(二零零六年：1,319,000港元)。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

10. Directors' and Senior Executives' Emoluments

- a) Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

10. 董事及高級行政人員之酬金

- a) 根據香港公司條例第161條而作出披露之董事酬金如下：

		2007 二零零七年				
		Fees 袍金 HK\$'000 千港元	Basic salaries, allowances and benefits-in-kind 基本薪金、 津貼及 實物利益 HK\$'000 千港元	Share option benefits 購股權利益 HK\$'000 千港元	Retirement scheme contributions 退休計劃供款 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Executive directors:	執行董事：					
Dr. Cheung Yuk Shan, Shirley	張玉珊博士	—	3,309	—	12	3,321
Mr. Cheung Ka Heng, Frankie	張嘉恒先生	—	600	—	12	612
Mr. Lee Man Kwong	李文光先生	—	600	—	13	613
		—	4,509	—	37	4,546
Independent non-executive directors:	獨立非執行董事：					
Mr. Hong Po Kui, Martin	康寶駒先生	33	—	—	—	33
Mr. Li Kuo Hsing	李國興先生	3	—	—	—	3
Mr. Ho Yiu Ming	何耀明先生	85	—	—	—	85
		121	—	—	—	121
Total	合共	121	4,509	—	37	4,667

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

10. Directors' and Senior Executives' Emoluments (Continued) 10. 董事及高級行政人員之酬金(續)

(a) (Continued)

(a) (續)

		2006 二零零六年				
		Basic salaries, allowances and benefits-in-kind 基本薪金、津貼及實物利益	Share option benefits 購股權利益	Retirement scheme contributions 退休計劃供款	Total 合共	
		Fees 袍金				
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Executive directors:	執行董事：					
Dr. Cheung Yuk Shan, Shirley	張玉珊博士	—	3,420	—	3,432	
Mr. Cheung Ka Heng, Frankie	張嘉恒先生	—	600	—	612	
Dr. Cheng Shing Lung, Edwin	鄭承隆博士	—	981	—	994	
Mr. Ho, Francis Man Kwong	何孟剛先生	—	780	—	786	
Mr. Lee Man Kwong	李文光先生	—	30	—	30	
		—	5,811	—	5,854	
Independent non-executive directors:	獨立非執行董事：					
Mr. Hong Po Kui, Martin	康寶駒先生	40	—	—	40	
Mr. Li Kuo Hsing	李國興先生	40	—	—	40	
Mr. Ho Yiu Ming	何耀明先生	120	—	—	120	
		200	—	—	200	
Total	合共	200	5,811	—	6,054	

Apart from the above, certain directors were granted options to subscribe for shares in the Company. The details of the share options granted and outstanding in respect of each director for the years ended 31 March 2007 and 2006 are disclosed in note 28 to the financial statements.

除上述者外，若干董事獲授可認購本公司股份之購股權。於截至二零零七年及二零零六年三月三十一日止年度內各董事獲授及尚未行使購股權之詳情載於財務報表附註28。

No amounts were paid or payable to the directors as an inducement to join the Group or as a compensation for loss of office and no director waived any emoluments for the years ended 31 March 2007 and 2006.

於截至二零零七年及二零零六年三月三十一日止年度內，並無已付或應付董事之金額，作為吸引彼等加盟本集團之酬金或離職補償，亦無董事放棄任何酬金。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

10. Directors' and Senior Executives' Emoluments (Continued) 10. 董事及高級行政人員之酬金(續)

(a) (Continued)

The number of directors whose remuneration falls within the following bands:

	2007 二零零七年	2006 二零零六年
Executive directors 執行董事		
— Nil to HK\$1,000,000 — 零港元至1,000,000港元	2	4
— HK\$3,000,001 to HK\$3,500,000 — 3,000,001港元至3,500,000港元	1	1
Independent non-executive directors 獨立非執行董事		
— Nil to HK\$1,000,000 — 零港元至1,000,000港元	3	3
	6	8

(a) (續)

以下為酬金歸入下列等級之董事數目：

(b) The five highest paid employees during the year included two directors (2006: four), details of whose emoluments are disclosed in note 10(a) above. The aggregate of the emoluments in respect of the remaining three (2006: one) individual(s) are as follows:

b) 年內五名最高薪僱員包括兩名(二零零六年：四名)董事，其酬金詳情載於上文附註10(a)。餘下三名(二零零六年：一名)人士之酬金總額如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and other emoluments 薪金及其他酬金	2,096	826
Retirement scheme contributions 退休計劃供款	32	6
Share option benefits 購股權利益	—	—
	2,128	832

The emoluments of the three (2006: one) individuals are within the following band:

三名(二零零六年：一名)人士之酬金歸入下列等級：

	2007 二零零七年	2006 二零零六年
Nil to HK\$1,000,000 零港元至1,000,000港元	3	1

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

11. Taxation

No Hong Kong profits tax has been provided for the year as the Group did not have any assessable profits for the year (2006: Nil). PRC enterprise income tax has been provided at the rate of 33% (2006: 33%) on the estimated assessable profits of the subsidiaries operated in Mainland China.

The details of the taxation charge are as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Hong Kong profits tax	香港利得稅	—	—
PRC enterprise income tax	中國企業所得稅	6,865	2,759
Deferred taxation (note 24)	遞延稅項(附註24)	366	—
		7,231	2,759

A numerical reconciliation between tax expenses and the product of accounting loss multiplied by the applicable tax rates is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(8,716)	(58,669)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profit/(loss) in the tax jurisdictions concerned	除稅前溢利/(虧損)之名義稅項，乃按適用於有關稅項司法權區內溢利/(虧損)之稅率計算	1,612	(10,251)
Tax effect of non-taxable incomes	非應課稅收入之稅務影響	(1,420)	—
Tax effect of non-deductible expenses	非可扣除開支之稅務影響	387	863
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損之稅務影響	6,642	9,621
Tax effect on unrecognised temporary differences	未確認暫時差額之稅務影響	591	2,532
Tax effect of utilisation of previous years' unrecognised tax losses	動用過往年度未確認稅項虧損之稅務影響	(581)	(6)
		7,231	2,759

11. 稅項

由於本集團年內並無任何應課稅溢利，故年內並無就香港利得稅作出撥備(二零零六年：無)。中國企業所得稅乃按於中國內地經營之附屬公司之估計應課稅溢利以33%(二零零六年：33%)之稅率作出撥備。

繳納稅項之詳情如下：

稅項開支與會計虧損乘以適用稅率之數值對賬如下：

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

12. Loss Attributable to Equity Holders of the Company

The consolidated loss attributable to equity holders of the Company for the year ended 31 March 2007 included a loss of HK\$22,939,000 (2006: HK\$1,092,000) which has been dealt with in the financial statements of the Company.

13. Dividends

- (i) The Board of Directors do not recommend the payment of any dividend for the years ended 31 March 2007 and 2006.
- (ii) At the meeting on 23 June 2005, the Board of Directors proposed a final dividend in respect of the year ended 31 March 2005 of 1.1 Hong Kong cents per share. The final dividend was not included in the financial statements for the year ended 31 March 2005 and was accounted for in financial statements for the year ended 31 March 2006.

14. Loss Per Share

The calculation of basic loss per share for the year ended 31 March 2007 is based on the loss attributable to equity holders of the Company of approximately HK\$21,457,000 (2006: approximately HK\$59,901,000) and on the weighted average number of approximately 666,900,000 (2006: 657,557,000) ordinary shares in issue during the year.

No diluted loss per share has been presented for the year ended 31 March 2007 because the exercise price of the Company's share options was higher than the average market price for shares for the year.

The calculation of diluted loss per share for the year ended 31 March 2006 is based on the loss attributable to equity holders of the Company of approximately HK\$59,901,000 and on 657,626,000 shares, being the weighted average number of ordinary shares outstanding during the year adjusted for the effects of the share options during the year.

12. 本公司權益持有人應佔虧損

截至二零零七年三月三十一日止年度，本公司權益持有人應佔綜合虧損包括已計入本公司財務報表之虧損22,939,000港元(二零零六年：1,092,000港元)。

13. 股息

- (i) 董事會並不建議派付截至二零零七及二零零六年三月三十一日止年度之任何股息。
- (ii) 於二零零五年六月二十三日舉行之會議上，董事會建議就截至二零零五年三月三十一日止年度派發末期股息每股1.1港仙。末期股息並無計入截至二零零五年三月三十一日止年度之財務報表，而列於截至二零零六年三月三十一日止年度之財務報表。

14. 每股虧損

截至二零零七年三月三十一日止年度之每股基本虧損，乃按本公司權益持有人應佔虧損約為21,457,000港元(二零零六年：59,901,000港元)及於年內已發行之普通股加權平均數約666,900,000(二零零六年：657,557,000)股計算。

由於本公司購股權之行使價高於年內股份之平均市價，故並無呈列截至二零零七年三月三十一日止年度之每股攤薄虧損。

截至二零零六年三月三十一日止年度之每股攤薄虧損，乃按本公司權益持有人應佔虧損約為59,901,000港元及於年內就購股權之影響作出調整之年內已發行普通股加權平均數657,626,000股計算。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

15. Goodwill

The Group

15. 商譽

本集團

		HK\$'000 千港元
Cost	成本	
At 1 April 2005	於二零零五年四月一日	873
Acquisition of a subsidiary (Note 31)	收購一間附屬公司(附註31)	37
At 31 March 2006	於二零零六年三月三十一日	910
Acquisition of additional interests in a subsidiary (Note i)	收購一間附屬公司之額外權益(附註i)	73
At 31 March 2007	於二零零七年三月三十一日	983
Accumulated amortisation and impairment loss	累計攤銷及減值虧損	
At 1 April 2005, 31 March 2006 and 31 March 2007	於二零零五年四月一日、二零零六年三月三十一日及二零零七年三月三十一日	733
Net book value	賬面淨值	
At 31 March 2007	於二零零七年三月三十一日	250
At 31 March 2006	於二零零六年三月三十一日	177

Notes:

附註：

- (i) During the year, the Group has acquired an additional interest in a subsidiary, Bright Rainbow Investments Limited, by increasing its shareholding from 51% to 100% at a consideration of approximately HK\$1,000 and incurred a goodwill of approximately HK\$73,000. In the opinion of the directors of the Company, the carrying amount of the subsidiary's net assets acquired approximates its fair value. The goodwill is associated with the Group's beauty and slimming service operation.
- (ii) During the years ended 31 March 2007 and 2006, the directors assessed the recoverable amounts of goodwill and determined that goodwill associated with the Group's distribution sales and beauty and slimming service operations did not have impairment loss. The recoverable amounts of the distribution sales and beauty and slimming service operations were assessed by the directors of the Company by reference to value-in-use calculation.
- (i) 於本年度，本集團已收購一間附屬公司 Bright Rainbow Investments Limited 之額外權益，按代價約 1,000 港元將其持股權由 51% 增加至 100%，並產生商譽約 73,000 港元。本公司董事認為，已收購附屬公司資產淨額之賬面值與其公平值相若。商譽乃與本集團美容及纖體服務業務有關。
- (ii) 於截至二零零七年及二零零六年三月三十一日止年度，董事已評估商譽之可收回金額並釐定有關本集團之分銷銷售及美容及纖體服務業務之商譽並無減值虧損。分銷銷售及美容及纖體服務業務之可收回金額乃經本公司董事參考在用價值計算。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

16. Property, Plant and Equipment

The Group

		Furniture and fixtures 傢俬及 固定裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Leasehold improvement 租賃 物業裝修 HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Cost	成本						
At 1/4/2005	於二零零五年四月一日	1,917	3,061	8,824	19,088	2,611	35,501
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	—	49	49
Additions	增添	210	1,077	2,161	5,184	3,180	11,812
Exchange differences	滙兌差額	—	7	—	20	—	27
At 31/3/2006 and 1/4/2006	於二零零六年三月三十一日及二零零六年四月一日	2,127	4,145	10,985	24,292	5,840	47,389
Additions	增添	883	1,774	2,163	2,876	172	7,868
Disposal	出售	—	(19)	(120)	(4,113)	(1,795)	(6,047)
Exchange differences	滙兌差額	—	39	88	184	308	619
At 31/3/2007	於二零零七年三月三十一日	3,010	5,939	13,116	23,239	4,525	49,829
Accumulated depreciation	累計折舊						
At 1/4/2005	於二零零五年四月一日	754	1,018	2,261	8,894	1,139	14,066
Charge for the year	年內撥備	409	827	1,778	5,842	1,420	10,276
Exchange differences	滙兌差額	—	3	2	15	8	28
At 31/3/2006 and 1/4/2006	於二零零六年三月三十一日及二零零六年四月一日	1,163	1,848	4,041	14,751	2,567	24,370
Charge for the year	年內撥備	473	952	1,889	4,711	1,059	9,084
Disposals	出售	—	(19)	(63)	(2,337)	(1,515)	(3,934)
Exchange differences	滙兌差額	3	19	15	77	217	331
At 31/3/2007	於二零零七年三月三十一日	1,639	2,800	5,882	17,202	2,328	29,851
Net book value	賬面淨值						
At 31/3/2007	於二零零七年三月三十一日	1,371	3,139	7,234	6,037	2,197	19,978
At 31/3/2006	於二零零六年三月三十一日	964	2,297	6,944	9,541	3,273	23,019

The carrying value of property, plant and equipment in respect of assets held under finance leases is approximately HK\$1,455,000 (2006: HK\$Nil).

根據融資租賃持有之資產所涉及物業、機器及設備之賬面值約為1,455,000港元(二零零六年：零港元)。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

17. Investment in Subsidiaries

17. 於附屬公司之投資

The Company

本公司

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted shares, at cost	非上市股票，按成本	3,664	3,663
Impairment losses	減值虧損	(3,660)	—
		4	3,663
Due from subsidiaries	應收附屬公司款項	36,977	31,616
Impairment losses	減值虧損	(18,873)	—
		18,104	31,616
Due to subsidiaries	應付附屬公司款項	(4,903)	(2,338)
		13,205	32,941

i) The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand. In the opinion of the directors of the Company, the carrying amounts of the amounts due from/(to) subsidiaries approximate their fair value.

ii) The Directors consider that in the light of the recurring operating losses of certain subsidiaries, the recoverable amounts of these subsidiaries have been reduced to the estimated net realisable value of their identifiable net assets. Accordingly, an aggregate impairment loss of interests in subsidiaries approximately HK\$3,660,000 (2006: HK\$Nil) and amounts due from subsidiaries of approximately HK\$18,873,000 (2006: HK\$Nil) were recognised in the Company's financial statements.

The impairment losses associated with the Group's beauty and slimming service and sales of other health and beauty products operation are approximately HK\$13,926,000, while the remaining amounts is associated with the unallocated corporate unit.

i) 應收／(應付)附屬公司款項為無抵押、免息及須按要求償還。本公司董事認為，應收／(應付)附屬公司款項之賬面值與其公平值相若。

ii) 董事認為，鑑於若干附屬公司之經常性經營虧損，該等附屬公司之可收回金額已減少至其可識別資產淨額之估計可變現淨值。因此，於附屬公司權益之減值虧損總額約3,660,000港元(二零零六年：零港元)及應收附屬公司款項之減值虧損約18,873,000港元(二零零六年：零港元)已於本公司之財務報表內確認。

與本集團美容及纖體服務以及銷售其他保健及美容產品業務有關之減值虧損約為13,926,000港元，而餘額乃與未分配公司業務有關。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

17. Investment in Subsidiaries (Continued)

iii) Details of the principal subsidiaries as at 31 March 2007 are as follows:

Name 名稱	Place of incorporation and operations 註冊成立及 營運地點	Issued and fully paid share capital/ registered capital 已發行繳足股本/ 註冊資本	Percentage of equity interest attributable to the Group 本集團應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sau San Tong Holdings Inc.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1,000 1,000美元	100%	—	Investment holding 投資控股
Sau San Tong China Holdings Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100%	—	Investment holding 投資控股
Smartime International Investment Limited 俊時國際投資有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100%	—	Investment holding 投資控股
Sau San Tong China Investment Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	100%	—	Investment holding 投資控股
Wise Forture Holdings Corp.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	100%	—	Investment holding 投資控股
Brilliant Concept Co. Ltd.	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	—	100%	Investment holding 投資控股
Bright Rainbow Investments Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	—	100%	Provision of management consultation services 提供管理諮詢服務
Sau San Tong Beauty Figure Limited 修身堂有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100%	Sales of health and beauty products 銷售保健及美容產品
Sau San Tong Healthy Trim Institute Limited 修身堂健康纖體中心有限公司	Hong Kong 香港	HK\$18,750 18,750港元	—	100%	Operation of a beauty and slimming centre 經營美容及纖體中心
Sau San Tong Healthy Trim Institute (TST) Limited 修身堂健康纖體服務中心 (尖沙咀)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100%	Operation of a beauty and slimming centre 經營美容及纖體中心
Sau San Tong Healthy Trim Institute (Causeway Bay) Limited 修身堂健康纖體服務中心 (銅鑼灣)有限公司	Hong Kong 香港	HK\$100 100港元	—	100%	Operation of a beauty and slimming centre 經營美容及纖體中心

17. 於附屬公司之投資 (續)

iii) 於二零零七年三月三十一日之主要附屬公司之詳情如下：

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

17. Investment in Subsidiaries (Continued)

iii) (Continued)

Name 名稱	Place of incorporation and operations 註冊成立及 營運地點	Issued and fully paid share capital/ registered capital 已發行繳足股本/ 註冊資本	Percentage of equity interest attributable to the Group 本集團應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Sau San Tong Management Limited 修身堂管理有限公司	Hong Kong 香港	HK\$100 100港元	—	100%	Provision of management services 提供管理服務
Sau San Tong Health Food Limited 修身堂健康食品有限公司	Hong Kong 香港	HK\$100 100港元	—	100%	Sales of health products 銷售保健產品
SST Advertising Agency Limited 盛世廣告代理有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100%	Provision of advertising agency services 提供廣告代理服務
Sau San Tong (Shanghai) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1,000 1,000美元	—	50%	Investment holding 投資控股
Sau San Tong Healthy Trim Institute (Shenzhen) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	—	51%	Investment holding 投資控股
Sau San Tong Healthy Trim Institute (Hangzhou) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$100 100美元	—	51%	Investment holding 投資控股
上海一定得美容有限公司 (Note (i)) (附註(i))	Mainland China 中國內地	RMB1,241,519 人民幣1,241,519元	—	95%	Operation of beauty and slimming centres 經營美容及纖體中心
Shanghai Dong Fang Ri Hua Sales Co. Ltd. 上海東紡日化銷售有限公司 (Note (ii)) (附註(ii))	Mainland China 中國內地	RMB22,379,537 人民幣22,379,537元	—	51%	Distribution sales of cosmetic and skin care products 分銷銷售化妝及 護膚產品
一定得健身服務(深圳)有限公司 (Note (iii)) (附註(iii))	Mainland China 中國內地	RMB3,611,072 人民幣3,611,072元	—	100%	Operation of a beauty and slimming centre 經營美容及纖體中心
一定得纖體美體(杭州)有限公司 (Note (iv)) (附註(iv))	Mainland China 中國內地	RMB538,702 人民幣538,702元	—	100%	Operation of a beauty and slimming centre 經營美容及纖體中心

17. 於附屬公司之投資(續)

iii) (續)

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

17. Investment in Subsidiaries (Continued)

- (i) 上海一定得美容有限公司 is a Sino-foreign equity joint venture company established in Mainland China for a period of 20 years commencing from 17 May 2004.
- (ii) Shanghai Dong Fang Ri Hua Sales Co. Ltd. is a Sino-foreign equity joint venture company established in Mainland China for a period of 10 years commencing from 4 July 2005.
- (iii) 一定得健身服務(深圳)有限公司 is a wholly foreign owned enterprise established in Mainland China for a period of 30 years commencing from 25 August 2005.
- (iv) 一定得纖體美體(杭州)有限公司 is a wholly foreign owned enterprise established in Mainland China for a period of 10 years commencing from 15 May 2006.

18. Inventories

The Group

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Consumables	消耗品	54	98
Merchandise	製成品	15,810	10,703
		15,864	10,801
Less: Write-down on inventories	減：撇減存貨	—	(643)
		15,864	10,158

19. Due from/(to) Minority Shareholders

The amounts are unsecured, interest-free and repayable on demand.

17. 於附屬公司之投資(續)

- (i) 上海一定得美容有限公司為一間於中國內地於二零零四年五月十七日成立之中外合資經營企業，可經營年期為二十年。
- (ii) 上海東紡日化銷售有限公司為一間於中國內地於二零零五年七月四日成立之中外合資經營企業，可經營年期為十年。
- (iii) 一定得健身服務(深圳)有限公司為一間於中國內地於二零零五年八月二十五日成立之外商獨資企業，可經營年期為三十年。
- (iv) 一定得纖體美容(杭州)有限公司為一間於中國內地於二零零六年五月十五日成立之外商獨資企業，可經營年期為十年。

18. 存貨

本集團

19. 應收／(應付)少數股東款項

該等款項為無抵押、免息及須按要求償還。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

20. Trade Receivables

The Group

Credit periods given to customers ranged from 30 to 90 days. The ageing analysis of trade receivables, net of impairment losses is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0 to 30 days	0至30日	17,323	23,881
31 to 60 days	31至60日	3,119	360
61 to 90 days	61至90日	3,880	1,017
Over 91 days	超過91日	356	—
		24,678	25,258
Represented by:	即：		
Gross amount	總額	24,813	25,386
Less: Impairment losses	減：減值虧損	(135)	(128)
		24,678	25,258

21. Cash and Bank Balances

As at 31 March 2007, the Group's cash and bank balances of approximately HK\$18,052,000 (2006: HK\$12,288,000) were denominated in Renminbi, a currency which is not freely convertible into other currencies.

22. Due to a Director

The amount due to a director of the Company, Dr. Cheung Yuk Shan Shirley, is unsecured, bearing interest at 5% per annum and repayable on demand (Note 35). The interest expenses of approximately HK\$220,000 was paid to the director for the year ended 31 March 2007 (2006: HK\$144,000).

20. 應收貿易款項

本集團

一般給予顧客之信貸期介乎30至90日之間。已扣減減值虧損之應收貿易款項之賬齡分析如下：

21. 現金及銀行結餘

於二零零七年三月三十一日，本集團之現金及銀行結餘約18,052,000港元(二零零六年：12,288,000港元)以人民幣計算，而人民幣不能自由兌換為其他貨幣。

22. 應付一名董事款項

應付本公司一名董事(張玉珊博士)款項為無抵押、以年利率5%計息及須按要求償還(附註35)。截至二零零七年三月三十一日止年度，已向該董事支付利息開支約220,000港元(二零零六年：144,000港元)。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

23. Trade Payables

The Group

Credit periods given by suppliers ranged from 0 to 30 days. The ageing analysis of trade payables is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0 to 30 days	0至30日	14,933	15,534
31 to 60 days	31至60日	155	—
61 to 90 days	61至90日	83	—
91 to 120 days	91至120日	1,141	—
		16,312	15,534

23. 應付貿易款項

本集團

供應商給予之信貸期介乎0至30日之間。應付貿易款項之賬齡分析如下：

24. Deferred Taxation

(a) The movements in deferred tax assets and liabilities recognised during the year are as follows:

The Group

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 合共 HK\$'000 千港元
At 1 April 2005	於二零零五年四月一日	183	183	366
Charged to consolidated income statement (note 11)	在綜合收益表內扣除 (附註11)	—	—	—
At 31 March 2006 and 1 April 2006	於二零零六年三月三十一日 及二零零六年四月一日	183	183	366
Charged to consolidated income statement (note 11)	在綜合收益表內扣除 (附註11)	(183)	(183)	(366)
At 31 March 2007	於二零零七年三月三十一日	—	—	—

24. 遞延稅項

(a) 年內確認之遞延稅項資產及負債之變動如下：

本集團

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

24. Deferred Taxation

(a) (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes related to the same legal entity. The deferred tax assets/(liabilities) recognised in the consolidated balance sheet as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	—	366
Deferred tax liabilities	遞延稅項負債	—	—
		—	366

(b) Deferred tax assets not recognised

At 31 March 2007, the Group had unrecognised deferred tax assets of approximately HK\$16,418,000 (2006: approximately HK\$12,153,000) in respect of the tax losses and deductible temporary differences. As it is not probable that taxable profits will be available against which the unused tax losses and the deductible temporary differences of the Group can be utilised, deferred tax assets have not been recognised in respect of these unused tax losses and deductible temporary differences. Tax losses are available indefinitely for offsetting future taxable profits of the companies in which the losses arose.

25. Bank Borrowings

24. 遞延稅項(續)

(a) (續)

若擁有可執行之法律權力以當期稅項資產抵銷當期稅項負債，及有關遞延所得稅與同一法律實體有關，則遞延稅項資產與負債予以抵銷。於綜合資產負債表中確認之遞延稅項資產／(負債)如下：

(b) 未確認遞延稅項資產

於二零零七年三月三十一日，本集團有關稅項虧損及可扣除暫時差額之未確認遞延稅項資產約為16,418,000港元(二零零六年：約為12,153,000港元)。由於不可能有應課稅溢利可動用本集團之未動用稅項虧損及可扣減暫時差額予以抵銷，故並無就該等未動用稅項虧損及可扣減暫時差額確認遞延稅項資產。稅項虧損可無限期用以抵銷出現虧損之公司之日後應課稅溢利。

25. 銀行借貸

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Bank loans repayable within one year	須於一年內償還之銀行貸款	10,110	—

At 31 March 2007, the bank loans were charged at fixed interest rates ranging from 5.85% — 6.12% (2006: Nil) per annum and were guaranteed by two companies. A director of the minority shareholder of the Company's subsidiary is the director of the two companies.

於二零零七年三月三十一日，銀行貸款按固定年利率5.85%至6.12%(二零零六年：無)及由兩間公司作擔保。本公司附屬公司之少數股東之董事為該兩間公司之董事。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

26. Obligations under Finance Leases

26. 融資租賃承擔

		Minimum lease payments 最低應付租金		Present value of minimum lease payments 最低應付租金之現值	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	874	—	834	—
In the second to fifth year inclusive	第二至第五年 (包括該年)	236	—	232	—
		1,110	—	1,066	—
Less: Total future finance lease charges	減：未來融資租賃費用總額	(44)	—	—	—
Present value of lease obligations	租賃承擔之現值	1,066	—	1,066	—
Less: Amount due within one year included under current liabilities	減：計入流動負債於一年內到期之金額			(834)	—
Amount due after one year	於一年後到期之金額			232	—

The average lease term is two years. The average effective interest rate was 6.3% for the year ended 31 March 2007 (2006: Nil). All leases are on a fixed repayment basis and no arrangement have been entered into for contingent rental payments.

平均租賃期為兩年。截至二零零七年三月三十一日止年度內平均實際利率為6.3% (二零零六年：無)。所有租賃按定額還款基準作出，且並無就或然租金訂立安排。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

27. Share Capital

The following is a summary of movements in the authorised and issued share capital of the Company:

	Note 附註	2007 二零零七年		2006 二零零六年	
		No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.01 each	法定： 每股面值0.01港元 之普通股	1,500,000	15,000	1,500,000	15,000
Issued and fully paid: Ordinary shares of HK\$0.01 each At 1 April Placing of new shares	已發行及繳足： 每股面值0.01港元 之普通股 於四月一日 配售新股 (i)	666,900 —	6,669 —	656,900 10,000	6,569 100
At 31 March	於三月三十一日	666,900	6,669	666,900	6,669

(i) On 27 February 2006, the Company entered into a placing agreement for placing of 10,000,000 ordinary shares of the Company of HK\$0.4 each with the proceeds of approximately HK\$4,000,000 before expenses. Details of the share placing was set out in the company's announcement dated 28 February 2006.

27. 股本

以下乃本公司之法定及已發行股本之變動概要：

	Note 附註	2007 二零零七年		2006 二零零六年	
		No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.01 each	法定： 每股面值0.01港元 之普通股	1,500,000	15,000	1,500,000	15,000
Issued and fully paid: Ordinary shares of HK\$0.01 each At 1 April Placing of new shares	已發行及繳足： 每股面值0.01港元 之普通股 於四月一日 配售新股 (i)	666,900 —	6,669 —	656,900 10,000	6,569 100
At 31 March	於三月三十一日	666,900	6,669	666,900	6,669

(i) 於二零零六年二月二十七日，本公司訂立配售協議，按每股0.4港元配售本公司10,000,000股普通股，所得款項約為4,000,000港元（扣除開支前）。股份配售之詳情載於本公司於二零零六年二月二十八日刊發之公佈內。

28. Share Options

The Company has adopted a share option scheme (the "Share Option Scheme") on 4 November 2003. The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of its subsidiaries. Eligible participants of the Share Option Scheme include full-time or part-time employees, executives or officers (including executive, non-executive directors and independent non-executive directors) of the Company and/or any of its subsidiaries and any suppliers, consultants, agents or advisers who, in the sole opinion of the Board, have contributed to the Company and/or such subsidiaries.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the shares in issue from time to time.

28. 購股權

本公司於二零零三年十一月四日採納一項購股權計劃（「購股權計劃」）。購股權計劃旨在讓本公司向合資格參與人授予購股權，作為彼等對本公司及／或其任何附屬公司帶來貢獻或潛在貢獻之鼓勵或獎勵。購股權計劃之合資格參與人包括本公司及／或其任何附屬公司之全職或兼職僱員、行政人員或高級職員（包括執行、非執行董事及獨立非執行董事），以及董事會獨立認為對本公司及／或該等附屬公司作出貢獻之任何供應商、顧問、代理人或提供意見之人士。

根據購股權計劃及本公司任何其他購股權計劃隨時授出但未行使之所有未獲行使購股權獲行使時可能發行之股份最高數目，不得超過不時已發行股份之30%。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

28. Share Options (Continued)

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each eligible participant in any 12-month period up to the date of grant in excess of 1% of the number of shares in issue as at the date of grant, are subject to the Company issuing a circular and the approval from the Company's shareholders in a general meeting.

The exercise price for a share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (a) the official closing price of the shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant, which must be a business day; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a share.

The period during which an option may be exercised will be determined by the Board as its absolute discretion, save that no option may be exercised more than five years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme.

28. 購股權(續)

已發行股份及根據購股權計劃及本公司任何其他購股權計劃向各合資格參與人授出購股權(包括已行使、已註銷及未獲行使之購股權)獲行使時可能發行之股份總數,倘於截至授出日期止任何十二個月期間超過授出日期已發行股份之1%,則本公司須就此發出通函並取得本公司股東於股東大會上批准。

根據購股權計劃授出之任何特定購股權,其認購股份之行使價(須在行使購股權時繳付)應由董事會全權決定,惟該價格不得低於(a)股份於授出日期(必須為營業日)在聯交所日報表所報之正式收市價; (b)股份於緊接授出日期前五個營業日在聯交所日報表所報之平均收市價; 及(c)股份面值(以最高者為準)。

購股權之行使期將由董事會全權決定,惟購股權授出超過五年後不得行使。自購股權計劃批准日期起計超過十年後不得授出購股權。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

28. Share Options (Continued)

Details of the options, which have been granted under the Share Option Scheme, are listed below:

28. 購股權(續)

根據購股權計劃授出之購股權詳情載列如下：

	Date of grant 授出日期	Exercisable period 行使期	Subscription price per share 每股份認購價 HK\$ 港元	At 1 April 2006 於二零零六年 四月一日	2007 二零零七年 Number of share options 購股權數目		Forfeited/ lapsed during the year 年內沒收/ 失效	At 31 March 2007 於二零零七年 三月三十一日
					Granted during the year 年內授出	Exercised during the year 年內行使		
Director 董事								
— Dr. Cheung Yuk Shan, Shirley — 張玉珊博士	10/9/2004 二零零四年 九月十日	10/9/2004 — 3/11/2013 二零零四年九月十日至 二零一三年十一月三日	0.512	5,000,000	—	—	—	5,000,000
— Mr. Cheung Ka Heng, Frankie — 張嘉恒先生	10/9/2004 二零零四年 九月十日	10/9/2004 — 3/11/2013 二零零四年九月十日至 二零一三年十一月三日	0.512	5,000,000	—	—	—	5,000,000
Other Employees 其他僱員	2/9/2004 二零零四年 九月二日	2/9/2004 — 1/9/2009 二零零四年九月二日至 二零零九年九月一日	0.489	1,000,000	—	—	—	1,000,000
Other Employee 其他僱員	5/1/2004 二零零四年 一月五日	5/1/2004 — 4/1/2009 二零零四年一月五日至 二零零九年一月四日	0.486	5,700,000	—	—	(300,000)	5,400,000
Other Employees 其他僱員	20/5/2005 二零零五年 五月二十日	20/5/2005 — 19/5/2010 二零零五年五月二十日至 二零一零年五月十九日	0.534	1,800,000	—	—	(1,000,000)	800,000
Other Employees 其他僱員	6/9/2005 二零零五年 九月六日	6/9/2005 — 5/9/2010 二零零五年九月六日至 二零一零年九月五日	0.487	12,890,000	—	—	—	12,890,000
Other Employees 其他僱員	3/10/2005 二零零五年 十月三日	3/10/2005 — 2/10/2010 二零零五年十月三日至 二零一零年十月二日	0.400	5,000,000	—	—	(5,000,000)	—
Other Employees 其他僱員	29/3/2006 二零零六年 三月二十九日	29/3/2006 — 28/3/2011 二零零六年三月二十九日至 二零一一年三月二十八日	0.196	3,000,000	—	—	(3,000,000)	—
				39,390,000	—	—	(9,300,000)	30,090,000

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

28. Share Options (Continued)

28. 購股權 (續)

	Date of grant 授出日期	Exercisable period 行使期	Subscription price per share 每股份認購價 HK\$ 港元	At 1 April 2005 於二零零五年四月一日	2006 二零零六年		At 31 March 2006 於二零零六年三月三十一日
					Number of share options granted during the year 購股權數目 年內授出	Forfeited/lapsed during the year 購股權數目 年內沒收/失效	
Director 董事							
— Dr. Cheung Yuk Shan, Shirley — 張玉珊博士	10/9/2004 二零零四年九月十日	10/9/2004 — 3/11/2013 二零零四年九月十日至 二零一三年十一月三日	0.512	5,000,000	—	—	5,000,000
— Mr. Cheung Ka Heng, Frankie — 張嘉恒先生	10/9/2004 二零零四年九月十日	10/9/2004 — 3/11/2013 二零零四年九月十日至 二零一三年十一月三日	0.512	5,000,000	—	—	5,000,000
— Mr. Ho, Francis Man Kwong — 何孟剛先生	9/9/2004 二零零四年九月九日	9/9/2004 — 3/11/2013 二零零四年九月九日至 二零一三年十一月三日	0.512	5,000,000	—	(5,000,000)	—
Other Employees 其他僱員	18/11/2004 二零零四年十一月十八日	18/11/2004 — 17/11/2009 二零零四年十一月十八日至 二零零九年十一月十七日	0.748	1,800,000	—	(1,800,000)	—
Other Employee 其他僱員	2/9/2004 二零零四年九月二日	2/9/2004 — 1/9/2009 二零零四年九月二日至 二零零九年九月一日	0.489	4,000,000	—	(3,000,000)	1,000,000
Other Employees 其他僱員	5/1/2004 二零零四年一月五日	5/1/2004 — 4/1/2009 二零零四年一月五日至 二零零九年一月四日	0.486	8,700,000	—	(3,000,000)	5,700,000
Other Employees 其他僱員	20/5/2005 二零零五年五月二十日	20/5/2006 — 19/5/2010 二零零六年五月二十日至 二零一零年五月十九日	0.534	—	1,800,000	—	1,800,000
Other Employees 其他僱員	6/9/2005 二零零五年九月六日	6/9/2005 — 5/9/2010 二零零五年九月六日至 二零一零年九月五日	0.487	—	12,890,000	—	12,890,000
Other Employees 其他僱員	3/10/2005 二零零五年十月三日	3/10/2005 — 2/10/2010 二零零五年十月三日至 二零一零年十月二日	0.400	—	5,000,000	—	5,000,000
Other Employees 其他僱員	29/3/2006 二零零六年三月二十九日	29/3/2006 — 28/3/2011 二零零六年三月二十九日至 二零一一年三月二十八日	0.196	—	3,000,000	—	3,000,000
				29,500,000	22,690,000	(12,800,000)	39,390,000

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

28. Share Options (Continued)

The details of the estimated fair value of the share options granted during the year ended 31 March 2006 are as follows:

Date of granted:	授出日期：	20 May 2005 二零零五年 五月二十日	6 September 2005 二零零五年 九月六日	3 October 2005 二零零五年 十月三日
Number of share options	購股權數目	1,800,000	12,890,000	5,000,000
Exercise price	行使價	HK\$0.534 0.534港元	HK\$0.487 0.487港元	HK\$0.4 0.4港元
Volatility	波動率	58.41%	53.16%	48.84%
Expected dividend yield	預期股息率	3.73%	3.96%	5%
Fair value	公平值	HK\$282,000 282,000港元	HK\$1,632,000 1,632,000港元	HK\$305,000 305,000港元

The fair value of share options granted was estimated on the date of the grant using the Black-Scholes option pricing model.

28. 購股權(續)

截至二零零六年三月三十一日止年度內所授出購股權之估計公平值之詳情如下：

所授出購股權之公平值乃於授出日期採用畢蘇期權定價模式作出估計。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

29. Reserves

(a) The Group

29. 儲備

(a) 本集團

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share premium	Merger reserve	Exchange reserves	Employee share-based compensation reserve	Statutory reserve	Capital reserve	Retained profits/ losses (Accumulated)	Total
		股份溢價	合併儲備	匯兌儲備	僱員股份 付款補償儲備	法定 公積金	資本儲備	保留盈利/ (累計虧損)	合共
		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
		Note (i) 附註(i)	Note (ii) 附註(ii)			note (iii) 附註(iii)			
At 1 April 2005	於二零零五年四月一日	41,527	(3,652)	12	—	—	—	46,945	84,832
Placing of new shares	配售新股	3,900	—	—	—	—	—	—	3,900
Share issuance costs	股份發行成本	(85)	—	—	—	—	—	—	(85)
Equity settled share — based transactions	權益支付 — 之股份交易	—	—	—	2,219	—	—	—	2,219
Loss for the year	年內虧損	—	—	—	—	—	—	(59,901)	(59,901)
Transfer	轉撥	—	—	—	—	395	—	(395)	—
Exchange adjustments	匯兌調整	—	—	(56)	—	4	—	—	(52)
Dividends	股息								
— 2005 final dividend	— 二零零五年 末期股息	—	—	—	—	—	—	(7,226)	(7,226)
At 31 March 2006	於二零零六年三月三十一日	45,342	(3,652)	(44)	2,219	399	—	(20,577)	23,687
At 1 April 2006	於二零零六年四月一日	45,342	(3,652)	(44)	2,219	399	—	(20,577)	23,687
Increase in capital reserve	資本儲備增加	—	—	—	—	—	100	—	100
Loss for the year	年內虧損	—	—	—	—	—	—	(21,457)	(21,457)
Share options forfeited	已沒收購股權	—	—	—	(462)	—	—	462	—
Transfer	轉撥	—	—	—	—	27	—	(27)	—
Exchange adjustments	匯兌調整	—	—	55	—	18	—	—	73
At 31 March 2007	於二零零七年三月三十一日	45,342	(3,652)	11	1,757	444	100	(41,599)	2,403

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

29. Reserves (Continued)

(b) The Company

		Share premium 股份溢價 HK\$'000 千港元 (Note(i)) (附註(i))	Employee share-based compensation reserve 僱員股份 付款補償儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合共 HK\$'000 千港元
At 1 April 2005	於二零零五年四月一日	41,527	—	(15,864)	25,663
Equity settled share-based transaction	股本結算之股份交易	—	2,219	—	2,219
Placing of new shares	配售新股	3,900	—	—	3,900
Share issuance costs	股份發行成本	(85)	—	—	(85)
Loss for the year	年內虧損	—	—	(1,092)	(1,092)
Dividends	股息				
— 2005 final dividends	— 二零零五年末期股息	—	—	(7,226)	(7,226)
At 31 March 2006	於二零零六年三月三十一日	45,342	2,219	(24,182)	23,379
At 1 April 2006	於二零零六年四月一日	45,342	2,219	(24,182)	23,379
Loss for the year	年內虧損	—	—	(22,939)	(22,939)
Share option forfeited	已沒收購股權	—	(462)	462	—
At 31 March 2007	於二零零七年三月三十一日	45,342	1,757	(46,659)	440

- (i) The share premium of the Group and the Company represents the shares of the Company issued at a premium less issuance expenses. Under the Companies Law of the Cayman Islands, the share premium account is distributable to the equity holders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.
- (ii) Merger reserve of the Group represents the difference between the nominal value of the ordinary shares issued by the Company and the aggregate of the share capital and share premium of the subsidiaries acquired by the Company through exchange of shares under a group reorganisation scheme on 4 November 2003, as further detailed in the Company's prospectus on 10 November 2003.

29. 儲備(續)

(b) 本公司

Employee share-based compensation reserve

僱員股份
付款補償儲備
HK\$'000
千港元

(附註(i))

(附註(i))

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- (i) 本集團及本公司股份溢價指本公司以溢價發行之股份(已扣除發行開支)。根據開曼群島公司法，股份溢價賬可分派予本公司權益持有人，條件為緊隨建議分派股息之日期後，本公司可於其日常業務過程中債務到期時償還債務。
- (ii) 本集團之合併儲備指本公司發行普通股之面值與本公司根據於二零零三年十一月四日之集團重組計劃本公司藉著交換股份所收購附屬公司股本及股份溢價總額之差額，進一步詳情載於本公司於二零零三年十一月十日刊發之招股章程。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

29. Reserves (Continued)

(b) The Company (Continued)

- (iii) According to the relevant rules and regulations in the Mainland China, a subsidiary of the Group required to transfer approximately 10% of profit after tax (after offsetting prior years' losses), based on their statutory financial statements prepared in accordance with the relevant accounting principles and financial regulations applicable to foreign investment enterprises in the Mainland China, to a statutory reserve fund until the balance of the fund reaches 50% of its registered capital. Thereafter, any further transfer can be made at directors' discretion.

During the year, a subsidiary transferred approximately HK\$27,000 (2006: HK\$395,000) to statutory reserve fund.

29. 儲備(續)

(b) 本公司(續)

- (iii) 根據中國內地之相關規則及法規，本集團一間附屬公司須轉撥按其根據中國內地適用於外商投資企業之相關會計原則及財務法規而編製之法定財務報表計算之除稅後盈利約10% (經抵銷過往年度虧損) 至法定公積金，直至基金結餘達其註冊資本50%為止。其後可按董事酌情作出任何進一步轉撥。

年內，該附屬公司轉撥約27,000港元(二零零六年：395,000港元)至法定公積金。

30. Note to the Consolidated Cash Flow Statement

Net cash inflow from acquisition of a subsidiary

30. 綜合現金流量表附註

收購一間附屬公司之現金流入淨額

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Fair value of identifiable assets/(liabilities) acquired:	所收購可識別資產／(負債)之公平值：		
Property, plant and equipment	物業、機器及設備	—	49
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	—	3
Cash and bank balances	現金及銀行結餘	—	4,295
Trade payables	應付貿易款項	—	(295)
Other payables and accruals	其他應付款項及應計款項	—	(45)
		—	4,007
Minority interest	少數股東權益	—	(1,963)
Net assets (Note 31)	資產淨額(附註31)	—	2,044
Goodwill	商譽	—	37
Total consideration	總代價	—	2,081
Satisfied by:	以下列方式支付：		
Cash consideration	現金代價	—	(2,081)
Cash and bank balances acquired	所收購之現金及銀行結餘	—	4,295
Net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購一間附屬公司之現金及現金等值物流入淨額	—	2,214

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

31. Business Combinations

On 28 September, 2005, the Group acquired 51% equity interest of Shanghai Dong Fang Ri Hua Sales Co. Ltd. ("Dong Fang") for a total consideration of approximately HK\$2,081,000. Dong Fang incurred net profit of approximately HK\$3,925,000 and contributed a revenue of approximately HK\$270,175,000 to the Group for the period since the date of acquisition to the year ended 31 March 2006.

Details of net assets acquired and goodwill are as follows:

31. 業務合併

於二零零五年九月二十八日，本集團收購上海東紡日化銷售有限公司（「東紡」）51%股權，總代價約為2,081,000港元。自收購日起至截至二零零六年三月三十一日止年度之期間，東紡產生純利約3,925,000港元及為本集團帶來約270,175,000港元之收益。

所收購資產淨額及商譽之詳情如下：

		2006 二零零六年 HK\$'000 千港元
Cash consideration	現金代價	2,081
Fair value of net assets acquired (Note 30)	所收購資產淨額之公平值 (附註30)	(2,044)
Excess of the cost of acquisition over the fair value of net assets acquired	收購成本超出所收購資產淨額之公平值之數額	37

The assets and liabilities arising from the acquisition during the year ended 31 March 2006 are as follows:

於截至二零零六年三月三十一日止年度自收購所產生之資產及負債如下：

		Fair value 公平值 HK\$'000 千港元	Acquiree's carrying amount 所收購公司之 賬面值 HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	49	49
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	3	3
Cash and bank balances	現金及銀行結餘	4,295	4,295
Trade payables	應付貿易款項	(295)	(295)
Other payables and accruals	其他應付款項及應計款項	(45)	(45)
		4,007	4,007

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

32. Employee Retirement Benefits

The Group has implemented a provident fund scheme for its staff in compliance with the requirements of the Mandatory Provident Fund Scheme Ordinance effective from 1 December 2000. The pension scheme contributions charged to the income statement represent contributions payable (i.e. 5% of staff's relevant income with upper monthly limit at HK\$1,000) by the Group to the specified retirement fund of the individual employees.

The employees of the Group's subsidiaries in the Mainland China are members of a state-sponsored retirement plan organized by the municipal government under the regulations of the Mainland China and the subsidiaries make mandatory contributions to the state-sponsored retirement plan to fund the employees' retirement benefits. The retirement contributions paid by the subsidiaries are based on a percentage of the eligible employees' salaries and are charged to the income statement as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the state-sponsored retirement plan organized by the municipal government in the Mainland China.

The Group does not have any other pension schemes for its employees in respect of the subsidiaries outside Hong Kong and Mainland China. In the opinion of the directors, the Group did not have any significant contingent liabilities as at 31 March 2007 in respect of the retirement of its employees.

33. Commitments

(a) Capital commitments

- (i) At 31 March 2007, the Group had commitments in respect of equity capital to be injected to certain subsidiaries in Mainland China of approximately HK\$9,739,000 (2006: HK\$18,023,000).
- (ii) The Company did not have capital commitments as at 31 March 2007 and 2006.

32. 僱員退休福利

本集團遵照由二零零零年十二月一日起生效之強制性公積金計劃條例之規定，為其職員推行公積金計劃。在收益表內扣除之退休金計劃供款指本集團應付予個別僱員特定退休基金之供款(即僱員有關入息之5%，每月上限為1,000港元)。

本集團於中國內地附屬公司之僱員為根據中國內地之法規由市政府管理之國家資助退休計劃之成員，而附屬公司則向該國家資助退休計劃作出供款，以為僱員之退休福利提供資金。附屬公司所支付之退休金供款按合資格僱員薪金之百分比計算，並於產生時在收益表內扣除。本集團向中國內地由市政府管理之國家資助退休計劃支付退休金供款時，即已履行其退休金責任。

本集團並無就位於香港及中國內地以外地區之附屬公司而為其僱員設立任何其他退休金計劃。董事認為，於二零零七年三月三十一日，本集團並無就其僱員之退休承受任何重大或然負債。

33. 承擔

(a) 資本承擔

- (i) 於二零零七年三月三十一日，本集團就將注入若干於中國內地附屬公司之權益資本有約9,739,000港元(二零零六年：18,023,000港元)之承擔。
- (ii) 於二零零七年及二零零六年三月三十一日，本公司並無資本承擔。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

33. Commitments (Continued)

(b) Operating lease commitments

- (i) The Group's minimum lease payments in respect of land and buildings under non-cancellable operating lease agreements are as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	9,193	10,826
In the second year to fifth years	第二至第五年	14,417	8,525
After five years	五年後	3,579	—
		27,189	19,351

- (ii) The Company did not have operating lease commitments as at 31 March 2007 and 2006.

34. Financial Guarantees Issued

- i) During the year ended 31 March 2007, the Company had given a corporate guarantee to a finance company in respect of the finance lease facilities of approximately HK\$1,748,000 granted to a subsidiary. The maximum liability of the Company under the guarantee issued represented the finance lease facilities of approximately HK\$1,748,000 drawn down by the subsidiary. In the opinion of the directors, the fair value of the guarantee was insignificant and it was not probable that a claim would be made against the Company under the guarantee, therefore, no recognition was made in the financial statements of the Company for the year ended 31 March 2007.
- ii) During the year ended 31 March 2006, a subsidiary had given a corporate guarantee to a bank in respect of banking facilities of approximately RMB1,500,000 (equivalent to approximately HK\$1,456,000) granted to a shareholder of this subsidiary. The maximum liability of the Group under the guarantee issued represented the amount drawn down by the shareholder of the subsidiary of approximately RMB1,500,000. In the opinion of the directors, it was not probable that a claim would be made against the Group under the guarantee, therefore, no recognition was made in the consolidated financial statements for the year ended 31 March 2006. The guarantee was released in November 2006.

33. 承擔(續)

(b) 經營租賃承擔

- (i) 根據各項不可撤銷之經營租賃協議，本集團有關土地及樓宇之最低應付租金如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	9,193	10,826
In the second year to fifth years	第二至第五年	14,417	8,525
After five years	五年後	3,579	—
		27,189	19,351

- (ii) 於二零零七年及二零零六年三月三十一日，本公司並無任何經營租賃承擔。

34. 已發出之財務擔保

- i) 於截至二零零七年三月三十一日止年度內，本公司已就授予一間附屬公司約1,748,000港元之融資租賃融資向一間財務公司提供公司擔保。本公司根據該項融資租賃備用額已發出擔保之最高負債佔附屬公司已提取之金額約為1,748,000港元。董事認為，擔保之公平值並不重大，且根據擔保向本公司提出申索之可能性不大，故並無於本公司截至二零零七年三月三十一日止年度之財務報表作出確認。
- ii) 於截至二零零六年三月三十一日止年度，一間附屬公司已就授予該附屬公司一名股東銀行融資約人民幣1,500,000元(相等於約1,456,000港元)向一間銀行作出公司擔保。本公司根據所發出擔保之最高負債相當於該名股東已提取之金額約人民幣1,500,000元。董事認為，根據擔保向本集團提出申索之可能性不大，故並無於截至二零零六年三月三十一日止年度之綜合財務報表作出確認。有關擔保已於二零零六年十一月解除。

Notes to the Financial Statements 財務報表附註

31 March 2007 二零零七年三月三十一日

35. Related Party Transactions

Save as disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with the related parties during the year:

- i) During the year, the Group and the Company received loan from a director of the Company, as further detailed in Note 22 in the financial statements.
- ii) Key management compensation

35. 關連人士交易

除財務報表另有披露者外，本集團及本公司於年內與關連人士有以下交易：

- i) 年內，本集團及本公司自本公司一名董事取得貸款，進一步詳情請參閱財務報表附註22。
- ii) 主要管理人員薪酬

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and other allowances	薪金及其他津貼	6,605	6,637
Retirement scheme contributions	退休計劃供款	69	49
Share option benefit	購股權利益	—	—
		6,674	6,686

36. Subsequent Event

On 11 April 2007, the Company entered into a placing agreement and a top-up subscription agreement with Kingston Securities Limited, an independent third party, for the placing of 133,000,000 ordinary shares of the Company of HK\$0.01 at the price of HK\$0.16. The placing was completed on 17 April 2007. The details of the placing are set out in the Company's announcement dated 11 April 2007.

36. 結算日後事項

於二零零七年四月十一日，本公司與獨立第三方金利豐證券有限公司訂立配售協議及補足認購協議，以按0.16港元之價格配售0.01港元之133,000,000股本公司普通股。配售已於二零零七年四月十七日完成。配售之詳情載於本公司於二零零七年四月十一日刊發之公佈。

Corporate Information 公司資料

Board of Directors

Chairman

Dr. CHEUNG Yuk Shan, Shirley

Executive Directors

Dr. CHEUNG Yuk Shan, Shirley
Mr. CHEUNG Ka Heng, Frankie
Mr. LEE Man Kwong

Independent Non-Executive Directors

Mr. HONG Po Kui, Martin
Mr. LI Kuo Hsing
Mr. HO Yiu Ming

Company Secretary

Mr. SIT Hon Wing

Qualified Accountant

Mr. SIT Hon Wing

Compliance Officer

Dr. CHEUNG Yuk Shan, Shirley

Audit Committee and Remuneration Committee

Mr. HONG Po Kui, Martin
Mr. LI Kuo Hsing
Mr. HO Yiu Ming

Authorized Representatives

Dr. CHEUNG Yuk Shan, Shirley
Mr. CHEUNG Ka Heng, Frankie

Auditors

CCIF CPA Limited
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Causeway Bay
Hong Kong

董事會

主席

張玉珊博士

執行董事

張玉珊博士
張嘉恒先生
李文光先生

獨立非執行董事

康寶駒先生
李國興先生
何耀明先生

公司秘書

薛漢榮先生

合資格會計師

薛漢榮先生

監察主任

張玉珊博士

審核委員會及薪酬委員會

康寶駒先生
李國興先生
何耀明先生

授權代表

張玉珊博士
張嘉恒先生

核數師

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Principal Share Registrar and Transfer Office in the Cayman Islands

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Grand Cayman
British West Indies

Branch Share Registrar and Transfer Office in Hong Kong

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Principal Banker

Nanyang Commercial Bank
Yaumatei Branch
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Kowloon

The Bank of East Asia Limited
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六樓

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主要往來銀行

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股份代號

8200

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