

Notes to Accounts

1) BASIS OF PREPARATION

The unaudited consolidated accounts have been prepared in accordance with Statement of Standard Accounting Practice 25 “Interim Financial Reporting” and Appendix 16 of Listing Rules of The Stock Exchange of Hong Kong Limited, except that the comparative figures of the condensed consolidated cash flow statement have not been presented. The accounting policies used in the preparation of the interim accounts are consistent with those used in the annual accounts for the nine months ended 31st December, 1999.

2) TURNOVER

Analysis of the Group’s turnover and operating profit by principal activities and geographical locations for the twelve months ended 31st December, 2000, is as follows:

	Turnover		Operating profit / (loss)	
	12 months ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000	12 months ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
a) Principal activities				
Sales of design fashion garments, homeware and accessories	784,947	545,266	17,954	(1,587)
Food and beverages	14,411	15,960	(2,540)	(7,812)
Others	—	2,650	—	(1,243)
	<u>799,358</u>	<u>563,876</u>	<u>15,414</u>	<u>(10,642)</u>
b) Geographical locations of operations				
Hong Kong	718,629	505,897	18,639	(6,026)
Taiwan	79,325	53,435	(2,638)	6
Others	1,404	4,544	(587)	(4,622)
	<u>799,358</u>	<u>563,876</u>	<u>15,414</u>	<u>(10,642)</u>

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3) PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit / (loss) from operating activities is arrived at after charging:

	12 months ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
Cost of inventories sold	348,099	243,005
Provision for closure costs of retail shops/ restaurant	<u>18,800</u>	<u>9,212</u>

4) FINANCE COSTS

	12 months ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
Interest on bank loans and overdrafts	<u>3,268</u>	<u>2,311</u>

5) TAX

	12 months ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
Group		
Deferred Tax	—	250
Associates	<u>—</u>	<u>(162)</u>
	<u>—</u>	<u>88</u>

No provision for Hong Kong and overseas profits tax has been made as the assessable profits generated during the period were all offset by the tax losses brought forward from prior years.

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(continued)

6) EARNINGS/ (LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the net profit attributable to shareholders for the period of HK\$12,146,000 (period ended 31st December, 1999 – a loss of HK\$12,459,000) and the weighted average of 1,086,939,891 shares (period ended 31st December, 1999 – 780,000,000 shares) in issue.

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings per share for the period ended 31st December, 2000 was based on the net profit attributable to shareholders for the period of HK\$12,146,000. The weighted average number of ordinary shares used in the calculation comprises 1,086,939,891 ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average of 22,840,387 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all options outstanding during the period. Diluted loss per share for the period ended 31st December, 1999 has not been shown as the share options of the Company would not result in the issue of ordinary shares for less than fair value.

7) INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the period ended 31st December, 2000 (period ended 31st December, 1999 – Nil).

8) TRADE RECEIVABLES

Trade receivables as at 31st December, 2000 are all receivable within 3 months.

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9) TRADE PAYABLES AND BILLS PAYABLE

Trade payables and bills payable as at 31st December, 2000 are all due within 3 months.

10) The unaudited interim accounts for the twelve months ended 31st December, 2000 have been reviewed by the audit committee of the Company.