



MIRABELL INTERNATIONAL HOLDINGS LIMITED
美麗寶國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Annual Report 2006~2007年報

Stock Code 股份代號：1179

* For identification purposes only 僅供識別



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Tang Wai Lam (*Chairman and Managing Director*)
Ng Man Kit, Lawrence (*Deputy Managing Director*)
Chung Chun Wah
Leung Kelvin Yiu Fai
(appointed on 1 August 2006)

Non-executive Directors

Lee Kwan Hung
Lee Kin Sang*
Chan Ka Sing, Tommy*
Ng Chun Chuen, David*
* *Independent Non-executive Director*

AUDIT COMMITTEE

Lee Kin Sang (*Chairman*)
Chan Ka Sing, Tommy
Ng Chun Chuen, David

REMUNERATION COMMITTEE

Chan Ka Sing, Tommy (*Chairman*)
Lee Kin Sang
Ng Chun Chuen, David
Tang Wai Lam

QUALIFIED ACCOUNTANT

Leung Kelvin Yiu Fai

COMPANY SECRETARY

Leung Kelvin Yiu Fai

REGISTERED OFFICE

Ugland House
South Church Street
P.O. Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

董事會

執行董事

鄧偉林 (*主席兼董事總經理*)
吳民傑 (*董事副總經理*)
鍾振華
梁耀輝
(於二零零六年八月一日獲委任)

非執行董事

李均雄
李建生*
陳家聲*
吳振泉*
* *獨立非執行董事*

審核委員會

李建生 (*主席*)
陳家聲
吳振泉

薪酬委員會

陳家聲 (*主席*)
李建生
吳振泉
鄧偉林

合資格會計師

梁耀輝

公司秘書

梁耀輝

註冊辦事處

Ugland House
South Church Street
P.O. Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

8/F, Wyler Centre, Phase II
200 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

STOCK CODE

1179

WEBSITE

www.mirabell.com.hk

LEGAL ADVISORS

Woo, Kwan, Lee & Lo
26/F, Jardine House
1 Connaught Place
Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR

Bank of Bermuda (Cayman) Limited
P.O. Box 513 G.T.
Strathvale House
North Church Street
George Town, Grand Cayman
Cayman Islands
British West Indies

HONG KONG BRANCH SHARE REGISTRAR

Abacus Share Registrars Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited

總辦事處及主要營業地點

香港
新界葵涌
大連排道200號
偉倫中心第2期8樓

股份代號

1179

網址

www.mirabell.com.hk

法律顧問

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香港中環
康樂廣場1號
怡和大廈26樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港中環太子大廈22樓

主要股份過戶登記處

Bank of Bermuda (Cayman) Limited
P.O. Box 513 G.T.
Strathvale House
North Church Street
George Town, Grand Cayman
Cayman Islands
British West Indies

香港之股份過戶登記分處

雅柏勤證券登記有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

恒生銀行有限公司
星展銀行(香港)有限公司

CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders,

I am pleased to present this annual report for the year ended 28 February 2007.

RESULTS AND DIVIDEND

The turnover of the Group for the year ended 28 February 2007 was HK\$934,225,000 whereas the profit attributable to equity holders of the Company was HK\$105,462,000.

The board of directors has resolved not to recommend a final dividend. An interim dividend of HK1.5 cents per share was paid on 18 December 2006.

FACED WITH CHALLENGES AS WELL AS OPPORTUNITIES

During the year, consumer confidence in the local market continued to improve in line with the soaring stock market, the decrease in unemployment rate and the increase in salaries. The general increase in purchasing power was favourable to our business. On the contrary, the Group was faced with keen market competition and at the same time the rental and operational costs increased. The Group increased advertising campaigns and marketing activities as well as renovated the retail outlets in order to further promote brand awareness. The management placed the greatest effort to strengthen the Group's competitiveness in the marketplace.

The consumer spending power in the Mainland China had been continuing to grow at a remarkable rate during the year. Accordingly, the Group opened new retail outlets strategically in prime shopping areas located mainly in the first and second tier cities. Meanwhile, the management focused on store performance improvement. Effective cost controls were also in place to maintain high operational efficiency. The Group has built up a "value-for-money" reputation for its good quality products at competitive prices.

各位股東

本人欣然向各位提呈截至二零零七年二月二十八日止年度年報。

業績及股息

本集團截至二零零七年二月二十八日止年度的營業額為934,225,000港元；而本公司權益持有人應佔溢利為105,462,000港元。

董事會決議不建議派發末期股息。中期股息每股1.5港仙已於二零零六年十二月十八日支付。

面對挑戰與機遇

於回顧期內，香港受着本地股市表現暢旺、失業率下降及工資上升，消費信心得以不斷改善。本集團的業務受惠於購買力普遍提升。另一方面，本集團卻面對激烈的市場競爭，以及租金及經營成本的上升。本集團加強廣告宣傳及市場推廣活動，並且重新裝修零售店舖以進一步加強品牌知名度。管理層盡最大的努力加強本集團的市場競爭力。

中國大陸的顧客消費力於回顧期內有持續大幅度的增長。因此，本集團主要在內地一、二線城市的黃金地段策略地開拓零售店舖。與此同時，管理層重點改善店舖業績，並積極改變產品組合以滿足不同顧客的需求。有效的成本控制以保持高效的營運效率。本集團以其優質及具價格競爭力的產品來建立「物有所值」的商譽。

CHAIRMAN'S STATEMENT

主席報告

During the year, the market conditions were extremely tough and worsened by the weak consumer sentiment in the Taiwan market. However, the market awareness of the brand of Fiorucci was greatly enhanced by a distinct product mix and image. The Group will build upon the market position to solidify the business in Taiwan.

FUTURE BUSINESS STRATEGIES

To meet the challenges ahead, the Group will adopt the following business strategies:

1. To make use of the advantage of multi-brand business model

The Group offers a wide range of footwear products at varied retail prices targeted at different customer segments. The management will continue to keep abreast of changing market trends and identify products that are distinctive to differentiate itself from competitors.

2. To actively seek exclusive international brand distribution rights

The Group actively seeks exclusive international brand distribution rights to build a strong product portfolio. The Group aims at expanding customer base through diversification of product mix and reviews merchandising plans regularly to match the ever-changing customer needs.

3. To further increase retail outlets in the Mainland China

As a result of the continuous economic growth in the Mainland China resulting in rapid increase in purchasing power of customers, there will be great opportunities for the Group to further expand the retail business. The Group will actively increase retail outlets in the Mainland China.

於回顧期內，台灣市場的經營環境極其艱巨，加上疲弱的顧客消費意欲。但我們以獨特的產品組合與形象進一步加強市場對Fiorucci品牌的認知度。本集團將繼續鞏固台灣業務的市場地位。

未來業務策略

為迎接未來的挑戰，本集團將採取下列的業務策略：

1. 利用多品牌業務模式的優勢

本集團為針對不同階層的顧客群而提供各式各樣不同檔次的鞋類產品。管理層將繼續密切注視市場的變化趨勢並甄選獨特的產品，務求從競爭對手中脫穎而出。

2. 積極尋求國際品牌獨家分銷權

本集團積極尋求國際品牌的獨家分銷權以建立豐富的產品組合。為擴大客戶群的基礎，本集團通過多元化產品組合，以及定期檢視採購計劃以迎合千變萬化的顧客需求。

3. 進一步增加中國大陸零售店舖

由於中國大陸經濟持續增長而形成顧客購買力大幅提高，因此對本集團帶來龐大的商機。本集團將積極在中國大陸增加零售店舖。

CHAIRMAN'S STATEMENT

主席報告

4. To develop wholesale business in the Mainland China

The management sees the importance in the development of wholesale business as it reduces purchasing costs and raises gross profit as well as provides the Group with a synergy effect in terms of further strengthening the product mix, brand development and promotion.

5. To strengthen our brand awareness in the marketplace

The Group is committed to strengthening our brand awareness by increasing advertising and promotion activities in the marketplace.

6. To enhance the operational efficiency by upgrading management information systems

For the purposes of building up more efficient management information systems in response to ever-increasing customer demand, the Group will upgrade the existing management information systems and the IT infrastructure in the Mainland China, Hong Kong, Macau and Taiwan progressively. The management considers that the upgraded management information systems will improve the Group's operations, merchandising, inventory and supply chain management.

7. To closely monitor and control the increase in operating costs

The Group expects that the operating costs particularly rental and staff expenses will increase. In order to maintain our competitive advantage, the management will closely monitor and control the increase in operating costs.

4. 發展中國大陸的批發業務

批發業務不但能降低採購成本及提高毛利，並且使產品組合、品牌開發及宣傳各方面取得協同效應，因此管理層認為發展批發業務相當重要。

5. 加強市場的品牌知名度

本集團致力加強本身品牌的知名度，並通過廣告及促銷活動以提高市場的知名度。

6. 提升管理資訊系統務求提高營運效率

為建立更具效率的管理訊息系統以針對顧客日益增加的需求，本集團將逐步把現有在中國大陸、香港、澳門及台灣的管理資訊系統及資訊科技配置升級。管理層相信提升管理資訊系統將改進本集團的營運、採購、庫存及供應連鎖管理。

7. 密切注視及控制經營成本的增加

本集團預期經營成本將會增加，特別在租金及員工成本方面。為了保持競爭優勢，管理層將密切注視及控制經營成本的增加。

CHAIRMAN'S STATEMENT

主席報告

ACKNOWLEDGEMENT

On behalf of the board of directors, I would like to take this opportunity to express my gratitude to all shareholders and business partners for their support and to all employees for their hard work.

Tang Wai Lam
Chairman

Hong Kong, 21 June 2007

致謝

本人謹代表董事會全人，藉此機會向全體股東及商業夥伴給予之支持及全體員工之努力工作，深表謝意！

主席
鄧偉林

香港，二零零七年六月二十一日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

BUSINESS REVIEW

During the year, the Group recorded a turnover of HK\$934,225,000, representing an increase of 7.85%, compared with last year. The profit attributable to equity holders of the Company increased by 61.02% to HK\$105,462,000.

The Hong Kong and Macau market

The Group was faced with a year full of challenges as well as opportunities. On the one hand, the local economy had been improving progressively evidenced by the soaring stock market, decrease in unemployment rate and increase in consumer sentiment. On the other hand, the number of visitors from the Mainland China was less than expected and the operating costs remained high. The keen market competition posed high pressure and great challenges to us.

To cope with the challenges, the Group reviewed the operational strategies from time to time. The management is of the view that our multi-brand strategy enables the Group not only to target a broader clientele but also to stand out from competitors. During the year, the Group focused on store performance improvement and brand building particularly by means of strengthening product development. In the meantime, the management strived for providing customers with excellent services beyond their expectations. As a result, the retail business in the Hong Kong and Macau market continued to progress steadily during the year. The gross profit margin of the retail business recorded an increase owing to the improved sales of exclusive international brand products. However, the increased gross profit margin was nearly offset by high rental and operational costs.

業務回顧

於回顧期內，本集團之營業額較去年同期增加7.85%至934,225,000港元；本公司權益持有人應佔溢利上升61.02%至105,462,000港元。

香港及澳門市場

今年是本集團面對充滿挑戰及機遇的一年。一方面，受惠於股市表現暢旺、失業率下降及消費意欲上升，本地經濟逐步改善。另一方面，內地旅客人數較預期減少及經營成本依然高企。激烈的市場競爭為本集團帶來巨大的壓力及嚴峻的挑戰。

為應付挑戰，本集團定期檢討經營策略。管理層認為本集團多品牌策略不僅可覆蓋更廣大的顧客層面，並且能從競爭對手中顯出獨特形象。於回顧期內，本集團集中改善店舖表現及品牌建立，特別在加強產品開發方面。與此同時，管理層致力提供超越顧客期望的優質服務。因此，香港及澳門的零售業務於回顧期內持續穩步發展。由於獨家國際品牌產品的銷售份額提高，因此零售業務的毛利錄得升幅。但增加的毛利卻差不多與高的租金及經營成本互相抵銷。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

Because of the keen competition in the marketplace, the wholesale business recorded a decrease in the turnover during the year. At present, we are the exclusive footwear distributor of the US brands of Caterpillar, Merrell, Royal Elastics and Sebago in Hong Kong, Macau and the Mainland China, and the Italian brand of Geox in Hong Kong and Macau as well as the exclusive footwear, bags and apparel distributor of the UK brand of Gola in Hong Kong, Macau and the Mainland China.

Compared with last year, the turnover increased by 0.84% to HK\$603,380,000 whereas the operating profit decreased by 17.35% to HK\$30,099,000 in the Hong Kong and Macau market. At the end of May 2007, the Group operated 107 retail outlets in Hong Kong and Macau under the brands of Mirabell, Joy & Peace, Fiorucci, Inshoesnet and Geox.

The Mainland China market

During the year, the business of the Group benefited from the Mainland China's continued growing economy. The management widened the product range by introducing new international brands in order to progressively increase the coverage of the footwear market. For the purposes of enhancing overall performance, the Group ceased the operations of some non-performing retail outlets and opened more counters at prime department stores and shopping malls where turnover rent shall be paid. At the same time, the management maintained a very tight cost control in order to increase the operating profit. In addition, the Group has begun a significant upgrading the management information systems and IT infrastructure so as to increase our business process capability, and inventory and sales management since March 2007.

由於市場競爭激烈，批發業務的營業額於回顧期內錄得下降。現時，本集團是美國Caterpillar、Merrell、Royal Elastics及Sebago鞋類產品在香港、澳門及中國大陸的獨家總代理；意大利Geox鞋類產品在香港及澳門的獨家總代理；以及英國Gola鞋類、袋及服裝產品在香港、澳門及中國大陸的獨家總代理。

營業額較去年同期增加0.84%至603,380,000港元；而經營溢利減少17.35%至30,099,000港元。於二零零七年五月底，本集團以Mirabell、Joy & Peace、Fiorucci、Inshoesnet及Geox品牌在香港及澳門經營107間零售店舖。

中國大陸市場

於回顧期內，本集團的業務受惠於中國大陸持續的經濟增長而獲益。管理層透過引入新的國際品牌以擴闊產品的層面，並逐步增加鞋類市場的佔有率。為提高整體表現，本集團已關閉表現不理想的店舖，並且在位置優越的百貨公司及商場開設更多以銷售金額提成計算租金的店舖。與此同時，為增加經營溢利，管理層嚴格控制成本。此外，自從二零零七年三月，本集團已開始對管理資訊系統及資訊科技配置進行升級，以增加本集團的業務流程效益、庫存及銷售管理。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

During the year, the Group achieved growth in the turnover and operating profit in the Mainland China market. Compared with last year, the turnover increased by 19.56% to HK\$306,144,000 whereas the operating profit increased by 61.82% to HK\$37,593,000. At the end of May 2007, the Group operated 192 retail outlets in Shenzhen, Guangzhou, Shanghai, Beijing, Tianjin, Dalian, Chengdu, Chongqing, Zhuhai, Xi'an, Wuhan, Wuxi, Dongguan, Harbin, Shijiazhuang, Panyu, Shenyang, Huizhou, Foshan, Hangzhou and Nanjing under the brands of Mirabell, Joy & Peace, Innet, Caterpillar, Merrell, Fiorucci and Kokopelli. In addition, there were 108 franchised retail outlets under the brand of Joy & Peace.

The Taiwan market

During the year, market conditions were extremely tough and worsened by the weak consumer sentiment. The economy had been continuing to be sluggish. The turnover increased by 108.50% to HK\$24,701,000 whereas the operating loss increased by 30.37% to HK\$6,718,000, compared with last year. As the outlook for the market remained uncertain during the year, the management focused on brand awareness, product development, store performance improvement as well as cost control. At the end of May 2007, the Group operated 16 retail outlets under the brand of Fiorucci in Taiwan.

Associate of the Group

Best Quality Investments Limited ("Best Quality"), a company incorporated in Samoa, is the Group's associate in which the Group holds 30% interests. The Company was informed that on 1 September 2006, Belle International Holdings Limited ("Belle International") issued new shares to a company owned by Mr Tang Yiu, who is a cousin of Mr Tang Wai Lam, a director of the Company, as consideration for acquisition of another company owned by Mr Tang Yiu which carries on the business of retailing of sportswear in the PRC. Moreover, the Company was also informed that such acquisition and issue of new shares

於回顧期內，本集團在中國大陸市場的營業額及經營溢利均有增長。營業額較去年同期增加19.56%至306,144,000港元；而經營溢利增加61.82%至37,593,000港元。於二零零七年五月底，本集團以Mirabell、Joy & Peace、Innet、Caterpillar、Merrell、Fiorucci及Kokopelli品牌在深圳、廣州、上海、北京、天津、大連、成都、重慶、珠海、西安、武漢、無錫、東莞、哈爾濱、石家莊、番禺、瀋陽、惠州、佛山、杭州及南京開設192間零售店舖。此外，本集團亦以特許經營模式經營108間Joy & Peace品牌的零售店舖。

台灣市場

於回顧期內，本集團面對極為艱巨的經營環境及疲弱的消費市場，經濟一直持續低迷。營業額較去年同期增加108.50%至24,701,000港元；而經營虧損增加30.37%至6,718,000港元。於市場前景仍然不明朗的回顧期內，本集團着重於品牌認知度、產品開發、店舖表現改善，以及成本控制。於二零零七年五月底，本集團以Fiorucci品牌經營16間零售店舖。

本集團之聯營公司

於薩摩亞註冊成立的Best Quality Investments Limited (「Best Quality」)是本集團佔30%權益之聯營公司。本公司獲通知於二零零六年九月一日Belle International Holdings Limited (「Belle International」)已發行新的股份予一間由本公司董事鄧偉林先生之堂兄鄧耀先生擁有的公司，作為收購另一間由鄧耀先生擁有的，在中國經營零售運動鞋及服裝業務的公司之代價。本公司亦獲通知該收購及發行新的股份是從Belle International及鄧

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

were the result of commercial negotiations between Belle International and Mr Tang Yiu by reference to the valuation of Belle International and the company being acquired respectively as at 30 June 2006. Best Quality's equity interest in Belle International was diluted from approximately 20.3% to approximately 17.7%. Accordingly, the Company's attributable interest in Belle International was diluted to approximately 5.3%. As Belle International has ceased to be accounted for as an associate in the consolidated financial statements of Best Quality, the consolidated profits or losses of Belle International have ceased to be equity accounted for in the consolidated financial statements of Best Quality.

As a result of the listing of Belle International on the Main Board of The Stock Exchange of Hong Kong Limited on 23 May 2007 and the over-allotment option in respect of Belle International's global offering being exercised in full on 28 May 2007, the Company's attributable interest in Belle International was further diluted to approximately 4.4%.

OUTLOOK

The management is of the view that the continuing decrease in the unemployment rate together with the booming stock market should further stimulate consumer spending in the local market. On the contrary, the management is concerned about the impact from increases in rental and operational costs. As opportunities arise from the continuous arrival of the Mainland tourists and the improvement in the local economy, the Group is confident the business in Hong Kong and Macau.

耀先生之間，參照Belle International及該被收購的公司於二零零六年六月三十日之估值所協商產生而來。由於Best Quality佔Belle International的股份權益已因而從約20.3%被攤薄至約17.7%，所以相應地，本公司佔Belle International的間接權益已被攤薄至約5.3%。因Belle International不再在Best Quality的綜合財務報表中以聯營公司入賬，故此Belle International的綜合溢利或虧損不再在Best Quality的綜合財務報表中按權益法入賬。

Belle International於二零零七年五月二十三日於香港聯合交易所有限公司主板上上市，及有關Belle International全球發售之超額配股權於二零零七年五月二十八日被悉數行使後，本公司佔Belle International的間接權益已被進一步攤薄至約4.4%。

展望

管理層認為在持續失業率下降及股市暢旺下，本地消費市場進一步改善。另一方面，管理層亦非常關注租金及營運成本上升所造成的影響。從不斷訪港澳的內地遊客及本地經濟改善所帶來的機遇，本集團對香港及澳門業務抱樂觀態度。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

The Group has laid down solid foundations in the Mainland China market, including but not limited to the expansion of the product range and the strengthening of our operational management, for the next stage of business growth. Leveraging on our competitive advantage, the management aims at driving further business expansion in the Mainland China market. The Group plans to increase the geographical coverage and the market share by opening more retail outlets particularly in the first and second tier cities of the Mainland China.

For the Taiwan market, the Group will be cautious to review the operating strategies from time to time to encounter the rapidly changing economic conditions. In the future, the Group will focus on strengthening brand management and marketing as well as closely monitoring cost control in order to improve the overall performance.

Looking ahead, the management is fully committed to growing business in the Greater China region. The Group will continue to reinforce brand development, pursue continuous product quality improvement and customer service excellence as well as enhance operational effectiveness and efficiency. Having accumulated several years of experience in the Mainland China, the Group is well-positioned to consolidate its foothold and further speeds up the pace of business development there as a major drive of growth. All in all, the management is optimistic about the business in the future.

LIQUIDITY AND FINANCIAL RESOURCES

Working capital of the Group increased from HK\$214,047,000 to HK\$271,814,000, and the current ratio and quick ratio remained at a steady level of 2.79 and 1.59 times, respectively.

本集團於中國大陸已為下一業務發展階段奠下良好的基礎，其中包括擴大產品層面及加強營運管理。建基於本集團的競爭優勢，管理層將進一步擴展中國大陸市場的業務。本集團計劃在內地一、二線城市開設更多的零售店舖，從而增加地域覆蓋面及市場佔有率。

對於台灣市場，本集團將謹慎檢討在瞬息萬變的經濟環境下的經營策略。本集團未來將重點加強品牌管理與營銷，以及密切控制成本以達到改善整體表現。

展望未來，管理層致力發展在大中華地區的業務。本集團將繼續加強品牌開發，不斷追求提升產品質量與顧客服務水平，以及提高經營效益與效率。累積多年在中國大陸的營商經驗，建基於本身的良好基礎，本集團將進一步加快市場發展的步伐，作為主要增長動力。整體而言，管理層對本集團未來的業務充滿信心。

流動資金及財務資源

本集團之營運資金由214,047,000港元上升至271,814,000港元；而其流動比率及速動比率則維持於穩健水平，分別為2.79倍及1.59倍。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

The inventory balance as at 28 February 2007 amounted to HK\$182,052,000. Compared with the inventory balance of HK\$154,148,000 as at 28 February 2006, an increase was recorded. As at 28 February 2007, the Group had bank balances and cash of HK\$108,246,000 and outstanding bank borrowings of HK\$25,008,000. During the year, the Group raised new short-term bank loans of HK\$70,279,000 for the financing of working capital and short-term bank loans of HK\$94,846,000 were settled.

As at 28 February 2007, the gearing ratio of the Group was 0.02 (2006: 0.11) which was calculated on the Group's total borrowings of HK\$25,008,000 (2006: HK\$47,817,000) and the total equity of HK\$1,284,327,000 (2006: HK\$438,063,000).

TREASURY POLICIES

The Group continued to adopt a conservative approach to financial risk management. The Group's borrowings were in Hong Kong dollars and Renminbi and were arranged on a floating rate basis. As at 28 February 2007, the Group did not employ any financial instrument. The Group's treasury management policy is not to engage in any highly leveraged or speculative derivative products. With low gearing ratio and sound financial position, the management believes that the Group is well placed to avail itself to future expansion and investment opportunities.

CHARGE ON ASSETS

As at 28 February 2007, the net book values of land and buildings pledged as security for certain banking facilities available to the Group amounted to approximately HK\$10,396,000 (2006: HK\$10,856,000).

於二零零七年二月二十八日，本集團存貨為182,052,000港元，較於二零零六年二月二十八日之154,148,000港元相比，存貨水平上升。於二零零七年二月二十八日，本集團擁有108,246,000港元的銀行結餘及現金；以及25,008,000港元的未償還銀行借貸。於回顧年度內，本集團新增70,279,000港元的短期銀行借貸作為營運資金之用；並已償還94,846,000港元的短期銀行借貸。

於二零零七年二月二十八日，本集團之資本負債比率為0.02（二零零六年：0.11），乃以本集團總借貸25,008,000港元（二零零六年：47,817,000港元）以及總權益1,284,327,000港元（二零零六年：438,063,000港元）計算。

庫務政策

本集團於財務風險管理方面繼續維持審慎態度。本集團的借貸分別為港元及人民幣，利息以浮動利率計算。於二零零七年二月二十八日，本集團並無利用任何金融工具。本集團的理財政策是不參與高風險之投資或投機性的衍生工具。管理層深信，憑藉較低之資本負債水平及穩健之財政狀況，本集團具備優越條件，以助日後之擴展及掌握投資機會。

資產抵押

於二零零七年二月二十八日，用作本集團可動用之若干銀行信貸抵押之土地及樓宇賬面淨值為約10,396,000港元（二零零六年：10,856,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之論述及分析

CONTINGENT LIABILITIES

As at 28 February 2007, the Group did not have any contingent liabilities (2006: HK\$31,330,000 in respect of guarantees issued for general banking facilities, of which HK\$10,636,000 were utilised, granted to third parties).

HUMAN RESOURCES

As at 28 February 2007, the Group had a total of 1,916 employees. The Group offers a competitive remuneration package to its employees, including insurance and medical benefits. In addition, discretionary bonus and share options may be granted to eligible employees based on the Group's performance and individual performance.

或然負債

於二零零七年二月二十八日，本集團並無或然負債（二零零六年：31,330,000港元。此乃為第三方之一般銀行信貸作出的擔保，其中10,636,000港元之銀行信貸已被動用）。

人力資源

於二零零七年二月二十八日，本集團之僱員總數為1,916名。本集團為僱員提供優厚薪酬組合，包括保險及醫療福利。此外，本集團亦會按業績及個別僱員表現給予合資格僱員酌情花紅及認股權。

NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通告

Notice is hereby given that the Annual General Meeting of the Company will be held at The Royal Pacific Hotel and Towers, 33 Canton Road, China Hong Kong City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 27 July 2007 at 10:30 a.m. for the following purposes:

1. to consider and adopt the audited financial statements for the year ended 28 February 2007 and the reports of the directors and of the independent auditor;
2. (A) to re-elect the retiring director, Mr Tang Wai Lam as a director;
(B) to re-elect the retiring director, Mr Leung Kelvin Yiu Fai as a director;
(C) to re-elect the retiring director, Mr Lee Kwan Hung as a director;
(D) to re-elect the retiring director, Mr Chan Ka Sing, Tommy as a director;
(E) to authorise the board of directors to fix the directors' remuneration;
3. to re-appoint auditor and to authorise the board of directors to fix its remuneration;
4. to consider as special business and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

- (A) "THAT:
- (a) subject to sub-paragraph (c) hereof, the exercise by the directors during the Relevant Period (as defined in sub-paragraph (d) hereof) of all powers of the Company to allot, issue and deal with the shares of the Company ("Shares") and to make or grant offers, agreements and options which would or might require Shares to be allotted be and is hereby generally and unconditionally approved;

茲通告本公司將於二零零七年七月二十七日(星期五)上午十時三十分假座位於香港九龍尖沙咀廣東道33號中港城皇家太平洋酒店舉行之股東週年大會,以處理下列事項:

1. 省覽及採納截至二零零七年二月二十八日止年度之經審核財務報表及董事會與獨立核數師報告;
2. (A) 重選退任董事—鄧偉林先生為董事;
(B) 重選退任董事—梁耀輝先生為董事;
(C) 重選退任董事—李均雄先生為董事;
(D) 重選退任董事—陳家聲先生為董事;
(E) 授權董事會釐定董事之薪酬;
3. 續聘核數師及授權董事會釐定其酬金;
4. 作為特別事項,考慮及酌情通過下列決議案為普通決議案:

普通決議案

- (A) 「動議:
- (a) 在下文(c)分段之規限下,全面及無條件批准董事會於有關期間(定義見下文(d)分段)內行使本公司之一切權力,以配發、發行及處理本公司之股份(「股份」),及作出或授出任何會或可能需配發股份之建議、協議及認股權;

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- (b) the approval mentioned in sub-paragraph (a) hereof shall authorise the directors during the Relevant Period to make or grant offers, agreements and options which would or might require Shares to be allotted after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval mentioned in sub-paragraph (a) hereof, otherwise than pursuant to Shares issued as a result of a Rights Issue (as hereinafter defined) or pursuant to the exercise of options under the Share Option Scheme adopted by the Company on 29 December 2004 or similar arrangement or any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Articles of Association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:
- “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (aa) the conclusion of the next Annual General Meeting of the Company;
- (b) 上文(a)分段之批准將授權董事會於有關期間內作出或授出會或可能需於有關期間屆滿後配發股份之建議、協議及認股權；
- (c) 本公司董事會依據(a)分段所載之批准而配發或同意有條件或無條件配發（不論是否根據認股權或其他方式而配發）之股本面值總額（但不包括根據供股（定義見下文）或根據行使本公司於二零零四年十二月二十九日採納之認股權計劃下之認股權或類似安排，或任何根據本公司之《組織章程細則》進行以股代息計劃或類似安排以配發股份代替全部或部份股息而配發之股本除外），不得超過本公司於通過本決議案當日已發行股本面值總額之20%，而上文之批准亦應以此為限；及
- (d) 就本決議案而言：
- 「有關期間」指由本決議案通過之日至下列三者之最早日期止之期間：
- (aa) 本公司下屆股東週年大會結束之日；

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股東週年大會通告

(bb) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; and

(cc) the passing of an ordinary resolution of the shareholders of the Company in general meeting revoking or varying the authority given under this mandate.

“Rights Issue” means an offer of Shares open for a period fixed by the directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory).”

(B) “THAT:

(a) subject to sub-paragraph (b) hereof, the exercise by the directors of the Company during the Relevant Period (as defined in sub-paragraph (A)(d) above) of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved; and

(bb) 本公司之《組織章程細則》或開曼群島之適用法律規定本公司須召開下屆股東週年大會之期限屆滿之日；及

(cc) 本公司股東於股東大會上通過普通決議案撤銷或修訂本授權。

「供股」指於董事會指定之期間向於指定記錄日期名列股東名冊之股份持有人按其當時持股比例發售股份之建議（惟董事會有權就零碎股份或因任何地區之法律或任何認可管制機構或證券交易所之規定產生之任何法律或執行問題而必須或權宜取消若干股東此方面之權利或作出其安排）。

(B) 「動議：

(a) 在下文(b)分段之規限下，全面及無條件批准本公司董事會於有關期間（定義見上文(A)(d)分段）內行使本公司之一切權力，以在香港聯合交易所有限公司或在本公司證券可上市及為此獲證券及期貨事務監察委員會及聯交所認可之任何其他證券交易所購回股份，惟須遵守所有適用法律及／或《香港聯合交易所有限公司證券上市規則》（「《上市規則》」）或本公司證券可上市（不時予以修訂）之任何其他證券交易所之規定；及

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(b) the aggregate nominal amount of Shares to be purchased by the Company pursuant to the approval mentioned in sub-paragraph (a) hereof shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly.”

(C) “**THAT:**

conditional under Resolutions under sub-paragraphs (A) and (B) above being passed, the general unconditional mandate as mentioned in sub-paragraph (A) above shall be extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the directors pursuant to such general unconditional mandate of any amount representing the aggregate nominal amount of the share capital repurchased by the Company pursuant to the general unconditional mandate referred to in sub-paragraph (B) above, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution.”; and

5. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as Ordinary Resolutions:

ORDINARY RESOLUTIONS

(A) “**THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares in the share capital of the

(b) 本公司依據上文(a)分段之批准而購回之股份之面值總額，不得超過於本決議案通過日期本公司已發行股本面值總額之10%，而上文之批准亦應以此為限。」

(C) 「**動議:**

待上文(A)及(B)分段所載之決議案獲得通過，上文(A)分段所載之一般無條件授權應予擴大，將本公司依據在上文(B)分段所指之一般無條件授權購回之股本面值總額所代表之數，計入由董事會依據該一般無條件授權配發或同意配發之股本面值總額，惟所擴大之數額不得超過本公司在本決議案獲通過日期已發行股本面值總額之10%。」；及

5. 作為特別事項，考慮及酌情通過下列決議案為普通決議案：

普通決議案

(A) 「**動議:**

在香港聯合交易所有限公司上市委員會批准因行使按照二零零四年十二月二十九日認股權計劃授出的任何認股權而將予發行的本

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Company (the “Shares”) to be issued pursuant to the exercise of the share options which may be granted under the Company’s share option scheme adopted on 29 December 2004, the refreshment of the limit on the total number of Shares which may be issued upon exercise of all options to be granted under such share option scheme and any other share option schemes of the Company (excluding those previously granted, outstanding, cancelled, lapsed in accordance with such share option scheme or any other share option scheme or exercised) to 10 per cent. of the total number of Shares in issue as at the date of passing of this resolution (the “New Scheme Limit”) be and is hereby approved and any director of the Company, or any two directors of the Company if affixation of the common seal of the Company is necessary, be and is/are hereby authorised to do such acts and execute all such documents to effect the New Scheme Limit and to exercise all powers of the Company to allot, issue and deal with the Shares to be issued pursuant to the exercise of such share options.”

(B) “**THAT:**

(a) conditional upon receipt of 375,000,000 shares in the share capital of Belle International Holdings Limited (“Belle Shares”) by the subsidiaries of the Company from Best Quality Investments Limited and the receipt of the same by the Company from its subsidiaries, the distribution in specie of 71 Belle Shares for every 50 shares in the share capital of the Company (the “Shares”) in each holding of Shares of the holders of Shares whose names appear on the register of members of the Company as holding Shares on 27 July 2007 (or such other date as may be determined by the board of directors of the Company) on the terms and conditions

公司股本之股份（「股份」）之上市及買賣規定及條件下，更新於所有根據本公司之認股權計劃及任何其他認股權計劃授出的認股權（不包括未行使、已註銷、根據先前認股權計劃或任何其他認股權計劃已失效或已行使的認股權）予以行使時所發行的股份總數至在本決議案獲通過日期已發行股份總額的10%（「新計劃限額」），及授權本公司的任何一名董事（或倘需蓋本公司的印鑑，則授權本公司的任何兩名董事）代表本公司採取其全權酌情行動及執行有關新計劃限額的所有文件，以及按照行使此認股權而行使此認股權而行使本公司所有權力以配發、發行及處理股份。」

(B) 「**動議:**

(a) 批准本公司之二零零七年六月二十八日的函件（已為本大會編製該副本，並註有「A」字樣，及經由大會主席簽署以資識別）內所說明之條款及條件（包括但不限於有關在相關情況下以現金（全部及部份）支付之條款及條件），在本公司之附屬公司由 Best Quality Investments Limited 收取 375,000,000 股 Belle International Holdings Limited 股本中之股份（「Belle 股份」）及本公司由

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(including but not limited to those in relation to payment of cash in lieu (in whole or in part) in the relevant circumstances) described in the circular of the Company dated 28 June 2007 (a copy of which has been produced to this meeting and marked "A" and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved; and

- (b) the directors of the Company be and are hereby authorised generally to take all steps and do all acts and things, and to approve, sign and execute all documents, which in their opinion may be necessary, desirable, appropriate or expedient to implement or give effect to the foregoing or any matters incidental thereto."

By Order of the Board

Leung Kelvin Yiu Fai

Executive Director and Company Secretary

Hong Kong, 28 June 2007

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy needs not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company's Hong Kong branch share registrar, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting thereof.

其附屬公司收取該等股份的條件下，向每名持有於二零零七年七月二十七日（或由本公司董事會可能釐定的其他日期）名列本公司的股東名冊上之本公司股本中之股份（「股份」）持有人，每50股本公司股份建議實物分派71股Belle股份；及

- (b) 授權本公司之董事進行一切有關事項，及批准、簽署及執行所有文件為使全面生效而被認為必須或權宜落實或實施前述或任何事宜。」

承董事會命

執行董事兼公司秘書

梁耀輝

香港，二零零七年六月二十八日

附註：

1. 任何有權出席上述通告召開之會議及在會上投票之股東均有權委任一名或多名人士為其代表，代其出席大會及投票。受委代表毋須為本公司股東。
2. 填妥之代表委任表格連同已簽署之授權書或其他授權文件（如有）或經公證人簽署證明之該授權書或授權文件副本須於大會或其續會舉行時間四十八小時前送達香港灣仔皇后大道東28號金鐘匯中心26樓本公司於香港之股份過戶登記分處雅柏勤證券登記有限公司，方為有效。

NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通告

3. The Register of Members of the Company will be closed from 24 July 2007 to 27 July 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the distribution in specie, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 23 July 2007.
4. At an Annual General Meeting of the Company held on 28 July 2006, Ordinary Resolutions were passed giving general mandates to directors to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited and to allot, issue and otherwise deal with additional shares in the capital of the Company. Under the Listing Rules, these general mandates lapse at the conclusion of the Annual General Meeting for the year of 2006/2007, unless renewed at that meeting. The Ordinary Resolutions sought in items 4(A) and 4(B) of this Notice renew these mandates.
5. With reference to the Ordinary Resolutions sought in items 4(A) and 4(B) of this Notice, the directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares of the Company. Approval is being sought from members as a general mandate pursuant to the Listing Rules.
6. As at the date of this Notice, the Company's executive directors are Mr Tang Wai Lam, Mr Ng Man Kit, Lawrence, Mr Chung Chun Wah and Mr Leung Kelvin Yiu Fai; independent non-executive directors are Mr Lee Kin Sang, Mr Chan Ka Sing, Tommy and Mr Ng Chun Chuen, David; non-executive director is Mr Lee Kwan Hung.
3. 本公司將於二零零七年七月二十四日至二零零七年七月二十七日期間(包括首尾兩天), 暫停辦理股份過戶登記。如欲獲實物分配, 所有股份轉讓申請連同有關股票必須於二零零七年七月二十三日下午四時正前交至香港灣仔皇后大道東28號金鐘匯中心26樓本公司於香港之股份過戶登記分處雅柏勤證券登記有限公司, 辦理過戶登記手續。
4. 本公司於二零零六年七月二十八日召開之股東週年大會中通過普通決議案, 給予董事一般授權, 以於香港聯合交易所有限公司購回股份及配發、發行及處理本公司股本中之額外股份。根據《上市規則》, 此等一般授權除非得於二零零六/二零零七年度之股東週年大會續期, 否則於該大會結束時失效。本通告第4(A)及4(B)項普通決議案乃為此等授權延期。
5. 就本通告第4(A)及4(B)項普通決議案而言, 本公司之董事會欲表明現時無意立即購回本公司任何現有股份或發行本公司任何新股份。本公司現正尋求股東批准根據《上市規則》以全面授權形式授出有關權力。
6. 於本通告日, 本公司的執行董事為鄧偉林先生、吳民傑先生、鍾振華先生及梁耀輝先生; 獨立非執行董事為李建生先生、陳家聲先生及吳振泉先生; 非執行董事為李均雄先生。

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 2007.

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 59.

The board of directors declared on 21 November 2006 an interim dividend of HK1.5 cents per ordinary share, totalling HK\$3,817,950 and the interim dividend was paid on 18 December 2006.

The board of directors has resolved not to recommend a final dividend.

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二零零七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本年度的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59頁之綜合損益表內。

於二零零六年十一月二十一日，董事會宣派中期股息每股普通股1.5港仙，合共3,817,950港元，而中期股息已於二零零六年十二月十八日支付。

董事會決議不建議派發末期股息。

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。

REPORT OF THE DIRECTORS 董事會報告

DISTRIBUTABLE RESERVES

As at 28 February 2007, the distributable reserves of the Company available for distribution amounted to HK\$124,317,000 (2006: HK\$125,301,000, net of dividends proposed) 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 14 and 15, respectively to the financial statements.

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Company as at 28 February 2007 are set out on pages 137 to 141.

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\$743,000 (2006: HK\$821,000) 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，本公司於二零零七年二月二十八日之可分派儲備為124,317,000港元（二零零六年：125,301,000港元，在扣除擬派股息後）。

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14及15。

主要附屬公司

本公司於二零零七年二月二十八日主要附屬公司詳情載於第137至141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為約743,000港元（二零零六年：821,000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 143.

DIRECTORS

The directors during the year were:

Executive directors

Mr Tang Wai Lam
Mr Ng Man Kit, Lawrence
Mr Chung Chun Wah
Mr Leung Kelvin Yiu Fai (appointed on
1 August 2006)

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 Tang Wai Lam, Mr Leung Kelvin Yiu Fai, Mr Lee Kwan Hung and Mr Chan Ka Sing, Tommy 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143頁。

董事

在本年度期間內董事如下：

執行董事

鄧偉林先生
吳民傑先生
鍾振華先生
梁耀輝先生 (於二零零六年
八月一日獲委任)

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*

鄧偉林先生、梁耀輝先生、李均雄先生及陳家聲先生根據本公司之《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 53, 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 33 years of experience in the footwear retailing business and has established strong and extensive connections with footwear suppliers in Europe, USA, 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 The Federation of Hong Kong Footwear Limited.

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53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33年經驗，並已與歐洲、美國、香港及中國大陸之皮鞋供應商建立鞏固及廣泛之聯繫。彼現時主要負責本集團之整體業務發展及制訂公司政策。鄧先生現時為香港鞋業總會有限公司之永遠名譽會長。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Executive directors (continued)

Mr Ng Man Kit, Lawrence, aged 51, 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 25 years of experience in the retail services industry in Hong Kong.

Mr Chung Chun Wah, aged 57, 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 31 years of experience in the footwear business.

Mr Leung Kelvin Yiu Fai, aged 40, was appointed as a director of the Company on 1 August 2006 and is concurrently serving as the Qualified Accountant and Company Secretary of the Company. Mr Leung joined the Group as the Financial Controller and Company Secretary of the Company in 2002. He 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. Mr Leung has over 16 years of experience in accounting, finance, taxation, company and commercial law.

董事及高級管理人員之個人簡歷 (續)

執行董事 (續)

吳民傑先生，現年51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25年經驗。

鍾振華先生，現年57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31年經驗。

梁耀輝先生，現年40歲，於二零零六年八月一日獲委任為本公司之董事，並同時履行本公司合資格會計師及公司秘書職務。梁先生於二零零二年加入本集團擔任本公司財務總監及公司秘書職位。彼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。梁先生於會計、財務、稅務和公司及商業法方面擁有逾16年經驗。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Non-executive directors

Mr Lee Kwan Hung, aged 41, 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 Woo, Kwan, Lee & Lo and the chief representative of Woo, Kwan, Lee & Lo's Beijing Office.

Mr Lee Kin Sang, aged 54, 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 31 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 46, is an independent non-executive director of the Company and joined the board in 1996. Mr Chan is a practising solicitor admitted by the Supreme Court of Hong Kong and the Supreme Court of England and Wales. He is currently a consultant of the solicitors' firm Jimmie K S Wong & Partners. Mr Chan has extensive experience in law practising and accountancy. He holds a Bachelor degree in Law from Wolverhampton Polytechnic, England and a Diploma of accountancy from Hong Kong Polytechnic. Mr Chan has worked in the legal profession for more than 15 years 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41歲，於二零零零年獲委任為本公司非執行董事。李先生於一九八八年畢業於香港大學並於一九八九年獲得法律深造證書。彼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及胡關李羅律師行北京辦事處的首席代表。

李建生先生，現年54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31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46歲，為本公司獨立非執行董事，於一九九六年加入董事會。陳先生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。彼現為黃嘉錫律師事務所之顧問，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。陳先生從事法律界逾15年，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 42, 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. He had been an executive director and chief financial officer of various companies listed on The Stock Exchange of Hong Kong Limited.

The executive directors of the Company are also senior management of the Group and hold directorships in certain subsidiaries.

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42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。他曾擔任多間於香港聯合交易所有限公司上市之公司之董事及首席財務官等職銜。

本公司之執行董事同時為本集團之高級管理人員並在若干附屬公司擔任董事職務。

REPORT OF THE DIRECTORS 董事會報告

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

As at 28 February 2007, 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

於二零零七年二月二十八日，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

Name of Director	董事姓名	Number of shares/ underlying shares beneficially held 實益持有股份／相關股份數目		Other interests 其他權益	Total 總計
		Personal interests 個人權益	Underlying shares 相關股份 (note (i)) (附註(i))		
Mr Tang Wai Lam	鄧偉林先生	6,000,000	–	130,575,000 (note (ii)) (附註(ii))	136,575,000
Mr Ng Man Kit, Lawrence	吳民傑先生	12,094,000	2,000,000	–	14,094,000
Mr Chung Chun Wah	鍾振華先生	1,734,000	2,000,000	–	3,734,000
Mr Leung Kelvin Yiu Fai	梁耀輝先生	–	1,300,000	–	1,300,000
Mr Lee Kwan Hung	李均雄先生	–	500,000	–	500,000
Mr Lee Kin Sang	李建生先生	–	500,000	–	500,000
Mr Chan Ka Sing, Tommy	陳家聲先生	–	500,000	–	500,000
Mr Ng Chun Chuen, David	吳振泉先生	–	250,000	–	250,000

REPORT OF THE DIRECTORS 董事會報告

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

Notes:

- (i) Underlying shares are shares options granted to the directors of the Company pursuant to the share option scheme of the Company and details of which are set out on pages 33 to 39.
- (ii) 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.

(b) Shares in Mirabell Footwear Limited

Name of Director

董事姓名

Mr Tang Wai Lam

鄧偉林先生

Mr Chung Chun Wah

鍾振華先生

董事於股份、相關股份及債權證之權益及淡倉(續)

附註:

- (i) 相關股份乃按本公司之認股權計劃授予董事之認股權，有關詳情載於第33至39頁。
- (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。

(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

REPORT OF THE DIRECTORS 董事會報告

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

Save as disclosed above:

- (i) As at 28 February 2007, 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)

除上文披露者外：

- (i) 於二零零七年二月二十八日，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 2007, 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

於二零零七年二月二十八日，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	Interest of			Total
		Beneficial interests	controlled corporation	Other interests	
		實益權益	受控制公司權益	其他權益	總計
Tang's Enterprises Limited (note (v))	Tang's Enterprises Limited (附註(v))	122,400,000	–	–	122,400,000
Rich Land Property Limited (note (v))	Rich Land Property Limited (附註(v))	8,175,000	122,400,000 (note (i)) (附註(i))	–	130,575,000
Kinlington Agents Limited (note (v))	Kinlington Agents Limited (附註(v))	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

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) Mr Tang Wai Lam is a director of Tang's Enterprises Limited, Rich Land Property Limited and Kinlington Agents Limited.

Save as disclosed above, as at 28 February 2007, 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.

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) 鄧偉林先生為Tang's Enterprises Limited、Rich Land Property Limited及Kinlington Agents Limited之董事。

除上文披露者外，於二零零七年二月二十八日，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。

REPORT OF THE DIRECTORS 董事會報告

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);
- (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.

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）；
- (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。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (continued)

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 1,083,000, which represents approximately 0.4% 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.

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.

認股權計劃 (續)

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1,083,000股，亦即於本年報日本公司已發行股本約0.4%。

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）。

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定外，在行使認股權之前並無持有認股權最短的期限。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (continued)

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)

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)

On 3 April 2006, share options were granted to certain directors and employees of the Group pursuant to the Share Option Scheme. As at 28 February 2007, share options with rights to subscribe for a total of 20,280,000 Shares at a subscription price of HK\$2.875 per share subject to vesting periods of one, two, three or four years were outstanding. The share options granted shall expire on 2 April 2012 or 2 April 2014.

Movements in the share options previously granted are set out below:

認股權計劃(續)

於二零零六年四月三日，本集團若干董事及僱員根據本認股權計劃，獲授予認股權。於二零零七年二月二十八日，有可行使合共20,280,000股股份的認股權尚未行使。有關認股權之行使價為每股2.875港元，權益授予期為一年、兩年、三年或四年，並將於二零一二年四月二日或二零一四年四月二日到期。

關於已授出之認股權變動資料載列如下：

		Number of underlying Shares 相關股份數目				Balance as at 28 February 2007	Exercise price per share	Date of grant	Exercisable period
		Balance as at 1 March 2006	Granted during the year ended 28 February 2007	Exercised during the year ended 28 February 2007	Cancelled/ Lapsed during the year ended 28 February 2007				
		於 二零零六年 三月一日 之結餘	截至 二零零七年 二月二十八日 止年度內 授出	截至 二零零七年 二月二十八日 止年度內 行使	截至 二零零七年 二月二十八日 止年度內 註銷/失效	於 二零零七年 二月二十八日 之結餘	每股 行使價 HK\$ 港元	授出 日期 (DD/MM/YYYY) (日/月/年)	行使期 (DD/MM/YYYY) (日/月/年)
Eligible person	合資格人士								
Director	董事								
Mr Ng Man Kit, Lawrence	吳民傑先生	-	600,000	-	-	600,000	2.875	03/04/2006	03/04/2007 - 02/04/2012
		-	600,000	-	-	600,000	2.875	03/04/2006	03/04/2008 - 02/04/2012
		-	800,000	-	-	800,000	2.875	03/04/2006	03/04/2009 - 02/04/2012
		-	2,000,000	-	-	2,000,000			
Mr Chung Chun Wah	鍾振華先生	-	600,000	-	-	600,000	2.875	03/04/2006	03/04/2007 - 02/04/2012
		-	600,000	-	-	600,000	2.875	03/04/2006	03/04/2008 - 02/04/2012
		-	800,000	-	-	800,000	2.875	03/04/2006	03/04/2009 - 02/04/2012
		-	2,000,000	-	-	2,000,000			

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (continued)

認股權計劃 (續)

Eligible person	合資格人士	Number of underlying Shares 相關股份數目				Balance as at 28 February 2007	Exercise price per share	Date of grant	Exercisable period
		Balance as at 1 March 2006	Granted during the year ended 28 February 2007 截至 二零零七年 二月二十八日 止年度內 授出	Exercised during the year ended 28 February 2007 截至 二零零七年 二月二十八日 止年度內 行使	Cancelled/ Lapsed during the year ended 28 February 2007 截至 二零零七年 二月二十八日 止年度內 註銷/失效				
Mr Leung Kelvin Yiu Fai	梁耀輝先生	-	320,000	-	-	320,000	2.875	03/04/2006	03/04/2007 – 02/04/2014
		-	320,000	-	-	320,000	2.875	03/04/2006	03/04/2008 – 02/04/2014
		-	320,000	-	-	320,000	2.875	03/04/2006	03/04/2009 – 02/04/2014
		-	340,000	-	-	340,000	2.875	03/04/2006	03/04/2010 – 02/04/2014
		-	1,300,000	-	-	1,300,000			
Mr Lee Kwan Hung	李均雄先生	-	160,000	-	-	160,000	2.875	03/04/2006	03/04/2007 – 02/04/2014
		-	160,000	-	-	160,000	2.875	03/04/2006	03/04/2008 – 02/04/2014
		-	180,000	-	-	180,000	2.875	03/04/2006	03/04/2009 – 02/04/2014
		-	500,000	-	-	500,000			
Mr Lee Kin Sang	李建生先生	-	160,000	-	-	160,000	2.875	03/04/2006	03/04/2007 – 02/04/2014
		-	160,000	-	-	160,000	2.875	03/04/2006	03/04/2008 – 02/04/2014
		-	180,000	-	-	180,000	2.875	03/04/2006	03/04/2009 – 02/04/2014
		-	500,000	-	-	500,000			

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (continued)

認股權計劃 (續)

		Number of underlying Shares 相關股份數目				Balance as at 28 February 2007	Exercise price per share	Date of grant	Exercisable period
		Granted during the year ended 28 February 2007	Exercised during the year ended 28 February 2007	Cancelled/ Lapsed during the year ended 28 February 2007	Balance as at 1 March 2006				
Eligible person	合資格人士	於 二零零六年 三月一日 止年度內 之結餘	截至 二零零七年 二月二十八日 止年度內 授出	截至 二零零七年 二月二十八日 止年度內 行使	於 二零零七年 二月二十八日 止年度內 註銷/失效 之結餘	每股 行使價 HK\$ 港元	授出 日期 (DD/MM/YYYY) (日/月/年)	行使期 (DD/MM/YYYY) (日/月/年)	
Mr Chan Ka Sing, Tommy	陳家聲先生	-	160,000	-	-	160,000	2.875	03/04/2006	03/04/2007 – 02/04/2014
		-	160,000	-	-	160,000	2.875	03/04/2006	03/04/2008 – 02/04/2014
		-	180,000	-	-	180,000	2.875	03/04/2006	03/04/2009 – 02/04/2014
		-	500,000	-	-	500,000			
Mr Ng Chun Chuen, David	吳振泉先生	-	80,000	-	-	80,000	2.875	03/04/2006	03/04/2007 – 02/04/2014
		-	80,000	-	-	80,000	2.875	03/04/2006	03/04/2008 – 02/04/2014
		-	90,000	-	-	90,000	2.875	03/04/2006	03/04/2009 – 02/04/2014
		-	250,000	-	-	250,000			
Employees (note (i))	僱員 (附註(i))	-	4,300,000	-	(400,000)	3,900,000	2.875	03/04/2006	03/04/2007 – 02/04/2014
		-	4,300,000	-	(400,000)	3,900,000	2.875	03/04/2006	03/04/2008 – 02/04/2014
		-	4,470,000	-	(440,000)	4,030,000	2.875	03/04/2006	03/04/2009 – 02/04/2014
		-	1,400,000	-	-	1,400,000	2.875	03/04/2006	03/04/2010 – 02/04/2014
		-	14,470,000	-	(1,240,000)	13,230,000			
Total	合計	-	21,520,000	-	(1,240,000)	20,280,000			

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (continued)

Notes:

- (i) Employees working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance of Hong Kong.
- (ii) The closing price of the Share immediately before the date on which the share options were granted was HK\$2.875.
- (iii) The Company adopts the binomial model for estimating the fair value of share options issued under the Share Option Scheme. The model is one of the commonly used models to estimate the fair value of a share option which can be exercised before the expiry of the option period.

Significant assumptions are used in the binomial model to estimate the value of a share option, taking into account the following factors:

- Risk-free interest rate – the yields of Hong Kong Exchange Fund Notes
- Expected volatility – the historical volatility of the Share during the 5 years immediately before the date on which the share options were granted, and the expected volatility for the retail industry
- Expected dividend yields – the historical dividend yields of the Company

The value of a share option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of a share option.

The total value of the share options granted on 3 April 2006 was approximately HK\$17,286,000 according to the binomial model, and is expensed over the respective vesting periods.

認股權計劃 (續)

附註:

- (i) 按香港《僱傭條例》所指的「連續合約」工作的僱員。
- (ii) 股份在緊接認股權授出日期之前的收市價為2.875港元。
- (iii) 本公司採用「二項式」期權定價模式評估根據本認股權計劃授出認股權的公平值。該模式乃用以評估可於認股權限期前行使之認股權之價值的常用模式之一。

估算認股權價值採用了重大的假設，當中考慮了以下因素：

- 無風險利率－香港外匯基金債券收益率
- 預期波幅－股份在緊接認股權授出日期前五年的過往波幅，以及零售業的預期波幅
- 預期股息收益率－本公司之過往預期股息收益率

認股權的價值會視乎若干主觀假設之變數而計算出不同的估值。倘任何已採用的變數出現變動，將會對認股權公平值之評估造成重大影響。

根據「二項式」期權定價模式，於二零零六年四月三日授出之認股權總值為約17,286,000港元，並將於各歸屬期內予以支銷。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED TRANSACTIONS

Related party transactions entered by the Group during the year ended 28 February 2007 included compensation paid to key management. These transactions do not constitute connected transactions under the Listing Rules and are disclosed in note 32 to the financial statements.

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.

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.

關連交易

截至二零零七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）載於財務報表附註32。

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。

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。

REPORT OF THE DIRECTORS 董事會報告

AUDITOR

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

On behalf of the Board

Tang Wai Lam
Chairman

Hong Kong, 21 June 2007

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，二零零七年六月二十一日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to building and maintaining high standards of corporate governance. The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (the “Listing Rules”), with certain deviations as mentioned below, throughout the year.

A. DIRECTORS

A.1 The Board

9 board meetings were held during the year.

Individual attendance of the Directors, during the respective terms of their directorships, is set out below:

Name	姓名	Number of meetings attended 出席會議次數
<i>Executive Directors</i>		
Mr Tang Wai Lam (Chairman & Managing Director)	鄧偉林先生 (主席兼董事總經理)	9/9
Mr Ng Man Kit, Lawrence (Deputy Managing Director)	吳民傑先生 (董事副總經理)	7/9
Mr Chung Chun Wah	鍾振華先生	8/9
Mr Leung Kelvin Yiu Fai (appointed on 1 August 2006)	梁耀輝先生 (於二零零六年八月一日獲委任)	3/3
<i>Independent Non-executive Directors</i>		
Mr Lee Kin Sang	李建生先生	3/9
Mr Chan Ka Sing, Tommy	陳家聲先生	3/9
Mr Ng Chun Chuen, David	吳振泉先生	3/9
<i>Non-executive Director</i>		
Mr Lee Kwan Hung	李均雄先生	2/9

本公司致力建立及維持高水平的企業管治。本公司於整個年度內一直遵守《香港聯合交易所有限公司證券上市規則》(「《上市規則》」)附錄十四所載《企業管治常規守則》中之守則條文，當中只有以下範圍有若干偏離。

A. 董事

A.1 董事會

董事會在本年度期間內共召開了九次會議。

各董事在其任內的出席率如下：

A. DIRECTORS (continued)

A.1 The Board (continued)

Directors are consulted to include matters in the agenda for regular board meetings.

Notice of at least 14 days is given of a regular board meeting to give all Directors an opportunity to attend. For all other board meetings, reasonable notice is given.

All Directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.

Minutes of meetings of the Board, the Audit Committee and the Remuneration Committee are kept by the Company Secretary and such minutes are open for inspection at any reasonable time on reasonable notice by any Director.

Minutes of meetings of the Board, the Audit Committee and the Remuneration Committee record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of board meetings are sent to all Directors for their comment and records respectively, in both cases within a reasonable time after the board meeting is held.

All Directors may, upon reasonable request, seek independent professional advice in appropriate circumstances, at the Company's expense. The Board shall resolve to provide separate independent professional advice to Directors to assist the relevant Director or Directors to discharge his/their duties to the Company.

A. 董事 (續)

A.1 董事會 (續)

董事會定期會議之商討事項，經諮詢董事後列入會議議程。

召開董事會定期會議會發出至少十四天通知，以讓所有董事皆有機會騰空出席。至於召開其他所有董事會會議，會發出合理通知。

所有董事可取得公司秘書的意見和享用他的服務，目的是為了確保董事會程序及所有適用規則及規例均獲得遵守。

公司秘書已備存董事會、審核委員會及薪酬委員會的會議紀錄，若有任何董事發出合理通知，可公開有關會議紀錄供其在任何合理的時段查閱。

董事會、審核委員會及薪酬委員會的會議紀錄，已對會上各董事所考慮事項及達致的決定作足夠詳細的紀錄，其中包括董事提出的任何疑慮或表達的反對意見。董事會會議結束後，於合理時段內先後將會議紀錄的初稿及最終定稿發送全體董事，初稿供董事表達意見，最後定稿則作其紀錄之用。

所有董事按合理要求，可在適當的情況下尋求獨立專業意見，費用由本公司支付。董事會將議決另外為董事提供獨立專業意見，以協助有關董事履行其對本公司的責任。

A. DIRECTORS (continued)

A.1 The Board (continued)

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting shall be held. Independent non-executive directors who, and whose associates, have no material interest in the transaction shall be present at such board meeting.

A.2 Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Both roles of the Company are at present performed by Mr Tang Wai Lam holding the positions of Chairman and Managing Director. The Board believes that such appointment has served and is serving the Group well by providing unified leadership and direction and allowing corporate strategies to be developed and implemented more effectively.

The Chairman is responsible for ensuring that all Directors are properly briefed on issues arising at board meetings, and that they receive adequate information, which must be complete and reliable, in a timely manner.

A. 董事 (續)

A.1 董事會 (續)

若有大股東或董事在董事會將予考慮的事項中存有董事會認為重大的利益衝突，有關事項將不會以傳閱文件方式處理或交由轄下委員會處理（根據董事會會議上通過的決議而特別就此事項成立的委員會除外），而董事會將就該事項舉行董事會會議。在交易中本身及其聯繫人均沒有重大利益的獨立非執行董事將出席有關的董事會會議。

A.2 主席及行政總裁

守則條文A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司之此二者角色現時由主席兼董事總經理鄧偉林先生出任。董事會相信此委任能提供統一的領導和方向，並能更有效地發展及實施企業策略，所以在過去及現在皆對公司帶來裨益。

主席確保董事會會議上所有董事均適當知悉當前的事項並及時收到充分的資訊，而有關資訊均屬完備可靠。

A. DIRECTORS (continued)

A.3 Board composition

There is a strong independent element on the Board, which can exercise independent judgement and ensure a balance of power and authority. Throughout the year, independent non-executive directors represent more than one-third of the Board and executive directors do not comprise a majority of the Board.

All Directors are expressly identified by categories of executive directors, independent non-executive directors and non-executive director in all corporate communications that disclose the names of Directors of the Company.

Biographical details of the Directors are set out in the Report of the Directors.

A.4 Appointments, re-election and removal

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

A. 董事 (續)

A.3 董事會組成

董事會上有強大的獨立元素，能夠有效地作出獨立判斷及確保權力和授權分布均衡。於整個年度內，獨立非執行董事佔董事會成員人數超過三分之一，而執行董事並不構成董事會的大多數。

所有載有董事姓名的公司通訊中，已按董事類別，包括執行董事、非執行董事及獨立非執行董事，明確說明所有董事身份。

各董事的個人簡歷，刊載於董事會報告中。

A.4 委任、重選和罷免

守則條文A.4.1規定非執行董事的委任應有指定任期，並須接受重新選舉。守則條文A.4.2規定所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受股東選舉；而每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。

A. DIRECTORS (continued)

A.4 Appointments, re-election and removal (continued)

Non-executive directors of the Company were not appointed for a specific term. In accordance with the Articles of Association of the Company, any Directors appointed to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

To ensure stricter compliance with the CG Code, relevant amendments to the Articles of Association of the Company were proposed to and approved by shareholders at the Annual General Meeting held on 28 July 2006 (the "2006 AGM"). Following shareholders' resolution passed at the 2006 AGM and the effectiveness of the amendments to the Articles of Association, save as the term of appointment of non-executive directors, the Company fully complies with Code Provisions A.4.1 and A.4.2.

The appointment of a candidate as a new Director is considered by the Board to ensure that he has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of the Company. A newly appointed Director must be able to meet the standards as set out in Rules 3.08 and 3.09 of the Listing Rules. In the case of an Independent Non-executive Director, he should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

A. 董事 (續)

A.4 委任、重選和罷免 (續)

本公司的非執行董事並無指定任期。根據本公司的《組織章程細則》，由董事會委任以填補臨時空缺的董事，只可任職至下屆股東週年大會。

為確保嚴格符合《企業管治常規守則》，本公司建議修訂《組織章程細則》有關部份，有關修訂已於二零零六年七月二十八日舉行之股東週年大會（「二零零六年股東週年大會」）上獲股東通過。繼股東決議案於二零零六年股東週年大會獲通過及《組織章程細則》的修訂生效後，除了本公司之非執行董事之任期外，本公司已全面遵守守則條文 A.4.1 及 A.4.2。

新董事的委任由董事會考慮，以確保候選人具備適宜擔任本公司董事的個性、經驗及品格，並證明其具備足夠的才幹勝任該職務。新獲委任之董事必須符合《上市規則》第3.08及3.09條所載的標準。如其為獨立非執行董事，亦須符合《上市規則》第3.13條所列的獨立性準則。

A. DIRECTORS (continued)

A.5 Responsibilities of directors

Every newly appointed Director of the Company shall receive a comprehensive, formal and tailored induction on the first occasion of his appointment, and subsequently such briefing and professional development as is necessary, to ensure that he has a proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company.

The functions of Non-executive Directors include those specified in Code Provision A.5.2 (a) to (d) of the CG Code.

Every Director is aware that he should give sufficient time and attention to the affairs of the Company.

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Following a specific enquiry, each of the directors confirmed that he complied with the code of conduct regarding directors' securities transactions throughout year ended 28 February 2007.

A. 董事 (續)

A.5 董事責任

本公司每名新委任的董事均在首次接受委任時獲得全面、正式兼特為其而設的就任須知，其後亦會獲得所需的介紹及專業發展，以確保其對本公司的運作及業務均有適當的理解，以及完全知道本身在法規及普通法、《上市規則》、適用的法律規定及其他監管規定以及本公司的業務及管治政策下的職責。

非執行董事的職能包括《企業管治常規守則》守則條文A.5.2(a)至(d)所指明的各項職能。

每名董事知悉其應付出足夠時間及精神以處理本公司的事務。

本公司已採納一套有關董事進行證券交易的行為守則。該行為守則並不低於《上市規則》附錄十所載《董事進行證券交易的標準守則》所規定的標準。經特定查詢後，每名董事均確認於截至二零零七年二月二十八日止整個年度內已遵守了有關董事進行證券交易的行為守則。

A. DIRECTORS (continued)

A.6 Supply of and access to information

In respect of regular board meetings, and so far as practicable in all other cases, an agenda and accompanying board papers are sent in full to all Directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting.

Management is aware that it has an obligation to supply the Board and its committees with adequate, complete and reliable information in a timely manner to enable it to make informed decisions. The Board and each Director have separate and independent access to the senior management of the Company.

All Directors are entitled to have access to board papers and related materials.

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

B.1 The level and make-up of remuneration and disclosure

Code Provision B.1.1 stipulates that issuers should establish a remuneration committee with specific written terms of reference which deal clearly with its authority and duties. A remuneration committee was formed on 17 October 2005.

A. 董事 (續)

A.6 資料提供及使用

董事會定期會議的議程及相關會議文件會全部及時送交全體董事，並至少在計劃舉行董事會日期的三天前送出。董事會其他所有會議在切實可行的情況下亦會採納以上安排。

管理層知悉其有責任向董事會及其轄下委員會提供充足、完整及可靠的適時資料，以使董事能夠在掌握有關資料的情況下作出決定。董事會及每名董事均有自行接觸本公司高級管理人員的獨立途徑。

所有董事均有權查閱董事會文件及相關資料。

B. 董事及高級管理人員的薪酬

B.1 薪酬及披露的水平及組成

守則B.1.1規定發行人應設立具有特定成文權責範圍的薪酬委員會；有關權責範圍應清楚說明委員會的權限及職責。該薪酬委員會已於二零零五年十月十七日成立。

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT (continued)

B.1 The level and make-up of remuneration and disclosure (continued)

The Remuneration Committee makes recommendations to the Board on the policy and structure of the Company for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee comprises three Independent Non-executive Directors, namely Mr Chan Ka Sing, Tommy, Mr Lee Kin Sang and Mr Ng Chun Chuen, David and an Executive Director, namely Mr Tang Wai Lam.

4 meetings were held during the year. Individual attendance of the committee members is set out below:

Name	姓名	Number of meetings attended 出席會議次數
Mr Chan Ka Sing, Tommy (<i>Chairman</i>)	陳家聲先生 (主席)	4/4
Mr Lee Kin Sang	李建生先生	4/4
Mr Ng Chun Chuen, David	吳振泉先生	4/4
Mr Tang Wai Lam	鄧偉林先生	4/4

The written terms of reference of the Remuneration Committee are no less exacting than those stipulated in Code Provision B.1.3 of the CG Code. The Remuneration Committee has made available its terms of reference, on the website of the Company, explaining its role and the authority delegated to it by the Board.

B. 董事及高級管理人員的薪酬 (續)

B.1 薪酬及披露的水平及組成 (續)

薪酬委員會就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事會提出建議。薪酬委員會由三名獨立非執行董事陳家聲先生、李建生先生及吳振泉先生，以及執行董事鄧偉林先生組成。

薪酬委員會在本年度期間內共召開了四次會議。各委員的出席率如下：

Name	姓名	Number of meetings attended 出席會議次數
Mr Chan Ka Sing, Tommy (<i>Chairman</i>)	陳家聲先生 (主席)	4/4
Mr Lee Kin Sang	李建生先生	4/4
Mr Ng Chun Chuen, David	吳振泉先生	4/4
Mr Tang Wai Lam	鄧偉林先生	4/4

薪酬委員會的職權範圍並不低於《企業管治常規守則》守則條文B.1.3所規定的標準。薪酬委員會已於本公司網站上公開其職權範圍，解釋其角色及董事會轉授予其的權力。

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT (continued)

B.1 The level and make-up of remuneration and disclosure (continued)

Work performed by the Remuneration Committee during the year included the approval of performance-based bonus to the Executive Directors and recommending to the Board the remuneration of a newly appointed Executive Director.

The Remuneration Committee is provided with sufficient resources to discharge its duties.

The emoluments specified in the service contract appointing an Executive Director consist of a salary, provident fund contributed by the Group and a discretionary bonus. The salary is determined with reference to his duties and responsibilities, remuneration benchmark in the industry and prevailing market conditions. The discretionary bonus is calculated with reference to the Company's performance and profitability as well as his performance determined by the Board.

The emoluments payable to a Non-executive Director or an Independent Non-executive Director are determined by the Board with reference to the Company's performance and profitability, his duties and responsibilities, remuneration benchmark in the industry and prevailing market conditions.

B. 董事及高級管理人員的薪酬 (續)

B.1 薪酬及披露的水平及組成 (續)

在本年度期間內，薪酬委員會的工作包括批准應付予執行董事之按表現而釐定的花紅以及向董事會就一名新委任的執行董事之薪酬提出建議。

薪酬委員會已獲供給充足資源以履行其職責。

聘任執行董事之服務合約所訂明為酬金包括薪金、由本集團供款的公積金及酌情花紅。該薪金乃按彼之職務與責任、同行薪酬基準及屆時的市場環境而釐定。該酌情花紅乃按本公司的業績表現與盈利狀況，以及由董事會所釐定該董事之工作表現計算。

非執行董事或獨立非執行董事之酬金由董事會按本公司的業績表現與盈利狀況、該董事的職務與責任、同行薪酬基準及屆時的市場環境而釐定。

C. ACCOUNTABILITY AND AUDIT

C.1 Financial reporting

Management provides explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors are responsible for selecting and consistently applying appropriate accounting policies and preparing financial statements which give a true and fair view. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going concern basis.

The Board is responsible for presenting a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

A statement by the auditor about its reporting responsibilities is included in the Independent Auditor's Report on pages 57 and 58 of this annual report.

C.2 Internal controls

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness through the Audit Committee. The Board requires management to establish and maintain sound and effective internal controls. Evaluation is performed by management on a regular and ad-hoc basis. Such evaluation covers all material controls, including financial, operational and compliance controls and risk management functions.

C. 問責及核數

C.1 財務匯報

管理層向董事會提供充分的解釋及足夠的資料，讓董事會可以就提交給他們批准的財務及其他資料，作出有根據的評審。

董事有責任採用並且貫徹應用適當之會計政策，並編製真實兼公平之財務報表。董事未有知悉任何重大不明朗事件或情況可能會嚴重影響本公司持續經營的能力。故此，董事已以公司持續經營為基礎編製財務報表。

董事會有責任於年度報告及中期報告、其他涉及股價敏感資料的通告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書以至根據法例規定須予披露的資料，平衡、清晰及明白地評審公司表現。

核數師的申報責任聲明載於本年報第57及58頁的獨立核數師報告內。

C.2 內部監控

董事會需負責本集團的內部監控系統，並透過審核委員會檢討其效能。董事會規定管理層設立及維持穩健妥善而且有效的內部監控。管理層以定期及臨時形式評估本集團的內部監控。評估涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控以及風險管理功能。

C. ACCOUNTABILITY AND AUDIT (continued)

C.3 Audit Committee

The Audit Committee provides an important link between the Board and the Company's auditor in matters coming within the scope of the group audit. It also reviews the effectiveness of the external audit and of internal control and risk evaluation. The Audit Committee comprises three independent non-executive directors, namely Mr Lee Kin Sang, Mr Chan Ka Sing, Tommy and Mr Ng Chun Chuen, David, none of whom is a former partner of the Company's existing auditing firm.

3 meetings were held during the year. Individual attendance of the committee members is set out below:

Name	姓名	Number of meetings attended 出席會議次數
Mr Lee Kin Sang (Chairman)	李建生先生 (主席)	3/3
Mr Chan Ka Sing, Tommy	陳家聲先生	3/3
Mr Ng Chun Chuen, David	吳振泉先生	3/3

Full minutes of the Audit Committee are kept by the Company Secretary of the Company. Draft and final versions of minutes of the Audit Committee meetings were sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

The written terms of reference of the Audit Committee are no less exacting than those stipulated in Code Provision C.3.3 of the CG Code. The Audit Committee has made available its terms of reference, on the website of the Company, explaining its role and the authority delegated to it by the Board.

C. 問責及核數 (續)

C.3 審核委員會

審核委員會就本集團審計範圍內的事項擔任董事會與本公司核數師之間的重要橋樑。審核委員會亦負責檢討公司外部審核工作，以及內部監控與風險評估等方面的效能。審核委員會由三名獨立非執行董事李建生先生、陳家聲先生及吳振泉先生組成，當中沒有委員為現時負責審計本公司賬目的核數公司的前任合夥人。

審核委員會在本年度期間內共召開了三次會議。各委員的出席率如下：

審核委員會的完整會議紀錄已由本公司之公司秘書保存。審核委員會會議紀錄的初稿及最後定稿已在會議後一段合理時間內先後發送委員會全體成員，初稿供成員表達意見，最後定稿作其紀錄之用。

審核委員會的職權範圍並不低於《企業管治常規守則》守則條文C.3.3所規定的標準。審核委員會已於本公司網站上公開其職權範圍，解釋其角色及董事會轉授予之權力。

C. ACCOUNTABILITY AND AUDIT (continued)

C.3 Audit Committee (continued)

Work performed by the Audit Committee during the year included:

- reviewing the financial statements for the year ended 28 February 2006;
- reviewing the financial statements for the six months ended 31 August 2006;
- meeting with the external auditor to discuss the scope of its audit work;
- reviewing the effectiveness of the system of internal control;
- reviewing the external auditor's management letter and management's response;
- reviewing the compliance of the CG Code; and
- recommending the appointment of the external auditor.

The Audit Committee is provided with sufficient resources to discharge its duties.

C. 問責及核數 (續)

C.3 審核委員會 (續)

在本年度期間內，審核委員會的工作包括：

- 審閱截至二零零六年二月二十八日止年度之財務報表；
- 審閱截至二零零六年八月三十一日止六個月之財務報表；
- 會見外聘核數師以商討其核數工作範圍；
- 檢討內部監控系統的效能；
- 審閱外聘核數師的致管理層函件及管理層之回應；
- 審閱遵守《企業管治常規守則》情況；及
- 建議外聘核數師之委任。

審核委員會獲供給充足資源，以履行其職責。

C. ACCOUNTABILITY AND AUDIT (continued)

C.3 Audit Committee (continued)

The Audit Committee has recommended for the re-appointment of PricewaterhouseCoopers as the external auditor of the Company. The recommendation was agreed by the Board and will be put forward for the approval of the shareholders at the forthcoming annual general meeting.

C.4 Auditor's remuneration

During the year, the services provided by, and the associated remuneration paid to, PricewaterhouseCoopers, the principal external auditor of the Group, and its affiliated firms were as follows:

		HK\$'000 千港元
Audit	核數	1,450
Taxation	稅務	239
<hr/>		
		1,689

C. 問責及核數 (續)

C.3 審核委員會 (續)

審核委員會已提議羅兵咸永道會計師事務所連任本公司的外聘核數師。有關提議已獲董事會同意及將在下一次股東週年大會上提呈各股東議決。

C.4 核數師酬金

在本年度期間內，本集團主要外聘核數師羅兵咸永道會計師事務及其關連機構所提供之服務及向其支付之相關酬金如下：

D. DELEGATION BY THE BOARD

D.1 Management functions

When the Board delegates aspects of its management and administration functions to management, it gives at the same time clear directions as to the powers of management, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Functions reserved by the Board include the formulation of business strategies, appointment of directors and senior executives, approval of financial statements and budgets, proposal of selection of auditors, and proposal and declaration of dividends.

D.2 Board Committees

Where board committees are established to deal with matters, the Board shall prescribe sufficiently clear terms of reference to enable such committees to discharge their functions properly.

Particulars of the Remuneration Committee and the Audit Committee have been disclosed under B.1 and C.3, respectively. Copies of minutes of meetings of the two Committees have been sent to the Board for information.

D. 董事會權力的轉授

D.1 管理功能

當董事會將其管理及行政功能方面的權力轉授予管理層時，會同時就管理層的權力，給予清晰的指引，特別是在何種情況下管理層應向董事會匯報以及在代表本公司作出任何決定或訂立任何承諾前應取得董事會批准等事宜方面。

董事會予以保留的職能包括制訂商業策略、委任董事及高級行政人員、通過財務報表及預算、就選擇核數師提出建議，以及建議和宣派股息。

D.2 董事會轄下的委員會

若要成立委員會處理事宜，董事會將充分清楚的訂明該等委員會的職權範圍，讓有關委員會能適當地履行其職能。

薪酬委員會及審核委員會之詳情已分別於B.1段及C.3段披露。該兩個委員會會議紀錄的副本已送呈董事會以供參閱。

E. COMMUNICATION WITH SHAREHOLDERS

E.1 Effective communication

At the Annual General Meeting held on 28 July 2006 (the "2006 AGM"), a separate resolution was proposed by the Chairman of the Board in respect of each substantially separate issue.

The Chairman of the Board and a delegate duly appointed by the Chairman of the Audit Committee have attended the 2006 AGM to answer questions.

E.2 Voting by Poll

The procedures for and the rights of shareholders to demand a poll in the 2006 AGM were disclosed in the circular to shareholders.

At the commencement of the 2006 AGM, the Chairman of the Board explained to the shareholders of the Company the procedures for demanding a poll by shareholders before putting a resolution to the vote on a show of hands and the detailed procedures for conducting a poll.

E. 與股東的溝通

E.1 有效溝通

在二零零六年七月二十八日舉行的股東週年大會（「二零零六年股東週年大會」），董事會主席已就每項實際獨立的事宜個別提出決議案。

董事會主席及一名由審核委員會適當委任的代表在二零零六年股東週年大會上回答提問。

E.2 以投票方式表決

在二零零六年股東週年大會上以投票方式表決的程序，以及股東可要求以投票方式表決的權利已載列在致股東通函內。

董事會主席在二零零六年股東週年大會開始時已解釋在決議案以舉手方式表決之前股東要求以投票方式表決的程序，以及在要求以投票方式表決的情況下，以投票方式進行表決。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF MIRABELL INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Mirabell International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 59 to 136, which comprise the consolidated and Company balance sheets as at 28 February 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

致MIRABELL INTERNATIONAL HOLDINGS LIMITED

美麗寶國際控股有限公司*股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第59至136頁Mirabell International Holdings Limited(美麗寶國際控股有限公司*)(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零零七年二月二十八日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表,以及重要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

* 僅供識別

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's responsibility

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

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 28 February 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 June 2007

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零七年二月二十八日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零零七年六月二十一日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 28 February 2007 截至二零零七年二月二十八日止年度

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Turnover	營業額	5	934,225	866,238
Cost of sales	銷售成本	6	(377,503)	(360,385)
Gross profit	毛利		556,722	505,853
Other income	其他收入	5	5,298	4,614
Other gains, net	其他收益·淨額	7	4,701	2,236
Distribution and selling costs	分銷及銷售成本	6	(399,157)	(359,541)
Administrative expenses	行政費用	6	(106,590)	(98,666)
Operating profit	經營溢利		60,974	54,496
Finance costs	財務費用	8	(2,199)	(2,321)
Share of profit of an associate	應佔聯營公司溢利	19	58,002	19,713
Profit before income tax	除所得稅前溢利		116,777	71,888
Income tax expense	所得稅費用	9	(11,315)	(6,391)
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	10	105,462	65,497
Earnings per share (expressed in HK cents per share)	每股盈利 (以每股港仙列示)			
– Basic	– 基本	11	41.4 cents 仙	25.7 cents仙
– Diluted	– 攤薄	11	41.0 cents 仙	25.7 cents仙
Dividends	股息	12	3,818	47,088

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 28 February 2007 於二零零七年二月二十八日

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14	39,638	41,251
Investment properties	投資物業	15	56,460	53,448
Leasehold land and land use rights	租賃土地及土地使用權	16	15,697	17,704
Intangible assets	無形資產	17	14,905	13,321
Interest in an associate	聯營公司權益	19	864,389	59,343
Rental deposits	租賃按金		24,735	29,727
Non-current deposits	非流動按金	20	–	10,702
Deferred income tax assets	遞延所得稅資產	21	9,900	7,965
			1,025,724	233,461
Current assets	流動資產			
Inventories	存貨	22	182,052	154,148
Trade receivables	應收賬款	23	80,646	70,231
Other receivables, deposits and prepayments	其他應收款、 按金及預付款		49,008	30,010
Taxation recoverable	應收退稅		3,770	1,687
Cash and cash equivalents	現金及現金等價物	24	108,246	114,891
Derivative financial instruments	衍生金融工具	25	–	80
			423,722	371,047
Current liabilities	流動負債			
Trade payables	應付賬款	26	48,666	42,234
Other payables and accrued charges	其他應付款及 應計費用		69,420	60,384
Taxation payable	應付稅項		8,814	6,565
Short-term bank borrowings	短期銀行借貸	27	25,008	47,817
			151,908	157,000

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 28 February 2007 於二零零七年二月二十八日

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Net current assets	流動資產淨值		271,814	214,047
Total assets less current liabilities	總資產減流動負債		1,297,538	447,508
Non-current liabilities	非流動負債			
Other non-current liabilities	其他非流動負債		11,514	8,107
Deferred income tax liabilities	遞延所得稅負債	21	1,697	1,338
			13,211	9,445
Net assets	淨資產		1,284,327	438,063
Equity	權益			
Share capital	股本	28	25,453	25,453
Other reserves	其他儲備	29	871,003	112,384
Retained earnings	保留盈利			
– Proposed final dividend	– 擬派末期股息	29	–	13,999
– Others	– 其他	29	387,871	286,227
Total equity	總權益		1,284,327	438,063

Tang Wai Lam
鄧偉林
Director
董事

Ng Man Kit, Lawrence
吳民傑
Director
董事

BALANCE SHEET

資產負債表

As at 28 February 2007 於二零零七年二月二十八日

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產			
Investments in subsidiaries	附屬公司投資	18	77,598	69,254
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Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	18	81,399	96,043
Cash and cash equivalents	現金及現金等價物	24	175	145
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			81,574	96,188
Current liabilities	流動負債			
Other payables and accrued charges	其他應付款及應計費用		678	309
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Net current assets	流動資產淨值		80,896	95,879
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Total assets less current liabilities	總資產減流動負債		158,494	165,133
<hr/>				
Equity	權益			
Share capital	股本	28	25,453	25,453
Other reserves	其他儲備	29	119,374	111,030
Retained earnings	保留盈利			
– Proposed final dividend	– 擬派末期股息	29	–	13,999
– Others	– 其他	29	13,667	14,651
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Total equity	總權益		158,494	165,133
<hr/>				

Tang Wai Lam
鄧偉林
Director
董事

Ng Man Kit, Lawrence
吳民傑
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 28 February 2007 截至二零零七年二月二十八日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔			
		Share capital 股本 HK\$'000 千港元	Other reserves 其他儲備 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 as at 1 March 2006	於二零零六年 三月一日之結餘	25,453	112,384	300,226	438,063
Currency translation differences	貨幣匯兌差額	–	2,795	–	2,795
Profit for the year	本年度溢利	–	–	105,462	105,462
Share option scheme – value of services	認股權計劃 – 服務之價值	–	8,344	–	8,344
Share of fair value gain of an associate	應佔聯營公司 公平值收益	–	747,480	–	747,480
2006 Final dividend paid	二零零六年 已派末期股息	–	–	(13,999)	(13,999)
2007 Interim dividend paid	二零零七年 已派中期股息	–	–	(3,818)	(3,818)
Balance as at 28 February 2007	於二零零七年二月 二十八日之結餘	25,453	871,003	387,871	1,284,327

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 28 February 2007 截至二零零七年二月二十八日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔			
		Share capital 股本 HK\$'000 千港元	Other reserves 其他儲備 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 as at 1 March 2005	於二零零五年 三月一日之結餘	25,453	110,986	284,617	421,056
Currency translation differences	貨幣匯兌差額	-	1,398	-	1,398
Profit for the year	本年度溢利	-	-	65,497	65,497
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)
Balance as at 28 February 2006	於二零零六年二月 二十八日之結餘	25,453	112,384	300,226	438,063

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 28 February 2007 截至二零零七年二月二十八日止年度

	Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cash flow from operating activities			
Cash generated from operations	30	69,508	38,693
Interest paid		(2,199)	(2,321)
Hong Kong profits tax paid		(3,005)	(7,022)
Overseas taxation paid		(9,720)	(3,676)
Net cash generated from operating activities		54,584	25,674
Cash flow from investing activities			
Purchase of property, plant and equipment		(21,405)	(26,385)
Proceed from disposal of property, plant and equipment		31	–
Proceed from disposal of an investment property		–	7,934
Interest received		920	917
Dividend received from an associate		–	54,000
Net cash (used in)/generated from investing activities		(20,454)	36,466
Cash flow from financing activities			
New bank loans raised		70,279	88,598
Repayment of bank loans		(94,846)	(72,532)
Dividends paid		(17,817)	(49,888)
Net cash used in financing activities		(42,384)	(33,822)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 28 February 2007 截至二零零七年二月二十八日止年度

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物之 (減少)／增加淨額		(8,254)	28,318
Cash and cash equivalents at beginning of year	於年初之現金及現金 等價物		114,891	86,357
Effect of foreign exchange rate changes	外幣匯率變動之影響		1,609	216
Cash and cash equivalents at end of year	於年終之現金及現金等價物	24	108,246	114,891

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 February 2007 二零零七年二月二十八日

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 were approved for issue by the Board of Directors on 21 June 2007.

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。

本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二零零七年六月二十一日批准刊發。

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

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 February 2007 二零零七年二月二十八日

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 or 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 Group’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.

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集團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。

* 僅供識別

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 February 2007 二零零七年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (a) *Amendment to published standards effective in 2006*

HKAS 39 and HKFRS 4 (Amendment), "Financial guarantee contracts", effective for annual periods beginning on or after 1 January 2006. This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value, and subsequently measured at the higher of (i) the unamortised balance of the related fees received and deferred, and (ii) the expenditure required to settle the commitment at the balance sheet date. The adoption of this amendment does not have a significant impact on the Group's financial statements.

- (b) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 May 2006 or later periods. The Group has started considering their potential impact. Based on the preliminary assessment, the Group believes that the adoption of these standards, amendments and interpretations to existing standards, if applicable, will not result in substantial changes to the Group's accounting policies. The Group has not early adopted these standards, amendments and interpretations to existing standards, if applicable, in the financial statements for the year ended 28 February 2007.

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

- (a) 對二零零六年生效的已頒布準則修訂

HKAS 39及HKFRS 4(修訂) – 「財務擔保合約」於二零零六年一月一日或之後開始之年度期間生效。此修訂規定已作出之財務擔保(該等實體以往宣稱為保險合約者除外)初步按公平值確認,其後則按下列兩者中之較高者計算:(i)所收取及遞延相關費用之未攤銷結餘;及(ii)用以繳付於結算日的承擔的開支。採納此修訂對本集團的財務報表並無重大影響。

- (b) 有關仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋

本集團並無提早採納以下已頒布之準則、修訂及對現有準則的詮釋,惟此必須於二零零六年五月一日或之後開始的會計期間或較後期間採納。本集團已開始考慮其潛在的影響。根據初步評估,本集團認為採納此等準則、修訂及對現有準則的詮釋(如適用),將不會對本集團的會計政策有實質變動。本集團並未於截至二零零七年二月二十八日止年度的財務報表內提早採納該等準則、修訂及對現有準則的詮釋(如適用)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 February 2007 二零零七年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 8	Scope of HKFRS 2 ³
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁵
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions ⁶
HK(IFRIC)-Int 12	Service Concession Arrangements ⁷

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 May 2006

⁴ Effective for annual periods beginning on or after 1 June 2006

⁵ Effective for annual periods beginning on or after 1 November 2006

⁶ Effective for annual periods beginning on or after 1 March 2007

⁷ Effective for annual periods beginning on or after 1 January 2008

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

(b) *有關仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋 (續)*

HKAS 1 (修訂)	財務報表之呈報 – 資本披露 ¹
HKFRS 7	金融工具：披露 ¹
HKFRS 8	營運分部 ²
HK(IFRIC)-Int 8	HKFRS 2的範圍 ³
HK(IFRIC)-Int 9	嵌入衍生工具的再評價 ⁴
HK(IFRIC)-Int 10	中期財務報告及減值 ⁵
HK(IFRIC)-Int 11	HKFRS 2 – 集團及庫存股份交易 ⁶
HK(IFRIC)-Int 12	服務經營權安排 ⁷

¹ 於二零零七年一月一日或之後開始的會計期間生效

² 於二零零九年一月一日或之後開始的會計期間生效

³ 於二零零六年五月一日或之後開始的會計期間生效

⁴ 於二零零六年六月一日或之後開始的會計期間生效

⁵ 於二零零六年十一月一日或之後開始的會計期間生效

⁶ 於二零零七年三月一日或之後開始的會計期間生效

⁷ 於二零零八年一月一日或之後開始的會計期間生效

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 February 2007 二零零七年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (c) *Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations*

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations:

HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKFRSs 1 & 6 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies

2. 重要會計政策摘要 (續)

2.1 編製基準 (續)

- (c) 有關於二零零六年生效且與本集團營運無關的準則、修訂及詮釋

本集團必須於二零零六年一月一日或之後開始的會計期間採納以下已頒布之準則、修訂及詮釋，但與本集團營運無關：

HKAS 21 (修訂)	於海外業務之淨額投資
HKAS 39 (修訂)	預測集團內交易的現金流量對沖會計法
HKAS 39 (修訂)	選擇以公平值入賬
HKFRSs 1及6 (修訂)	首次採納香港財務報告準則及礦產資源開採及評估
HKFRS 6	礦產資源開採及評估
HK(IFRIC)-Int 4	釐定一項安排是否包含租賃
HK(IFRIC)-Int 5	對拆卸、復原及環境復修基金所產生的權益之權利
HK(IFRIC)-Int 6	參與特殊市場—電氣及電子設備原料產生之負債
HK(IFRIC)-Int 7	應用HKAS 29—「嚴重通脹經濟中之財務報表」下之重列法

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 February 2007 二零零七年二月二十八日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (including special purpose 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.

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

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(包括特殊目的企業)，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。

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 FINANCIAL STATEMENTS

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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 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.

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。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）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Associates (continued)

The Group's share of its associates' 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 FINANCIAL STATEMENTS

財務報表附註

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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, intangible assets, rental deposits, non-current deposits, inventories, receivables, operating cash and derivative financial instruments and exclude items such as taxation recoverable and deferred income tax assets. Segment liabilities comprise operating liabilities and exclude items such as taxation payable and deferred income tax liabilities. Capital expenditure comprises additions to property, plant and equipment, investment properties, leasehold land and land use rights and intangible assets.

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、無形資產、租賃按金、非流動按金、存貨、應收款項、營運現金及衍生金融工具，但不包括應收退稅及遞延所得稅資產。分部負債包括營運負債，但不包括應付稅項及遞延所得稅負債。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無形資產之添置。

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 FINANCIAL STATEMENTS

財務報表附註

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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) *Transactions 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.

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。

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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 operations, and of borrowings, are taken to equity holders' equity. When a foreign operation is partially disposed of or 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·換算海外業務的淨投資·以及借貸所產生之匯兌差額列入權益持有人之權益內。當售出或清理部份海外業務時·該等匯兌差額於損益表中確認為出售收益或虧損的一部份。

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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 accumulated depreciation and accumulated impairment losses, if any. 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged 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 their costs to their residual values over their estimated useful lives, as follows:

Buildings	3% – 5%
Leasehold improvements	Over the remaining period of leases
Furniture, fixtures and office equipment	20% – 33 $\frac{1}{3}$ %
Motor vehicles	25% – 33 $\frac{1}{3}$ %
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累計折舊和累計減值虧損（如有）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）。已更換零件的賬面值已被剔除入賬。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其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	按剩餘之租賃期
傢俬、裝置及辦公室設備	20% – 33 $\frac{1}{3}$ %
汽車	25% – 33 $\frac{1}{3}$ %
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 and are included in administrative expenses.

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 were a finance lease.

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，並於行政費用中確認。

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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

Investment property is measured initially at its cost, including related transaction costs. 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 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, as part of other gains, net.

2. 重要會計政策摘要 (續)

2.6 投資物業 (續)

投資物業初步按其成本計量，包括相關的交易成本。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為其他收益，淨額，之一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and is tested annually for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. 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.

(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 amortisation. 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. 重要會計政策摘要 (續)

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並每年就減值進行測試，作為整體結餘的一部份。分開確認的商譽每年就減值進行測試，並按成本值減累計減值虧損列賬。商譽的減值虧損不會撥回。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。

(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。經營權有限定使用年期，並按成本減累計攤銷列賬。攤銷費用是根據流入本集團的經濟收益模式而作出。

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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. 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). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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 financial instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2. 重要會計政策摘要 (續)

2.8 附屬公司投資、聯營公司權益及 非金融資產減值

無指定使用年期或尚未可供使用之資產毋需攤銷，但每年就減值進行檢討。須作攤銷之資產，當有事項或情況轉變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之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扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開識辨現金流量（現金產生單位）的最低層次組合。除商譽外，已蒙受減值的資產在每個報告日期均就減值是否可以撥回進行檢討。

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金融工具的公平值變動即時於損益表內確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial guarantee

A financial guarantee (a kind of insurance contract) is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument. The Group does not recognise liabilities for financial guarantees at inception, but performs a liability adequacy test at each reporting date by comparing its net liability regarding the financial guarantee with the amount that would be required if the financial guarantee would result in a present legal or constructive obligation. If the liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the income statement immediately.

2.11 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 and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. 重要會計政策摘要 (續)

2.10 財務擔保

財務擔保(一項保險合約)為一項要求發行人須對持有人就個別債務人未能履行債務合約之原有或經修改條文而在付款期限前作出付款時承諾補償該持有人損失之合約。本集團未就財務擔保之負債作初步確認,但於每個報告日將其財務擔保之負債淨額與倘財務擔保會引致現行法定或推定責任所需之金額進行比較而對負債之充足性作出測試。倘負債低於其現行法定或推定責任之金額時,所有差額即時於損益表確認。

2.11 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本以加權平均法計算。製成品及在製品的成本包括原材料、直接勞工、其他直接成本及相關的生產經常開支(依據正常營運能力)。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費用。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 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 the receivables. Significant financial difficulties of the debtor, probability that the debtors will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in distribution and selling costs.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2. 重要會計政策摘要 (續)

2.12 應收及其他應收賬款

應收及其他應收賬款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收賬款的原有條款收回所有款項時，即就應收及其他應收賬款設定減值撥備。債務人之重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是應收賬款已減值的跡象。撥備金額為資產之賬面值與按原實際利率折現之估計未來現金流量之現值之差額。資產的賬面值透過使用備付賬戶削減，而有關的虧損數額則在損益表中確認。如一項應收賬款無法收回，其會與應收賬款內的備付賬戶撇銷。之前已撇銷的款項如其後收回，將撥回損益表中的銷售及銷售成本內。

2.13 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款以及原到期日為三個月或以下之其他短期高流動性投資。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 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.

2.15 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. 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.

2.17 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

2. 重要會計政策摘要 (續)

2.14 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)。

2.15 應付及其他應付賬款

應付及其他應付賬款初步按公平值確認,其後以實際利息法按攤銷成本計量。

2.16 借貸

借貸起始以公平值,扣除產生之交易成本確認。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十二個月,否則借貸分類為流動負債。

2.17 借貸成本

建造任何合資格資產所產生的借貸成本,於完成建造及將資產達至擬定用途所需期間內資本化。其他借貸成本列作費用支銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 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)

2.18 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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財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits

(a) Retirement benefits

Arrangements for staff retirement benefits are made in accordance with local regulations and customs.

The Group's employees in Mainland China are covered by various government sponsored pension plans. These government agencies are responsible for the pension liabilities to these employees. The relevant group companies pay monthly contributions to these pension plans based on certain percentages of the salaries, subject to a certain ceiling. Under these plans, the Group has no legal or constructive obligation to make further payments once the required contributions have been paid. Contributions to these plans are expensed as incurred.

The Group's employees in Mainland China are also entitled to participate in various government-sponsored medical insurance plan and housing funds. The relevant group companies pay monthly contributions to these funds based on certain percentages of the salaries. The Group's liability in respect of these funds is limited to the contributions paid. Contributions to these plans are expensed as incurred.

2. 重要會計政策摘要 (續)

2.19 僱員福利

(a) 退休福利

本集團根據當地法規及慣例作出僱員退休福利安排。

本集團於中國大陸之僱員受政府管理之不同退休金計劃保障。有關政府機構須負責中國大陸僱員之退休金負債。相關集團公司每月向該等退休金計劃作出供款，供款額按僱員薪金之若干百分比計算（須受供款上限之限制）。根據上述計劃，除了作出供款外，本集團並無任何有關退休福利之法定或推定責任。上述計劃之供款於產生時支銷。

本集團於中國大陸之僱員亦有權參與由不同政府管理之醫療保險計劃及房屋基金。相關集團公司每月向有關基金作出供款，供款額按僱員薪金之若干百分比計算。就上述基金而言，本集團之責任僅限於各個期間之應付供款。上述計劃之供款於產生時支銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(a) Retirement benefits (continued)

The Group's Hong Kong and overseas employees are entitled to participate in a number of defined contribution pension schemes, the assets of which are generally held in separate trustee-administered funds. The pension schemes are generally funded by payments from employees and by the relevant group companies.

(b) 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.

(c) Profit sharing and bonus plans

Provisions for profit sharing and bonus plans due wholly within 12 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.

2. 重要會計政策摘要 (續)

2.19 僱員福利 (續)

(a) 退休福利 (續)

香港及海外僱員有權參與多項界定供款退休金計劃，有關計劃之資產一般交由獨立受託人基金管理。退休金計劃一般由僱員及有關集團公司供款。

(b) 僱員應享假期

僱員的年假和長期服務休假之權利在僱員享有時確認。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。

(c) 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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Employee benefits (continued)

(d) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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

2. 重要會計政策摘要 (續)

2.19 僱員福利 (續)

(d) 以股份為基礎的補償

本集團設有一項以權益、以股份為基礎的補償計劃。僱員為獲取授予認股權而提供的服務的公平值確認為費用。在歸屬期間內將予支銷的總金額參考授予的認股權的公平值釐定，不包括任何非市場歸屬條件（例如盈利能力和銷售增長目標）的影響。非市場歸屬條件包括在有關預期可予以行使的認股權數目的假設中。於每個結算日，本集團修訂其對預期可予以行使認股權數目的估計。本集團在損益表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

在認股權行使時，收取的所得款扣除任何直接應佔的交易成本後，撥入股本（面值）及股本溢價。

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財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 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.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. 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. 重要會計政策摘要 (續)

2.20 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。

2.21 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。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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Provisions (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 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 value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods – retail

Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

2. 重要會計政策摘要 (續)

2.21 撥備 (續)

撥備採用稅前利率按照預期需償付有關責任的開支的現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨着時間過去而增加的撥備確認為利息開支。

2.22 收益確認

收益指本集團在通常活動過程中出售貨品及服務的已收或應收代價的公平值。收益在扣除增值稅、退貨、回扣和折扣，以及對銷本集團內部銷售後列賬。

當收益的數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時（如下文所述），本集團便會將收益確認。除非與銷售有關的所有或然事項均已解決，否則收益的數額不被視為能夠可靠計量。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

(a) 貨品銷售 – 零售

貨品銷售在本集團實體將貨品售賣予顧客後確認。零售銷售一般以現金或信用卡結賬。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue recognition (continued)

(b) Sales of goods – wholesale

The Group manufactures and sells a range of footwear products in the wholesale market. Sales of goods are recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(c) Royalty income

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

2. 重要會計政策摘要 (續)

2.22 收益確認 (續)

(b) 貨品銷售 – 批發

本集團在批發市場製造及銷售一系列鞋類產品。當本集團實體已將貨品交付予批發商，批發商對銷售產品的渠道及價格擁有完全決定權，且沒有未履行的責任可能影響批發商對產品的接收時，貨品銷售即確認入賬。當產品已付運予至指定地點，廢棄和損失風險已轉讓予批發商，而批發商已根據銷售合約接收產品、或接收條款已作廢，或本集團有客觀證據顯示所有接收條款已經履行後，貨品交付才算產生。

(c) 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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue recognition (continued)

(d) 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.

(e) Dividend income

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

2.23 Leases (as the lessee for 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 charged to the income statement on the straight-line basis over the period of the lease.

2.24 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's equity holders or directors, where appropriate.

2. 重要會計政策摘要 (續)

2.22 收益確認 (續)

(d) 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。

(e) 股息收入

股息收入於確定收取股息權利時確認。

2.23 租賃 (作為營運租賃的承租人)

如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項 (扣除自出租人收取之任何獎勵金後) 於租賃期內以直線法在損益表支銷。

2.24 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或董事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 mainly operates in Hong Kong and Mainland China 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 People's Republic of China ("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 except for bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to changes in interest rate risk arises from bank deposits and bank borrowings. Bank deposits and bank borrowings at variable rates expose the Group to cash flow interest rate risk. The Group has not used any 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

本集團在香港及中國大陸營運，故此承受多種因不同貨幣而產生的外匯風險。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，人民幣兌換其他外幣須遵照中華人民共和國（「中國」）政府所頒布的外匯管制的規則及規例。

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

除銀行存款外，本集團並無重大付息資產，因此本集團之收入及營運現金流量大致不受市場利率轉變的影響。本集團的利率轉變風險來自銀行存款及銀行借貸。以變動利率計算的銀行存款及銀行借貸導致本集團需面對現金流量利率風險。本集團未有使用任何利率掉期對沖其利率風險。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Credit risk

The carrying amounts of cash and cash equivalents, trade receivables and other current assets except for prepayments, represents the Group's maximum exposure to credit risk in relation to its financial assets. Management has policies in place to monitor the exposures to these credit risks on an ongoing basis. The Group has 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 trade 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 Group aims 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

現金及現金等價物、應收賬款及其他流動資產(預付款除外)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。管理層有持續的政策來監察該等信貸風險。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，應收賬款及其他應收款都能在限期內收取與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賬款。

(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 carrying amounts of the Group's financial assets including trade and other receivables, cash and cash equivalents and derivative financial instruments, and financial liabilities including trade and other payables and short-term bank borrowings are assumed to approximate their fair values due to their short maturities.

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

本集團的財務資產(包括應收及其他應收賬款、現金及現金等價物及衍生金融工具)·以及財務負債(包括應付及其他應付賬款及短期銀行借貸)之賬面值因到期日較短而假設與其各自的公平值相約。

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 realisable value

The Group writes down inventories to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of 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 year 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。

NOTES TO THE FINANCIAL STATEMENTS

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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 year in which such estimates have been changed.

(e) Income taxes

The Group is subject to income taxes in various jurisdictions. 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 current income tax and deferred income 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

本集團需要在多個司法權區繳納所得稅。有許多交易和計算所涉及的最終稅項釐定都是不確定的。本集團根據對是否需要繳付額外稅款的估計，就預期稅務審計項目確認負債。如此等事件的最終稅項後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延所得稅撥備。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(f) Employee benefits – share-based payments

The valuation of the fair value of the share options at the grant date requires judgement in determining the expected volatility of the share price, the dividends expected on the shares, the risk-free interest rate during the life of the options and the number of the share options that are expected to vest. Where the number of options that are expected to vest is different, such difference will impact the income statement in subsequent remaining vesting period of the relevant share options.

5. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION

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

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Turnover	營業額		
Sales of goods	貨物銷售	934,225	866,238
<hr/>			
Other income	其他收入		
Royalty income	專利費收入	4,375	3,694
Interest income	利息收入	920	917
Others	其他	3	3
<hr/>			
		5,298	4,614
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Total	總額	939,523	870,852

Primary reporting format – geographical segments

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.

4. 重要會計估計及判斷 (續)

(f) 僱員福利 – 以股份為基礎的付款

於授出日評估認股權的公平值須於釐定股價預期之波動幅度、估計所派付股息、認股權行使期內之無風險利率及預計歸屬之認股權數目等因素作出判斷。倘預期歸屬之認股權數目有所偏差，其差額或會影響有關認股權在剩餘歸屬期間的損益表。

5. 營業額、其他收入及分部資料

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：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Turnover	營業額		
Sales of goods	貨物銷售	934,225	866,238
<hr/>			
Other income	其他收入		
Royalty income	專利費收入	4,375	3,694
Interest income	利息收入	920	917
Others	其他	3	3
<hr/>			
		5,298	4,614
<hr/>			
Total	總額	939,523	870,852

主要報告形式 – 地區分部

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, OTHER INCOME AND SEGMENT INFORMATION (continued)

Primary reporting format – geographical segments (continued)

5. 營業額、其他收入及分部資料 (續)

主要報告形式 – 地區分部 (續)

		Hong Kong and Macau 香港及澳門 2007 HK\$'000 千港元	Mainland China 中國大陸 2007 HK\$'000 千港元	Taiwan 台灣 2007 HK\$'000 千港元	Total 總額 2007 HK\$'000 千港元
Gross segment sales	分部銷售	763,624	327,110	24,701	1,115,435
Inter-segment sales	分部間銷售	(160,244)	(20,966)	–	(181,210)
		603,380	306,144	24,701	934,225
Segment results	分部業績	30,099	37,593	(6,718)	60,974
Finance costs	財務費用				(2,199)
Share of profit of an associate	應佔聯營公司溢利	–	58,002	–	58,002
Profit before income tax	除所得稅前溢利				116,777
Income tax expense	所得稅費用				(11,315)
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利				105,462
Segment assets	分部資產	257,328	293,911	20,148	571,387
Interest in an associate	聯營公司權益	–	864,389	–	864,389
Taxation recoverable	應收退稅				3,770
Deferred income tax assets	遞延所得稅資產				9,900
Total assets	總資產				1,449,446
Segment liabilities	分部負債	76,884	73,300	4,424	154,608
Taxation payable	應付稅項				8,814
Deferred income tax liabilities	遞延所得稅負債				1,697
Total liabilities	總負債				165,119
Capital expenditure	資本性開支	16,645	10,067	1,459	28,171
Depreciation of property, plant and equipment	物業、機器及設備折舊	11,395	8,586	1,867	21,848
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	1,675	332	–	2,007
Amortisation of intangible assets	無形資產攤銷	2,332	2,359	491	5,182
(Write-back of)/provision for inventory obsolescence	陳舊存貨(撥回)/撥備	(1,163)	(2,740)	993	(2,910)
Provision for impairment of receivables	應收賬款減值撥備	–	268	596	864

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5. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (continued)

5. 營業額、其他收入及分部資料 (續)

Primary reporting format – geographical segments (continued)

主要報告形式 – 地區分部 (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
Gross segment sales	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 income tax	除所得稅前溢利				71,888
Income tax expense	所得稅費用				(6,391)
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利				65,497
Segment assets	分部資產	276,495	248,282	10,736	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 income tax assets	遞延所得稅資產				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 income tax liabilities	遞延所得稅負債				1,338
Total liabilities	總負債				166,445
Capital expenditure	資本性開支	18,374	20,268	5,826	44,468
Depreciation of property, plant and equipment	物業、機器及設備折舊	9,717	7,866	1,130	18,713
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	1,673	332	–	2,005
Amortisation of intangible assets	無形資產攤銷	4,477	1,948	337	6,762
(Write-back of)/provision for inventory obsolescence	陳舊存貨(撥回)/撥備	(2,103)	2,701	–	598

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5. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (continued)

Secondary reporting format – business segments

The Group's principal activities are retailing, wholesaling and manufacturing of footwear. No business segment information has been prepared by the Group for the years ended 28 February 2006 and 2007 as less than 10% of the Group's turnover and results are attributable to wholesaling and manufacturing.

6. EXPENSES BY NATURE

5. 營業額、其他收入及分部資料 (續)

次要報告形式 – 業務分部

本集團主要業務為鞋類產品之零售、批發及製造，由於批發及製造業務佔本集團之營業額及業績少於10%，因此本集團並無編製截至二零零六年二月二十八日及二零零七年二月二十八日止年度以業務分部之資料。

6. 按性質分類的費用

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Auditor's remuneration	核數師酬金	1,569	1,219
Depreciation of property, plant and equipment	物業、機器及設備折舊	21,848	18,713
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	2,007	2,005
Amortisation of intangible assets	無形資產攤銷	5,182	6,762
Cost of inventories sold	已銷售存貨成本	354,336	337,484
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	1,243	391
Loss on disposal of an investment property	出售投資物業虧損	–	66
Employee benefit expenses (including directors' emoluments):	僱員福利費用(包括董事酬金):		
– Wages, salaries and allowances	– 工資、薪金及津貼	149,970	137,274
– Share-based payments in relation to share options granted to directors and employees	– 有關授予董事及僱員的認股權之以股份為基礎的付款	8,344	–
– Pension costs	– 退休福利金成本	4,333	4,143
(Write-back of)/provision for inventory obsolescence	陳舊存貨(撥回)/撥備	(2,910)	598
Provision for impairment of receivables	應收賬款減值撥備	864	–
Operating leases rental in respect of leasehold land and buildings, including contingent rental expenses of HK\$93,295,000 (2006: HK\$54,082,000)	租賃土地及樓宇經營租賃租金，包括或然租金 93,295,000港元 (二零零六年： 54,082,000港元)	228,626	203,632
Outgoings in respect of investment properties	投資物業支出	172	144
Others	其他	107,666	106,161
Total cost of sales, distribution and selling costs, and administrative expenses	銷售成本、分銷及銷售成本及行政費用總額	883,250	818,592

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7. OTHER GAINS, NET

7. 其他收益，淨額

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Exchange gains	匯兌收益	2,109	2,157
Fair value gains on investment properties	投資物業公平值收益	3,012	-
Fair value (losses)/gains on derivative financial instruments	衍生金融工具的公平值 (虧損)／收益	(420)	79
		4,701	2,236

8. FINANCE COSTS

8. 財務費用

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank loans and overdrafts	銀行借貸及透支利息	2,199	2,321

9. INCOME TAX EXPENSE

9. 所得稅費用

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 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 geographical areas in which the Group operates.

香港利得稅乃按照本年度估計應評稅利潤依稅率17.5% (二零零六年：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。

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9. INCOME TAX EXPENSE (continued)

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

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Current income tax	當期所得稅		
– Hong Kong profits tax	– 香港利得稅	5,937	6,790
– Overseas taxation	– 海外稅項	4,889	6,271
– Under/(over)-provision in prior years	– 過往年度準備不足／(剩餘)	2,065	(1,032)
Deferred income tax (Note 21)	遞延所得稅(附註21)	(1,576)	(5,638)
Income tax expense	所得稅費用	11,315	6,391

9. 所得稅費用(續)

綜合損益表支銷之所得稅金額如下：

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

本集團有關除所得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：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	116,777	71,888
Calculated at a taxation rate of 17.5% (2006: 17.5%)	按稅率17.5%(二零零六年：17.5%)計算之稅項	20,436	12,580
Effect of different taxation rates in other geographical areas	其他地區不同稅率之影響	(4,453)	(3,834)
Income not subject to tax	無須課稅之收入	(12,481)	(3,907)
Expenses not deductible for tax purposes	不可扣稅之支出	3,085	2,058
Unrecognised deferred income tax assets	未確認之遞延所得稅資產	3,165	926
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(447)	(310)
Under/(over)-provision in prior years	過往年度準備不足／(剩餘)	2,065	(1,032)
Others	其他	(55)	(90)
Income tax expense	所得稅費用	11,315	6,391

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10. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$2,834,000 (2006: HK\$49,461,000).

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

10. 本公司權益持有人應佔溢利

本公司賬目內處理之本公司權益持有人應佔溢利為2,834,000港元(二零零六年: 49,461,000港元)。

11. 每股盈利

(a) 基本

基本每股盈利根據本公司權益持有人應佔溢利，除以在本年期間內已發行普通股的加權平均數目計算。

		2007	2006
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利 (千港元)	105,462	65,497
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數目	254,530,000	254,530,000
Basic earnings per share (HK cents per share)	基本每股盈利 (每股港仙)	41.4	25.7

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11. EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

11. 每股盈利 (續)

(b) 攤薄

攤薄每股盈利假設所有可攤薄的潛在普通股被兌換後，根據已發行普通股的加權平均數目計算。本公司有一類可攤薄的潛在普通股：認股權。認股權，根據未行使認股權所附的認購權的貨幣價值，釐定按公平值（釐定為本公司股份的平均年度市價）可購入的股份數目。按以上方式計算的股份數目，與假設認股權行使而應已發行的股份數目作出比較。

		2007
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利 (千港元)	105,462
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數目	254,530,000
Adjustments for share options	認股權調整	2,650,000
Weighted average number of ordinary shares for diluted earnings per share	用以計算攤薄每股盈利之普通股加權平均數目	257,180,000
Diluted earnings per share (HK cents per share)	攤薄每股盈利 (每股港仙)	41.0

No disclosure of diluted earnings per share for the year ended 28 February 2006 has been made as there was no potential dilutive ordinary shares outstanding during the year.

由於本公司於截至二零零六年二月二十八日止年度並無潛在的可攤薄普通股股份，因此無需披露該年度之攤薄每股盈利。

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12. DIVIDENDS

12. 股息

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Interim, paid, of HK1.5 cents (2006: HK3.0 cents) per ordinary share	已派中期股息每股普通股 1.5港仙(二零零六年: 3.0港仙)	3,818	7,636
Special, paid, of Nil (2006: HK10.0 cents) per ordinary share	已派特別股息 每股普通股零港仙 (二零零六年: 10.0港仙)	-	25,453
Final, proposed, of Nil (2006: HK5.5 cents) per ordinary share	建議派發末期股息每股 普通股零港仙 (二零零六年: 5.5港仙)	-	13,999
		3,818	47,088

At a meeting held on 21 June 2007, the directors resolved not to recommend a final dividend.

於二零零七年六月二十一日舉行之董事會會議上，董事會決議不建議派發末期股息。

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13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments of each director for the year ended 28 February 2007 is set out below:

13. 董事及高級管理人員酬金

(a) 董事酬金

截至二零零七年二月二十八日止年度，各董事在其任內之酬金詳情如下：

Name of director	董事姓名	Basic salaries, housing allowances, other allowances and benefits in kind		Discretionary bonuses	Share option scheme	Employer's contributions to pension scheme	Total
		Fees	其他津貼及實物利益				
		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
<i>Executive directors:</i>		<i>執行董事:</i>					
Tang Wai Lam	鄧偉林	-	1,397	1,807	-	12	3,216
Ng Man Kit, Lawrence	吳民傑	-	1,496	667	815	12	2,990
Chung Chun Wah	鍾振華	-	737	226	815	12	1,790
Leung Kelvin Yiu Fai	梁耀輝						
(appointed on 1 August 2006)	(於二零零六年八月一日獲委任)						
For the 7 months from 1 August 2006 to 28 February 2007 in the capacity of Executive Director	於二零零六年八月一日至二零零七年二月二十八日止七個月期間內為執行董事	100	759	98	314	7	1,278
For the 5 months from 1 March 2006 to 31 July 2006 in the capacity of Financial Controller	於二零零六年三月一日至二零零六年七月三十一日止五個月期間內為財務總監	-	508	-	177	5	690
<i>Non-executive director:</i>		<i>非執行董事:</i>					
Lee Kwan Hung	李均雄	65	-	-	219	-	284
<i>Independent non-executive directors:</i>		<i>獨立非執行董事:</i>					
Lee Kin Sang	李建生	65	-	-	219	-	284
Chan Ka Sing, Tommy	陳家聲	65	-	-	219	-	284
Ng Chun Chuen, David	吳振泉	65	-	-	109	-	174

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

(a) Directors' emoluments (continued)

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

Name of director	董事姓名	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 計劃僱主 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	-	1,397	1,506	12	2,915
Tang Keung Lam (resigned on 30 November 2005)	鄧強林 (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	-	1,439	786	12	2,237
Chung Chun Wah	鍾振華	-	588	131	12	731
<i>Non-executive director:</i>						
Lee Kwan Hung	李均雄	65	-	-	-	65
<i>Independent non-executive directors:</i>						
Lee Kin Sang	李建生	65	-	-	-	65
Chan Ka Sing, Tommy	陳家聲	65	-	-	-	65
Ng Chun Chuen, David	吳振泉	65	-	-	-	65

No directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

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：

本公司之董事並無放棄其酬金，而本集團亦無支付酬金予本公司任何董事，作為促使加盟本集團之條件或職務損失之賠償。

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13. 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 four (2006: three) directors whose emoluments are reflected in the analysis presented in Note (a) above. The emoluments payable to the remaining one (2006: two) individual during the year are as follows:

		2007 HK\$'000 千港元	2006 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	870	2,092
Discretionary bonuses	酌情發放之花紅	245	182
Share option scheme	認股權計劃	454	-
Employer's contributions to pension scheme	退休福利計劃僱主供款	12	24
		1,581	2,298

The emoluments fell within the following bands:

Emolument bands HK\$	酬金組別 港元	Number of individuals 人數	
		2007	2006
1,000,001 – 1,500,000	1,000,001 – 1,500,000	-	2
1,500,001 – 2,000,000	1,500,001 – 2,000,000	1	-

None of the highest paid individuals of the Group waived any emoluments and no emoluments were paid by the Group to any of such individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 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四名(二零零六年:三名)董事,其酬金已載於上文附註(a)之分析。其餘一名(二零零六年:兩名)最高薪人士之酬金分析如下:

支付酬金組別如下:

本集團之最高薪人士並無放棄其酬金,而本集團亦無支付酬金予任何該等人士,作為促使加盟本集團之條件或職務損失之賠償。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 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
As at 1 March 2005	於二零零五年三月一日						
Cost	成本值	21,554	52,408	20,685	3,823	2,279	100,749
Accumulated depreciation	累計折舊	(4,184)	(40,955)	(16,417)	(3,581)	(1,680)	(66,817)
Net book value	賬面淨值	17,370	11,453	4,268	242	599	33,932
Year ended 28 February 2006	截至二零零六年二月二十八日止年度						
Opening net book value	年初賬面淨值	17,370	11,453	4,268	242	599	33,932
Exchange differences	匯兌差額	-	(6)	27	4	13	38
Additions	添置	-	20,351	2,924	1,276	1,834	26,385
Disposals	出售	-	(357)	(7)	-	(27)	(391)
Depreciation	折舊	(837)	(15,736)	(1,740)	(191)	(209)	(18,713)
Closing net book value	年終賬面淨值	16,533	15,705	5,472	1,331	2,210	41,251
As at 28 February 2006	於二零零六年二月二十八日						
Cost	成本值	21,554	67,193	23,611	5,063	4,130	121,551
Accumulated depreciation	累計折舊	(5,021)	(51,488)	(18,139)	(3,732)	(1,920)	(80,300)
Net book value	賬面淨值	16,533	15,705	5,472	1,331	2,210	41,251
Year ended 28 February 2007	截至二零零七年二月二十八日止年度						
Opening net book value	年初賬面淨值	16,533	15,705	5,472	1,331	2,210	41,251
Exchange differences	匯兌差額	-	(42)	50	13	83	104
Additions	添置	-	18,588	2,022	638	157	21,405
Disposals	出售	-	(1,272)	(2)	-	-	(1,274)
Depreciation	折舊	(837)	(18,195)	(1,980)	(512)	(324)	(21,848)
Closing net book value	年終賬面淨值	15,696	14,784	5,562	1,470	2,126	39,638

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 物業、機器及設備 (續)

		Group 集團					Total 總額
		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	
		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 28 February 2007	於二零零七年二月二十八日						
Cost	成本值	21,554	76,354	25,754	4,463	4,459	132,584
Accumulated depreciation	累計折舊	(5,858)	(61,570)	(20,192)	(2,993)	(2,333)	(92,946)
Net book value	賬面淨值	15,696	14,784	5,562	1,470	2,126	39,638

As at 28 February 2007, certain banking facilities were secured on land and buildings for the value of HK\$10,396,000 (2006: HK\$10,856,000).

於二零零七年二月二十八日，用作本集團可動用之若干銀行信貸抵押之土地及樓宇賬面淨值約為10,396,000港元（二零零六年：10,856,000港元）。

15. INVESTMENT PROPERTIES

15. 投資物業

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
At beginning of year	於年初	53,448	61,448
Fair value gains (Note 7)	公平值收益 (附註7)	3,012	—
Disposals	出售	—	(8,000)
At end of year	於年終	56,460	53,448

Investment properties were revalued at 28 February 2007 on the basis of their open market value by DTZ Debenham Tie Leung Limited, an independent firm of chartered surveyors, employed by the Group.

投資物業於二零零七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。

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15. INVESTMENT PROPERTIES (continued)

The Group's interests in investment properties are held outside Hong Kong with lease period between 10 to 50 years.

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

15. 投資物業 (續)

本集團在投資物業之權益乃在香港以外持有十至五十年期的租賃。

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

16. LEASEHOLD LAND AND LAND USE RIGHTS

16. 租賃土地及土地使用權

		Group 集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of year	於年初	17,704	19,709
Amortisation (Note 6)	攤銷 (附註6)	(2,007)	(2,005)
At end of year	於年終	15,697	17,704

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16. 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	
		2007 HK\$'000 千港元	2006 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	1,218	1,248
Outside Hong Kong, held on:	在海外持有：		
– Leases of between 10 to 50 years	– 十至五十年租賃	12,834	13,166
– Leases of less than 10 years	– 少於十年租賃	1,645	3,290
		15,697	17,704

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. 租賃土地及土地使用權 (續)

17. INTANGIBLE ASSETS

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Patents and licenses	專利權及牌照		
At beginning of year	於年初	13,321	2,000
Additions	增加	6,766	18,083
Amortisation (Note 6)	攤銷 (附註6)	(5,182)	(6,762)
At end of year	於年終	14,905	13,321

17. 無形資產

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17. 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 5.11% (2006: 4.77%) at the date of inception.

Amortisation of HK\$5,182,000 (2006: HK\$4,762,000) is included in cost of sales and Nil (2006: HK\$2,000,000) in administrative expenses.

18. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS DUE FROM SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本值
Amount due from a subsidiary	應收附屬公司款項

As at 28 February 2006 and 2007, the amounts due from subsidiaries are unsecured, interest free and repayable on demand, except for an amount due from a subsidiary of HK\$8,344,000 (2006: Nil) which is not repayable within one year. Details of the Company's principal subsidiaries as at 28 February 2007 are set out on pages 137 to 141.

17. 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5.11% (二零零六年：4.77%) 之折讓率為基準。

攤銷款額5,182,000港元 (二零零六年：4,762,000港元) 計入銷售成本，而並無 (二零零六年：2,000,000港元) 計入行政費用內。

18. 附屬公司投資及應收附屬公司款項

		Company 公司	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	69,254	69,254
Amount due from a subsidiary	應收附屬公司款項	8,344	—
		77,598	69,254

除8,344,000港元 (二零零六年：無) 之應收附屬公司款項並非一年內償還外，於二零零六年及二零零七年二月二十八日，應收附屬公司款項為無抵押、免息及隨時要求還款。於二零零七年二月二十八日，本公司之主要附屬公司詳情載於第137至141頁。

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19. INTEREST IN AN ASSOCIATE

Movements of interest in an associate are as follows:

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
At beginning of year	於年初	59,343	93,399
Exchange differences	匯兌差額	(436)	231
Dividends received	已收股息	–	(54,000)
Share of profit	應佔溢利	58,002	19,713
Other equity movements (Note 29)	其他權益變動 (附註29)	747,480	–
At end of year	於年終	864,389	59,343

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

The financial information of the Group's associate is as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Total assets	總資產	2,361,013	163,143
Total liabilities	總負債	300	–
Revenues	收入	–	429,695
Profit for the year	本年度溢利	193,339	65,367

Best Quality Investments Limited ("Best Quality"), a company incorporated in Samoa, is the Group's associate in which the Group holds 30% interests. Details of Best Quality at 28 February 2007 are set out on page 142.

19. 聯營公司權益

聯營公司權益之變動如下：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
At beginning of year	於年初	59,343	93,399
Exchange differences	匯兌差額	(436)	231
Dividends received	已收股息	–	(54,000)
Share of profit	應佔溢利	58,002	19,713
Other equity movements (Note 29)	其他權益變動 (附註29)	747,480	–
At end of year	於年終	864,389	59,343

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。

本集團之聯營公司之財務資料如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Total assets	總資產	2,361,013	163,143
Total liabilities	總負債	300	–
Revenues	收入	–	429,695
Profit for the year	本年度溢利	193,339	65,367

於薩摩亞註冊成立的Best Quality Investments Limited (「Best Quality」) 是本集團佔30%權益之聯營公司。Best Quality於二零零七年二月二十八日之詳情載於第142頁。

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19. INTEREST IN AN ASSOCIATE (continued)

Pursuant to an agreement dated 30 June 2006, Belle International Holdings Limited ("Belle International"), then an associate of Best Quality, agreed to acquire 100% interest in Fullbest Investments Limited and its subsidiaries by the issuance of new ordinary shares of Belle International. As a result of the new issue, Best Quality's equity interest in Belle International was diluted from approximately 20.3% to approximately 17.7%. Accordingly, Belle International became an available-for-sale financial asset of Best Quality, which recorded a gain on deemed disposal of an associate of approximately HK\$113,662,000. The Group's share of this gain on deemed disposal amounted to approximately HK\$34,099,000.

Based on internal valuation performed by the directors of the Company, the Group's share of the fair value of the available-for-sale financial asset of Best Quality as at 28 February 2007 was approximately HK\$864,389,000.

20. NON-CURRENT DEPOSITS

Non-current deposits of the Group represented deposits paid for the acquisition of properties. The Group had agreed with the property developer for the refund of the whole deposits and accordingly, the deposits were classified as current assets as at 28 February 2007.

19. 聯營公司權益 (續)

根據一份於二零零六年六月三十日訂立的協議，Belle International Holdings Limited (「Belle International」) (當時為Best Quality之一間聯營公司) 同意收購Fullbest Investments Limited及其附屬公司的全部權益，代價由Belle International新普通股的方式支付。發行新股份後，Best Quality佔Belle International的股份權益從約20.3%被攤薄至約17.7%。因此相應地，Belle International成為Best Quality的可供出售財務資產，而Best Quality錄得視作出售聯營公司溢利約113,662,000港元。本集團應佔該視作出售溢利為約34,099,000港元。

根據本公司董事進行內部評估，本集團應佔Best Quality於二零零七年二月二十八日之可供出售財務資產之公平值為約864,389,000港元。

20. 非流動按金

本集團之非流動按金指購買物業所支付之訂金。本集團已與地產發展商協議退回全部的按金，並於二零零七年二月二十八日，該按金被列入為流動資產。

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21. DEFERRED INCOME TAX

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets 遞延所得稅資產		Tax depreciation allowance 稅項折舊免稅額		Tax losses 稅損		Provision for long services payments 長期服務金撥備		Others 其他		Total 總額	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
At beginning of year	於年初	1,796	1,754	4,366	-	287	465	1,516	316	7,965	2,535
Recognised in the income statement	在損益表確認	95	42	(549)	4,366	(92)	(178)	2,481	1,200	1,935	5,430
At end of year	於年終	1,891	1,796	3,817	4,366	195	287	3,997	1,516	9,900	7,965

21. 遞延所得稅

在本年度期間內遞延所得稅資產及負債並無計入在同一徵稅區內抵銷結餘之變動如下：

Deferred income tax liabilities 遞延所得稅負債		Tax depreciation allowance 稅項折舊免稅額		Revaluation of investment properties 投資物業重估		Total 總額	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
At beginning of year	於年初	1,338	1,546	-	-	1,338	1,546
Recognised in the income statement	在損益表確認	73	(208)	286	-	359	(208)
At end of year	於年終	1,411	1,338	286	-	1,697	1,338

Deferred income tax assets and liabilities are expected to be settled after more than 12 months.

遞延所得稅資產及負債預計在超過十二個月後抵銷。

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21. 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\$8,216,000 (2006: HK\$7,424,000) to carry forward against future taxable income. The tax losses have no expiry date (2006: tax losses of HK\$111,000 would expire in year 2010 and tax losses of HK\$7,313,000 had no expiry date).

22. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品
Less: Provision for inventories	減：存貨撥備

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$354,336,000 (2006: HK\$337,484,000).

21. 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8,216,000港元(二零零六年：7,424,000港元)可結轉以抵銷未來應課收入；此稅損並無期限(二零零六年：111,000港元的稅損將於二零一零年到期而7,313,000港元的稅損則無期限)。

22. 存貨

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
		2,873	4,317
		420	124
		211,660	185,518
		214,953	189,959
		(32,901)	(35,811)
		182,052	154,148

存貨成本已被確認為費用並記賬在銷售成本中為約354,336,000港元(二零零六年：337,484,000港元)。

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23. TRADE RECEIVABLES

23. 應收賬款

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Trade receivables	應收賬款	81,284	70,275
Less: Provision for impairment of receivables	減：應收賬款 減值撥備	(638)	(44)
		80,646	70,231

The carrying amount of trade receivables approximates its fair value.

應收賬款之賬面值與其公平值相約。

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 2007, the ageing analysis of trade receivables was as follows:

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。於二零零七年二月二十八日，應收賬款之賬齡分析如下：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
0 – 30 days	零至三十日	66,785	68,265
31 – 60 days	三十一至六十日	2,540	1,372
61 – 90 days	六十一至九十日	1,638	149
Over 90 days	超過九十日	9,683	445
		80,646	70,231

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23. TRADE RECEIVABLES (continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Hong Kong dollars	港元	37,307	34,721
Renminbi	人民幣	39,481	33,587
Euro	歐羅	80	51
Macau Pataca	澳門元	888	324
New Taiwan dollars	新台幣	2,890	1,548
		80,646	70,231

During the year, the Group recognised a loss of HK\$864,000 (2006: Nil) for the impairment of its trade receivables.

23. 應收賬款 (續)

本集團的應收賬款之賬面值以下列貨幣為單位：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Hong Kong dollars	港元	37,307	34,721
Renminbi	人民幣	39,481	33,587
Euro	歐羅	80	51
Macau Pataca	澳門元	888	324
New Taiwan dollars	新台幣	2,890	1,548
		80,646	70,231

在本年度期間內，本集團確認864,000港元（二零零六年：無）之應收賬款減值撥備虧損。

24. CASH AND CASH EQUIVALENTS

		Group 集團		Company 公司	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cash at bank and in hand	銀行及現金結存	106,183	108,836	175	145
Short-term bank deposits	短期銀行存款	2,063	6,055	-	-
		108,246	114,891	175	145
Denominated in:	以下列貨幣為單位：				
Hong Kong dollars	港元	51,085	70,861	175	145
Renminbi	人民幣	38,161	31,383	-	-
Euro	歐羅	8,981	4,023	-	-
Macau Pataca	澳門元	5,505	7,085	-	-
New Taiwan dollars	新台幣	4,496	1,523	-	-
US dollars	美元	18	16	-	-
		108,246	114,891	175	145

24. 現金及現金等價物

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24. CASH AND CASH EQUIVALENTS (continued)

The effective interest rate on short-term bank deposits was 3.89% (2006: 3.92%); these deposits have an average maturity of 29 days (2006: 29 days).

The Group's cash and cash equivalents denominated in Renminbi are deposited with banks in the PRC. The conversion of these Renminbi denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

25. DERIVATIVE FINANCIAL INSTRUMENTS

24. 現金及現金等價物 (續)

短期銀行存款的實際利率為3.89% (二零零六年: 3.92%)，此等定期存款的平均到期日為二十九天 (二零零六年: 二十九天)。

本集團之人民幣現金及現金等價物是結存於中國境內的銀行。將此等人民幣之結餘兌換為外幣及匯出資金到中國境外時，須遵照中國政府所頒布外匯管制的規則及規例。

25. 衍生金融工具

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Forward foreign exchange contracts	遠期外匯合約	-	80

26. TRADE PAYABLES

As at 28 February 2007, the ageing analysis of trade payables was as follows:

26. 應付賬款

於二零零七年二月二十八日，應付賬款之賬齡分析如下：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
0 – 30 days	零至三十日	29,367	37,668
31 – 60 days	三十一至六十日	4,929	477
61 – 90 days	六十一至九十日	2,220	172
Over 90 days	超過九十日	12,150	3,917
		48,666	42,234

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26. TRADE PAYABLES (continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

		Group 集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong dollars	港元	13,419	12,194
Renminbi	人民幣	25,634	19,077
US dollars	美元	6,422	9,036
Euro	歐羅	2,589	1,099
New Taiwan dollars	新台幣	602	828
		48,666	42,234

The carrying amount of trade payables approximates its fair value.

26. 應付賬款 (續)

本集團的應付賬款之賬面值以下列貨幣為單位：

應付賬款之賬面值與其公平值相約。

27. SHORT-TERM BANK BORROWINGS

		Group 集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Unsecured	無抵押	25,008	47,817

As at 28 February 2007, the effective interest rate per annum of borrowings was 5.11% (2006: 4.77%).

27. 短期銀行借貸

於二零零七年二月二十八日的借貸實際利率為每年5.11% (二零零六年: 4.77%)。

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27. SHORT-TERM BANK BORROWINGS (continued)

An analysis of the carrying amount of borrowings by type and by currency is as follows:

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong dollars at floating rates	港元浮動利率	6,334	5,666
Renminbi at floating rates	人民幣浮動利率	18,674	42,151
		25,008	47,817

The carrying amount of borrowings approximates its fair value.

27. 短期銀行借貸(續)

借貸之賬面值按種類及貨幣分析如下：

借貸之賬面值與其公平值相約。

28. SHARE CAPITAL

28. 股本

		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
Authorised:	法定股本：		
As at 28 February 2006 and 2007	於二零零六年二月二十八日及二零零七年二月二十八日	1,000,000,000	100,000
Issued and fully paid:	已發行及全數繳足股本：		
As at 28 February 2006 and 2007	於二零零六年二月二十八日及二零零七年二月二十八日	254,530,000	25,453

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28. SHARE CAPITAL (continued)

Share options

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. On 3 April 2006, share options with rights to subscribe for a total of 21,520,000 shares were granted to certain directors and employees of the Group.

Movements in the share options outstanding and their related weighted average exercise prices are as follows:

		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of underlying shares 相關 股份數目
Granted	授出	2.875	21,520,000
Forfeited	放棄	2.875	(1,240,000)
As at 28 February 2007	於二零零七年二月二十八日	2.875	20,280,000

As at 28 February 2007, all the share options were not exercisable.

28. 股本 (續)

認股權

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。於二零零六年四月三日，若干僱員獲授予合共21,520,000股股份的認股權。

關於尚未行使之認股權數目及其相關之加權平均行使價的變動載列如下：

於二零零七年二月二十八日，所有認股權均未可行使。

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28. SHARE CAPITAL (continued)

Share options (continued)

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

2 April 2012	二零一二年四月二日
2 April 2014	二零一四年四月二日

The fair value of the share options granted during the year ended 28 February 2007 amounted to approximately HK\$17,286,000. It was estimated as at the date of grant by using a binominal model, taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the valuation model are as follows:

Expected volatility: 40%, based on historical volatility of the Company's shares for the period from 4 April 2001 to 3 April 2006 and expected volatility of the retail industry

Risk-free interest rate: 4.54% – 4.58% per annum, based on the yields of Hong Kong Exchange Fund Notes

28. 股本 (續)

認股權 (續)

於年終時尚未行使之認股權的到期日及行使價如下：

Exercise price per share 每股行使價 HK\$ 港元	Number of underlying shares 相關 股份數目
2.875	4,000,000
2.875	16,280,000
2.875	20,280,000

在截至二零零七年二月二十八日止年度期間內，授出認股權的公平值為約17,286,000港元。認股權的公平值乃按照授出日以「二項式」期權定價模式評估，當中考慮了授出認股權的條款及條件。重大的假設及投入使用的評估模式載列如下：

預期波幅：40%，根據本公司的股份在二零零一年四月四日至二零零六年四月三日期間的過往波幅，以及零售業的預期波幅

無風險利率：利率每年4.54%至4.58%，根據香港外匯基金債券收益率

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28 February 2007 二零零七年二月二十八日

28. SHARE CAPITAL (continued)

Share options (continued)

Expected life of the share options: Options expected to be exercised when the share price is 1.5 times of the option exercise price

Expected dividend yield: 4%

Binominal model is subject to certain fundamental limitations because of the subjective nature of and uncertainty relating to the assumptions and inputs to the model as well as certain inherent limitations of the model itself. Any changes in the above assumptions or inputs may materially affect the fair value estimation.

The fair value of the share options granted during the year ended 28 February 2007, amounting to approximately HK\$17,286,000, is to be recognised as an employee benefit expense of the Group according to the vesting conditions. An amount of approximately HK\$8,344,000 (2006: Nil) was charged as employee benefit expenses for the year ended 28 February 2007.

On 6 March 2007, share options with rights to subscribe for a total of 5,140,000 shares were granted to certain employees with an exercise price set at HK\$5.896 per share (expiry date: 2 April 2014).

28. 股本 (續)

認股權 (續)

認股權的預期年期: 當股價為認股權行使價的1.5倍時, 認股權預期被行使

預期股息收益率: 4%

「二項式」期權定價模式乃受若干基本局限, 因主觀性質和不確定的假設與模式投入, 以及模式本身若干內在的局限。倘若上述之假設或投入出現任何變動, 將會對公平值之估計造成重大的影響。

根據歸屬條件, 截至二零零七年二月二十八日止年度授出之認股權的公平值約為17,286,000港元, 並已確認為僱員福利費用。截至二零零七年二月二十八日止年度約8,344,000港元 (二零零六年: 無) 已支銷為僱員福利費用。

於二零零七年三月六日, 若干僱員獲授予以每股5.896港元的行使價行使合共5,140,000股股份的認股權 (到期日: 二零一四年四月二日)。

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29. RESERVES

(a) Group

29. 儲備

(a) 集團

		Capital redemption reserve	Capital reserve	Available- for-sale financial assets reserve	Share option reserve	Cumulative translation reserve	Retained earnings	Total	
		Share Premium	Capital reserve	可供 出售財務 資產儲備	認股權儲備	累計匯兌 儲備	保留盈利	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Balance as at 1 March 2006	於二零零六年 三月一日之結餘	110,650	380	91	-	-	1,263	300,226	412,610
Currency translation differences	貨幣匯兌差額	-	-	-	-	2,795	-	2,795	
Profit for the year	本年度溢利	-	-	-	-	-	105,462	105,462	
Share option scheme - value of services	認股權計劃 - 服務之價值	-	-	-	8,344	-	-	8,344	
Share of fair value gain of an associate (Note 19)	應佔聯營公司 公平值收益 (附註19)	-	-	747,480	-	-	-	747,480	
2006 Final dividend paid	二零零六年已派末期股息	-	-	-	-	-	(13,999)	(13,999)	
2007 Interim dividend paid	二零零七年已派中期股息	-	-	-	-	-	(3,818)	(3,818)	
Balance as at 28 February 2007	於二零零七年 二月二十八日之結餘	110,650	380	91	747,480	8,344	4,058	387,871	1,258,874

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29. RESERVES (continued)

(a) Group (continued)

		Share Premium	Capital redemption reserve	Capital reserve	Available- for-sale financial assets reserve	Share option reserve	Cumulative translation reserve	Retained earnings	Total
		股份溢價	資本贖回 儲備	資本儲備	可供 出售財務 資產儲備	認股權儲備	累計匯兌 儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance as at 1 March 2005	於二零零五年 三月一日之結餘	110,650	380	91	-	-	(135)	284,617	395,603
Currency translation differences	貨幣匯兌差額	-	-	-	-	-	1,398	-	1,398
Profit for the year	本年度溢利	-	-	-	-	-	-	65,497	65,497
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)
Balance as at 28 February 2006	於二零零六年 二月二十八日之結餘	110,650	380	91	-	-	1,263	300,226	412,610

29. 儲備 (續)

(a) 集團 (續)

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28 February 2007 二零零七年二月二十八日

29. RESERVES (continued)

(b) Company

		Share premium	Capital redemption reserve	Share option reserve	Retained earnings	Total
		股份溢價	資本贖回儲備	認股權儲備	保留盈利	總額
		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
Balance as at 1 March 2006	於二零零六年三月一日之結餘	110,650	380	-	28,650	139,680
Profit for the year	本年度溢利	-	-	-	2,834	2,834
Share option scheme	認股權計劃					
- value of services	- 服務之價值	-	-	8,344	-	8,344
2006 Final dividend paid	二零零六年已派末期股息	-	-	-	(13,999)	(13,999)
2007 Interim dividend paid	二零零七年已派中期股息	-	-	-	(3,818)	(3,818)
Balance as at 28 February 2007	於二零零七年二月二十八日之結餘	110,650	380	8,344	13,667	133,041
Balance as at 1 March 2005	於二零零五年三月一日之結餘	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)
Balance as at 28 February 2006	於二零零六年二月二十八日之結餘	110,650	380	-	28,650	139,680

29. 儲備 (續)

(b) 公司

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28 February 2007 二零零七年二月二十八日

30. CASH GENERATED FROM OPERATIONS

30. 經營活動產生之現金

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Operating profit	經營溢利	60,974	54,496
Adjustments for:	調整：		
– Depreciation of property, plant and equipment	– 物業、機器及設備折舊	21,848	18,713
– Amortisation of leasehold land and land use rights	– 租賃土地及土地使用權攤銷	2,007	2,005
– Amortisation of intangible assets	– 無形資產攤銷	5,182	6,762
– Loss on disposal of property, plant and equipment	– 出售物業、機器及設備虧損	1,243	391
– Loss on disposal of an investment property	– 出售投資物業虧損	–	66
– (Write-back of)/provision for inventory obsolescence	– 陳舊存貨(撥回)/撥備	(2,910)	598
– Provision for impairment of receivables	– 應收賬款減值撥備	864	–
– Write-back of provision for long service payments	– 長期服務金撥備之撥回	(525)	(1,017)
– Share-based payments in relation to share options granted to directors and employees	– 有關授予董事及僱員的認股權之以股份為基礎的付款	8,344	–
– Interest income	– 利息收入	(920)	(917)
– Fair value gains on investment properties	– 投資物業的公平值收益	(3,012)	–
		93,095	81,097
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	4,992	960
– Increase in inventories	– 存貨增加	(22,190)	(18,649)
– (Increase)/decrease in trade receivables	– 應收賬款(增加)/減少	(10,807)	2,442
– Increase in other receivables, deposits and prepayments	– 其他應收款、按金及預付款增加	(8,296)	(9,876)
– Increase/(decrease) in trade payables	– 應付賬款增加/(減少)	6,432	(10,039)
– Increase/(decrease) in other payables and accrued charges	– 其他應付款及應計費用增加/(減少)	6,202	(6,900)
– Decrease/(increase) in derivative financial instruments	– 衍生金融工具減少/(增加)	80	(342)
Cash generated from operations	經營活動產生之現金	69,508	38,693

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30. CASH GENERATED FROM OPERATIONS (continued)

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment and an investment property comprise:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Net book value of property, plant and equipment (Note 14)	物業、機器及設備賬面淨值 (附註14)	1,274	391
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	(1,243)	(391)
Proceed from disposal of property, plant and equipment	出售物業、機器及設備所得款	31	-
Net book value of an investment property (Note 15)	投資物業賬面淨值 (附註15)	-	8,000
Loss on disposal of an investment property	出售投資物業虧損	-	(66)
Proceed from disposal of an investment property	出售投資物業所得款	-	7,934

30. 經營活動產生之現金 (續)

在綜合現金流量表內，出售物業、機器及設備與投資物業的所得款包括：

31. COMMITMENTS

(a) Capital commitments

As at 28 February 2007, the Group had capital commitment contracted but not provided for in respect of leasehold improvements and office equipment amounting to approximately HK\$1,766,000 (2006: HK\$571,000).

31. 承擔

(a) 資本承擔

於二零零七年二月二十八日，本集團有關裝修工程及辦公室設備已訂約但未撥備之資本承擔為約1,766,000港元（二零零六年：571,000港元）。

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28 February 2007 二零零七年二月二十八日

31. COMMITMENTS (continued)

(b) Commitments under operating leases

As at 28 February 2007, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

Not later than one year	不超過一年
Later than one year and not later than five years	超過一年但不超過五年

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.

31. 承擔 (續)

(b) 經營租賃承擔

於二零零七年二月二十八日，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：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Not later than one year	不超過一年	140,946	165,677
Later than one year and not later than five years	超過一年但不超過五年	83,550	146,423
		224,496	312,100

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。

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31. COMMITMENTS (continued)

(c) Commitments on royalty payments

As at 28 February 2007, the Group had future aggregate minimum royalty payments under non-cancellable royalty agreement as follows:

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Not later than one year	不超過一年	16,046	9,649
Later than one year and not later than five years	超過一年但不超過五年	21,195	21,791
		37,241	31,440

31. 承擔 (續)

(c) 專利費承擔

於二零零七年二月二十八日，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：

32. RELATED PARTY TRANSACTIONS

Key management compensation

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	7,547	8,546
Employer's contributions to pension scheme	退休福利計劃僱主供款	43	45
Share-based payments	以股份為基礎的付款	2,710	-
		10,300	8,591

32. 關聯方交易

主要管理人員酬金

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33. EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 6 March 2007, share options with rights to subscribe for a total of 5,140,000 shares were granted to certain employees with an exercise price set at HK\$5.896 per share (expiry date: 2 April 2014) (Note 28).
- (b) On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the new "CIT Law"). The new CIT Law changes the corporate income tax rate to 25% with effect from 1 January 2008. The new CIT Law also provides for preferential tax rates, tax incentives for prescribed industries and activities, grandfathering provisions as well as determination of taxable profit. As at the date that these financial statements are approved for issue, detailed measures concerning these items have yet to be issued by the State Council. Consequently, the Group is not in a position to assess the impact, if any, to the carrying value of deferred income tax assets and liabilities as at 28 February 2007. The Group will continue to evaluate the impact as more detailed regulations are announced.
- (c) On 1 May 2007, Best Quality declared an interim dividend, which was paid on 8 June 2007. The dividend of HK\$21,000,000 was received by the Group.
- (d) On 23 May 2007, the shares of Belle International were listed on the Main Board of The Stock Exchange of Hong Kong Limited. Based on the public offer price of HK\$6.2 per share, the Group's share of fair value of the available-for-sale financial asset of Best Quality was approximately HK\$2,335,400,000.

33. 結算日後事項

- (a) 於二零零七年三月六日，若干僱員獲授予以每股5.896港元的行使價行使合共5,140,000股股份的認股權（到期日：二零一四年四月二日）（附註28）。
- (b) 於二零零七年三月十六日，全國人民代表大會通過《中華人民共和國企業所得稅法》（新「《企業所得稅法》」）。新《企業所得稅法》將企業所得稅率修訂至25%，並於二零零八年一月一日起生效。新《企業所得稅法》訂明指定產業及活動提供優惠稅率、稅收優惠、不追溯條文及應課稅利潤。於本財務報表批准刊發日，國務院尚未公布有關此等事項之實施細則。因此，本集團未能評估對二零零七年二月二十八日之遞延所得稅資產及負債賬面值之影響（如有）。本集團將於較詳盡法規公布時，進一步評估其影響。
- (c) 於二零零七年五月一日，Best Quality宣布派發中期股息，並於二零零七年六月八日支付。本集團已收到21,000,000港元的股息。
- (d) 於二零零七年五月二十三日，Belle International的股份在香港聯合交易所有限公司主板上市。根據公開發售每股6.2港元，本集團應佔Best Quality之可供出售財務資產的公平值為約2,335,400,000港元。

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33. EVENTS AFTER THE BALANCE SHEET DATE (continued)

- (e) On 18 June 2007, Best Quality declared a distribution in specie to its shareholders of all 1,250,000,000 shares in Belle International (“Belle Shares”) held by it under which the Group has an entitlement of 375,000,000 shares. On 21 June 2007, the directors of the Company recommended to the shareholders for approval, conditional upon receipt of the Belle Shares from Best Quality, a distribution in specie of 71 Belle Shares for every 50 shares in the Company held by the shareholders.

33. 結算日後事項 (續)

- (e) 於二零零七年六月十八日，Best Quality宣布派發其實物持有所有1,250,000,000股Belle International股份(「Belle股份」)予其股東，為此，本集團可獲分派375,000,000股Belle股份。於二零零七年六月二十一日，本公司之董事會建議股東批准，在本集團由Best Quality收取的Belle股份的條件下，向持有每50股本公司股份之股東實物分派71股Belle股份。

GROUP STRUCTURE 集團架構

As at 28 February 2007, the Company had the following principal subsidiaries and an associate:

於二零零七年二月二十八日，本公司擁有以下各主要附屬公司及聯營公司：

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立地點 及法定實體類別	Principal activities and place of operation 主要業務 及經營地點	Particulars of issued share capital/ registered capital 已發行／ 註冊股本	Interest held 應佔股本權益	
				Direct 直接 %	Indirect 間接 %
Subsidiaries 附屬公司					
Mirabell Group Limited*	British Virgin Islands ("BVI") 英屬處女群島	Investment holding in BVI 在英屬處女群島從事 投資控股業務	Ordinary US\$48,000 普通股 48,000美元	100	–
Artigiano Footwear Limited*	Macau 澳門	Retailing of footwear in Macau 在澳門從事 鞋類零售業務	Ordinary MOP30,000 普通股 30,000澳門元	–	100
Fast Grow Limited 展騰有限公司	Hong Kong 香港	Property holding in Mainland China 在中國大陸 持有物業	Ordinary HK\$2 普通股 2港元	–	100
Fiorucci (HK) Limited	Hong Kong 香港	Retailing of footwear in Hong Kong 在香港從事 鞋類零售業務	Ordinary HK\$10,000 普通股 10,000港元	–	100

GROUP STRUCTURE

集團架構

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立地點 及法定實體類別	Principal activities and place of operation 主要業務 及經營地點	Particulars of issued share capital/ registered capital 已發行／ 註冊股本	Interest held 應佔股本權益	
				Direct 直接 %	Indirect 間接 %
Subsidiaries (continued) 附屬公司(續)					
Guangzhou Mirabell General Merchandise Company Limited* 廣州美麗寶百貨 有限公司*	The PRC/ sino-foreign co-operative joint venture 中國／ 中外合作企業	Retailing of footwear in Mainland China 在中國大陸從事 鞋類零售業務	HK\$3,500,000 3,500,000港元	–	100
Hornet Agents Limited*	BVI 英屬處女群島	Holding of trademarks in Hong Kong and overseas 於香港及其他 海外國家 持有商標	Ordinary US\$1 普通股 1美元	–	100
Inshoesnet Footwear (HK) Limited 潮流鞋網(香港) 有限公司	Hong Kong 香港	Retailing of footwear in Hong Kong 在香港從事 鞋類零售業務	Ordinary HK\$1,000,000 普通股 1,000,000港元	–	100
King Fully Development Limited 興富利發展有限公司	Hong Kong 香港	Investment holding and trading of footwear in Hong Kong 投資控股及 在香港從事 鞋類買賣業務	Ordinary HK\$10,000 普通股 10,000港元	–	100

GROUP STRUCTURE 集團架構

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立地點 及法定實體類別	Principal activities and place of operation 主要業務 及經營地點	Particulars of issued share capital/ registered capital 已發行／ 註冊股本	Interest held 應佔股本權益	
				Direct 直接 %	Indirect 間接 %
Subsidiaries (continued) 附屬公司(續)					
Manner Holdings Limited 萬年集團有限公司	Hong Kong 香港	Property holding in Hong Kong 在香港持有物業	Ordinary HK\$2 普通股 2港元	–	100
Mirabell China Limited*	BVI 英屬處女群島	Investment holding and trading of footwear in Hong Kong 投資控股及 在香港從事 鞋類買賣業務	Ordinary US\$1 普通股 1美元	–	100
Mirabell Footwear Limited 美麗寶鞋業有限公司	Hong Kong 香港	Retailing of footwear in Hong Kong 在香港從事 鞋類零售業務	Ordinary HK\$200 Non-voting deferred HK\$2,016,000 普通股 200港元 無投票權 遞延股 2,016,000港元	–	100
Netfashion Company Limited 網上潮流有限公司	Hong Kong 香港	Property holding in Macau 在澳門持有物業	Ordinary HK\$10,000 普通股 10,000港元	–	100

GROUP STRUCTURE 集團架構

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立地點 及法定實體類別	Principal activities and place of operation 主要業務 及經營地點	Particulars of issued share capital/ registered capital 已發行／ 註冊股本	Interest held 應佔股本權益	
				Direct 直接 %	Indirect 間接 %
Subsidiaries (continued) 附屬公司 (續)					
番禺興富利鞋業發展 有限公司*	The PRC/wholly foreign-owned enterprise 中國／外商 獨資企業	Manufacturing of footwear in Mainland China 在中國大陸從事 鞋類製造業務	HK\$1,800,000 1,800,000港元	–	100
Senses Marketing International Limited 先鋒創庫國際 有限公司	Hong Kong 香港	Wholesaling of footwear in Hong Kong 在香港從事 鞋類批發業務	Ordinary HK\$10,000 普通股 10,000港元	–	100
Shoesnet Company Limited 鞋網有限公司	Hong Kong 香港	Property holding in Mainland China 在中國大陸 持有物業	Ordinary HK\$10,000 普通股 10,000港元	–	100
創庫國際貿易(上海) 有限公司*	The PRC/wholly foreign-owned enterprise 中國／外商 獨資企業	Wholesaling of footwear in Mainland China 在中國大陸從事 鞋類批發業務	US\$200,000 200,000美元	–	100
裕嘉達國際貿易(上海) 有限公司*	The PRC/wholly foreign-owned enterprise 中國／外商 獨資企業	Retailing and wholesaling of footwear in Mainland China 在中國大陸從事 鞋類零售及 批發業務	US\$700,000 700,000美元	–	100

GROUP STRUCTURE

集團架構

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立地點 及法定實體類別	Principal activities and place of operation 主要業務 及經營地點	Particulars of issued share capital/ registered capital 已發行／ 註冊股本	Interest held 應佔股本權益	
				Direct 直接 %	Indirect 間接 %
Subsidiaries (continued) 附屬公司(續)					
Sun View (Macao Commercial Offshore) Company Limited* 日景(澳門離岸商業 服務)有限公司*	Macau 澳門	Providing procurement service in Macau 在澳門提供 採購服務	MOP100,000 100,000澳門元	–	100
Scarpa Company Limited 信念有限公司	Hong Kong 香港	Trading of footwear in Hong Kong 在香港從事 鞋類買賣業務	Ordinary HK\$10,000 普通股 10,000港元	–	100
Netshoes Company Limited* 網上鞋有限公司*	Hong Kong 香港	Property holding in Mainland China 在中國大陸 持有物業	Ordinary HK\$10,000 普通股 10,000港元	–	100
宏裕貿易(深圳) 有限公司*	The PRC/wholly foreign-owned enterprise 中國／外商 獨資企業	Retailing of footwear in Mainland China 在中國大陸從事 鞋類零售業務	HK\$2,000,000 2,000,000港元	–	100
Mirabell Footwear (Taiwan) Limited* 台灣美麗寶鞋業 有限公司*	BVI 英屬處女群島	Retailing of footwear in Taiwan 在台灣從事 鞋類零售業務	Ordinary US\$1 普通股 1美元	–	100

GROUP STRUCTURE 集團架構

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立地點 及法定實體類別	Principal activities and place of operation 主要業務 及經營地點	Particulars of issued share capital/ registered capital 已發行／ 註冊股本	Interest held 應佔股本權益	
				Direct 直接 %	Indirect 間接 %
Associate 聯營公司					
Best Quality Investments Limited*	Samoa 薩摩亞	Investment holding 投資控股	Ordinary US\$50,000 普通股 50,000美元	-	30

* Companies not audited by PricewaterhouseCoopers

* 非經羅兵咸永道會計師事務所審核之公司

The above table includes the subsidiaries and associate of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. Giving details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

董事認為，上表所包括之本公司之附屬公司及聯營公司，對本集團本年度業績有重大影響或構成資產淨值之主要部份。而倘提供其他附屬公司之詳情，董事則認為會使資料過於冗長。

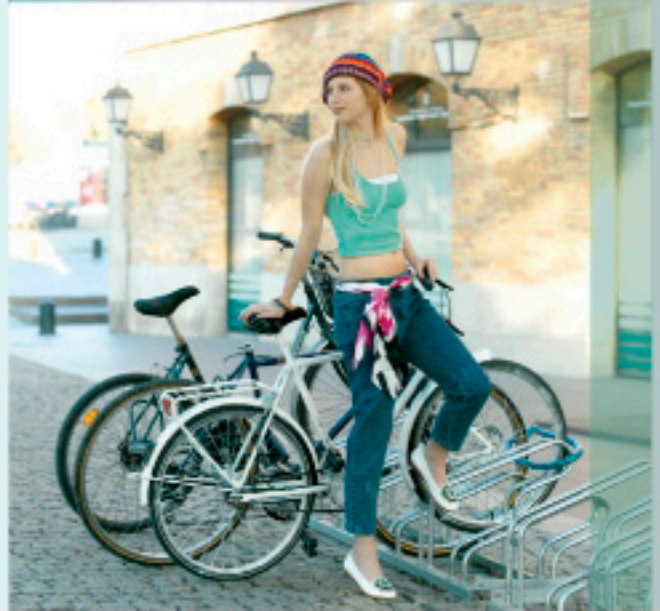
FIVE-YEAR FINANCIAL SUMMARY

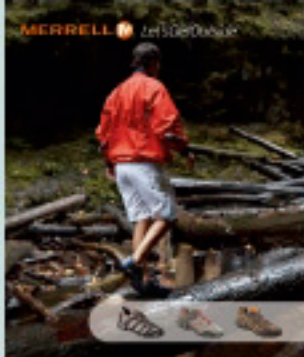
五年財務摘要

		2006/2007 HK\$'000 千港元	2005/2006 HK\$'000 千港元	2004/2005 HK\$'000 千港元	2003/2004 HK\$'000 千港元	2002/2003 HK\$'000 千港元
Turnover	營業額	934,225	866,238	747,839	645,617	625,616
Gross profit	毛利	556,722	505,853	439,126	378,428	361,493
Gross profit margin	毛利率	59.59%	58.40%	58.72%	58.61%	57.78%
Operating profit	經營溢利	60,974	54,496	65,068	50,464	40,335
Operating profit margin	經營溢利率	6.53%	6.29%	8.70%	7.82%	6.45%
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	105,462	65,497	76,139	64,237	48,344
Bank balances and cash	銀行結餘及現金	108,246	114,891	86,357	96,135	96,696
Bank loan and overdraft	銀行貸款及透支	25,008	47,817	31,084	32,772	31,068
Total assets	總資產	1,449,446	604,508	569,122	490,642	429,564
Total liabilities	總負債	165,119	166,445	147,804	122,842	111,379
Total equity	總權益	1,284,327	438,063	421,318	367,800	318,185
Gearing ratio	資本負債率	0.02	0.11	0.07	0.09	0.10
Return on total assets employed	總資產回報率	7.28%	10.83%	13.38%	13.09%	11.25%

Summary of the results and of the assets and liabilities of the Group for the latest five years have been extracted from this annual report and prior years' annual reports of the Group.

最近五個財政年度之業績及資產與負債概要乃摘自本集團本年度及過往年度之年報。





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