

REPORT OF THE DIRECTORS

董事會報告

The directors submit their report together with the audited financial statements for the year ended 28 February 2006.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in retailing, wholesaling and manufacturing of footwear. There were no changes in the Group's activities during the year.

The Group has only one single business segment which is the sales of footwear through retailing, wholesaling and manufacturing. Accordingly, the segment information for this sole business segment is equivalent to the consolidated figures. A geographical analysis of the Group's performance for the year is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 68.

The board of directors declared on 28 September 2005 a special dividend of HK10.0 cents per ordinary share, totalling HK\$25,453,000 and the special dividend was paid on 26 October 2005.

The board of directors declared on 21 November 2005 an interim dividend of HK3.0 cents per ordinary share, totalling HK\$7,635,900 and the interim dividend was paid on 16 December 2005.

The board of directors has recommended a final dividend of HK5.5 cents per ordinary share, totalling HK\$13,999,150.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 29 to the financial statements.

董事會仝人謹將截至二零零六年二月二十八日止年度報告連同已經審核之財務報表呈覽。

主要業務

本公司為一間投資控股公司。其附屬公司之主要業務包括鞋類產品零售、批發及製造。在本年度期間內，本集團並無任何業務變更。

本集團之唯一主要業務為鞋類零售、批發及製造，因此該業務之分部資料與綜合賬內之數字相同。按地區分部劃分之本集團在本年度期間內業務表現分析載於財務報表附註5。

業績及分派

本集團本年度之業績載於第68頁之綜合損益表內。

於二零零五年九月二十八日，董事會宣派特別股息每股普通股10.0港仙，合共25,453,000港元，而特別股息已於二零零五年十月二十六日支付。

於二零零五年十一月二十一日，董事會宣派中期股息每股普通股3.0港仙，合共7,635,900港元，而中期股息已於二零零五年十二月十六日支付。

董事會現建議派發末期股息每普通股5.5港仙，合共13,999,150港元。

儲備

在本年度期間內，本集團及本公司儲備之變動情況載於財務報表附註29。

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DISTRIBUTABLE RESERVES

As at 28 February 2006, the distributable reserves of the Company available for distribution, net of dividends proposed, amounted to HK\$125,301,000 (2005: HK\$122,928,000) as computed in accordance with the Companies Law of the Cayman Islands.

FIXED ASSETS

The Company did not own any fixed assets during the year.

Details of the movements in property, plant and equipment and particulars of investment properties of the Group are set out in notes 13 and 14, respectively to the financial statements.

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Company as at 28 February 2006 are set out on pages 148 to 154.

RETIREMENT SCHEME

The Group has set up, in accordance with the laws of the regions where the Group operates, defined contribution retirement schemes, which are available to all eligible employees. Contributions to the schemes by the Group and, if applicable, the employees are calculated as a percentage of the employees' salaries. The retirement benefit schemes cost charged to the income statement represents contributions payable by the Group to these schemes.

Contributions totalling approximately HK\$821,000 (2005: HK\$880,000) were payable to these schemes at the year end and are included in accrued charges. The assets of these schemes are held separately from those of the Group in independently administered funds.

可分派儲備

根據開曼群島《公司法》計算，在扣除擬派股息後，本公司於二零零六年二月二十八日之可分派儲備為125,301,000港元（二零零五年：122,928,000港元）。

固定資產

本公司在本年度期間內並無擁有任何固定資產。

本集團物業、機器及設備之變動情況及投資物業詳情分別載於財務報表附註13及14。

主要附屬公司

本公司於二零零六年二月二十八日主要附屬公司詳情載於第148至154頁。

退休計劃

本集團按其經營地區法例規定設有定額供款退休福利計劃以供其合資格僱員參與。僱主及僱員（如適用）所作出之供款乃按僱員薪金之百分比計算。在損益表支銷之退休福利計劃成本指本集團對該等計劃應付之供款。

於本年結日應付予該等計劃之供款約為821,000港元（二零零五年：880,000港元），已列於應計費用內。該等計劃之資產與本集團之資產分開持有，由獨立行政之基金管理。

REPORT OF THE DIRECTORS 董事會報告

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company and there are no restrictions against such rights under the laws of the Cayman Islands.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the latest five financial years is set out on page 155.

DIRECTORS

The directors during the year were:

Executive directors

Mr Tang Wai Lam
Mr Tang Keung Lam (resigned on
30 November 2005)

Mr Ng Man Kit, Lawrence
Mr Chung Chun Wah

Non-executive directors

Mr Lee Kwan Hung
Mr Lee Kin Sang*
Mr Chan Ka Sing, Tommy*
Mr Ng Chun Chuen, David*

* Independent non-executive directors

In accordance with the Articles of Association of the Company, Mr Ng Man Kit, Lawrence, Mr Lee Kin Sang and Mr Ng Chun Chuen, David will retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

優先購買權

本公司之組織章程細則並無優先購買權之規定；而開曼群島法例亦無對優先購買權作出限制。

五年財務摘要

本集團最近五個財務年度之業績及資產與負債摘要載於第155頁。

董事

在本年度期間內董事如下：

執行董事

鄧偉林先生
鄧強林先生 (於二零零五年
十一月三十日辭任)

吳民傑先生
鍾振華先生

非執行董事

李均雄先生
李建生先生*
陳家聲先生*
吳振泉先生*

* 獨立非執行董事

吳民傑先生、李建生先生及吳振泉先生根據本公司之組織章程細則於即將舉行之股東週年大會上退任，惟有資格並願膺選連任。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS (continued)

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and still considers all of the independent non-executive directors to be independent.

DIRECTORS’ SERVICE CONTRACTS

None of the directors has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out as follows:

Executive directors

Mr Tang Wai Lam, aged 52, is one of the two co-founders of the Group and the Chairman and Managing Director of the Company. Appointed as a director of the Company in 1996, Mr Tang has over 32 years of experience in the footwear retailing business and has established strong and extensive connections with footwear suppliers in Europe, Hong Kong and Mainland China. He is primarily responsible for the overall direction of the business and formulation of corporate policies of the Group. Mr Tang serves as the Permanent Honorary Chairman of Hong Kong Leather Shoe and Shoe Material Merchants Association Limited. He is a brother of Mr Tang Keung Lam.

董事 (續)

本公司已根據《香港聯合交易所有限公司證券上市規則》(「《上市規則》」)第3.13條收到每名獨立非執行董事就其獨立性而作出的年度確認函，並仍然認為所有獨立非執行董事均屬獨立人士。

董事服務合約

全體董事概無簽訂任何不可以由本公司於一年內免付賠償(除法定賠償外)而終止之服務合約。

董事及高級管理人員之個人簡歷

董事及高級管理人員之個人簡歷如下：

執行董事

鄧偉林先生，現年52歲，為本集團兩名創辦人之一，並為本公司主席兼董事總經理，於一九九六年獲委任為本公司董事。鄧先生在鞋類產品零售方面有逾32年經驗，並已與歐洲、香港及中國大陸之皮鞋供應商建立鞏固及廣泛之聯繫。鄧先生現時主要負責本集團之整體業務發展及制訂公司政策。鄧先生現時為香港皮鞋業鞋材業商會有限公司永遠名譽會長。彼為鄧強林先生之胞弟。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Executive directors (continued)

Mr Tang Keung Lam (resigned on 30 November 2005), aged 54, is another co-founder of the Group and was the Vice-Chairman and Deputy Managing Director of the Company. Appointed as a director of the Company in 1996, Mr Tang has over 32 years of experience in footwear manufacturing and wholesaling. Mr Tang was responsible for the overall management and strategic planning of the Group during the term of his directorship. He is a brother of Mr Tang Wai Lam.

Mr Ng Man Kit, Lawrence, aged 50, is the Deputy Managing Director of the Company. Mr Ng is responsible for the overall strategic planning, retail operation as well as business development of the Group. Before re-joining the board in 2002, he was an executive director of two listed fashion groups and the vice president of a listed trading company in Hong Kong. Mr Ng holds a distinction Diploma in History from the Hong Kong Baptist University and has over 24 years of experience in the retail services industry in Hong Kong.

Mr Chung Chun Wah, aged 56, was appointed as a director of the Company in 1996. He joined the Group in 1990 and is responsible for the merchandising management and product development of the Group. He has over 30 years of experience in the footwear business.

董事及高級管理人員之個人簡歷(續)

執行董事(續)

鄧強林先生(於二零零五年十一月三十日辭任),現年54歲,為本集團另一名創辦人及本公司前副主席兼董事副總經理,於一九九六年獲委任為本公司董事。鄧先生在鞋類產品之製造及批發方面有逾32年經驗,在其任內負責本集團之管理及整體策略計劃。彼為鄧偉林先生之胞兄。

吳民傑先生,現年50歲,為本公司董事副總經理。吳先生現時負責本集團之整體策略計劃、零售管理及業務發展。吳先生於二零零二年重新加入本公司董事會前,曾為香港兩間上市時裝集團之執行董事,以及一間上市貿易公司的副總裁。吳先生持有香港浸會大學歷史學優良文憑,彼於香港的零售服務業擁有逾24年經驗。

鍾振華先生,現年56歲,於一九九六年獲委任為本公司董事。鍾先生於一九九零年加入本集團,現時負責本集團採購管理及產品發展事宜。彼於鞋類產品業有逾30年經驗。

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BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Non-executive directors

Mr Lee Kwan Hung, aged 40, was appointed as a non-executive director of the Company in 2000. Mr Lee graduated from the University of Hong Kong in 1988 and obtained a Postgraduate Certificate in Laws in 1989. He was qualified as a solicitor in Hong Kong in 1991 and in England and Wales in 1997. He was a senior manager of The Stock Exchange of Hong Kong Limited and is a partner of Messrs Woo, Kwan, Lee & Lo.

Mr Lee Kin Sang, aged 53, is an independent non-executive director of the Company and joined the board in 1996. He has been involved in the jewellery industry for over 30 years and has substantial experience in manufacturing and trading of jewellery. He is a director of several private companies engaged in jewellery manufacturing and trading. Mr Lee presently serves as a director of Hong Kong Jewellery Manufacturers' Association, the Committee Member of Chinese People's Political Consultative Conference (Panyu, Guangzhou) and the chairman of Guangzhou Panyu Jewellers Manufacturing Association.

Mr Chan Ka Sing, Tommy, aged 45, is an independent non-executive director of the Company and joined the board in 1996. He is a practising solicitor admitted by the Supreme Court of Hong Kong and the Supreme Court of England and Wales. He is currently a partner of the solicitors' firm Kwok, Ng & Chan. He has extensive experience in law practising and accountancy. Mr Chan holds a Bachelor degree in Law from Wolverhampton Polytechnic, England and a Diploma of accountancy from Hong Kong Polytechnic. Prior to joining Kwok, Ng & Chan, he worked in various solicitors' firms and held accounting positions in an international accounting firm and an international trading company.

董事及高級管理人員之個人簡歷(續)

非執行董事

李均雄先生，現年40歲，於二零零零年獲委任為本公司非執行董事。彼於一九八八年畢業於香港大學並於翌年獲得法律深造證書。李先生分別於一九九一年及一九九七年成為香港及英格蘭及威爾斯之認可執業律師。李先生曾於香港聯合交易所有限公司擔任高級經理，現為胡關李羅律師行之合夥人。

李建生先生，現年53歲，為本公司獨立非執行董事，於一九九六年加入董事會。彼從事珠寶業逾30年，在珠寶製造及貿易方面有豐富經驗。李先生為多間從事珠寶製造及貿易之私營公司之董事，現時為香港珠寶製造業廠商會之理事、廣州市番禺區政協委員及廣州番禺珠寶廠商會之會長。

陳家聲先生，現年45歲，為本公司獨立非執行董事，於一九九六年加入董事會。彼為香港最高法院及英格蘭及威爾斯最高法院之認可執業律師。陳先生現為郭吳陳律師事務所之合夥人，在法律實務及會計方面具有豐富經驗。彼持有英國 **Wolverhampton Polytechnic** 法律學士學位及香港理工學院會計文憑。彼加入郭吳陳律師事務所之前，曾任職於多間律師行，並曾於一間國際會計師事務所及一間國際貿易公司任職會計職位。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Non-executive directors (continued)

Mr Ng Chun Chuen, David, aged 41, is an independent non-executive director of the Company and joined the board in 2004. Mr Ng is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants, UK. Mr Ng has extensive experience in auditing, financial management, corporate development, investment and corporate finance. Since October 2001, he has been the Executive Director and Company Secretary of Landune International Limited (formerly known as Singapore Hong Kong Properties Investment Limited), a public company listed on the The Stock Exchange of Hong Kong Limited.

Senior management

Mr Leung Yiu Fai, Kelvin, aged 39, is the Financial Controller, Qualified Accountant and Company Secretary of the Company and joined the Group in 2002. Mr Leung holds a Master degree in Finance and Commercial Law from the University of Sydney, Australia, a Master degree in Business Administration from Monash University, Australia and a Bachelor degree in Law from University of Wolverhampton, UK. Besides, he is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of the Association of Chartered Certified Accountants, UK, a Certified Management Accountant of the Institute of Certified Management Accountants, USA, a Certified Practising Accountant of CPA Australia and a Solicitor of the High Court of Australia. He has over 15 years of experience in accounting, finance, taxation, company and commercial law.

(Note: Some of the executive directors hold directorships in certain subsidiaries of the Company.)

董事及高級管理人員之個人簡歷(續)

非執行董事(續)

吳振泉先生，現年41歲，為本公司獨立非執行董事，於二零零四年加入董事會。吳先生為香港會計師公會資深會計師及英國特許公認會計師公會資深會員。吳先生在審計、財務管理、企業發展、投資及企業融資方面經驗豐富。自二零零一年十月起，彼擔任藍頓國際有限公司（一間在香港聯合交易所有限公司上市之公眾公司，前稱星港地產投資有限公司）的董事及公司秘書職務。

高級管理人員

梁耀輝先生，現年39歲，為本公司財務總監、合資格會計師及公司秘書，於二零零二年加入本集團。梁先生持有澳洲悉尼大學財務及商業法律碩士學位、澳洲 Monash University 工商管理碩士學位及英國 University of Wolverhampton 法律學士學位。此外，彼亦為香港會計師公會資深會計師、英國特許公認會計師公會資深會員、美國註冊管理會計師公會註冊管理會計師、澳洲會計師公會註冊會計師及澳洲高等法院律師。彼於會計、財務、稅務和公司及商業法方面擁有逾15年經驗。

(註：部份執行董事於本公司之附屬公司持有董事職銜。)

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 28 February 2006, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules, were as follows:

(a) Shares in the Company

董事於股份、相關股份及債權證之權益及淡倉

於二零零六年二月二十八日，根據《證券及期貨條例》第352條規定須設置之登記冊所載記錄或根據《上市規則》附錄十所載有關《董事進行證券交易的標準守則》須知會本公司及香港聯合交易所有限公司（「聯交所」），本公司董事在本公司及其相關法團（定義見《證券及期貨條例》第XV部）的股份、相關股份及債權證之任何權益及淡倉如下：

(a) 本公司之股份

Number of ordinary shares of HK\$0.1 each beneficially held 實益持有每股0.1港元之普通股份數目

Name of Director	董事名稱	Personal interests 個人權益	Other interests 其他權益	Total 總計
Mr Tang Wai Lam	鄧偉林先生	6,000,000	130,575,000 (note) (附註)	136,575,000
Mr Ng Man Kit, Lawrence	吳民傑先生	12,150,000	-	12,150,000
Mr Chung Chun Wah	鍾振華先生	2,604,000	-	2,604,000

Note:

Of these 130,575,000 shares, 8,175,000 shares were held by Rich Land Property Limited, which was wholly owned by a discretionary trust, the founder of which was Mr Tang Wai Lam. The other 122,400,000 shares were held by Tang's Enterprises Limited, which was owned by Rich Land Property Limited, Kinlington Agents Limited and Mosman Associates Limited as to one-third each.

附註：

此等130,575,000股股份中，8,175,000股股份由一項全權信託全資所擁有的Rich Land Property Limited所持有，鄧偉林先生為該全權信託的成立人。其餘122,400,000股股份由Tang's Enterprises Limited所持有，而Rich Land Property Limited、Kinlington Agents Limited及Mosman Associates Limited各擁有其三分之一之股權。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(b) Shares in Mirabell Footwear Limited

Name of Director

董事名稱

Mr Tang Wai Lam

鄧偉林先生

Mr Chung Chun Wah

鍾振華先生

Save as disclosed above:

- (i) As at 28 February 2006, none of the directors or chief executives (including their spouses and children under 18 years of age) of the Company had any interest in, or had been granted, or exercised, any rights to subscribe for the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO).
- (ii) At no time during the year was the Company or its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

董事於股份、相關股份及債權證之權益及淡倉(續)

(b) 美麗寶鞋業有限公司之股份

Number of non-voting deferred shares of HK\$100 each in a subsidiary of the Company, Mirabell Footwear Limited, beneficially held personally

個人實益持有本公司附屬公司
美麗寶鞋業有限公司每股100港元
之無投票權遞延股數目

6,561

477

除上文披露者外：

- (i) 於二零零六年二月二十八日，本公司之董事或最高行政人員（包括彼等之配偶及十八歲以下子女）概無持有或獲授予或行使任何用以認購本公司及其相關法團（定義見《證券及期貨條例》）的股份、相關股份及債權證之權利。
- (ii) 本公司及其附屬公司在本年度期間內任何時間概無訂立任何安排，致使本公司之董事可藉購入本公司或任何其他法人團體之股份或債權證而獲得利益。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 28 February 2006, the following persons (other than the directors of the Company) had 5% or more interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東

於二零零六年二月二十八日，根據《證券及期貨條例》第336條規定須設置之登記冊所載記錄，以下人士（除本公司之董事外）持有本公司的股份及相關股份之5%或以上之權益及淡倉。

		Number of ordinary shares of HK\$0.1 each beneficially held 實益持有每股0.1港元之普通股份數目			
Name	姓名	Beneficial interests 實益權益	Interest of controlled corporation 受控制公司權益	Other interests 其他權益	Total 總計
Tang's Enterprises Limited (note (vii))	Tang's Enterprises Limited (附註(vii))	122,400,000	-	-	122,400,000
Rich Land Property Limited (note (vii))	Rich Land Property Limited (附註(vii))	8,175,000	122,400,000 (note (i)) (附註(i))	-	130,575,000
Kinlington Agents Limited (note (vii))	Kinlington Agents Limited (附註(vii))	8,175,000	122,400,000 (note (i)) (附註(i))	-	130,575,000
Mosman Associates Limited	Mosman Associates Limited	8,175,000	122,400,000 (note (i)) (附註(i))	-	130,575,000
Mr Tang Keung Lam	鄧強林先生	6,000,000	-	130,575,000 (note (ii)) (附註(ii))	136,575,000
Madam Tso Lai Kuen	曹麗娟女士	6,000,000	-	130,575,000 (note (iii)) (附註(iii))	136,575,000
Strath Fiduciaries Limited	Strath Fiduciaries Limited	-	155,100,000 (note (iv)) (附註(iv))	-	155,100,000
Value Partners Limited	Value Partners Limited	-	-	15,290,000 (note (v)) (附註(v))	15,290,000
Mr Cheah Cheng Hye	謝清海先生	-	15,290,000 (note (vi)) (附註(vi))	-	15,290,000

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

- (i) These represented the same block of 122,400,000 shares held by Tang's Enterprises Limited, which was owned by Rich Land Property Limited, Kinlington Agents Limited and Mosman Associates Limited as to one-third each.
- (ii) Of these 130,575,000 shares, 8,175,000 shares were held by Kinlington Agents Limited, which was wholly owned by a discretionary trust, the founder of which was Mr Tang Keung Lam. The other 122,400,000 shares represented the same block of shares held by Tang's Enterprises Limited.
- (iii) Of these 130,575,000 shares, 8,175,000 shares were held by Mosman Associates Limited, which was wholly owned by a discretionary trust, the founder of which was Madam Tso Lai Kuen. The other 122,400,000 shares represented the same block of shares held by Tang's Enterprises Limited.
- (iv) These represented the same block of 122,400,000 shares held by Tang's Enterprises Limited and the three blocks of shares of 8,175,000 each beneficially held by Rich Land Property Limited, Kinlington Agents Limited and Mosman Associates Limited respectively plus 8,175,000 shares beneficially held by Simple Message Limited. Since Rich Land Property Limited, Kinlington Agents Limited, Mosman Associates Limited and Simple Message Limited were wholly owned on trust by Strath Fiduciaries Limited, Strath Fiduciaries Limited was deemed to be interested in the shares in which those companies were interested or deemed to be interested under the SFO.
- (v) These shares were held by Value Partners Limited in the capacity of investment manager.
- (vi) These represented the same block of shares held by Value Partners Limited, which was controlled by Mr Cheah Cheng Hye.
- (vii) Mr Tang Wai Lam and Mr Tang Keung Lam are directors of Tang's Enterprises Limited, Rich Land Property Limited and Kinlington Agents Limited.

主要股東(續)

附註:

- (i) 此等股份與Tang's Enterprises Limited所持有的122,400,000股股份為同一宗。而Rich Land Property Limited、Kinlington Agents Limited及Mosman Associates Limited各擁有其三分之一股權。
- (ii) 此等130,575,000股股份中，8,175,000股股份由一項全權信託全資所擁有的Kinlington Agents Limited所持有，鄧強林先生為該全權信託的成立人。其餘122,400,000股股份與Tang's Enterprises Limited所持有的股份為同一宗。
- (iii) 此等130,575,000股股份中，8,175,000股股份由一項全權信託全資所擁有的Mosman Associates Limited所持有，曹麗娟女士為該全權信託的成立人。其餘122,400,000股股份與Tang's Enterprises Limited所持有的股份為同一宗。
- (iv) 此等股份包括由Tang's Enterprises Limited持有而同屬一宗之122,400,000股股份：分別由Rich Land Property Limited、Kinlington Agents Limited及Mosman Associates Limited實益持有每宗為8,175,000股之三宗股份；以及由Simple Message Limited實益持有之8,175,000股股份。由於Rich Land Property Limited、Kinlington Agents Limited、Mosman Associates Limited及Simple Message Limited由Strath Fiduciaries Limited以信託形式全資擁有，故根據《證券及期貨條例》，Strath Fiduciaries Limited被視為擁有此等股份之權益，而此等股份之權益由該等公司所擁有或被視為擁有。
- (v) 此等股份由Value Partners Limited以基金經理身份持有。
- (vi) 此等股份與Value Partners Limited持有之股份為同一宗，而該公司由謝清海先生控制。
- (vii) 鄧偉林先生及鄧強林先生為Tang's Enterprises Limited、Rich Land Property Limited及Kinlington Agents Limited之董事。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

Save as disclosed above, as at 28 February 2006, no other person was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as having 5% or more interests and short positions in the shares and underlying shares of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

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

SHARE OPTION SCHEME

The purpose of the share option scheme of the Company (the "Share Option Scheme") is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants for their contributions and/or potential contributions to the Group and for such other purposes as the Board may approve from time to time.

The participants of the Share Option Scheme are:

- (i) any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of the Group;
- (ii) any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of the Group;
- (iii) any consultants, professional and other advisers to the Group (or persons, firms or companies proposed to be appointed for providing such services);

主要股東(續)

除上文披露者外，於二零零六年二月二十八日，本公司根據《證券及期貨條例》第336條而設之登記冊並無記錄其他人士持有本公司之股份及相關股份之5%或以上之權益及淡倉。

董事於合約之權益

於年終或年內任何時間，本公司或附屬公司概無簽訂任何涉及本集團之業務，而本公司董事直接或間接在其中擁有重大權益之重要合約。

認股權計劃

本公司之認股權計劃（「本認股權計劃」）旨在讓本公司能以一個靈活方式向對本集團有所貢獻及／或有潛在貢獻及董事會不時批准之其他目的之參與者給予獎勵、獎賞、酬金、補償及／或提供福利。

本認股權計劃之參與者為：

- (i) 本集團之任何執行或非執行董事（包括獨立非執行董事）或任何僱員（不論全職或兼職）；
- (ii) 由本集團之任何僱員、執行或非執行董事所成立之全權信託之任何全權對象；
- (iii) 本集團之任何顧問、專業人士及其他諮詢人（或擬受聘提供有關服務的個人、商行或公司）；

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (continued)

- (iv) any chief executives of the Company; and
- (v) any associates of director or chief executive of the Company,

provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

The total number of shares of the Company ("Shares") which may be issued upon exercise of all options under the Share Option Scheme and any other share option schemes of the Company (excluding, for this purpose, options lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes) must not in aggregate exceed 10% of Shares in issue at 29 December 2004, the date of adoption of the Share Option Scheme, unless a fresh approval of the shareholders is obtained. As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme is 25,453,000, which represents 10% of the issued share capital of the Company as at the date of this annual report.

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue. Any further grant of options in excess of such limit must be separately approved by the shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

認股權計劃(續)

- (iv) 本公司之任何最高行政人員；及
- (v) 本公司之董事、最高行政人員之任何聯繫人，

以上類別均由董事會按其絕對酌情權決定。

除非另獲股東批准，否則於本認股權計劃及本公司任何其他認股權計劃（為此並不包括根據本認股權計劃及任何其他認股權計劃條款而已失效之認股權）授出之所有認股權予以行使時發行之本公司之股份（「股份」）總數，合計不得超過本公司於本認股權計劃採納日，即二零零四年十二月二十九日已發行股份之10%。於本年報日，在本認股權計劃可供發行之股份總數為25,453,000股，亦即於本年報日本公司已發行股本之10%。

每一名參與者在任何十二個月內獲授之認股權（包括已行使及未行使之認股權）予以行使時所發行及將發行之股份，不得超過已發行股份總數之1%。任何再授出認股權超出所訂限制，則本公司必須另行召開股東大會尋求股東批准（會上參與者及其聯繫人必須放棄投票權）。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (continued)

The Board shall be entitled at any time within 10 years after 29 December 2004 to make an offer of the grant of an option. The period during which an option may be exercised is determined by the Board, which shall not be longer than 10 years from the date upon which the option is granted unless otherwise determined by the Board and specified in the offer letter at the time of the offer of the grant of the option, there is no minimum period for which an option must be held before it can be exercised.

The amount payable on acceptance of the option is HK\$1.00 to be received by the Company within a period of 28 days from the date upon which the offer is made, provided that no such offer shall be open for acceptance after the 10th anniversary from 29 December 2004. Such remittance shall in no circumstances be refundable. The full amount of the exercise price for the subscription of Shares has to be paid upon exercise of an option.

The subscription price in respect of each Share issued pursuant to the exercise of options granted shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of:

- (a) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day;
- (b) a price being the average of the closing prices of Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and
- (c) the nominal value of a Share.

The Share Option Scheme was approved by the shareholders of the Company on 29 December 2004 and has a life of 10 years until 28 December 2014, but any options then outstanding will continue to be exercisable.

認股權計劃(續)

董事會可在二零零四年十二月二十九日後十年的任何期間內作出要約授出認股權。董事會決定行使的認股權期間由授出認股權日起的十年內。除在作出要約授出認股權時董事會另有決定及於要約函件中指出外，在行使認股權之前並無持有認股權最短的期限。

接納認股權的代價為1.00港元，並應在作出要約後二十八天內由本公司收取，惟須確保於二零零四年十二月二十九日開始計算的第十個週年後有關要約之接納不會被接受。在任何情況下已支付款項將不會退回。當行使認股權時，認購股份的行使價必須全數支付。

董事會將全權決定及通知參與者就行使認股權之每股股份之行使價，必須至少為下列三者中之較高者：

- (a) 股份於要約日期（必須為營業日）在聯交所日報表所載之收市價；
- (b) 股份於要約日期前五個營業日在聯交所日報表所載之平均收市價；及
- (c) 股份之面值。

本認股權計劃於二零零四年十二月二十九日經本公司之股東批准，且有效期為十年直至二零一四年十二月二十八日，但之後仍可繼續行使任何尚未行使的認股權。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (continued)

No options under the Share Option Scheme were outstanding at the beginning or at the end of the year, and no options under the Share Option Scheme were granted, exercised, cancelled or lapsed during the year.

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.

CONNECTED TRANSACTIONS

Related party transactions entered by the Group during the year ended 28 February 2006 included purchases from and guarantees granted to certain subsidiaries of an associate, and compensation paid to key management. These transactions do not constitute connected transactions under the Listing Rules and are disclosed in notes 18 and 33 to the financial statements, respectively.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentages of purchases and sales for the year attributable to the Group's five largest suppliers and five largest customers, respectively, are less than 30% of the total purchases and sales for the year, respectively. Therefore no disclosure with regard to major suppliers and customers is made.

認股權計劃(續)

本集團於本年度開始及終結時沒有尚未行使本認股權計劃的認股權，且在本年度期間內亦無在本認股權計劃下授出、行使、注銷或失效的認股權。

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。

關連交易

截至二零零六年二月二十八日止年度期間內，本集團進行之關聯方交易指向聯營公司之若干附屬公司的購貨及向其作出的擔保，以及支付主要管理人員酬金。該等交易（根據《上市規則》不構成關連交易）分別載於財務報表附註18及33。

管理合約

在本年度期間內，本公司並無訂立或存在有關本公司整體或任何主要部份業務之管理及行政合約。

主要客戶及供應商

由於本集團五大供應商及五大客戶分別佔本年度採購及銷售總額之百分比不足30%，因此並無需披露主要供應商及客戶的資料。

REPORT OF THE DIRECTORS 董事會報告

DEALINGS IN THE COMPANY'S LISTED SHARES

The Company did not redeem any of the Company's shares during the year. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's share during the year.

PUBLIC FLOAT

As at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on information that is publicly available to the Company and within the knowledge of the directors.

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Tang Wai Lam
Chairman

Hong Kong, 26 June 2006

買賣本公司上市股份

本公司在本年度期間內並無贖回其任何股份。本公司或其任何附屬公司在本年度期間內概無購買或出售本公司任何股份。

公眾持股量

於本年報日，根據本公司已得悉之公開資料及本公司的董事亦知悉之情況下，本公司已按《上市規則》維持足夠公眾持股量。

核數師

本財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，並願膺選連任。

董事會代表

主席
鄧偉林

香港，二零零六年六月二十六日