

# financial highlights

## sales growth



## profit growth



## pro forma earnings per share—basic\*



\* The calculation of the pro forma basic earnings per share is based on the pro forma net profit from ordinary activities attributable to shareholders for the respective years and the 246,000,000 shares deemed to have been in issue during the years.

## SEGMENTAL INFORMATION

### Turnover (HK\$ million)

Market	2004	2005	% change
<b>Retail Operation</b>			
Hong Kong	254.2	291.3	+15%
Taiwan	22.3	26.0	+17%
<b>Franchise Business</b>			
PRC	5.1	6.3	+24%
Macau	1.1	1.4	+27%
<b>Wholesale Operation</b>			
Japan	18.4	7.9	-57%
Others	5.7	9.8	+72%
<b>Total</b>	<b>306.8</b>	<b>342.7</b>	<b>+12%</b>

### No. of outlets

Market	2004	2005	change
<b>Self-operated retail stores and counters</b>			
Hong Kong	32	37	+5
Taiwan	11	10	-1
<b>Franchise stores and counter</b>			
PRC	7	7	—
Macau	1	1	—
<b>Total</b>	<b>51</b>	<b>55</b>	<b>+4</b>

### SUMMARY OF FINANCIAL INFORMATION

A summary of the pro forma consolidated results and assets and liabilities of the Group for the last four financial years, as extracted from the current year audited pro forma consolidated financial statements and the listing prospectus of the Company dated 29 April 2005 (the "Listing Prospectus") which also set out the details of the basis of presentation, is set out below. This summary does not form part of the audited pro forma consolidated financial statements.

	2005	2004	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>RESULTS</b>				
TURNOVER	342,726	306,768	271,630	255,171
Cost of sales	(122,767)	(120,637)	(116,210)	(120,031)
Gross profit	219,959	186,131	155,420	135,140
Other revenue and gains	1,501	428	919	2,179
Selling and distribution costs	(124,294)	(105,457)	(94,496)	(77,848)
Administrative expenses	(39,486)	(27,716)	(26,580)	(22,336)
Other operating expenses	(910)	(2,556)	(115)	(1,263)
PROFIT FROM OPERATING ACTIVITIES	56,770	50,830	35,148	35,872
Finance costs	(201)	(28)	(154)	(116)
Share of profit of an associate	—	1,022	4,478	1,824
PROFIT BEFORE TAX	56,569	51,824	39,472	37,580
Tax	(10,012)	(10,519)	(5,755)	(6,251)
PROFIT BEFORE MINORITY INTERESTS	46,557	41,305	33,717	31,329
Minority interests	508	—	—	—
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	47,065	41,305	33,717	31,329
<b>ASSETS AND LIABILITIES</b>				
TOTAL ASSETS	194,944	159,299	142,874	106,811
TOTAL LIABILITIES	(51,513)	(24,160)	(40,372)	(38,139)
NET ASSETS	143,431	135,139	102,502	68,672

## financial highlights

Key Financial Ratios	Notes	FY04/05	FY03/04	Change +/-
<b>Performance</b>				
Gross Margin (%)	1	64.2	60.7	+3.5%pts.
Adjusted Gross Margin (%)	2	64.1	58.7	+5.4%pts.
Net Profit Margin (%)	3	13.7	13.5	+0.2%pt.
Adjusted Net Profit Margin (%)	4	13.6	12.0	+1.6%pts.
Return on Average Equity (%)	5	33.8	34.8	-1.0%pt.
Return on Average Assets (%)	6	26.6	27.3	-0.7%pt.
<b>Operating</b>				
Inventory Turnover Days	7	142	121	+21 days
Debtors' Turnover Days	8	9	7	+2 days
Creditors' Turnover Days	9	13	14	-1 day
<b>Liquidity &amp; Gearing</b>				
Current Ratio	10	2.6	5.5	-52.7%
Quick Ratio	11	1.3	4.1	-68.3%
Gearing Ratio (%)	12	3.8	1.9	+1.9%pts.

Notes:

- 1 "Gross Margin" is based on gross profit divided by turnover during the year.
- 2 "Adjusted Gross Margin" is based on gross profit excluding net write-back of provision against slow-moving inventory of HK\$0.3 million (2003/04: HK\$6.1 million) divided by turnover during the year.
- 3 "Net Profit Margin" is calculated as net profit divided by turnover during the year.
- 4 "Adjusted Net Profit Margin" is based on net profit excluding net write-back of provision against slow-moving inventory of HK\$0.3 million (2003/04: HK\$6.1 million) and loss on disposal of an associate of HK\$nil (2003/04: HK\$1.6 million) divided by turnover during the year.
- 5 "Return on Average Equity" represents net profit during the year divided by average of opening and closing balance for shareholders' equity.
- 6 "Return on Average Assets" represents net profit during the year divided by average of opening and closing balance for total assets.
- 7 "Inventory Turnover Days" is based on average of opening and closing balance for inventory divided by cost of sales and then multiplied by number of days during the year.
- 8 "Debtors' Turnover Days" is based on average of opening and closing balance for trade and bills receivable divided by turnover and then multiplied by number of days during the year.
- 9 "Creditors' Turnover Days" is based on average of opening and closing balance for trade and bills payable divided by purchases and then multiplied by number of days during the year.
- 10 "Current Ratio" represents current assets divided by current liabilities.
- 11 "Quick Ratio" represents current assets less inventory balance divided by current liabilities.
- 12 "Gearing Ratio" represents total interest-bearing borrowings and finance lease payable divided by total assets.