

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

1. GENERAL INFORMATION

Mirabell International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") are principally engaged in the retailing, wholesaling and manufacturing of footwear.

The Company is a limited liability company incorporated in the Cayman Islands. The principal place of business is at 8/F, Wyler Centre, Phase II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 26 June 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. 一般資料

Mirabell International Holdings Limited (美麗寶國際控股有限公司*) (「本公司」) 及其附屬公司 (合稱「本集團」) 之主要業務包括鞋類產品零售、批發及製造。

本公司是在開曼群島註冊成立的有限公司。主要營業地點於香港新界葵涌大連排道200號偉倫中心第2期8樓。

本公司的股份在香港聯合交易所有限公司主板上市。

綜合財務報表以港幣千元(千港元)列報(除非另有說明)。綜合財務報表已經由董事會在二零零六年六月二十六日批准刊發。

2. 重要會計政策摘要

編製本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

* 僅供識別

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation

The consolidated financial statements of Mirabell International Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit and loss and investments properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

The adoption of new/revised HKFRS

During the year ended 28 February 2006, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004/2005 comparatives have been restated as required, in accordance with the relevant requirements.

2. 重要會計政策摘要 (續)

2.1 編製基準

Mirabell International Holdings Limited (美麗寶國際控股有限公司*)的綜合財務報表乃按照香港財務報告準則(「HKFRS」)編製。綜合財務報表已按照歷史成本法編製,並就按公平值透過損益列賬之財務資產及財務負債(包括衍生金融工具)以及按公平值列賬之投資物業的重估而作出修訂。

編製符合HKFRS的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇,或涉及對綜合財務報表屬重大假設和估算的範疇,在附註4中披露。

採納新訂/經修訂HKFRS

在截至二零零六年二月二十八日止年度期間內,本集團採納下列與其業務相關的新訂/經修訂HKFRS之準則及詮釋。二零零四/二零零五年度之比較數字已按需要根據有關規定予以重列。

* 僅供識別

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HKAS-Int 15	Operating Leases – Incentives
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納新訂／經修訂HKFRS (續)

HKAS 1	財務報表之呈報
HKAS 2	存貨
HKAS 7	現金流量表
HKAS 8	會計政策、會計估計更改及錯誤更正
HKAS 10	結算日後事項
HKAS 12	所得稅
HKAS 14	分部報告
HKAS 16	物業、機器及設備
HKAS 17	租賃
HKAS 18	收益
HKAS 19	僱員福利
HKAS 21	匯率變更之影響
HKAS 23	借貸成本
HKAS 24	關聯方披露
HKAS 27	綜合及獨立財務報表
HKAS 28	聯營公司投資
HKAS 32	金融工具：披露及呈報
HKAS 33	每股盈利
HKAS 36	資產減值
HKAS 37	撥備、或然負債及或然資產
HKAS 38	無形資產
HKAS 39	金融工具：確認及計量
HKAS 39 (修訂)	財務資產及財務負債的過渡及初步確認
HKAS 40	投資物業
HKFRS 2	以股份為基礎的支付
HKFRS 3	企業合併
HKAS-Int 15	營運租賃－優惠
HKAS-Int 21	所得稅－經重估非折舊資產的收回
HK-Int 4	租賃－確定有關香港土地租賃的租賃期長短

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 28, 33, 37, HKFRS 2, HKAS-Int 15 and HK-Int 4 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of share of net after-tax results of an associate and other disclosures.
- HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 23, 27, 28, 33, 37, HKFRS 2, HKAS-Int 15 and HK-Int 4 have no material effect on the Group's policies.
- HKAS 21 has no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納新訂／經修訂HKFRS (續)

採納新訂／經修訂HKASs 1、2、7、8、10、12、14、16、18、19、21、23、24、27、28、33、37、HKFRS 2、HKAS-Int 15以及HK-Int 4對本集團的會計政策並無構成重大變更。總括而言：

- HKAS 1影響應佔聯營公司稅後業績淨額及其他資料披露的列賬形式。
- HKASs 2、7、8、10、12、14、16、18、19、23、27、28、33、37、HKFRS 2、HKAS-Int 15以及HK-Int 4對本集團的政策並無構成重大影響。
- HKAS 21對本集團的政策並無構成重大影響。各綜合實體的功能貨幣已按本經修訂準則的指引重新評估。所有本集團實體均使用相同的功能貨幣作為各實體賬目之呈報貨幣。
- HKAS 24對識別關聯方的身份及若干其他關聯方的披露構成影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

- The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement. In prior years, interests in land and buildings, other than investment properties were stated at fair value, and separate values were not attributed to land and buildings.
- The adoption of HKASs 32, 39 and 39 (Amendment) has resulted in the recognition of derivative financial instruments at fair value.
- The adoption of revised HKAS 40 has resulted in a change in the accounting policy for investment properties. The changes in fair values of the investment properties are recorded in the income statement as part of other operating income. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納新訂／經修訂HKFRS (續)

- 採納經修訂HKAS 17導致有關租賃土地及土地使用權由物業、機器及設備重列作經營租賃之會計政策之變更。租賃土地及土地使用權的一次性預付款項是在損益表中列作支出。於以往年度，除投資物業外，在土地及樓宇中所佔之權益是按公平值列賬，而土地及樓宇並不分開列賬。
- 採納HKASs 32、39及39(修訂)導致衍生金融工具按公平值確認。
- 採納經修訂HKAS 40導致有關投資物業之會計政策之變更。投資物業的公平值之變動須作為其他經營收入之一部份呈列於損益表之內。於以往年度，公平值之增加貸記入投資物業重估儲備賬。公平值之減少則首先以整個組合為基礎與先前估值產生之增值對銷，然後於損益表扣除。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

- The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.
- The adoption of HKFRS 3, HKAS 36 and HKAS 38 has resulted in a change in the accounting policy for goodwill. Until 28 February 2005, goodwill was:
 - amortised on a straight line basis over its estimated useful life of 15 years; and
 - assessed for an indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3:

- the Group ceased amortisation of goodwill from 1 March 2005;
- accumulated amortisation as at 28 February 2005 has been eliminated with a corresponding decrease in the cost of goodwill; and

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納新訂／經修訂HKFRS (續)

- 採納經修訂HKAS-Int 21導致重估投資物業所產生的遞延稅項負債的計量之會計政策之變更。該等遞延稅項負債乃按假設通過使用該資產收回賬面金額所產生的納稅結果為基礎進行計量。於以往年度，該資產的賬面金額乃預期通過出售收回。
- 採納HKFRS 3、HKAS 36及HKAS 38導致有關商譽之會計政策之變更。直至二零零五年二月二十八日，商譽是：
 - 於十五年的估計可用年期中以直線法攤銷；及
 - 於每個結算日評核減值跡象。

根據HKFRS 3的規定：

- 本集團由二零零五年三月一日起停止商譽攤銷；
- 於二零零五年二月二十八日的累計攤銷已被減除；而商譽成本值已相應減少；及

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

- from the year ended 28 February 2006 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment.

The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment was resulted from this reassessment.

All relevant changes in the accounting policies have been made in accordance with the transition provisions in respective standards. All standards adopted by the Group required retrospective application other than:

- HKAS 39 – does not permit recognising, derecognising or measuring financial assets and liabilities in accordance with this standard on a retrospective basis;

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納新訂／經修訂HKFRS (續)

- 由截至二零零六年二月二十八日止年度起，商譽將按年及於出現減值跡象時進行減值評估。

本集團已根據HKAS 38重新評估無形資產的估計可用年期。評估結果並無導致調整。

會計政策上的所有變更均根據個別準則的過渡性條文作出。本集團採納的所有準則需要作出追溯應用，惟下列各項除外：

- HKAS 39 – 不容許按追溯基準根據本準則確認、解除確認或計量金融資產和負債；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

- HKAS-Int 15 – does not require the recognition of incentives for leases beginning before 1 March 2006; and
- HKFRS 3 – prospectively after 1 March 2005.

Apart from the adoption of new HKFRS, the Group has adopted the cost model of HKAS 16 for buildings other than investment properties. Buildings are carried at cost less accumulated depreciation and accumulated impairment. In prior years, they were stated at valuation. The Company believes that the change in accounting policy has resulted in a more appropriate presentation of the buildings of the Group. The new accounting policy has been adopted retrospectively.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納新訂／經修訂HKFRS (續)

- HKAS-Int 15 – 並無要求確認與二零零六年三月一日前開始的租賃有關的優惠；及
- HKFRS 3 – 於二零零五年三月一日後作前瞻應用。

除採納新HKFRS外，本集團已採納HKAS 16的成本模式作為投資物業以外的樓宇的會計政策。樓宇乃按成本值減累計折舊及累計減值入賬。在以往年度，該等樓宇按評估值列賬。本公司認為此會計政策之變更能更適當地呈報本集團之樓宇。此新會計政策已被追溯採納。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Effect of changes in the accounting policies on consolidated income statement

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

變更會計政策對綜合損益表的影響

		Effect of adopting 採納有關準則的影響					Total合計 HK\$'000 千港元
		HKAS 1 HK\$'000 千港元	HKAS 17 HK\$'000 千港元	HKAS 32 & HKAS 39 HK\$'000 千港元	HKFRS 3, HKAS 36 & HKAS 38 HK\$'000 千港元	HKAS 40 HK\$'000 千港元	
For the year ended 28 February 2006	截至二零零六年 二月二十八日止年度						
(Decrease)/increase in share of profit of an associate	應佔聯營公司溢利之 (減少)/增加	(1,601)	-	-	1,155	-	(446)
Increase in other operating income	其他經營收入之增加	-	-	80	-	-	80
Increase in distribution and selling costs	分銷及銷售成本之 增加	-	(380)	-	-	-	(380)
Decrease in administrative expenses	行政開支之減少	-	14	-	-	-	14
Decrease in taxation	稅項之減少	1,601	241	-	-	-	1,842
(Decrease)/increase in profit attributable to equity holders of the Company	本公司權益持有人 應佔溢利之 (減少)/增加	-	(125)	80	1,155	-	1,110
(Decrease)/increase in basic earnings per share	基本每股盈利之 (減少)/增加	-	(0.0 cent仙)	0.0 cent仙	0.5 cent仙	-	0.4 cent仙

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Effect of changes in the accounting policies on consolidated income statement (continued)

For the year ended
28 February 2005

Decrease in share of profit of an associate	應佔聯營公司溢利之減少	(3,605)	-	-	-	-	(3,605)
(Decrease)/increase in other operating income	其他經營收入之(減少)/增加	-	(1,063)	-	-	1,700	637
Increase in distribution and selling costs	分銷及銷售成本之增加	-	(787)	-	-	-	(787)
Increase in administrative expenses	行政開支之增加	-	(120)	-	-	-	(120)
Decrease/(increase) in taxation	稅項之減少/(增加)	3,605	104	-	-	(90)	3,619
(Decrease)/increase in profit attributable to equity holders of the Company	本公司權益持有人應佔溢利之(減少)/增加	-	(1,866)	-	-	1,610	(256)
(Decrease)/increase in basic earnings per share	基本每股盈利之(減少)/增加	-	(0.7 cent仙)	-	-	0.6 cent仙	(0.1 cent仙)

2. 重要會計政策摘要(續)

2.1 編製基準(續)

變更會計政策對綜合損益表的影響(續)

Effect of adopting
採納有關準則的影響

HKAS 1 HK\$'000 千港元	HKAS 16 & HKAS 17 HK\$'000 千港元	HKAS 32 & HKAS 39 HK\$'000 千港元	HKFRS 3, HKAS 36 & HKAS 38 HK\$'000 千港元	HKAS 40 HK\$'000 千港元	Total合計 HK\$'000 千港元
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截至二零零五年
二月二十八日止年度

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Effect of changes in the accounting policies on consolidated balance sheet

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

變更會計政策對綜合資產負債表的影響

		Effect of adopting 採納有關準則的影響						
		HKAS 16 & HKAS 17		HKAS 32 & HKAS 39		HKAS 36 & HKAS 38	HKAS 40	Total 合計
		HKAS 1 HK\$'000 千港元	HKAS 17 HK\$'000 千港元	HKAS 39 HK\$'000 千港元	HKAS 38 HK\$'000 千港元	HKAS 40 HK\$'000 千港元	HKAS 40 HK\$'000 千港元	HK\$'000 千港元
As at 28 February 2006	於二零零六年 二月二十八日							
(Decrease)/increase in non-current assets	非流動資產之(減少)/增加							
Property, plant and equipment	物業、機器及設備	(53,448)	(33,341)	-	-	-	-	(86,789)
Investment properties	投資物業	53,448	-	-	-	-	-	53,448
Leasehold land and land use rights	租賃土地及土地使用權	-	17,704	-	-	-	-	17,704
Interests in an associate	聯營公司權益	-	-	-	1,155	-	-	1,155
Deferred tax assets	遞延稅項資產	-	196	-	-	-	-	196
		-	(15,441)	-	1,155	-	-	(14,286)
Increase in current assets	流動資產之增加							
Derivative financial instruments	衍生金融工具	-	-	80	-	-	-	80
Decrease in non-current liabilities	非流動負債之減少							
Deferred tax liabilities	遞延稅項負債	-	(744)	-	-	-	-	(744)
(Decrease)/increase in equity	權益之(減少)/增加							
Investment properties revaluation reserve	投資物業重估儲備	-	-	-	-	(11,772)	-	(11,772)
Other properties revaluation reserve	其他物業重估儲備	-	(12,046)	-	-	-	-	(12,046)
Retained earnings	保留盈利	-	(2,651)	80	1,155	11,772	-	10,356
		-	(14,697)	80	1,155	-	-	(13,462)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Effect of changes in the accounting policies on consolidated balance sheet (continued)

		Effect of adopting 採納有關準則的影響					Total合計 HK\$'000 千港元
		HKAS 1 HK\$'000 千港元	HKAS 16 & HKAS 17 HK\$'000 千港元	HKAS 32 & HKAS 39 HK\$'000 千港元	HKFRS 3, HKAS 36 & HKAS 38 HK\$'000 千港元	HKAS 40 HK\$'000 千港元	
As at 28 February 2005	於二零零五年二月二十八日						
(Decrease)/increase in non-current assets	非流動資產之(減少)/增加						
Property, plant and equipment	物業、機器及設備	(61,448)	(34,982)	-	-	-	(96,430)
Investment properties	投資物業	61,448	-	-	-	-	61,448
Leasehold land and land use rights	租賃土地及土地使用權	-	19,709	-	-	-	19,709
Deferred tax assets	遞延稅項資產	-	49	-	-	-	49
		-	(15,224)	-	-	-	(15,224)
Decrease in non-current liabilities	非流動負債之減少						
Deferred tax liabilities	遞延稅項負債	-	(652)	-	-	-	(652)
(Decrease)/increase in equity	權益之(減少)/增加						
Investment properties revaluation reserve	投資物業重估儲備	-	-	-	-	(13,682)	(13,682)
Other properties revaluation reserve	其他物業重估儲備	-	(12,047)	-	-	-	(12,047)
Retained earnings	保留盈利	-	(2,525)	-	-	13,682	11,157
		-	(14,572)	-	-	-	(14,572)

2. 重要會計政策摘要(續)

2.1 編製基準(續)

變更會計政策對綜合資產負債表的影響(續)

Effect of adopting
採納有關準則的影響

HKFRS 3,
HKAS 36 &
HKAS 38
HK\$'000
千港元

HKAS 1
HK\$'000
千港元

HKAS 16 &
HKAS 17
HK\$'000
千港元

HKAS 32 &
HKAS 39
HK\$'000
千港元

HKAS 36 &
HKAS 38
HK\$'000
千港元

HKAS 40
HK\$'000
千港元

Total合計
HK\$'000
千港元

As at 28 February 2005	於二零零五年二月二十八日						
(Decrease)/increase in non-current assets	非流動資產之(減少)/增加						
Property, plant and equipment	物業、機器及設備	(61,448)	(34,982)	-	-	-	(96,430)
Investment properties	投資物業	61,448	-	-	-	-	61,448
Leasehold land and land use rights	租賃土地及土地使用權	-	19,709	-	-	-	19,709
Deferred tax assets	遞延稅項資產	-	49	-	-	-	49
		-	(15,224)	-	-	-	(15,224)
Decrease in non-current liabilities	非流動負債之減少						
Deferred tax liabilities	遞延稅項負債	-	(652)	-	-	-	(652)
(Decrease)/increase in equity	權益之(減少)/增加						
Investment properties revaluation reserve	投資物業重估儲備	-	-	-	-	(13,682)	(13,682)
Other properties revaluation reserve	其他物業重估儲備	-	(12,047)	-	-	-	(12,047)
Retained earnings	保留盈利	-	(2,525)	-	-	13,682	11,157
		-	(14,572)	-	-	-	(14,572)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Effect of changes in the accounting policies on consolidated balance sheet (continued)

		Effect of adopting 採納有關準則的影響					Total
		HKAS 1	HKAS 16 & HKAS 17	HKAS 32 & HKAS 39	HKAS 36 & HKAS 38	HKAS 40	Total
		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
As at 1 March 2005	於二零零五年三月一日						
(Decrease)/increase in non-current assets	非流動資產之(減少)/增加						
Property, plant and equipment	物業、機器及設備	(61,448)	(34,982)	-	-	-	(96,430)
Investment properties	投資物業	61,448	-	-	-	-	61,448
Leasehold land and land use rights	租賃土地及土地使用權	-	19,709	-	-	-	19,709
Deferred tax assets	遞延稅項資產	-	49	-	-	-	49
Derivative financial instruments	衍生金融工具	-	-	19	-	-	19
		-	(15,224)	19	-	-	(15,205)
(Decrease)/increase in non-current liabilities	非流動負債之(減少)/增加						
Deferred tax liabilities	遞延稅項負債	-	(652)	-	-	-	(652)
Derivative financial instruments	衍生金融工具	-	-	281	-	-	281
		-	(652)	281	-	-	(371)
(Decrease)/increase in equity	權益之(減少)/增加						
Investment properties revaluation reserve	投資物業重估儲備	-	-	-	-	(13,682)	(13,682)
Other properties revaluation reserve	其他物業重估儲備	-	(12,047)	-	-	-	(12,047)
Retained earnings	保留盈利	-	(2,525)	(262)	-	13,682	10,895
		-	(14,572)	(262)	-	-	(14,834)

2. 重要會計政策摘要(續)

2.1 編製基準(續)

變更會計政策對綜合資產負債表的影響(續)

Effect of adopting
採納有關準則的影響

HKAS 1	HKAS 16 & HKAS 17	HKAS 32 & HKAS 39	HKAS 36 & HKAS 38	HKAS 40	Total
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

As at 1 March 2005	於二零零五年三月一日						
(Decrease)/increase in non-current assets	非流動資產之(減少)/增加						
Property, plant and equipment	物業、機器及設備	(61,448)	(34,982)	-	-	-	(96,430)
Investment properties	投資物業	61,448	-	-	-	-	61,448
Leasehold land and land use rights	租賃土地及土地使用權	-	19,709	-	-	-	19,709
Deferred tax assets	遞延稅項資產	-	49	-	-	-	49
Derivative financial instruments	衍生金融工具	-	-	19	-	-	19
		-	(15,224)	19	-	-	(15,205)
(Decrease)/increase in non-current liabilities	非流動負債之(減少)/增加						
Deferred tax liabilities	遞延稅項負債	-	(652)	-	-	-	(652)
Derivative financial instruments	衍生金融工具	-	-	281	-	-	281
		-	(652)	281	-	-	(371)
(Decrease)/increase in equity	權益之(減少)/增加						
Investment properties revaluation reserve	投資物業重估儲備	-	-	-	-	(13,682)	(13,682)
Other properties revaluation reserve	其他物業重估儲備	-	(12,047)	-	-	-	(12,047)
Retained earnings	保留盈利	-	(2,525)	(262)	-	13,682	10,895
		-	(14,572)	(262)	-	-	(14,834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The Group has not early adopted the following new standards or interpretations that have been issued and not yet effective, which are relevant to the operations of the Group. It is expected that the adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 19 (Amendment) Actuarial Gains and Losses,
Group Plans and Disclosures

HKAS 39 (Amendment) The Fair Value Option

HKAS 39 and HKFRS 4 Financial Guarantee Contracts
(Amendment)

HKFRS 7 Financial Instruments:
Disclosures

HKFRS-Int 4 Determining whether an
Arrangement contains a
Lease

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 28 February.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

本集團並未提前採納下列與本集團經營相關之已發出而尚未生效的新會計準則或詮釋。採納此等會計準則或詮釋對本集團的會計政策將不會構成重大變更。

HKAS 19 精算盈虧、集體
(修訂) 界定福利計
劃和披露

HKAS 39 公平價值期權
(修訂)

HKAS 39 財務擔保合約
及 HKFRS 4
(修訂)

HKFRS 7 金融工具：披露

HKFRS-Int 4 釐定一項安排
是否包含租
賃

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至二月二十八日止之財務報表。

(a) 附屬公司

附屬公司指本集團有權控制一般財務及營運政策之企業，並一般擁有超過一半投票權之股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

2. 重要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

附屬公司自控制權轉交本集團之日起全面綜合入賬，並於控制權終止之日停止綜合入賬。

會計採購法用於計算本集團收購附屬公司之賬目。收購成本乃按交換日期所交出資產／發行股權工具及產生或承擔之負債之公平值計量，加收購之直接應計成本。所收購可辨識之資產及業務合併時所承擔之負債及或然負債乃於開始時按收購日之公平值計量，不論任何少數股東權益的數額。收購成本超過本集團應佔所收購可辨識淨資產公平值之總額入賬為商譽。倘收購成本低於所收購附屬公司的資產公平值，差額乃直接在損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indication unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 2.7).

2. 重要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

集團內公司間交易、集團公司間交易產生之結餘及未實現盈利均予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷並視為減值跡象。附屬公司之會計政策已作所需變動，以確保與本集團所採納政策一致。

於本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

(b) 聯營公司

聯營公司是指本集團對其有重大影響但不擁有控制權的公司，一般附帶擁有其百分之二十至百分之五十投票權的股權。於聯營公司之投資於綜合財務報表按權益法入賬，並於最初按成本確認。本集團於聯營公司之投資包括於收購時辨識之商譽（減去任何累計減值虧損）（見附註2.7）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Associates (continued)

The Group's share of its associate's post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. 重要會計政策摘要 (續)

2.2 綜合賬目 (續)

(b) 聯營公司 (續)

本集團對應佔收購後聯營公司的利潤或虧損於損益表中確認，而應佔收購後的聯營公司的儲備變動在儲備中確認。收購後的累積變動乃於投資之賬面值作調整。當本集團應佔聯營公司的虧損相等於或大於其佔聯營公司的權益（包括任何其他無擔保之應收賬款），本集團不再確認額外的損失，除非本集團有此責任或已代聯營公司支付款項。

因本集團與聯營公司之間交易而產生的未實現收益按本集團所佔權益予以抵銷。除非該交易提供證據證明所轉移資產出現減值，否則未實現虧損亦予抵銷。聯營公司之會計政策已在需要情況下作修訂，以確保與本集團所採納之政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, patents and licenses, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment, investment properties, leasehold land and land use rights and patents and licenses.

In respect of geographical segment reporting, sales are based on the geographical area in which the customer is located; and total assets and capital expenditure are based on where the assets are located.

2. 重要會計政策摘要(續)

2.3 分部報表

一個業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報有別於其他業務分部。一個地區分部乃在某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報有別於在其他經濟環境經營的分部。

分部資產主要包括物業、機器及設備、投資物業、租賃土地及土地使用權、專利權及牌照、存貨、應收款項及營運現金。分部負債包括營運負債，但不包括稅項及若干企業信貸等項目。資本開支包括物業、機器及設備、投資物業、租賃土地及土地使用權以及專利權及牌照之添置。

至於地區分部報告，銷售額乃按照客戶所在地區計算。總資產及資本開支則按資產所在地計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit and loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary financial assets and liabilities, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

2. 重要會計政策摘要(續)

2.4 外幣換算

(a) 功能及呈列貨幣

本集團內各實體的財務報表內的項目均以該實體經營之主要經濟環境之通行貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，而該貨幣為本公司的功能及呈列貨幣。

(b) 交易及結餘

外幣交易均按交易當日之匯率折算為功能貨幣入賬。結算該等交易以及按年終兌換率匯算以外幣為單位之貨幣性資產和負債時出現的匯兌收益及虧損均於損益表中確認。

非貨幣財務資產及負債(例如按公平值持有透過損益記賬的權益工具)的換算差額呈報為公平值盈虧的一部份。非貨幣財務資產及負債(例如分類為可供出售財務資產的權益)的換算差額包括在權益的公平值儲備內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 February 2006 二零零六年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity holders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

2. 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(c) 集團公司

所有本集團之實體若其功能貨幣與呈列貨幣不同(各實體均無極高通脹經濟體系之貨幣),其業績及財務狀況均按以下方法換算為呈列貨幣:

- (i) 每份呈列於資產負債表之資產及負債均以該資產負債表結算日之收市匯率換算;
- (ii) 每份損益表之收入及支出項目按平均匯率換算(除非該平均匯率並非反映交易日通行匯率累計影響的一個合理約數,在此情況下收入及支出乃用交易當日之匯率換算);及
- (iii) 所有由此產生匯兌換差額乃確認為權益的一個獨立部份。

於綜合賬目時,換算海外實體投資淨值,以及借貸和作為上述投資之對沖之其他貨幣投資時產生之匯兌差額乃列入權益持有人之權益內。當出售境外業務時,記錄在權益內之匯兌差額於損益表中確認為出售收益或虧損之部份。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost amounts to their residual values over their estimated useful lives, as follows:

Buildings	3% – 5%
Leasehold improvements	25% – 60%
Furniture, fixtures and office equipment	20% – 33 ¹ / ₃ %
Motor vehicles	25% – 33 ¹ / ₃ %
Plant and machinery	20%

2. 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(c) 集團公司 (續)

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債，並按收市匯率換算。

2.5 物業、機器及設備

物業、機器及設備按歷史成本減折舊和減值虧損列賬。歷史成本包括收購該項目直接應佔的開支。

僅在與該項目相關之未來經濟效益有可能歸於本集團及能可靠地計算出該項目成本之情況下，其後之成本才會包括於資產賬面值或確認為獨立之資產（如適用）。所有其他維修及保養支出於其產生之財務期間內計入損益表。

物業、機器及設備之折舊乃以資產成本值按其估計於本集團可使用年期以直線方式撇銷至其殘值如下：

樓宇	3% – 5%
租賃物業裝修	25% – 60%
傢俬、裝置及辦公室設備	20% – 33 ¹ / ₃ %
汽車	25% – 33 ¹ / ₃ %
機器及設備	20%

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

2. 重要會計政策摘要 (續)

2.5 物業、機器及設備 (續)

資產之剩餘價值及可使用年期在每個結算日審閱及在適當時調整。

倘資產之賬面值高於其估計可收回款項，資產之賬面值即時撇減至其可收回金額 (附註2.8)。

出售收益及虧損為所得款與賬面值之差額，並於損益表中確認。

2.6 投資物業

為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由綜合集團內的公司佔用的物業列為投資物業。

投資物業包括以營運租賃持有的土地及以融資租賃持有之樓宇。

以營運租賃持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。營運租賃猶如其為融資租賃而記賬。

投資物業初步按其成本計量，包括相關的交易成本。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

2. 重要會計政策摘要 (續)

2.6 投資物業 (續)

在初步確認後，投資物業按公平值列賬。公平值根據活躍市場價格計算，如有需要就個別資產的性質、地點或狀況的任何差異作出調整。此等估值法根據國際估值準則委員會發出的指引執行。此等估值每年由外部估值師檢討。

投資物業的公平值反映（包括其他）來自現有租賃的租金收入，及在現時市場情況下未來租賃的租金收入假設。

公平值亦反映，在類似基準下物業預期的任何現金流出。此等現金流出部份確認為負債，包括列為投資物業的土地有關的融資租賃負債；而其他，包括或然租金款項，不在財務報表列賬。

其後支出只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠衡量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的財政期間內於損益表支銷。

公平值變動在損益表列賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired associate at the date of acquisition. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

2. 重要會計政策摘要 (續)

2.6 投資物業 (續)

若投資物業變成業主自用，會被重新分類為物業、機器及設備，其於重新分類日期的公平值，就會計目的而言變為其成本。

根據HKAS 16，若物業、機器及設備的某個項目因其用途改變而成投資物業，該項目於轉撥日期的賬面值與公平值的任何差額在權益中確認為物業、機器及設備的重估。然而，若公平值收益將以往的減值虧損撥回，該收益於損益表確認。

2.7 無形資產

(a) 商譽

商譽指收購成本超出於收購日本集團應佔所收購聯營公司之可辨識資產淨值之公平值之數額。收購聯營公司的商譽計入聯營公司投資內。本集團每年就減值進行測試，並按成本值減累計減值虧損列賬。出售某個實體之收益及虧損包括與被出售實體相關的商譽賬面值。

就減值測試而言，商譽會分配至現金產生單位。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets (continued)

(b) Patents and licenses

Patents and licenses on branded products are stated at cost, which represent capitalisation of the minimum license fees payments in accordance with the license agreements. License rights have a finite useful life and are carried at cost less accumulated amortization. Amortisation is made in accordance with the pattern of economic inflow to the Group.

License fees payable are recognised initially at fair value using the effective interest method and subsequently stated at amortised cost less the amounts paid.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. 重要會計政策摘要 (續)

2.7 無形資產 (續)

(b) 專利權及牌照

品牌產品的專利權及牌照按成本列賬，該成本指根據經營協議將最低牌照費用資本化。經營權有限使用年期，並按成本減累計攤銷列賬。攤銷費用根據流入本集團的經濟收益模式作出。

應付牌照費用起始按公平值利用實際利息法確認，其後按已攤銷成本減已付款額列賬。

2.8 非金融資產減值

無指定使用年期之資產毋需攤銷，但至少每年或每當有事項或情況轉變顯示不可收回賬面值時檢討是否需要減值。需要攤銷之資產於每當有事項或情況轉變顯示賬面值不可收回時檢討有否要減值。減值虧損即時按資產賬面值超出其可收回金額之差額確認。可收回金額為資產之公平值減銷售成本與使用價值之較高者。於評估減值時，資產應按可分開確認現金流量（現金產生單位）的最低層次組合。於每個呈報日，商譽以外的非金融資產會被檢討其返還減值的可能性。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 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 reorganization, 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.

2. 重要會計政策摘要 (續)

2.9 衍生金融工具

衍生工具初步按於衍生工具合約訂立日之公平值確認，其後按公平值重新計量，任何不符合對沖會計處理的衍生工具的公平值變動即時於損益表內確認。

2.10 存貨

存貨按成本值與可變現淨值二者之較低者入賬，成本以加權平均法計算。製成品成本包括原材料，直接勞工及適當比例之全部生產間接開支。成本不包括借貸成本。可變現淨值為於日常業務過程之預計售價減去適用之可變銷售開支。

2.11 應收賬款及其他應收款

應收賬款及其他應收款乃初步按公平值確認，其後按攤銷成本以實際利息法扣除減值撥備計量。應收賬款及其他應收款之撥備乃在客觀憑證顯示本集團將不能根據應收賬項之原有期限收回到期款項時作出。債務人如有嚴重財務困難，可能會破產或進行債務重組，及不能履行或違反付款協定均被視為應收賬項減值的跡象。撥備款項指資產之賬面值與按實際利率貼現之未來現金流量現值之差額，撥備之款項在損益表中確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2. 重要會計政策摘要 (續)

2.12 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款、原到期日為三個月或以內之其他短期存款及銀行透支。

2.13 股本

普通股被列為權益。

直接歸屬於發行新股或認股權的新增成本在權益中列為所得款的減少(扣除稅項)。

2.14 借貸

借貸起始以公平值，扣除產生之交易成本確認。交易成本乃直接歸屬購買、發行及出售金融資產或金融負債之新增成本，包括支付予代理人、顧問、經紀及交易商之費用及佣金；監管機關及證券交易所之徵費；以及過戶稅和印花稅。借貸於其後按攤銷成本列賬，所得款項(經扣除交易成本)與贖回價值之任何差額於借貸期間內採用實際利息法於損益表內確認。

除非本集團有權力無條件地將負債償還期延遲至結算日後至少12個月，否則借貸分類為流動負債。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 重要會計政策摘要(續)

2.15 遞延所得稅

遞延所得稅利用負債法就資產和負債的稅基與在資產和負債在綜合財務報表的賬面值之差產生的暫時差異全數撥備。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質頒佈，並在有關遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及法例）而釐定。

遞延所得稅資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

遞延稅項就附屬公司及聯營公司投資產生之暫時差異而撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Profit sharing and bonus plans

Provisions for profit sharing and bonus plans due wholly within twelve months after the balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Pension obligations

The Group operates defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from the relevant Group companies and, if applicable, employees.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

2. 重要會計政策摘要 (續)

2.16 僱員福利

(i) 僱員應享假期

僱員在年假和長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 利潤分享和獎金計劃

當本集團因為僱員已提供之服務而產生現有法律或推定性責任，利潤分享和獎金計劃之負債預期須在十二個月內償付的，則確認為負債入賬。

(iii) 退休金責任

本集團營運界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。退休金計劃一般會考慮獨立精算師之建議，由本集團有關公司與員工（如適用）供款。

本集團向該退休計劃作出之供款在發生時作為費用支銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

2. 重要會計政策摘要(續)

2.17 撥備

當本集團因過往事件而產生之現有法定或推定責任，較可能需要有資源流出以用作償還責任，而該金額已被可靠地估量時，本集團會確認撥備。重組撥備包括終止租賃罰款及解僱員工付款。撥備並不就未來經營虧損確認。

如有多項類似責任，其需要在償付中流出資源的可能性，根據責任的類別整體考慮。即使在同一責任類別所含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

2.18 或然負債

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在財務報表附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of returns and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sale of goods

Sale of goods is 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.

(b) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(c) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2. 重要會計政策摘要 (續)

2.19 收益確認

收益包括在本集團正常業務範圍內銷售貨品及服務之公平值，扣除回贖及折扣並經與集團內公司間之銷售註銷。收益按以下方式確認：

(a) 產品銷售

銷售收益在擁有權之風險及回報轉移時確認，一般與貨品送交顧客及所有權轉讓時同時進行。

(b) 專利權收入

專利權收入按照相關協議之實質以應計基準確認。

(c) 利息收入

利息收入採用實際利息法按時間比例基準確認。倘應收賬款出現減值，本集團會將賬面值減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款之利息收入按原有效利率確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition (continued)

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Operating lease rental income

Operating lease rental income is recognised on a straight-line basis over the lease period.

2.20 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

2.21 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the period in which the dividends are approved by the Company's equity holders.

2. 重要會計政策摘要 (續)

2.19 收益確認 (續)

(d) 股息收入

股息收入於確定收取股息權利時確認。

(e) 經營租賃之租金收入

經營租賃之租金收入於租賃期內以直線法確認。

2.20 經營租賃

出租人保留大部份風險及回報之租賃列為經營租賃。經營租賃款額在扣除自出租人給予之任何獎勵金後，於租賃期內以直線法在損益表中支銷。

2.21 派息

向本公司權益持有人派發之股息，於本公司權益持有人批准派息的財務期間被確認為一項負債。

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3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to foreign exchange risk, interest rate risk, credit risk and liquidity risk.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the Group's operating activities are denominated in Renminbi and Hong Kong dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. In addition, the conversion of Renminbi into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group enters into foreign exchange forward contracts to reduce foreign exchange risk.

(b) Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group generally has not used interest rate swaps to hedge its exposure to interest rate risk.

3. 財務風險管理

3.1 財務風險因素

本集團之業務主要受到貨幣、利率、信貸及流動資金風險之影響。

(a) 匯兌風險

本集團之國際營運業務承受若干匯兌風險。本集團大部份的經營活動都是以人民幣及港幣結算。匯兌風險來自未來商業交易、已確認之資產及負債和海外經營之投資淨值。同時，人民幣換算其他外幣是根據中華人民共和國政府頒佈的外匯控制條例。

為管理來自未來商業交易和已確認之資產及負債的外匯風險影響，本集團訂立外匯合約以減低匯兌風險。

(b) 利率風險

因為本集團沒有重大計息資產，本集團之收入及營運現金流量不受市場利率轉變之影響。本集團的利率風險來自銀行貸款。按變動利率發行的貸款令本集團承受現金流量利率風險。本集團未有利用利息掉期來對沖若干面對的利率風險。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Credit risk

The carrying amount of trade receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has put in place policies to ensure that wholesale sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. Sales to retail customers are made in cash or via credit cards. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible accounts receivable has been made.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of available credit facilities. The Directors aim to maintain flexibility in funding by keeping credit lines available.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 信貸風險

在綜合資產負債表裏的應收貨款之賬面值代表本集團關於其財務資產所面對的最高信貸風險。本集團有政策確保產品的批發銷售是向擁有適當信貸歷史及本集團有定期信貸評估的客戶銷售。向零售客戶作出的銷售以現金或透過信用卡結賬。據集團過往經驗，應收貨款及其他應收款都能在限期內收取與及已按本集團董事之意見作出足夠的撥備予未能收取的應收款項。

(d) 流動資金風險

本集團採取審慎的流動資金風險管理，通過本集團往來銀行承諾之充足信用額而維持足夠之現金及可動用資金。本集團董事保持可動用的信貸額，以務求維持靈活性。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

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 to the related actual results. The estimates and assumptions 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.

3. 財務風險管理 (續)

3.2 公平值估計

沒有在活躍市場買賣的金融工具的公平值利用估值技術釐定。本集團利用多種方法，並根據每個結算日當時的市場情況作出假設。遠期外匯合約的公平值利用結算日遠期市場匯率釐定。

應收及應付賬款的賬面值減估計信貸調整，被假定接近其公平值。

4. 重要會計估計及判斷

估計及判斷之評估會不斷地進行，並以過往經驗及其他因素作為基礎，包括在目前情況下對未來事件的合理預期。

本集團對未來作出推算及假設。所得之會計估計理論上難以與相關的實際結果相同。以下所論述之估計及假設有相當風險會引致須於下個財政年度對資產和負債之賬面值作重大調整。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Estimated impairment of property, plant and equipment, leasehold land and land use rights

The Group assesses annually whether property, plant and equipment, leasehold land and land use rights have any indication of impairment. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgement and estimates.

(b) Estimate of fair value of investment properties

The fair value of investment properties have been determined with reference to independent valuations. The best evidence of fair value is current price in an active market for similar lease and other contracts. The Group employed an independent firm of professional surveyor to determine the open market values for the investment properties of the Group. These valuations require the use of judgement and estimates.

(c) Estimated write-downs of inventories to net realizable value

The Group writes down inventories to net realizable 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 realized. The identification of write-downs requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of inventories and write-downs of inventories in the years in which such estimates have been changed.

4. 重要會計估計及判斷(續)

(a) 物業、機器及設備、租賃土地及土地使用權之估計減值

本集團每年評估物業、機器及設備、租賃土地及土地使用權有否顯示有減值跡象。可收回金額乃根據使用價值計算方法或市場估值釐定。該等計算需要作出判斷及估計。

(b) 投資物業公平值的估計

投資物業公平值的釐定是參考獨立估值。公平值的最佳憑證為相類似的租賃和其他合約在活躍市場的現價。本集團聘用一間獨立專業物業測量師行估值本集團投資物業的公開市場價值。此等估值均需使用判斷及估計。

(c) 撇減存貨至可變現淨值之估計

本集團根據存貨變現性之評估撇減存貨至可變現淨值。當有事件發生或情況改變顯示存貨結餘可能未能變現時將被記錄為撇減。識別撇減需要作出判斷及估計。當預期之金額與原本預期出現差異，則該差異將會於估計改變之期間內，分別影響存貨之賬面值及存貨之撇減。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(d) Estimated impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of receivables requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivable is recognised in the years in which such estimates have been changed.

(e) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重要會計估計及判斷(續)

(d) 應收賬款之估計減值

本集團根據應收賬款可收回性之評估而進行應收賬款之減值。當有事件發生或情況改變顯示應收賬款結餘可能未能收回時將作出撥備。識別應收賬款之減值需要作出判斷及估計，當預期之金額與原本預期出現差異，則該差異將於估計改變之期間內，分別影響應收賬款之賬面值及應收賬款之減值虧損。

(e) 所得稅

本集團須繳納多個不同司法權區之所得稅。釐定環球所得稅撥備需要作出重大判斷。很多交易及計算其最終稅項結果不能準確確定。本集團就預期稅務審計事宜（基於是否需要額外稅項之估計）建議負債。倘若該項最終稅項結果與最初記錄之金額有差異時，則有關差異將會於作出最終確定之期間內影響所得稅及遞延稅項撥備。

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5. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in retailing, wholesaling and manufacturing of footwear. Revenues recognised during the year are as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Turnover	營業額		
Sales of goods	貨物銷售	866,238	747,839
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Other revenue	其他收入		
Royalty income	專利費收入	3,694	3,402
Interest income	利息收入	917	402
Rental income	租金收入	-	1,375
Others	其他	3	3
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		4,614	5,182
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Total revenue	總收入	870,852	753,021

Geographical segment analysis

The Group's business operates in three main geographical areas, namely the Hong Kong and Macau market, the Mainland China market and the Taiwan market during the year.

5. 營業額、收入及分部資料

本集團之主要業務為鞋類產品零售、批發及製造。在本年度期間內確認的收入如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Turnover	營業額		
Sales of goods	貨物銷售	866,238	747,839
<hr/>			
Other revenue	其他收入		
Royalty income	專利費收入	3,694	3,402
Interest income	利息收入	917	402
Rental income	租金收入	-	1,375
Others	其他	3	3
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		4,614	5,182
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Total revenue	總收入	870,852	753,021

地區分部分析

在本年度期間內，本集團之業務主要在香港及澳門市場、中國大陸市場及台灣市場經營。

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5. TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

5. 營業額、收入及分部資料 (續)

Geographical segment analysis (continued)

地區分部分析 (續)

		Hong Kong and Macau 香港及澳門 2006 HK\$'000 千港元	Mainland China 中國大陸 2006 HK\$'000 千港元	Taiwan 台灣 2006 HK\$'000 千港元	Total 總額 2006 HK\$'000 千港元
Total gross segment sales	總分部銷售	746,034	276,520	11,847	1,034,401
Inter-segment sales	分部間銷售	(147,708)	(20,455)	-	(168,163)
		598,326	256,065	11,847	866,238
Segment results	分部業績	36,418	23,231	(5,153)	54,496
Finance costs	財務費用				(2,321)
Share of profit of an associate	應佔聯營公司溢利	-	19,713	-	19,713
Profit before taxation	除稅前溢利				71,888
Taxation	稅項				(6,391)
Profit for the year attributable to equity holders of the Company	本公司權益持有人應佔本年度溢利				65,497
Segment assets	分部資產	311,575	228,720	(4,782)	535,513
Interest in an associate	聯營公司權益	-	59,343	-	59,343
Taxation recoverable	應收退稅				1,687
Deferred tax assets	遞延稅項資產				7,965
Total assets	總資產				604,508
Segment liabilities	分部負債	83,477	74,403	662	158,542
Taxation payable	應付稅項				6,565
Deferred tax liabilities	遞延稅項負債				1,338
Total liabilities	總負債				166,445
Capital expenditure	資本性開支	20,328	18,652	5,488	44,468
Depreciation	折舊	9,717	7,866	1,130	18,713
Amortisation charge	攤銷支出	8,435	332	-	8,767

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5. TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

5. 營業額、收入及分部資料 (續)

Geographical segment analysis (continued)

地區分部分析 (續)

		Hong Kong and Macau 香港及澳門 2005 HK\$'000	Mainland China 中國大陸 2005 HK\$'000	Total 總額 2005 HK\$'000
Total gross segment sales	總分部銷售	686,839	208,400	895,239
Inter-segment sales	分部間銷售	(133,647)	(13,753)	(147,400)
		553,192	194,647	747,839
Segment results	分部業績	36,050	29,018	65,068
Finance costs	財務費用			(1,221)
Share of profit of an associate	應佔聯營公司溢利	-	20,157	20,157
Profit before taxation	除稅前溢利			84,004
Taxation	稅項			(7,865)
Profit for the year attributable to equity holders of the Company	本公司權益持有人 應佔本年度溢利			<u>76,139</u>
Segment assets	分部資產	284,797	187,422	472,219
Interest in an associate	聯營公司權益	-	93,339	93,339
Taxation recoverable	應收退稅			1,029
Deferred tax assets	遞延稅項資產			2,535
Total assets	總資產			<u>569,122</u>
Segment liabilities	分部負債	90,400	51,282	141,682
Taxation payable	應付稅項			4,576
Deferred tax liabilities	遞延稅項負債			1,546
Total liabilities	總負債			<u>147,804</u>
Capital expenditure	資本性開支	9,885	6,637	16,522
Depreciation	折舊	8,297	4,776	13,073
Amortisation charge	攤銷支出	3,673	332	4,005

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6. OPERATING PROFIT

6. 經營溢利

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Operating profit is stated after charging/(crediting) the following:	經營溢利已扣除／ (計入)下列項目後列賬：		
Depreciation of property, plant and equipment	物業、機器及設備折舊	18,713	13,073
Amortisation of prepaid operating lease payment	預付經營租賃款項攤銷	2,005	2,005
Amortisation of intangible assets	無形資產攤銷		
– included in cost of sales	– 包括在銷售成本	4,762	–
– included in administrative expenses	– 包括在行政開支	2,000	2,000
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	391	99
Loss on disposal of an investment property	出售投資物業虧損	66	–
Staff costs (including directors' emoluments):	員工成本(包括董事酬金)：		
– Wages, salaries and allowances	– 工資、薪金及津貼	137,274	112,486
– Pension costs	– 退休金	4,143	3,660
Provision for inventory obsolescence	陳舊存貨撥備	598	5,333
Operating leases rental in respect of leasehold land and buildings, including contingent rental expenses of HK\$54,082,000 (2005: HK\$44,822,000)	租賃土地及樓宇經營租賃租金，包括或然租金 54,082,000港元 (二零零五年： 44,822,000港元)	203,632	169,043
Outgoings in respect of investment properties	投資物業支出	144	158
Auditors' remuneration	核數師酬金	1,219	930
Net exchange gains	匯兌收益淨額	(2,157)	(117)
Fair value gains of investment properties	投資物業公平值增加	–	(1,700)

7. FINANCE COSTS

7. 財務費用

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interest on bank loans and overdrafts	銀行借貸款及透支利息	2,321	1,221

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8. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

8. 稅項

香港利得稅乃按照本年度估計應評稅利潤依稅率17.5%(二零零五年: 17.5%)提撥準備。海外利潤之稅款,則按照本年度估計應評稅利潤依本集團經營業務地區之現行稅率計算。

綜合損益表支銷之稅項如下:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Current taxation	當期稅項		
– Hong Kong profits tax	– 香港利得稅	6,790	5,029
– Overseas taxation	– 海外稅項	6,271	3,862
– Over-provision in prior years	– 過往年度準備剩餘	(1,032)	(2,260)
Deferred taxation relating to the origination and reversal of temporary differences	暫時差異的產生及轉回產生之遞延稅項	(5,638)	1,234
Taxation charge	稅項支出	6,391	7,865

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8. TAXATION (continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Profit before taxation	除稅前溢利	71,888	84,004
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按稅率17.5%(二零零五年: 17.5%)計算之稅項	12,580	14,701
Effect of different taxation rates in other countries	其他國家不同稅率之影響	(3,834)	730
Effect of overseas tax exemption	海外稅項豁免之影響	-	(1,151)
Income not subject to tax	無須課稅之收入	(3,907)	(11,978)
Expenses not deductible for taxation purposes	不可扣稅之支出	2,058	8,059
Unrecognised deferred tax assets	未確認之遞延稅項資產	926	827
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(310)	(1,063)
Over-provision in prior years	過往年度準備剩餘	(1,032)	(2,260)
Others	其他	(90)	-
Taxation charge	稅項支出	6,391	7,865

8. 稅項 (續)

本集團有關除稅前溢利之稅項與假若採用以香港之稅率而計算之理論稅額之差額如下:

9. PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit for the year attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$49,461,000 (2005: HK\$21,795,000).

9. 本公司權益持有人應佔本年度溢利

本公司賬目內處理之本公司權益持有人應佔本年度溢利為49,461,000港元(二零零五年: 21,795,000港元)。

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10. DIVIDENDS

10. 股息

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interim, paid, of HK3.0 cents (2005: HK2.5 cents) per ordinary share	已派中期股息每股普通股 3.0港仙(二零零五年: 2.5港仙)	7,636	6,363
Special, paid, of HK10.0 cents per ordinary share	已派特別股息每股 普通股10.0港仙	25,453	-
Final, proposed, of HK5.5 cents (2005: HK6.6 cents) per ordinary share	建議派發末期股息每股 普通股5.5港仙(二零零五年: 6.6港仙)	13,999	16,799
		47,088	23,162

At a meeting held on 26 June 2006, the directors proposed a final dividend of HK5.5 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these financial statements.

於二零零六年六月二十六日舉行之董事會會議上，董事會建議末期股息為每股5.5港仙。此項擬派股息並無於本財務報表內反映為應付股息。

11. BASIC AND DILUTED EARNINGS PER SHARE

11. 基本及攤薄每股盈利

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to equity holders of HK\$65,497,000 (2005: HK\$76,139,000 (restated)) and the weighted average number of 254,530,000 (2005: 254,530,000) ordinary shares in issue during the year.

基本及攤薄每股盈利乃根據本集團之權益持有人應佔溢利65,497,000港元(二零零五年:76,139,000港元(重列))及在本年度期內已發行普通股份之加權平均數254,530,000股(二零零五年:254,530,000股)計算。

The Company has no dilutive potential ordinary share.

本公司並無潛在的可攤薄普通股股份。

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12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments of each director for the year ended 28 February 2006 is set out below:

12. 董事及高級管理人員酬金

(a) 董事酬金

截至二零零六年二月二十八日止年度，各董事之酬金詳情如下：

Name of director	董事名稱	Fees 袍金 HK\$'000 千港元	Basic salaries, housing allowances, other allowances and benefits in kind 基本薪酬、 房屋津貼、 其他津貼 及實物利益 HK\$'000 千港元	Discretionary bonuses 酌情發放 之花紅 HK\$'000 千港元	Employer's contributions to pension scheme 退休福利金 僱主供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<i>Executive directors:</i>						
Tang Wai Lam	鄧偉林先生	-	1,397	1,506	12	2,915
Tang Keung Lam (resigned on 30 November 2005)	鄧強林先生 (於二零零五年 十一月三十日 辭任)	-	1,309	1,130	9	2,448
Ng Man Kit, Lawrence	吳民傑先生	-	1,439	786	12	2,237
Chung Chun Wah	鍾振華先生	-	588	131	12	731
<i>Non-executive director:</i>						
Lee Kwan Hung	李均雄先生	65	-	-	-	65
<i>Independent non-executive directors:</i>						
Lee Kin Sang	李建生先生	65	-	-	-	65
Chan Ka Sing, Tommy	陳家聲先生	65	-	-	-	65
Ng Chun Chuen, David	吳振泉先生	65	-	-	-	65

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12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The emoluments of each director for the year ended 28 February 2005 is set out below:

Name of director	董事名稱	Fees 袍金 HK\$'000 千港元	其他津貼 及實物利益 HK\$'000 千港元	Basic salaries, housing allowances, other allowances and benefits in kind 基本薪酬、 房屋津貼、 酌情發放之花紅 HK\$'000 千港元	Employer's contributions to pension scheme 退休福利金 僱主供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<i>Executive directors:</i> 執行董事:						
Tang Wai Lam	鄧偉林	-	1,154	1,757	12	2,923
Tang Keung Lam	鄧強林	-	1,640	1,757	12	3,409
Ng Man Kit, Lawrence	吳民傑	-	1,270	917	12	2,199
Chung Chun Wah	鍾振華	-	426	153	12	591
<i>Non-executive director:</i> 非執行董事:						
Lee Kwan Hung	李均雄	50	-	-	-	50
<i>Independent non-executive directors:</i> 獨立非執行董事:						
Lee Kin Sang	李建生	50	-	-	-	50
Chan Ka Sing, Tommy	陳家聲	50	-	-	-	50
Ng Chun Chuen, David	吳振泉	50	-	-	-	50

None of the directors of the Company waived any emoluments paid by the group companies during the year (2005: nil).

12. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

截至二零零五年二月二十八日止年度，各董事之酬金詳情如下：

在本年度期間內並無董事放棄其酬金 (二零零五年：無)。

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12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2005: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2005: two) individuals during the year are as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪酬、房屋津貼及實物利益	2,092	1,948
Discretionary bonuses	酌情發放之花紅	182	500
Pensions	退休福利之供款	24	24
		2,298	2,472

The emoluments fell within the following bands:

Emolument bands HK\$	酬金組別 港元	Number of individuals 人數	
		2006	2005
0 – 1,000,000	0 – 1,000,000	–	–
1,000,001 – 1,500,000	1,000,001 – 1,500,000	2	2

During the year, no emoluments have been paid to the Directors of the Company or the five highest paid individuals as an inducement to join or as compensation for loss of office.

12. 董事及高級管理人員酬金 (續)

(b) 五名最高薪人士

本年度本集團內五名最高薪酬人士包括三名(二零零五年:三名)董事,其酬金已載於上文之分析。其餘兩名(二零零五年:兩名)最高薪人士之酬金分析如下:

支付酬金組別如下:

於本年度期間內,本公司並無向董事或五位最高薪人士支付酬金以作為加入本公司之獎勵或離職之補償。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、機器及設備

		Group 集團					
		Buildings 樓宇	Leasehold improve- ments 租賃 物業裝修	Furniture, fixtures and office equipment 傢俬、 裝置及 辦公室設備	Motor vehicles 汽車	Plant and machinery 機器及設備	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost:	成本值						
As at 1 March 2005	於二零零五年三月一日	21,554	52,408	20,685	3,823	2,279	100,749
Additions	添置	-	20,351	2,924	1,276	1,834	26,385
Disposals	出售	-	(5,944)	(104)	(50)	(44)	(6,142)
Exchange adjustment	匯兌調整	-	378	106	14	61	559
As at 28 February 2006	二零零六年二月二十八日	21,554	67,193	23,611	5,063	4,130	121,551
Accumulated depreciation:	累計折舊:						
As at 1 March 2005	於二零零五年三月一日	4,184	40,955	16,417	3,581	1,680	66,817
Charge for the year	本年度折舊	837	15,736	1,740	191	209	18,713
Disposals	出售	-	(5,587)	(97)	(50)	(17)	(5,751)
Exchange adjustment	匯兌調整	-	384	79	10	48	521
As at 28 February 2006	二零零六年二月二十八日	5,021	51,488	18,139	3,732	1,920	80,300
Net book value:	賬面淨值:						
As at 28 February 2006	於二零零六年 二月二十八日	16,533	15,705	5,472	1,331	2,210	41,251
As at 28 February 2005	於二零零五年 二月二十八日	17,370	11,453	4,268	242	599	33,932

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、機器及設備 (續)

		Group					Total
		Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Plant and machinery	
		樓宇	租賃物業裝修	傢俬、裝置及辦公室設備	汽車	機器及設備	總額
		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
Cost:	成本值						
As at 1 March 2004	於二零零四年三月一日	21,554	44,313	18,717	3,822	1,867	90,273
Additions	添置	-	14,132	1,993	-	397	16,522
Disposals	出售	-	(6,122)	(47)	-	-	(6,169)
Exchange adjustment	匯兌調整	-	85	22	1	15	123
As at 28 February 2005	於二零零五年 二月二十八日	21,554	52,408	20,685	3,823	2,279	100,749
Accumulated depreciation:	累計折舊:						
As at 1 March 2004	於二零零四年三月一日	3,347	36,533	15,013	3,327	1,489	59,709
Charge for the year	本年度折舊	837	10,373	1,432	252	179	13,073
Disposals	出售	-	(6,026)	(44)	-	-	(6,070)
Exchange adjustment	匯兌調整	-	75	16	2	12	105
As at 28 February 2005	於二零零五年 二月二十八日	4,184	40,955	16,417	3,581	1,680	66,817
Net book value:	賬面淨值:						
As at 28 February 2005	於二零零五年 二月二十八日	17,370	11,453	4,268	242	599	33,932
As at 29 February 2004	於二零零四年 二月二十九日	18,207	7,780	3,704	495	378	30,564

As at 28 February 2006, the net book values of fixed assets pledged as security for certain banking facilities available to the Group amounted to approximately HK\$10,856,000 (2005: HK\$11,317,000 (restated)).

於二零零六年二月二十八日，用作本集團可動用之若干銀行信貸抵押之固定資產賬面淨值約為10,856,000港元（二零零五年：11,317,000港元（重列））。

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14. INVESTMENT PROPERTIES

14. 投資物業

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
As at 1 March	於三月一日	61,448	59,748
Fair value gains (Note 6)	公平值盈餘 (附註6)	-	1,700
Disposals	出售	(8,000)	-
<hr/>		<hr/>	
As at 28 February	於二月二十八日	53,448	61,448

Investment properties were revalued on 28 February 2006 on the basis of their open market value by DTZ Debenham Tie Leung Limited, an independent firm of chartered surveyors, employed by the Group.

投資物業於二零零六年二月二十八日由本集團聘任的獨立特許測量師戴德梁行有限公司按公開市值基準進行重估。

The Group's interests in investment properties at their net book values are analysed as follows:

本集團在投資物業之權益按其賬面淨值分析如下：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
In Hong Kong, held on:	在香港持有：		
- Leases of between 10 to 50 years	- 十至五十年租賃	-	8,000
Outside Hong Kong, held on:	在海外持有：		
- Leases of between 10 to 50 years	- 十至五十年租賃	53,448	53,448
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		53,448	61,448

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14. INVESTMENT PROPERTIES (continued)

Details of investment properties are as follows:

Held in Mainland China under medium term leases:

Unit Nos. 101, 102 and 103, 1st level, East Block, International Commercial Building, Jiabin Road/Renmin South Road, Luohu District, Shenzhen, Guangdong Province, the People's Republic of China

14. 投資物業(續)

投資物業詳情如下:

於中國大陸的中期租賃物業:

中華人民共和國廣東省
深圳市羅湖區人民南路
(嘉賓路)國際商業大廈
東座一層101、102及
103號單位

Usage
用途

Commercial
商業

15. LEASEHOLD LAND AND LAND USE RIGHTS

15. 租賃土地及土地使用權

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (As restated) (重列)
As at 1 March	於三月一日	19,709	21,714
Amortisation of prepaid operating lease payment (Note 6)	預付經營租賃款項攤銷 (附註6)	(2,005)	(2,005)
As at 28 February	於二月二十八日	17,704	19,709

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15. LEASEHOLD LAND AND LAND USE RIGHTS (continued)

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (As restated) (重列)
In Hong Kong, held on:	在香港持有：		
– Leases of between 10 to 50 years	– 十至五十年租賃	1,248	1,278
Outside Hong Kong, held on:	在海外持有：		
– Leases of between 10 to 50 years	– 十至五十年租賃	13,166	13,497
– Leases of less than 10 years	– 少於十年租賃	3,290	4,934
		17,704	19,709

15. 租賃土地及土地使用權 (續)

本集團於租賃土地及土地使用權之權益指預付經營租賃款項，其賬面淨額分析如下：

16. INTANGIBLE ASSETS

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Patents and licenses	專利權及牌照		
Net book amount as at 1 March	於三月一日之賬面淨額	2,000	4,000
Additions	增加	18,083	–
Amortisation (Note 6)	攤銷 (附註6)	(6,762)	(2,000)
Net book amount as at 28 February	於二月二十八日之賬面淨額	13,321	2,000

16. 無形資產

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16. INTANGIBLE ASSETS (continued)

Intangible assets represent license rights on branded products up to 2010. Additions during the year represent capitalisation of minimum license fees payable, based on a discount rate equal to the Group's weighted average borrowing rate of 4.77% at the date of inception. Amortisation has been included in cost of sales and administrative expenses in the income statement.

17. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM SUBSIDIARIES

Investments at cost: 投資，按成本值：
Unlisted shares 非上市股份

As at 28 February 2006, the amounts due from subsidiaries are unsecured, interest free and repayable on demand. Details of the Company's principal subsidiaries as at 28 February 2006 are set out on pages 148 to 154.

16. 無形資產 (續)

無形資產是指直至二零一零年止之品牌產品經營權。在本年度期間內之增加指將最低應付牌照費用資本化，並於開始日期時根據相等於本集團之加權平均借貸率4.77%之折讓率為基準。攤銷已計入損益表之銷售成本及行政開支內。

17. 附屬公司投資及應收附屬公司款項

		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Investments at cost:	投資，按成本值：		
Unlisted shares	非上市股份	69,254	69,254

於二零零六年二月二十八日，應收附屬公司款項為無抵押、免息及隨時要求還款。於二零零六年二月二十八日，本公司之主要附屬公司詳情載於第148至154頁。

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18. INTEREST IN AN ASSOCIATE

18. 聯營公司權益

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Share of net assets	應佔淨資產	48,943	82,939
Goodwill on acquisition of an associate	收購聯營公司之商譽	10,400	10,400
		59,343	93,339
Investment at cost	投資·按成本值		
Unlisted shares	非上市股份	28,800	28,800

Details of the Group's associate, Best Quality Investments Limited ("Best Quality") as at 28 February 2006 are set out on page 154.

本集團之聯營公司·Best Quality Investments Limited (「Best Quality」) 於二零零六年二月二十八日之詳情載於第154頁。

The Group holds 30% interest in Best Quality, a company incorporated in Samoa. On 12 September 2005, a wholly owned subsidiary of Best Quality, namely Belle International Holdings Limited ("Belle International") issued new redeemable ordinary shares to certain companies. The new redeemable ordinary shares of Belle International were issued at a subscription price of HK\$2,400 per share and a total subscription price of HK\$471,528,000. The subscription price per share was approximately equal to the consolidated net asset value per share of Belle International calculated based on the unaudited consolidated net asset value of Best Quality as at 30 June 2005 and adjusted for dividends totalling HK\$180 million declared by Best Quality on 12 September 2005. As a result of the new issue, Best Quality's equity interest in Belle International was diluted from 100% to approximately 20%. Accordingly, Best Quality has recorded a deemed gain of approximately HK\$4,714,000.

本集團佔於薩摩亞註冊成立的Best Quality 30%權益。於二零零五年九月十二日，一間Best Quality的全資附屬公司·Belle International Holdings Limited (「Belle International」) 發行新的可贖回普通股股份予若干公司。Belle International發行新的可贖回普通股的認購價每股為2,400港元，合共為471,528,000港元。每股認購價與Belle International每股綜合資產淨值相近，該每股綜合資產淨值是根據Best Quality於二零零五年六月三十日未經審核的綜合資產淨值並調整Best Quality於二零零五年九月十二日宣布派發，合共180,000,000港元的股息而計算。在新股發行後，Best Quality佔Belle International的股份權益已從100%被攤薄至約20%。因此相應地，Best Quality錄得約4,714,000港元的視作溢利。

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18. INTEREST IN AN ASSOCIATE (continued)

The Group's associate has a financial accounting period of 31 December which is not coterminous with the Group.

Extract of the consolidated operating results and consolidated financial position of an associate is as follows:

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Operating results	經營業績		
Turnover	營業額	429,695	872,793
Profit after taxation	除稅後溢利	65,367	71,043
Group's share of profit after taxation	本集團應佔除稅後溢利	19,713	20,157
Financial position	財務狀況		
Non-current assets	非流動資產	163,143	133,413
Current assets	流動資產	-	470,436
Current liabilities	流動負債	-	(324,104)
Non-current liabilities	非流動負債	-	(3,284)
Total equity	總權益	163,143	276,461

18. 聯營公司權益 (續)

本集團之聯營公司之結算日為十二月三十一日，與本集團之結算日並非一致。

聯營公司之綜合經營業績及綜合財務狀況節錄如下：

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18. INTEREST IN AN ASSOCIATE (continued)

During the year ended 28 February 2006, the Group has carried out the following transactions with the related parties of Belle International:-

18. 聯營公司權益 (續)

在截至二零零六年二月二十八日止年度期間內，本集團與 Belle International 之關聯方所進行之交易詳情如下：—

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Purchases from Lai Wah Footwear Trading Limited and Lai Kong Footwear (Shenzhen) Company Limited, subsidiaries of Belle International	向 Belle International 之附屬公司，麗華鞋業貿易有限公司及麗港鞋業(深圳)有限公司，的購貨	202	2,278
Royalty income received from Shenzhen Belle Investment Company Limited, a related party to certain shareholders of Belle International after the restructuring of Belle International mentioned above	向如上述 Belle International 重組後，Belle International 之若干股東的關聯方，深圳市百麗投資有限公司，的專利費收入	1,779	3,401
Royalty income received from New Belle Footwear (Shenzhen) Company Limited, a subsidiary of Belle International after restructuring of Belle International mentioned above	向如上述 Belle International 重組後，Belle International 之附屬公司，新百麗鞋業(深圳)有限公司，的專利費收入	1,915	-

In addition, as at 28 February 2006, the Group had given guarantees in relation to the general banking facilities granted to Lai Wah Footwear Trading Limited and Staccato Footwear Company Limited, subsidiaries of Belle International, amounting to HK\$31,330,000 (2005: HK\$61,800,000), of which HK\$10,636,000 (2005: HK\$8,212,000) were granted to and utilised by these subsidiaries of Belle International. In May 2006, the contingent liabilities in respect of guarantees of such general banking facilities amounted to HK\$13,386,000.

另外，於二零零六年二月二十八日，本集團就 Belle International 之附屬公司，麗華鞋業貿易有限公司及思加圖鞋業有限公司，之一般銀行信貸作出之擔保為 31,330,000 港元（二零零五年：61,800,000 港元），其中 10,636,000 港元（二零零五年：8,212,000 港元）已被作出及被 Belle International 之附屬公司動用。於二零零六年五月，為該等一般銀行信貸作出的擔保之或然負債為 13,386,000 港元。

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19. NON-CURRENT DEPOSITS

Non-current deposits represent deposits paid for the acquisition of properties.

20. DEFERRED INCOME TAX

Deferred income 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 fiscal authority. The offset amounts are as follows:

19. 非流動按金

非流動按金指購買物業所支付之訂金。

20. 遞延所得稅

當有法定可執行權力將現有稅項資產與現有稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與負債互相抵銷。抵銷金額如下：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Deferred tax assets	遞延稅項資產		
– Deferred tax assets to be settled after more than 12 months	– 遞延稅項資產於十二個月後收回	7,965	2,535
Deferred tax liabilities	遞延稅項負債		
– Deferred tax liabilities to be settled after more than 12 months	– 遞延稅項負債於十二個月後收回	(1,338)	(1,546)
		6,627	989

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20. DEFERRED INCOME TAX (continued)

The gross movement on the deferred income tax account is as follows:

20. 遞延所得稅 (續)

遞延所得稅賬目之總變動如下：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
As at 1 March	於三月一日	989	2,223
Deferred taxation credited/(charged) to income statement (Note 8)	遞延稅項在損益表 記賬/(支銷) (附註8)	5,638	(1,234)
As at 28 February	於二月二十八日	6,627	989

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction), during the year is as follows:

於本年度期間內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下：

Net deferred tax assets 遞延稅項淨額		Tax depreciation allowance 稅項折舊免稅額		Tax losses 稅項		Provision for long services payments 長期服務金撥備		Others 其他		Total 總額	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 March	於三月一日	208	247	-	999	465	767	316	210	989	2,223
Credited/(charged) to income statement	在損益表 記賬/ (支銷)	250	(39)	4,366	(999)	(178)	(302)	1,200	106	5,638	(1,234)
As at 28 February	於二月二十八日	458	208	4,366	-	287	465	1,516	316	6,627	989

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20. DEFERRED INCOME TAX (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$7,424,000 (2005: HK\$7,655,000) to carry forward against future taxable income. Tax losses of HK\$111,000 (2005: HK\$853,000) will expire in year 2010 (2005: year 2009) and tax losses of HK\$7,313,000 (2005: HK\$6,802,000) has no expiry date.

21. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$337,484,000 (2005: HK\$288,273,000).

20. 遞延所得稅 (續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團有未確認稅損7,424,000港元(二零零五年: 7,655,000港元)可結轉以抵銷未來應課收入;其中111,000港元的稅損(二零零五年: 853,000港元)將於二零一零年到期(二零零五年: 二零零九年到期), 7,313,000港元的稅損(二零零五年: 6,802,000港元)則並無期限。

21. 存貨

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Raw materials	原材料	4,317	3,183
Work in progress	在製品	124	668
Finished goods	製成品	149,707	131,171
		154,148	135,022

存貨值已被確認為費用並記賬在銷售成本中為337,484,000港元(二零零五年: 288,273,000港元)。

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22. TRADE RECEIVABLES

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Trade receivables	應收賬款	70,275	72,272
Less: provision for impairment of receivables	減：減值撥備	(44)	(44)
		70,231	72,228

The carrying amount of trade receivables approximates its fair value.

Other than cash and credit card sales, the majority of the Group's credit sales is on a credit term of 30 – 60 days. As at 28 February 2006, the ageing analysis of the trade receivables was as follows:

應收賬之賬面值與其公平值相約。

除現金及信用卡銷售外，本集團主要之信貸銷售還款期一般為三十至六十日。於二零零六年二月二十八日，應收賬款之賬齡分析如下：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
0 – 30 days	零至三十日	68,265	68,137
31 – 60 days	三十一至六十日	1,372	1,594
61 – 90 days	六十一至九十日	149	803
Over 90 days	超過九十日	445	1,694
		70,231	72,228

The Group did not recognise a loss for the impairment of its trade receivables during the years ended 28 February 2005 and 2006.

於二零零五年及二零零六年二月二十八日止年度期間內，本集團並無確認應收賬減值虧損。

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23. CASH AND CASH EQUIVALENTS

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cash at bank and on hand	現金及銀行結存	108,836	66,447
Short-term bank deposits	短期之銀行定期存款	6,055	19,910
		114,891	86,357

The effective interest rate on short-term bank deposits was 3.92% (2005: 2.20%); these deposits have an average maturity of 29 days.

As at 28 February 2006, bank balances and cash of approximately HK\$30,768,000 (2005: HK\$7,892,000) were denominated in Renminbi which is not a freely convertible currency in the international market and of which the exchange rate is determined by the People's Bank of China.

24. TRADE PAYABLES

As at 28 February 2006, the ageing analysis of the trade payables was as follows:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
0 – 30 days	零至三十日	37,668	44,397
31 – 60 days	三十一至六十日	477	987
61 – 90 days	六十一至九十日	172	1,210
Over 90 days	超過九十日	3,917	5,679
		42,234	52,273

23. 現金及現金等價物

短期銀行定期存款的實際利率為3.92%(二零零五年:2.20%)，此等定期存款的平均到期日為29日。

於二零零六年二月二十八日，本集團之銀行結餘及現金中有約30,768,000港元(二零零五年:7,892,000港元)以人民幣為單位，該貨幣不能於國際市場自由兌換及其兌換率由中國人民銀行決定。

24. 應付賬款

於二零零六年二月二十八日，應付賬款之賬齡分析如下：

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25. DERIVATIVE FINANCIAL INSTRUMENTS

25. 衍生金融工具

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Forward foreign exchange contracts	遠期外匯合約	80	-

26. SHORT-TERM BANK BORROWINGS

26. 短期銀行借貸

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	於一年內償還		
- unsecured	- 無抵押	47,817	31,084
The effective interest rates at the balance sheet date were as follows:			
Weighted average effective interest rates: 加權平均實際利率:			
- bank borrowings	- 銀行借貸	4.77%	4.45%

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26. SHORT-TERM BANK BORROWINGS (continued)

The carrying amounts of borrowings by currencies are as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Hong Kong dollars	港元	5,666	6,084
Renminbi	人民幣	42,151	25,000
		47,817	31,084

The carrying amounts of borrowings approximately equal their fair values.

26. 短期銀行借貸(續)

借貸賬面值按下列貨幣列賬：

借貸之賬面值與其公平值相約。

27. PENSIONS – DEFINED CONTRIBUTION PLAN

Contributions totalling approximately HK\$821,000 (2005: HK\$880,000) were payable to the fund at the year end.

27. 退休福利金 – 界定供款退休計劃

於本年結日的應付退休福利金約為821,000港元(二零零五年:880,000港元)。

28. SHARE CAPITAL

Authorised:
As at 28 February 2005 and 2006

法定股本
於二零零五年二月
二十八日及二零零六年
二月二十八日

Ordinary shares of
HK\$0.1 each
每股面值0.1港元
之普通股
No. of
shares
股份數目

HK\$'000
千港元

1,000,000,000 100,000

Issued and fully paid:
As at 28 February 2005 and 2006

已發行及全數繳足股本:
於二零零五年二月
二十八日及二零零六年
二月二十八日

254,530,000 25,453

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29. RESERVES

(a) Group

	Share Premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Investment properties revaluation reserve 投資物業重估儲備 HK\$'000 千港元	Other properties revaluation reserve 其他物業重估儲備 HK\$'000 千港元	Cumulative translation reserve 累計匯兌儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 28 February 2005, as previously reported	110,650	380	91	13,682	12,047	(135)	273,722	410,437
Effect of the adoption of HKASs 16 and 17	-	-	-	-	(12,047)	-	(2,525)	(14,572)
Effect of the adoption of HKAS 40	-	-	-	(13,682)	-	-	13,682	-
Balance at 28 February 2005, as restated	110,650	380	91	-	-	(135)	284,879	395,865
Opening adjustment for the adoption of HKAS 39	-	-	-	-	-	-	(262)	(262)
Balance at 1 March 2005, as restated	110,650	380	91	-	-	(135)	284,617	395,603
Translation differences arising on translation of the financial statements of foreign subsidiaries and an associate	-	-	-	-	-	1,398	-	1,398
Profit for the year	-	-	-	-	-	-	65,497	65,497
2005 Final dividend paid	-	-	-	-	-	-	(16,799)	(16,799)
2006 Interim dividend paid	-	-	-	-	-	-	(7,636)	(7,636)
2006 Special dividend paid	-	-	-	-	-	-	(25,453)	(25,453)
As at 28 February 2006	110,650	380	91	-	-	1,263	300,226	412,610
Representing: 2006 Final dividend proposed Reserves								13,999 398,611
As at 28 February 2006								412,610
Company and subsidiaries	110,650	380	91	-	-	825	270,280	382,226
Associate	-	-	-	-	-	438	29,946	30,384
As at 28 February 2006	110,650	380	91	-	-	1,263	300,226	412,610

29. 儲備

(a) 集團

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29. RESERVES (continued)

(a) Group (continued)

		Share Premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Investment properties revaluation reserve 投資物業 重估儲備 HK\$'000 千港元	Other properties revaluation reserve 其他物業 重估儲備 HK\$'000 千港元	Cumulative translation reserve 累計匯兌 儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 1 March 2004, as previously reported	於二零零四年 三月一日結餘， 如前呈報	110,650	380	91	12,072	5,706	89	219,725	348,713
Effect of the adoption of HKASs 16 and 17	採納HKASs 16及17之影響	-	-	-	-	(5,706)	-	(659)	(6,365)
Effect of the adoption of HKAS 40	採納HKAS 40 之影響	-	-	-	(12,072)	-	-	12,072	-
Balance at 1 March 2004, as restated	於二零零四年 三月一日結餘， 經重列	110,650	380	91	-	-	89	231,138	342,348
Translation differences arising on translation of the financial statements of foreign subsidiaries and an associate	換算海外附屬公司 及聯營公司財務 報表之匯兌差額	-	-	-	-	-	(224)	-	(224)
Profit for the year	本年度溢利	-	-	-	-	-	-	76,139	76,139
2004 Final dividend paid	二零零四年度 已派末期股息	-	-	-	-	-	-	(16,035)	(16,035)
2005 Interim dividend paid	二零零五年度 已派中期股息	-	-	-	-	-	-	(6,363)	(6,363)
As at 28 February 2005	於二零零五年 二月二十八日	110,650	380	91	-	-	(135)	284,879	395,865
Representing: 2005 Final dividend proposed Reserves	組成如下： 二零零五年擬派末期股息 儲備								16,799 379,066
As at 28 February 2005	於二零零五年二月二十八日								395,865
Company and subsidiaries Associate	本公司及附屬公司 聯營公司	110,650 -	380 -	91 -	- -	- -	(282) 147	220,646 64,233	331,485 64,380
As at 28 February 2005	於二零零五年二月二十八日	110,650	380	91	-	-	(135)	284,879	395,865

29. 儲備 (續)

(a) 集團 (續)

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29. RESERVES (continued)

(b) Company

29. 儲備 (續)

(b) 公司

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 1 March 2005	於二零零五年三月一日	110,650	380	29,077	140,107
Profit for the year	本年度溢利	-	-	49,461	49,461
2005 Final dividend paid	二零零五年已派末期股息	-	-	(16,799)	(16,799)
2006 Interim dividend paid	二零零六年已派中期股息	-	-	(7,636)	(7,636)
2006 Special dividend paid	二零零六年已派特別股息	-	-	(25,453)	(25,453)
As at 28 February 2006	於二零零六年二月二十八日	110,650	380	28,650	139,680
Representing:	組成如下:				
2006 Final dividend proposed	二零零六年擬派末期股息				13,999
Reserves	儲備				125,681
As at 28 February 2006	於二零零六年二月二十八日				139,680
As at 1 March 2004	於二零零四年三月一日	110,650	380	29,680	140,710
Profit for the year	本年度溢利	-	-	21,795	21,795
2004 Final dividend paid	二零零四年已派末期股息	-	-	(16,035)	(16,035)
2005 Interim dividend paid	二零零五年已派中期股息	-	-	(6,363)	(6,363)
As at 28 February 2005	於二零零五年二月二十八日	110,650	380	29,077	140,107
Representing:	組成如下:				
2005 Final dividend proposed	二零零五年擬派末期股息				16,799
Reserves	儲備				123,308
As at 28 February 2005	於二零零五年二月二十八日				140,107

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30. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

30. 綜合現金流量表附註

(a) Reconciliation of profit before taxation to net cash inflow generated from operations

(a) 除稅前溢利與經營產生之現金流入淨額對賬

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Profit before taxation	除稅前溢利	71,888	84,004
Adjustments for:	調整：		
Share of profit of an associate	應佔聯營公司溢利	(19,713)	(20,157)
Depreciation of property, plant and equipment	物業、機器及設備折舊	18,713	13,073
Amortisation of prepaid operating lease payment	預付經營租賃款項攤銷	2,005	2,005
Amortisation of intangible assets	無形資產攤銷	6,762	2,000
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	391	99
Provision for inventory obsolescence	陳舊存貨撥備	598	5,333
Loss on disposal of an investment property	出售投資物業虧損	66	-
Interest income	利息收入	(917)	(402)
Interest expenses	利息支出	2,321	1,221
Fair value gains of derivative financial instruments	衍生金融工具公平值增加	(79)	-
Fair value gains of investment properties	投資物業公平值增加	-	(1,700)
		82,035	85,476
Changes in working capital:	營運資金之變動		
- Decrease in non-current rental deposits	- 非流動租賃按金減少	960	2,084
- Increase in inventories	- 存貨增加	(18,649)	(35,479)
- Decrease/(increase) in trade receivables	- 應收賬款減少/(增加)	2,442	(30,781)
- Increase in other receivables, deposits and prepayments	- 其他應收款、按金及預付款增加	(9,876)	(10,781)
- (Decrease)/increase in trade payables	- 應付賬款(減少)/增加	(10,039)	16,690
- (Decrease)/increase in other payables and accrued charges	- 其他應付款及應計費用(減少)/增加	(7,917)	8,474
- Decrease in amount due from an associate	- 應收聯營公司款項減少	-	2,931
Net cash inflow generated from operations	經營產生之現金流入淨額	38,956	38,614

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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30. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

30. 綜合現金流量表附註(續)

(b) Analysis of changes in financing during the year

(b) 在本年期間內融資變動分析

		Bank loans 銀行借貸款	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
As at 1 March	於三月一日	31,084	32,772
New bank loans raised	新借銀行借貸	88,598	74,000
Repayment of bank loans	償還銀行借貸	(72,532)	(75,688)
Exchange adjustment	滙兌調整	667	-
As at 28 February	於二月二十八日	47,817	31,084

31. CONTINGENT LIABILITIES

31. 或然負債

		Group 集團		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Guarantees for banking facilities of subsidiaries	為附屬公司之銀行信貸作出擔保 (i)	-	-	218,343	346,475
Guarantees for general banking facilities granted to subsidiaries of Belle International (Note 18)	為Belle International之附屬公司之一般銀行信貸作出擔保(附註18)	31,330	61,800	31,330	61,800
		31,330	61,800	249,673	408,275

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31. CONTINGENT LIABILITIES (continued)

- (i) As at 28 February 2006, HK\$84,619,000 (2005: HK\$74,722,000) of the above banking facilities were utilised.

32. COMMITMENTS

(a) Capital commitments

As at 28 February 2006, the Group had capital commitment contracted but not provided for in respect of leasehold improvements amounting to approximately HK\$571,407 (2005: HK\$727,988).

31. 或然負債(續)

- (i) 於二零零六年二月二十八日，84,619,000港元(二零零五年：74,722,000港元)之銀行信貸已被動用。

32. 承擔

(a) 資本承擔

於二零零六年二月二十八日，本集團有關裝修工程已訂約但未撥備之資本承擔約為571,407港元(二零零五年：727,988港元)。

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32. COMMITMENTS (continued)

(b) Commitments under operating leases

As at 28 February 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Not later than one year	不超過一年	165,677	132,896
Later than one year and not later than five years	超過一年但不超過五年	146,423	132,706
		312,100	265,602

The payments of operating lease rentals of certain retail outlets are based on the higher of a minimum guaranteed rental and a sales level based rental. The minimum guaranteed rental has been used to arrive at the above commitments.

The Company did not have any commitments as at 28 February 2006 (2005: Nil).

32. 承擔 (續)

(b) 經營租賃承擔

於二零零六年二月二十八日，本集團對土地及樓宇不可撤銷經營租賃須支付之未來最低租金總額如下：

若干零售店舖所繳付之經營租賃租金乃以最低保證租金或銷售額租金（以較高者為準）計算。上述承擔乃按最低保證租金計算。

本公司於二零零六年二月二十八日，並無任何承擔（二零零五年：無）。

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32. COMMITMENTS (continued)

(c) Commitments on royalty payments

As at 28 February 2006, the Group had future aggregate minimum royalty payments under non-cancellable royalty agreement as follows:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Not later than one year	不超過一年	9,649	11,340
Later than one year and not later than five years	超過一年但不超過五年	21,791	16,058
		31,440	27,398

33. RELATED PARTY TRANSACTIONS

Key management compensation

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Basic salaries and allowances	基本薪酬及津貼	4,993	4,690
Bonuses	花紅	3,553	4,584
Pension scheme contributions	退休福利計劃之供款	45	48
		8,591	9,322

32. 承擔 (續)

(c) 專利費承擔

於二零零六年二月二十八日，本集團根據不可撤銷專利費協議須支付之未來最低專利費總額如下：

33. 關聯方交易

主要管理人員酬金

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34. EVENTS AFTER THE BALANCE SHEET DATE

On 3 April 2006, share options with rights to subscribe for a total of 21,520,000 shares of the Company at a subscription price of HK\$2.875 per share were granted to certain directors and employees of the Group. All of the options granted have vesting periods of one to four years and shall expire on 2 April 2012 or 2 April 2014.

34. 結算日後事項

於二零零六年四月三日，本集團若干董事及員工獲授予以每股2.875港元的行使價行使合共21,520,000股本公司之股份的認股權。所有授予之認股權的行使期間為一至四年，並將於二零一二年四月二日或二零一四年四月二日到期。