

REPORT OF THE DIRECTORS

董事會報告

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RBI HOLDINGS LIMITED 紅發集團有限公司

ANNUAL REPORT 2006 二零零六年年報

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st December 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group's turnover and operating profit were derived principally from the design, manufacture and sales of toys.

SEGMENT INFORMATION

An analysis of the Group's turnover by products and geographical location is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2006 and the state of the Group's affairs as at that date are set out in the consolidated financial statements on pages 28 to 83.

During the year, the Company paid an interim dividend of Hong Kong 2 cents per share, totalled approximately HK\$6,619,000, to shareholders. The directors recommend the payment of a final dividend of Hong Kong 3 cents per share in respect of the year ended 31st December 2006.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 26 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased a total of 3,010,000 issued shares of the Company on the Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$3,439,000 during the year.

董事會仝寅欣然提呈截至二零零六年十二月三十一日止年度之報告書連同經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團營業額及經營業績主要來自設計、製造及銷售玩具。

分部資料

按產品及地區分析本集團營業額詳見於綜合財務報表附註5。

業績及分配

本集團截至二零零六年十二月三十一日止年度業績及本集團於該日之財務狀況載於綜合財務報表第28頁至第83頁。

年內，本公司派發中期股息每股2港仙，合共約6,619,000港元予股東。董事會建議就截至二零零六年十二月三十一日止年度派發末期股息每股3港仙。

股本

本公司之股本在年內期間之變動情況詳情載於綜合財務報表附註26。

購買、出售或贖回上市證券

於本年度內，本公司在香港聯合交易所有限公司合共支付3,439,000港元，回購本公司3,010,000股已發行股份。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES *(Continued)*

Premium paid on the repurchases was charged against the reserves of the Company. An amount equivalent to the nominal value of the shares cancelled was transferred from retained profits to a capital redemption reserve.

Except as set out above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year.

SHARE OPTION SCHEME

The Company's Share Option Scheme (the "Scheme") was adopted pursuant to a resolution passed on 21st December 1995 for the primary purpose of providing incentives to directors and eligible employees, and expired on 20th December 2005.

On 2nd January 2002, option for 5,100,000 shares (the "2002" Share Options) of which 100,000 had lapsed, were granted at no consideration to certain eligible employees, including directors of the Company, under the Scheme which are exercisable during the period from 1st January 2004 to 31st December 2013 at the price of HK\$1.10 per share.

The closing price of the Company's shares immediately before 2nd January 2002, the date of grant of the 2002 share options, was HK\$1.30. 4,400,000 share options were exercised in 2004.

Pursuant to Chapter 17 of the Listing Rules, the Stock Exchange allowed the 2002 Share Options to be granted under the existing share option scheme, but no further options would be granted on the terms stipulated under the Scheme.

購買、出售或贖回上市證券 (續)

購回時支付之溢價從公司之儲備中扣除。相等於已註銷股份面值之數額已從滾存溢利撥往股本贖回儲備。

除以上所述者外，於本年內本公司或其任何附屬公司概無購買、出售或贖回本公司任何證券。

購股權計劃

為獎勵董事及合資格僱員，本公司根據於一九九五年十二月二十一日通過之決議案採納購股權計劃（「該計劃」），而該計劃已於二零零五年十二月二十日屆滿。

於二零零二年一月二日，本公司根據該計劃以無償方式向若干董事及本集團僱員授予可認購合共5,100,000股本公司股份之購股權（「二零零二購股權」），其中100,000已註銷，而該等購股權可於二零零四年一月一日至二零一三年十二月三十一日期間按每股1.10港元之價格行使。

股份於二零零二年一月二日授予二零零二購股權當天在聯交所之收市價為每股1.30港元。4,400,000購股權已於二零零四年行使。

根據上市規則第17章之指引，聯交所批准本公司之二零零二購股權可使用現有之購股權計劃授予該批購股權，但再不能根據計劃規定之條款授予其他購股權。

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SHARE OPTION SCHEME (Continued)

The following table discloses details of the number of options outstanding under the Company's Scheme and movements during the year:

購股權計劃 (續)

以下表格詳細列出根據本公司之該計劃，於本年內未行使之購股權及變動：

	Outstanding at the beginning and the end of the year 年初及年末 未行使
Directors 董事	
Mr. Chan Shun Po 陳順寶先生	300,000
Mr. Yip Yun Tim 葉潤添先生	300,000
Total Directors 董事合共	600,000
Employees 僱員	—
Total 合共	600,000

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity of the consolidated financial statements set out on page 33.

In the opinion of directors, the Company's reserves available for distribution to shareholders at 31st December, 2006 were as below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Contributed surplus	實繳盈餘	100,635	100,635
Retained profits	留存溢利	39,602	40,877
		140,237	141,512

The contributed surplus of the Company represents the excess of the carrying value of the subsidiaries acquired over the nominal value of the Company's shares issued which, under the Companies Act 1981 of Bermuda (as amended), is available for distribution to the shareholders of the Company. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws although there is no statutory restriction against such rights under the laws in Bermuda.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the year are set out in notes 14 and 16 to the consolidated financial statements respectively.

儲備

本集團之儲備於年內之變動情況載於第33頁綜合財務報表中綜合權益變動表內。

董事認為，本公司於2006年12月31日可供分派予股東的儲備如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
實繳盈餘指被收購附屬公司之價值超於本公司已發行股份之票面值之數額，並可根據一九八一年百慕達公司法(經修訂)，可分派予本公司之股東。惟本公司不能宣佈或派發股息或將實繳盈餘分派，假若	100,635	100,635
留存溢利	39,602	40,877
	140,237	141,512

實繳盈餘指被收購附屬公司之價值超於本公司已發行股份之票面值之數額，並可根據一九八一年百慕達公司法(經修訂)，可分派予本公司之股東。惟本公司不能宣佈或派發股息或將實繳盈餘分派，假若

- (i) 派發後，不能償還到期之負債；或
- (ii) 其資產之可變現價值少於其負債及其已發行股本及股份溢價之總數。

優先購買權

百慕達法例對優先購買權雖無限制，惟本公司之組織章程細則並無此等有關權利之規定。

物業、廠房及設備及投資物業

於本年度內本集團之物業、廠房及設備及投資物業之變動明細分別載於綜合財務報表附註14及16。

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BORROWINGS AND INTEREST CAPITALISED

The Group had no borrowings outstanding at the balance sheet date. No interest was capitalised by the Group during the year.

CHARITABLE DONATIONS

During the year, the Group made charitable donations which amounted to HK\$27,000.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st December 2006 are set out in note 18 to the consolidated financial statements.

FINANCIAL SUMMARY

A five year financial summary is shown on page 84.

DIRECTORS

The directors of the Company during the financial year 2006 and up to the date of this report were:

Mr. Yip Yun Kuen
Mr. Yip Yun Tim
Mr. Chan Shun Po
Mr. Chan, Michael Siu Tai (appointed on 1st January 2006)
Ms. Chan Pik Ha* (resigned on 1st August 2006)
Mr. Yeung Wai Kin*
Mr. Man Mo Leung#
Mr. Yap Alfred Donald, J.P.#
Ms. Lau Ki Cho, Iris# (resigned on 1st October 2006)
Mr. Chan Chu Kwan# (appointed on 1st January 2007)

* Non-executive directors

Independent non-executive directors

In accordance with the Company's bye-laws, Mr. Yip Yun Tim, Mr. Yeung Wai Kin, Mr. Yap Alfred Donald, J.P. and Mr. Chan Chu Kwan shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

借貸及資本化利息

本集團於結算日並無借貸結欠。本集團於本年度內並無將利息作資本化。

慈善捐款

本集團於年內作出之慈善捐款為27,000港元。

主要附屬公司

於二零零六年十二月三十一日，本公司主要附屬公司之詳情載於綜合財務報表附註18。

財務概要

五年財務概要載於第84頁。

董事

二零零六年財政年度及直至本報告日期之本公司董事如下：

葉潤權先生
葉潤添先生
陳順寶先生
陳兆泰先生(於二零零六年一月一日委任)
陳碧夏女士*(於二零零六年八月一日辭任)
楊偉堅先生*
文暮良先生#
葉天養太平紳士#
劉紀初小姐#(於二零零六年十月一日辭任)
陳柱焜先生#(於二零零七年一月一日委任)

* 非執行董事

獨立非執行董事

根據本公司之組織章程細則，葉潤添先生、楊偉堅先生、葉天養太平紳士及陳柱焜先生於即將舉行之股東週年大會上退任，惟彼等合資格並願意膺選連任。

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DIRECTORS' INTEREST IN SHARES

The beneficial interests of the directors of the Company and their associates in the shares of the Company and its associated corporations at 31st December 2006 within the meaning of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained under Section 352 of the SFO, and their interests in the share options of the Company at that date, are as follows:

董事之股份權益

於二零零六年十二月三十一日，根據證券及期貨條例（「證券及期貨條例」）第352條規定存置之登記名冊內記載之董事，及彼等之聯繫人士於本公司及其相聯公司之實際權益，及本公司之購股權於當日之權益如下：

Long Position in Shares and Underlying Shares of the Company

持有本公司的好倉股份及相關股份

Name of directors 董事姓名	Note 附註	Personal interest 個人權益	Family interest 家屬權益	Interest of controlled corporation 所控制法團權益	Number of underlying shares under derivatives equity (share option) 根據衍生工具所有的相關股份（購股權）	Total interests 合共權益	Percentage of issued share capital 佔發行股本百分比 (%)
Mr. Yip Yun Kuen 葉潤權先生	1	32,872,600	6,435,000	133,925,220	—	173,232,820	52.34
Mr. Chan Shun Po 陳順寶先生		4,720,320	—	—	300,000	5,020,320	1.52
Mr. Yip Yun Tim 葉潤添先生		400,000	—	—	300,000	700,000	0.21
Mr. Chan, Michael Siu Tai 陳兆泰先生		100,000	—	—	—	100,000	0.03
Mr. Man Mo Leung 文暮良先生		182,000	—	—	—	182,000	0.05

Notes:

- Mr. Yip Yun Kuen and his spouse jointly controlled the corporate interest of 133,925,220 ordinary shares of the Company through Extrad Assets Limited.
- The interests of the directors in the share options of the Company are detailed in the Share Options Scheme section stated above.

附註：

- 葉潤權先生及其配偶，通過Extrad Assets Limited，共同擁有公司133,925,220股普通股。
- 有關董事持有購股權的權益，詳細載於以上「購股權計劃」部份。

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DIRECTORS' INTEREST IN SHARES *(Continued)*

Save as disclosed above, the Company has not be notified by any person who had interests or short positions in the shares or underlying shares of the Company.

Save as disclosed above and for shares in certain subsidiaries held by directors in trust for their immediate holding companies, at 31st December 2006, none of the directors and chief executive of the Company, or any of their associates, had any interests in the equity or debt securities of the Company or any of its associated corporations as defined in the SFO Ordinance, and none of the directors and chief executives of the Company, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the Share Options Scheme section stated above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT AND SERVICE CONTRACTS

No contracts of significance concerning the management or administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

董事之股份權益 (續)

除上文所披露者外，本公司概無知悉任何人士在本公司或任何相聯法團的股份擁有權益或淡倉。

除上文所披露者以及董事以信託形式代若干附屬公司之直接控股公司所持有該等附屬公司之股份外，本公司各董事及主要行政總裁，或其聯繫人士，概無於二零零六年十二月三十一日在本公司或其任何相聯公司（根據證券及期貨條例之定義）之股本或債務證券中擁有權益。同樣，並無本公司任何董事及主要行政總裁，或其配偶或未滿十八歲子女，擁有任何認購本公司證券之權利或於期內已行使任何該等權利。

董事於重大合約利益

於本年度結算日或年內，本公司或其任何附屬公司概無訂立與本公司董事直接或間接地擁有重大利益之重要合約。

購買股份或債券之安排

除上文「購股權計劃」部份披露外，於年內任何時間本公司或其任何附屬公司並無參與訂立任何其他安排，致使本公司董事可因購買本公司或任何其他法人團體之股份或債券而獲取利益。

管理及服務合約

年內並無訂立或存在有關本公司全部或任何主要部份業務之重大管理或行政合約。

獲提名在即將舉行之股東週年大會重選之董事與本公司或其任何附屬公司概無訂立須作補償（法定賠償除外）方可於一年內終止之服務合約。

RETIREMENT SCHEMES

Details of the Group's retirement scheme are shown in note 28 to the consolidated financial statements.

The Group's retirement scheme contributions charged to the consolidated income statement for the year amounted to approximately HK\$3,452,000.

SUBSTANTIAL SHAREHOLDERS

At 31st December 2006, the following shareholders were interested in 5 per cent or more of the issued share capital of the Company according to the register of interest required to be kept by the Company under section 336 of the SFO:

Long Positions in the Shares of the Company

Name of shareholder 股東名稱	Note 附註	Capacity 權益性質	Number of shares 股份數目	Percentage of issued share capital 佔已 發行股本 百分比 (%)
Mr. Yip Yun Kuen 葉潤權先生	1	Beneficial owner (32,872,600) Family interest (6,435,000) Interest of controlled corporation (133,925,220) 實益擁有人(32,872,600) 家屬利益(6,435,000) 所控制法團的權益(133,925,220)	173,232,820	52.34
Ms. Chan Pik Ha 陳碧夏女士	1	Beneficial owner (6,435,000) Family interest (32,872,600) Interest of controlled corporation (133,925,220) 實益擁有人(6,435,000) 家屬利益(32,872,600) 所控制法團的權益(133,925,220)	173,232,820	52.34
Extrad Assets Limited	1	Beneficial owner 實益擁有人	133,925,220	40.47
Walbeck International Limited	2	Beneficial owner 實益擁有人	37,062,352	11.20
Arisaig Greater China Fund	3	Beneficial owner 實益擁有人	16,608,000	5.02
Branford Limited		Beneficial owner 實益擁有人	17,023,600	5.14

退休金計劃

本集團的退休金計劃詳見綜合財務報表附註28。

年內，本集團退休金計劃供款於綜合收益表中計入約為3,452,000港元。

主要股東

於二零零六年十二月三十一日，根據證券及期貨條例第336條規定之登記名冊上，持有本公司已發行股本5%或以上權益之股東記錄如下：

持有本公司的好倉股份

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SUBSTANTIAL SHAREHOLDERS (Continued)

Long Positions in the Shares of the Company (Continued)

Notes:

1. Extrad Assets Limited is a company owned by Mr. Yip Yun Kuen and his spouse.
2. Walbeck International Limited is a subsidiary of First Shanghai Investments Limited, a company listed on the Stock Exchange.
3. Arisaig Greater China Fund through its investment manager Arisaig Partner (Mauritius) Limited owns 16,608,000 shares of the Company.

Other than as disclosed above, the Company has not been notified of any other interests representing 5% or more of the Company's issued share capital or short positions in the share or underlying shares of the Company as at 31st December 2006.

CORPORATE GOVERNANCE

Information on the Company's corporate governance practices is set out in the "Corporate Governance Report" from pages 18 to 22.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company had adopted its code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code as then in force, and after having made specific enquiry to all directors of the Company, the directors of the Company are satisfied that the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions has been fully complied with.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors and one non-executive director of the Company.

主要股東 (續)

持有本公司的好倉股份 (續)

附註：

1. Extrad Assets Limited為葉潤權先生及其配偶共同擁有之公司。
2. Walbeck International Limited為在聯交所上市之第一上海投資有限公司之附屬公司。
3. Arisaig Greater China Fund透過其投資經理 Arisaig Partner (Mauritius) Limited擁有本公司16,608,000股股票。

除以上披露外，本公司未獲通知任何於二零零六年十二月三十一日期間擁有本公司發行股本5%或以上之權益或淡倉。

企業管治

有關企業管治請見載於第18頁至第22頁的企業管治報告。

董事進行公司證券交易守則

本公司已就董事的證券交易活動自行採納一套不低於標準守則所訂標準的行為守則（「行為守則」），及經向所有本公司董事作出特定的查詢後，所有本公司董事均滿意各董事已遵守「標準守則」及「行為守則」中所要求的標準。

審核委員會

本公司已按照上市規則第3.21條成立審核委員會，負責審閱並監督本公司之財務申報及內部監控。審核委員會成員包括本公司三名獨立非執行董事及一名非執行董事。

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PUBLIC FLOAT

Based on the information that is publicly available to the Company and with the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

AUDITORS

During the year, Messrs. Deloitte Touche Tohmatsu resigned as auditors of the Company and Grant Thornton was appointed by the directors to fill the casual vacancy. There have been no other changes of auditors in the past three years. A resolution will be submitted to the forthcoming annual general meeting to re-appoint Grant Thornton as auditors of the Company.

On behalf of the board

Yip Yun Kuen
Chairman

Hong Kong, 20th April 2007

公眾持股

根據本公司所擁有之公眾資料並就董事所知悉，於本報告日期，本公司已發行股份之公眾持股為上市規則所規定的不少於25%。

核數師

本年度內，德勤•關黃陳方會計師行辭任本公司核數師，同時，均富會計師行獲董事聘任此職位。除此之外，三年內核數師並無其他轉變。即將舉行之股東週年大會將提呈一項決議案以續聘均富會計師行為本公司核數師。

代表董事會

主席
葉潤權

香港，二零零七年四月二十日