

PRIME SUCCESS

INTERNATIONAL GROUP LIMITED

 永恩國際集團有限公司

Stock Code 股份代號: 210

Interim Report

07
中期報告



PRIME SUCCESS

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達芙妮 DAPHNE



SHOEBOX 鞋櫃



公司資料

董事會

執行董事

陳英杰 (主席)

陳賢民 (董事總經理)

張智凱

獨立非執行董事

蕭溪明

黃順財

郭榮振

審核委員會

蕭溪明 (主席)

黃順財

郭榮振

薪酬委員會

郭榮振 (主席)

陳賢民

蕭溪明

黃順財

提名委員會

黃順財 (主席)

陳英杰

蕭溪明

郭榮振

公司秘書

陳愛珠

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

Board of Directors

Executive Directors

Chen Ying-Chieh (*Chairman*)

Chen Hsien Min (*Managing Director*)

Chang Chih-Kai

Independent Non-Executive Directors

Hsiao Hsi-Ming

Huang Shun-Tsai

Kuo Jung-Cheng

Audit Committee

Hsiao Hsi-Ming (*Chairman*)

Huang Shun-Tsai

Kuo Jung-Cheng

Remuneration Committee

Kuo Jung-Cheng (*Chairman*)

Chen Hsien Min

Hsiao Hsi-Ming

Huang Shun-Tsai

Nomination Committee

Huang Shun-Tsai (*Chairman*)

Chen Ying-Chieh

Hsiao Hsi-Ming

Kuo Jung-Cheng

Company Secretary

Chan Oi Chu

Registered Office

Ugland House

South Church Street

P. O. Box 309

George Town

Grand Cayman

Cayman Islands

British West Indies

總辦事處及主要營業地點**香港**

香港中環
干諾道中19-20號
馮氏大廈17樓

中國

上海市青浦趙巷鎮
滬青平公路3908號
崧澤科技園區

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

主要往來銀行

花旗銀行
中國建設銀行
第一商業銀行
恒生銀行有限公司
中國工商銀行
兆豐國際商業銀行股份有限公司
渣打銀行(香港)有限公司
三菱東京UFJ銀行

香港股份過戶登記分處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

股份資料

股份代號： 210
每手單位： 2,000股

網址

<http://www.prime-success.com.hk>
<http://www.daphne.com.cn>

主要財務事項日期

公佈二零零七年中期業績	二零零七年九月十二日
二零零七年中期股息暫停 辦理股份過戶手續	二零零七年十月八日至 二零零七年十月十日
派發二零零七年中期股息	二零零七年十月十八日

Head Offices and Principal Places of Business**Hong Kong**

17th Floor, Fung House
19-20 Connaught Road Central
Central, Hong Kong

China

3908 Hu Qing Ping Road
Zhao Xiang Town
Qingpu County, Shanghai

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
Central, Hong Kong

Principal Bankers

Citibank, N.A.
China Construction Bank
First Commercial Bank
Hang Seng Bank Limited
Industrial and Commercial Bank of China
Mega International Commercial Bank Co. Ltd.
Standard Chartered Bank (Hong Kong) Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

Share Information

Stock code: 210
Board lot: 2,000 shares

Website

<http://www.prime-success.com.hk>
<http://www.daphne.com.cn>

Key Financial Dates

Announcement of 2007 interim results	12 September 2007
Book closed dates for 2007 interim dividend	8 October 2007 to 10 October 2007
Payment of 2007 interim dividend	18 October 2007



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財務及經營摘要

永恩國際集團有限公司(「本公司」)董事會(「董事會」)欣然宣佈本公司及其附屬公司(「本集團」)截至二零零七年六月三十日止六個月之未經審核簡明綜合中期業績，連同二零零六年同期之比較數字。

Financial And Operational Highlights

The board of directors (the "Board") of Prime Success International Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2007, together with the comparative figures for the corresponding period in 2006.

截至六月三十日止六個月 For the six months ended 30 June

		二零零七年 2007	二零零六年 2006
財務表現	Financial Performance		
營業額(百萬港元)	Turnover (HK\$' million)	1,750.6	1,441.0
毛利(百萬港元)	Gross profit (HK\$' million)	846.9	665.7
經營盈利(百萬港元)	Operating profit (HK\$' million)	247.2	177.0
本公司權益持有人應佔盈利 (百萬港元)	Profit attributable to equity holders of the Company (HK\$'million)	184.4	147.3
每股基本盈利(港仙)	Basic earnings per share (HK cents)	11.26	9.00
每股中期股息(港仙)	Interim dividend per share (HK cents)	2.5	2.0

截至六月三十日止六個月 For the six months ended 30 June

		二零零七年 2007	二零零六年 2006
主要財務指標	Key Financial Indicators		
平均存貨週轉期(日數)(附註一)	Average inventory turnover (days) (Note 1)	146	158
平均應收賬款週轉期(日數)(附註二)	Average debtors turnover (days) (Note 2)	14	16
平均應付賬款週轉期(日數)(附註三)	Average creditors turnover (days) (Note 3)	75	77
資本開支(百萬港元)	Capital expenditure (HK\$' million)	96.2	57.8
實際稅率(%)	Effective tax rate (%)	22.7	15.1

於六月三十日 As at 30 June 二零零七年 2007

於十二月三十一日 As at 31 December 二零零六年 2006

		於六月三十日 As at 30 June 二零零七年 2007	於十二月三十一日 As at 31 December 二零零六年 2006
主要財務指標	Key Financial Indicators		
現金及現金等價物(百萬港元)	Cash and cash equivalents (HK\$' million)	171.6	148.7
本公司股份持有人應佔權益 (百萬港元)	Equity attributable to holders of the Company (HK\$' million)	1,154.3	981.3
銀行貸款	Bank loans	188.9	183.2
資產流動比率(倍)(附註四)	Current ratio (times) (Note 4)	1.66	1.62
負債對權益持有人應佔權益比率(%) (附註五)	Gearing ratio (%) (Note 5)	16.4	18.7

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附註：

- 一、 平均存貨週轉期(日)以期初及期末存貨之平均結餘除以銷售成本乘以回顧期內之日數計算。
- 二、 平均應收帳週轉期(日)以期初及期末應收帳平均結餘除以營業額乘以回顧期內之日數計算。
- 三、 平均應付帳週轉期(日)以期初及期末應付帳平均結餘除以採購額乘以回顧期內之日數計算。
- 四、 資產流動比率(倍)以總流動資產除以總流動負債計算。
- 五、 負債對權益持有人應佔權益比率(%)以總銀行借貸除以權益持有人應佔權益計算。

Notes:

- 1. The calculation of average inventory turnover (days) is based on the average of opening and closing inventory balances divided by cost of sales and multiplied by number of days of the relevant period.
- 2. The calculation of average debtors turnover (days) is based on the average of opening and closing balances of trade receivables divided by turnover and multiplied by number of days of the relevant period.
- 3. The calculation of average creditors turnover (days) is based on the average of opening and closing balances of trade payables divided by purchases and multiplied by number of days of the relevant period.
- 4. The calculation of current ratio (times) is based on the total current assets divided by total current liabilities as at the relevant period end.
- 5. The calculation of gearing ratio (%) is based on the total bank loans divided by shareholders' equity as at the relevant period end.

達芙妮* 鞋櫃 adidas
Daphne* Shoebox adidas

截至六月三十日止六個月

For the six months ended 30 June

		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		2007	2006	2007	2006	2007	2006
品牌業務之主要 營運指標	Key operational Indices of Brand Business						
平均銷售價格(人民幣)	Average selling price (RMB)	188	180	123	105	586	611
同店銷售增長率(%)	Same store sales growth rate (%)	6.0	8.0	3.3	-0.9	13.0	12.0
租賃費用率(佔銷售百分比)	Rental expense ratio (as % of sales)	21.1	20.1	23.9	21.8	21.2	21.4
僱員成本率(佔銷售百分比)	Employee cost ratio (as % of sales)	5.6	5.7	6.7	9.0	4.4	3.9
廣告及推廣費用率 (佔銷售百分比)	Advertising and promotion expense ratio (as % of sales)	2.4	2.4	0.1	0.1	0.7	0.7

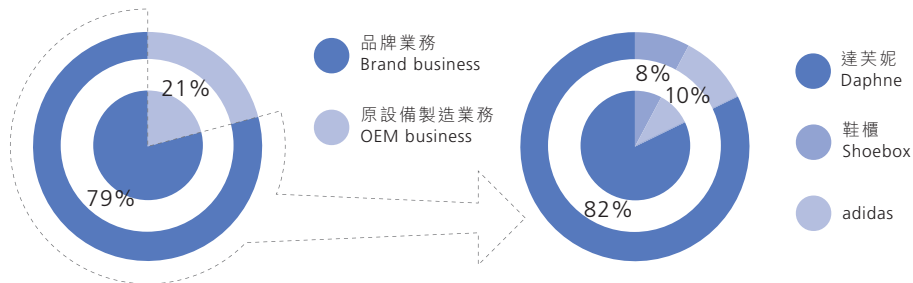
* 不包括台灣「達芙妮」銷售點

* Excluding "Daphne" outlets in Taiwan

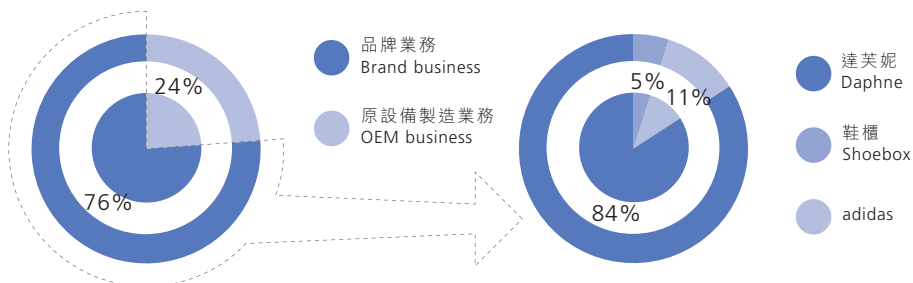
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營業額分析 Turnover Analysis

截至二零零七年六月三十日止六個月
For the six months ended 30 June 2007

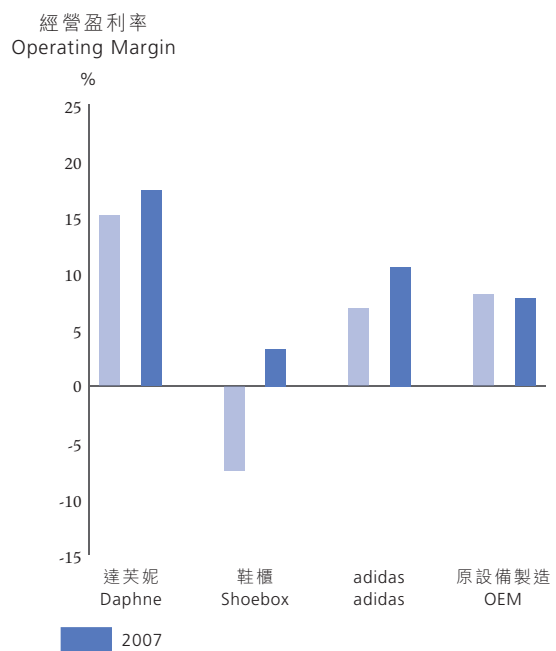
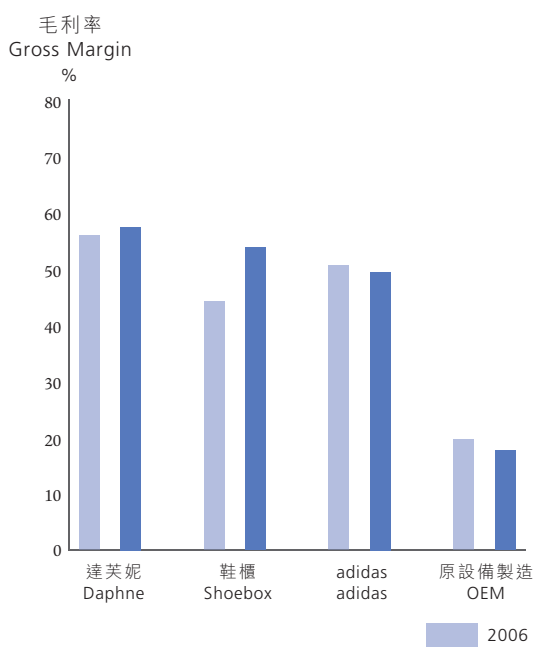


截至二零零六年六月三十日止六個月
For the six months ended 30 June 2006



盈利能力分析 Profitability Analysis

截至六月三十日止六個月
For the six months ended 30 June



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於二零零七年六月三十日之銷售點分佈情況
Distribution of Points-of-Sale as at 30 June 2007



地區 Region	華東 Eastern China	東北 Northeastern China	華南 Southern China	華中 Central China	華北 Northern China	西南 Southwestern China	西北 Northwestern China	台灣 Taiwan	總計 Total
達芙妮 Daphne	798	311	320	302	181	119	89	28	2,148
鞋櫃 Shoebox	99	39	34	38	17	12	9	-	248
adidas adidas	46	18	11	11	18	6	-	-	110
總計 Total	943	368	365	351	216	137	98	28	2,506

管理層討論及分析

業務回顧

於二零零七年上半年，中國市場對消費品的強勁需求推動本集團品牌業務持續增長，「達芙妮」、「鞋櫃」及「adidas」的業務均表現突出。在市場整體氣氛向好的情況下，「達芙妮」的產品組合進一步拓展，「鞋櫃」亦增設新的銷售點，並在截至二零零七年六月三十日止六個月內已錄得盈利。本年初，本集團獲得「adidas Performance」產品的分銷權，與本集團現正銷售的「adidas Originals」共同售賣，以提高本集團的市場佔有率。憑藉清晰的市場定位，創新的廣告及市場推廣活動，本集團的品牌業務持續錄得強勁增長。

品牌業務

相較去年同期，本集團的品牌業務之比重持續增加，於回顧期內佔本集團的總營業額79%（二零零六年：76%）。同時，在二零零七年上半年，本集團的分部經營盈利中的88%（二零零六年：84%）是來自品牌業務的貢獻。

於二零零七年六月三十日，本集團之「達芙妮」、「鞋櫃」及「adidas」等品牌合共設有超過2,500個銷售點，遍及中國31個省份及自治區和台灣。本集團將於中國較次要的城市繼續開拓更多銷售點，以顯著提升本集團整體收入及盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the first half of 2007, the Group's brand businesses, comprising "Daphne", "Shoebox" and "adidas", continued to excel on all fronts with strong consumer demand from Mainland China providing impetus for continual growth. With abundant opportunities as a result of the overall positive market sentiment, "Daphne" had a boosted product portfolio and "Shoebox" added new points-of-sale and recorded a profit for the six months ended 30 June 2007. The Group has also been granted the distribution right of "adidas Performance" products in addition to "adidas Originals" in early 2007, enabling its capture of a larger market share. Serving clearly defined markets and supported by creative advertising and promotion campaigns, the Group's brand businesses reported robust growth.

Brand Business

Compared to the same period last year, the Group's brand business was continuously gaining weight, accounting for 79% (2006: 76%) of the Group's total turnover during the period under review. Meanwhile, 88% (2006: 84%) of the Group's total segment results was contributed from brand business for the first half of 2007.

As at 30 June 2007, the Group had over 2,500 points-of-sale for "Daphne", "Shoebox" and "adidas" businesses, all over 31 provinces and municipalities in Mainland China and Taiwan. Having more points-of-sale to be located in lower tier cities in China will substantially increase the revenue and profitability of the Group as a whole.

「達芙妮」業務

隨著「達芙妮」的受歡迎程度日益提升，加上中國女性顧客的消費力不斷增長，本集團於回顧期內在中國大陸已增設182個淨「達芙妮」銷售點。於二零零七年六月三十日，「達芙妮」共有1,404間店舖、470個專櫃及246間加盟零售點。

由於台灣近年經濟發展放緩，加上「達芙妮」品牌於當地市場的知名度尚待提升，故台灣「達芙妮」的業務於二零零七年上半年仍然錄得經營虧損。本集團將不時檢討該業務表現，並修訂業務策略，務求達至有盈利能力。於二零零七年六月三十日，本集團於台灣設有「達芙妮」店共27間及1間加盟零售點。

憑藉品牌的知名度，本集團於年初推出「達芙妮」眼鏡系列，獲市場熱烈反應，成功為本集團進一步多元化「達芙妮」的產品組合，並擴闊收入來源。

為吸引中國大眾市場的顧客，本集團繼續以人氣女子組合「S.H.E」及劉若英小姐分別出任「達芙妮D18」及「達芙妮D28」的代言人推廣「達芙妮」品牌。此外，本集團亦積極以具創意的宣傳方法，如贊助演唱會及電視節目等，以吸引大眾對品牌新產品及推銷活動的注意。期內，本集團用於廣告及推廣的開支約為30.4百萬港元。

「鞋櫃」業務

有見「鞋櫃」品牌的龐大潛力，本集團於期內繼續迅速拓展「鞋櫃」業務，共淨增設84間新店，令店舖總數於二零零七年六月三十日增加至248間。於二零零七年上半年度，「鞋櫃」業務已錄得盈利，足證該品牌的受歡迎程度日增，及本集團以具競爭力的價格向大眾消費者銷售優質鞋類產品的策略行之有效。

“Daphne” Business

Riding on the growing popularity of the well-established brand and heeding the increasing spending of female consumers in China, the Group has increased a net of 182 new points-of-sale in Mainland China for “Daphne” during the period under review, bringing there the total points-of-sale to 1,404 stores, 470 counters and 246 franchised outlets as at 30 June 2007.

Facing the sluggish Taiwan economy together with the lack of brand recognition in the local market, “Daphne” Taiwan still incurred an operating loss in the first half of 2007. The Group has kept a close eye on the business performance and strove to refine its business strategy to ensure the profitability. As at 30 June 2007, there were 27 stores and 1 franchised outlet in Taiwan.

Buttressed by the well-received brand, a series of “Daphne” eyewear launched in early 2007 has generated satisfactory results. Not only does the excellent performance broaden the Group’s revenue stream, but it also indicates its success in the diversification of product portfolio.

To sustain mass appeal of the brand, the Group continued to appoint renowned girl pop group “S.H.E” and Ms Rene Liu as the spokespersons for “Daphne D18” and “Daphne D28” respectively. Furthermore, the Group never ceases attempting to use creative means (e.g. sponsoring concerts and television shows) to attract mass attention to the brand’s new products and promotions launched. The advertising and promotion expenses spent during the period under review amounted to approximately HK\$30.4 million.

“Shoebox” Business

Realising the strong potential in “Shoebox” brand, the Group expanded “Shoebox” business rapidly during the period under review by adding a net of 84 stores, bringing the total to 248 as at 30 June 2007. The segment recorded a profit for the first half of 2007, testifying to the popularity of the brand, economies of scale and effectiveness of the Group’s tactic to reach mass consumers with competitively priced yet high-quality footwear.

「adidas」業務

在回顧期內，儘管面對競爭激烈的市場，本集團「adidas」的業務於期內繼續表現理想。隨著二零零八年北京奧運會等體育盛事即將舉行，加上消費能力增加，該品牌在中國的需求均相應提升。為滿足顧客需求，本集團於期內拓展產品組合至「adidas Performance」產品，有利吸引運動休閒系列的顧客。於二零零七年六月三十日，本集團在中國大陸共設有105間「adidas」直接經營店舖及5間加盟零售點，當中6間於期內新開設。

原設備製造業務

截至二零零七年六月三十日止六個月，本集團原設備製造業務持續穩定發展。儘管面對全球市場激烈競爭，人民幣升值及持續成本上升壓力，本集團仍能透過吸納高質素高利潤率的訂單，成功達致更高的成本及規模效益。本集團生產的知名品牌包括：Aerosoles、Tommy Hilfiger及Umbro等。

基建發展

於二零零七年六月三十日止六個月內，本集團繼續興建新辦公大樓、物流中心、生產廠房以及管理資訊系統，以提高其營運效率。本集團預期位於鄭州及上海的辦公大樓分別將於本年度第三季及第四季完工。

“adidas” Business

“adidas” business continued to deliver satisfactory performance though facing keen competition in the market segment during the period under review. The excitement over the advent of grand sports events such as the Beijing 2008 Olympic Games, along with the increasing consumer spending power, has boosted the demand for its products among consumers in China. To meet the rising demand, the Group extended its product portfolio of the brand to “adidas Performance” products so as to capture customers of sports casual collection preference. As at 30 June 2007, the Group operated a total of 105 directly-managed outlets and 5 franchised outlets in Mainland China, representing a net opening of 6 outlets during the period.

OEM Business

OEM business developed steadily during the six months ended 30 June 2007. In light of the fierce worldwide competition, Renminbi appreciation and ever-rising cost pressure, the Group managed to achieve cost effectiveness and economies of scale on its OEM business by executing high-quality-high-margin orders. Some well-known brands manufactured by the Group included Aerosoles, Tommy Hilfiger, Umbro, etc.

Development of Infrastructure

During the six months ended 30 June 2007, the Group continued to dedicate itself to establishing new office buildings, logistics centres, manufacturing plants and management information systems in order to improve its operational efficiency. The office building in Zhengzhou and the main office building in Shanghai are expected to complete in the third and the fourth quarter of 2007 respectively.

財務回顧**業績表現**

在二零零七年上半年，本集團的營業額及權益持有人應佔盈利分別為1,750.6百萬港元(二零零六年:1,441.0百萬港元)及184.4百萬港元(二零零六年:147.3百萬港元)，較去年同期分別增加21%及25%。毛利率及純利率分別為48.4%(二零零六年:46.2%)及10.5%(二零零六年:10.2%)。每股基本盈利為11.26港仙(二零零六年:9.00港仙)。

截至六月三十日止六個月之個別業務分析**Financial Review****Results Performance**

For the first half of 2007, the Group's turnover and profit attributable to equity holders was HK\$1,750.6 million (2006: HK\$1,441.0 million) and HK\$184.4 million (2006: HK\$147.3 million) respectively, an increase of 21% and 25% respectively from the same period last year. The gross margin and net margin was 48.4% (2006: 46.2%) and 10.5% (2006: 10.2%) respectively. Basic earnings per share was HK11.26 cents (2006: HK9.00 cents).

Individual Business Analysis for the six months ended 30 June

百萬港元	HK\$ million	達芙妮 Daphne		鞋櫃 Shoebox		adidas adidas		原設備製造 OEM	
		二零零七年 2007	二零零六年 2006	二零零七年 2007	二零零六年 2006	二零零七年 2007	二零零六年 2006	二零零七年 2007	二零零六年 2006
營業額	Turnover	1,140.3	916.9	116.5	58.6	131.3	113.8	362.5	351.7
毛利	Gross profit	655.0	513.4	62.6	25.9	64.9	57.6	64.3	68.8
經營盈利/(虧損)	Operating profit/(loss)	198.4	139.1	3.9	(4.4)	13.9	7.9	28.3	29.0

流動資金及財政資源

於二零零七年六月三十日，本集團維持穩健的現金水平，現金及現金等價物為171.6百萬港元(二零零六年十二月三十一日:148.7百萬港元)，未動用銀行融資為236.3百萬港元(二零零六年十二月三十一日:136.5百萬港元)。本集團的資產流動比率由二零零六年十二月三十一日的1.62輕微改善至二零零七年六月三十日的1.66。憑藉日常業務所產生的現金流，加上現金及未動用銀行融資，本集團具備充足財政資源以支持可見未來的業務擴展。

本集團的資產負債比率，按銀行借貸188.9百萬港元(二零零六年十二月三十一日:183.2百萬港元)除以權益持有人應佔權益1,154.3百萬港元(二零零六年十二月三十一日:981.3百萬港元)計算，由二零零六年十二月三十一日的18.7%微跌至二零零七年六月三十日的16.4%。於回顧期內，所有銀行借貸均以浮息計算。

Liquidity and Financial Resources

As at 30 June 2007, the Group maintained a healthy cash position with cash and cash equivalents of HK\$171.6 million (31 December 2006: HK\$148.7 million) and unutilised banking facilities of HK\$236.3 million (31 December 2006: HK\$136.5 million). Its current ratio improved slightly from 1.62 as at 31 December 2006 to 1.66 as at 30 June 2007. With steady cash flow generated from operations coupled with existing cash and banking facilities available, the Group has adequate financial resources to cope with its future expansion.

The gearing ratio, calculated on the basis of bank loans of HK\$188.9 million (31 December 2006: HK\$183.2 million) over equity attributable to shareholders of the Company of HK\$1,154.3 million (31 December 2006: HK\$981.3 million), decreased slightly from 18.7% as at 31 December 2006 to 16.4% as at 30 June 2007. All bank loans were at floating rates during the period under review.

外匯風險管理

本集團的貨幣資產、負債及交易主要以港元、人民幣、美元、歐羅及新台幣為結算單位。如有需要，由外幣進行的交易所產生的外匯風險會透過本集團訂立的遠期外匯合約加以調控。

資產抵押

於二零零七年六月三十日，本集團的短期銀行貸款為21.3百萬港元(二零零六年十二月三十一日：25.3百萬港元)，並以賬面值為零(二零零六年十二月三十一日：零)的可供出售金融資產作抵押。於二零零六年十二月三十一日，本集團的短期銀行貸款為27.0百萬港元，以賬面淨值18.3百萬港元的若干土地使用權和租賃樓宇、以及銀行存款6.0百萬港元作抵押。

重大資本性開支

截至二零零七年六月三十日止六個月，本集團的資本性開支為96.2百萬港元(二零零六年：57.8百萬港元)，主要是用於店舖及專櫃的裝潢、興建辦公大樓及加工廠房，以及購置資訊系統設備。

或然負債

於二零零七年六月三十日，本集團並無任何重大或然負債。

人力資源

於二零零七年六月三十日，本集團於香港、台灣及中國大陸的僱員人數超過24,000人(二零零六年十二月三十一日：24,000人)。於截至二零零七年六月三十日止六個月期間，員工開支為213.3百萬港元(二零零六年：194.6百萬港元)，當中包括授以股份為基礎之款項開支7.9百萬港元(二零零六年：零)。本集團重視其人力資源，深明吸引及留聘人才對本集團持續成功的重要性。本集團提供的薪酬及福利乃參考市場水平及員工個人能力而定，並按員工的表現提供購股權及酌情花紅。此外，本集團亦為僱員提供強積金、醫療保障、員工購物折扣及培訓課程。

Foreign Exchange Risk Management

The Group's monetary assets, liabilities and transactions are mainly denominated in Hong Kong dollar, Renminbi, US dollar, Euro and New Taiwanese dollar. Foreign exchange risks arising from fluctuations of foreign currencies are managed by the Group using foreign exchange forward contracts whenever necessary.

Pledge of Assets

As at 30 June 2007, the Group's short-term bank loan of HK\$21.3 million (31 December 2006: HK\$25.3 million) was secured by an available-for-sale financial asset with nil (31 December 2006: nil) carrying value. As at 31 December 2006, the Group's short-term bank loans of HK\$27.0 million were secured by certain land use rights and leasehold buildings of a total net book value of HK\$18.3 million and a bank deposit of HK\$6.0 million.

Significant Capital Expenditure

During the six months ended 30 June 2007, the Group incurred a total capital expenditure of HK\$96.2 million (2006: HK\$57.8 million) mainly for decoration of stores and counters, construction of office buildings and processing plants and acquisition of information system equipment.

Contingent Liabilities

As at 30 June 2007, the Group had no significant contingent liabilities.

Human Resources

As at 30 June 2007, the Group had over 24,000 (31 December 2006: 24,000) employees in Hong Kong, Taiwan and Mainland China. Employee expenditure during the six months ended 30 June 2007 was HK\$213.3 million (2006: HK\$194.6 million) including share-based payment expenses of HK\$7.9 million (2006: Nil). The Group values its human resources and recognises the importance of attracting and retaining qualified employees to sustain its success. Remuneration packages are generally structured with reference to market terms and individual qualifications. In addition, share options and discretionary bonuses are granted to eligible employees based on individual's performance. The Group also provides employees with provident fund schemes, medical insurance, staff purchase discounts and training programs.

展望

展望未來，本集團將繼續物色新商機，與全國性和國際性的策略夥伴合作，並透過發展新品牌，進一步拓展業務及收入基礎。另一方面，本集團將繼續集中資源拓展銷售網絡，藉而提升規模效益及市場佔有率。於二零零七年度內，本集團計劃繼續增加銷售點，包括將「達芙妮」銷售點數目增加380至400個，「鞋櫃」的銷售點數目增加120至140個及為「adidas」增設40至50個銷售點。本集團對其業務前景保持樂觀，能繼續為股東帶來滿意的回報。

Outlook

Looking ahead, the Group will continue to explore new business opportunities so as to strengthen the Group's business and revenue base through self development of new brands and co-operation with strategic national and international partners. The Group's another consistent emphasis will be to focus resources on expansion of point-of-sale network to maximise economies of scale and to increase market share. For the whole year of 2007, the Group plans to establish points-of-sale by a net total of 380-400 for "Daphne", 120-140 for "Shoebox" and 40-50 for "adidas". The Group is optimistic that the prospects of its business and its ability to generate satisfactory returns for shareholders will sustain in the future.



簡明綜合損益表

截至二零零七年六月三十日止六個月

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

未經審核

Unaudited

截至六月三十日止六個月

Six months ended 30 June

			二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
		附註 Note		
營業額	Turnover	2	1,750,640	1,441,031
銷售成本	Cost of sales		(903,753)	(775,325)
毛利	Gross profit		846,887	665,706
其他收入及收益淨額	Other revenues and net gains		27,931	12,602
銷售及分銷開支	Selling and distribution expenses		(516,056)	(397,323)
一般及行政開支	General and administrative expenses		(111,552)	(104,005)
經營盈利	Operating profit	3	247,210	176,980
財務成本	Finance costs		(5,514)	(3,417)
應佔一間聯營公司盈利	Share of profit of an associated company		77	88
除稅前盈利	Profit before taxation		241,773	173,651
稅項	Taxation	4	(54,764)	(26,218)
期內盈利	Profit for the period		187,009	147,433
以下各方應佔：	Attributable to:			
本公司權益持有人	Equity holders of the Company		184,395	147,336
少數股東權益	Minority interests		2,614	97
			187,009	147,433
中期股息	Interim dividend	5	40,947	32,758
每股基本盈利（港仙）	Basic earnings per share (HK cents)	6	11.26	9.00

簡明綜合資產負債表

於二零零七年六月三十日

CONDENSED CONSOLIDATED
BALANCE SHEET

AS AT 30 JUNE 2007

			未經審核 Unaudited 二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	經審核 Audited 二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
非流動資產	Non-current assets			
商譽	Goodwill		25,483	25,483
土地使用權	Land use rights	7	39,579	29,289
固定資產	Fixed assets	7	423,263	378,576
就購置固定資產所支付 之按金	Deposits paid for acquisition of fixed assets		27,959	23,348
於一間聯營公司之權益	Interest in an associated company		2,417	2,418
可出售之金融資產	Available-for-sale financial assets		33,624	33,624
其他非流動資產	Other non-current assets		62,486	51,163
遞延稅項資產	Deferred tax assets		34,146	36,053
			<u>648,957</u>	<u>579,954</u>
流動資產	Current assets			
存貨	Inventories		777,309	684,454
貿易應收賬款	Trade receivables	8	159,498	113,270
其他應收賬款、按金及 預付款項	Other receivables, deposits and prepayments		248,161	186,108
衍生金融工具	Derivative financial instruments	9	2,142	353
已抵押銀行存款	Pledged bank deposits		—	6,000
銀行結餘及現金	Bank balances and cash		171,594	148,699
			<u>1,358,704</u>	<u>1,138,884</u>
流動負債	Current liabilities			
貿易應付賬款	Trade payables	10	394,775	296,494
其他應付賬款及應計費用	Other payables and accrued charges		156,824	159,449
應繳稅項	Taxation payable		78,920	65,559
銀行貸款	Bank loans	11	188,933	183,194
			<u>819,452</u>	<u>704,696</u>
流動資產淨值	Net current assets		<u>539,252</u>	<u>434,188</u>
總資產減流動負債	Total assets less current liabilities		<u>1,188,209</u>	<u>1,014,142</u>
權益：	Equity			
股本	Share capital	12	163,789	163,789
儲備	Reserves		990,506	817,519
本公司權益持有人應佔權益	Equity attributable to equity holders of the Company		<u>1,154,295</u>	<u>981,308</u>
少數股東權益	Minority interests		32,899	31,904
總權益	Total equity		<u>1,187,194</u>	<u>1,013,212</u>
非流動負債	Non-current liabilities			
遞延稅項負債	Deferred tax liabilities		1,015	930
			<u>1,188,209</u>	<u>1,014,142</u>

PRIME

簡明綜合權益變動表

截至二零零七年六月三十日止六個月

SUCCESS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2007

		未經審核 Unaudited										少數股東權益	總權益	
		本公司權益持有人應佔 Attributable to equity holders of the Company										Minority interests	Total equity	
股本	股份溢價	股本贖回儲備	公平值調整儲備	以股份為基礎之款項儲備	換算儲備	商譽	合併儲備	其他儲備	保留盈利	合計				
Share capital	Share premium	Share redemption reserve	Fair value adjustment reserve	Share-based payment reserve	Translation reserve	Goodwill	Merger reserve	Other reserves	Retained profits	Total				
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
於二零零七年一月一日	At 1 January 2007	163,789	24,505	2,882	(4,000)	-	14,654	(36,782)	322	15,950	799,988	981,308	31,904	1,013,212
外幣換算差額	Currency translation differences	-	-	-	-	-	26,448	-	-	-	-	26,448	613	27,061
轉撥	Transfer	-	-	-	-	-	-	-	-	2,059	(2,059)	-	-	-
應佔一間聯營公司儲備	Share of an associated company's reserve	-	-	-	-	-	-	-	-	5	(5)	-	-	-
以股份為基礎之款項開支	Share-based payment expenses	-	-	-	-	7,883	-	-	-	-	-	7,883	-	7,883
少數股東注資	Capital injection by minority shareholders	-	-	-	-	-	-	-	-	-	-	-	1,250	1,250
期內盈利	Profit for the period	-	-	-	-	-	-	-	-	184,395	184,395	184,395	2,614	187,009
股息	Dividends	-	-	-	-	-	-	-	-	(45,739)	(45,739)	(45,739)	(3,482)	(49,221)
於二零零七年六月三十日	At 30 June 2007	163,789	24,505	2,882	(4,000)	7,883	41,102	(36,782)	322	18,014	936,580	1,154,295	32,899	1,187,194
於二零零六年一月一日	At 1 January 2006	163,789	24,505	2,882	(4,000)	-	(4,586)	(36,782)	322	14,234	583,843	744,207	79,409	823,616
外幣換算差額	Currency translation differences	-	-	-	-	-	4,895	-	-	-	-	4,895	187	5,082
轉撥	Transfer	-	-	-	-	-	-	-	-	866	(866)	-	-	-
應佔一間聯營公司儲備	Share of an associated company's reserve	-	-	-	-	-	-	-	-	5	(5)	-	-	-
期內盈利	Profit for the period	-	-	-	-	-	-	-	-	-	147,336	147,336	97	147,433
股息	Dividends	-	-	-	-	-	-	-	-	-	(40,947)	(40,947)	(2,231)	(43,178)
於二零零六年六月三十日	At 30 June 2006	163,789	24,505	2,882	(4,000)	-	309	(36,782)	322	15,105	689,361	855,491	77,462	932,953

簡明綜合現金流量表

截至二零零七年六月三十日止六個月

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

未經審核

Unaudited

截至六月三十日止六個月

Six months ended 30 June

二零零七年

2007

千港元

HK\$'000

二零零六年

2006

千港元

HK\$'000

經營活動所得現金淨額	Net cash generated from operating activities	145,034	93,257
投資活動所用現金淨額	Net cash used in investing activities	(93,994)	(56,111)
融資活動所用現金淨額	Net cash used in financing activities	(41,746)	(44,178)
現金及現金等價物增加／(減少)	Increase/(decrease) in cash and cash equivalents	9,294	(7,032)
一月一日之現金及現金等價物	Cash and cash equivalents at 1 January	148,699	146,467
匯率變動影響	Effect of foreign exchange rate changes	13,601	3,426
六月三十日之現金及現金等價物	Cash and cash equivalents at 30 June	171,594	142,861
現金及現金等價物結餘分析：	Analysis of balances of cash and cash equivalents:		
銀行結餘及現金	Bank balances and cash	171,594	142,861

簡明綜合中期賬目附註

NOTES TO THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS

1. 編製基準及會計政策

此等未經審核簡明綜合中期賬目乃遵照香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」之規定編製。

此等簡明綜合中期賬目應與二零零六年度之全年賬目一併閱讀。編製此等簡明綜合中期賬目所採用之會計政策及計算方法與編製截至二零零六年十二月三十一日止年度全年賬目所用者符合一致，惟若干比較數字已經重新分類以符合本期間呈列方式之變動。

於二零零七年，本集團採納下列於二零零七年一月一日或之後開始之會計期間生效之新訂/經修訂香港財務報告準則（「香港財務報告準則」，亦包括香港會計準則及詮釋）：

香港會計準則第1號（經修訂）	資本披露
香港財務報告準則第7號	財務工具：披露
香港（國際財務報告詮釋委員會） — 詮釋第7號	按香港會計準則第29號 嚴重通脹經濟體系的財務 報告所採用的重列方法
香港（國際財務報告詮釋委員會） — 詮釋第8號	香港財務報告準則第2號 之範圍
香港（國際財務報告詮釋委員會） — 詮釋第9號	內含衍生工具之重新 評估
香港（國際財務報告詮釋委員會） — 詮釋第10號	中期財務報告及減值

採納此等新訂/經修訂香港財務報告準則並無對本集團於本會計期間或過往會計期間之業績及財務狀況之編製及呈列方式造成重大影響。

1. Basis of preparation and accounting policies

These unaudited condensed consolidated interim accounts have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

These condensed consolidated interim accounts should be read in conjunction with the 2006 annual accounts. The accounting policies and methods of computation used in the preparation of these condensed consolidated interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2006 except that certain comparative figures have been reclassified to conform with changes in presentation in the current period.

In 2007, the Group has adopted the following new/revised Hong Kong Financial Reporting Standards (“HKFRSs”), which also included HKASs and Interpretations, that are effective for accounting periods commencing on or after 1 January 2007:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of these new/revised HKFRSs had no material effect on the preparation and presentation of the results and financial position of the Group for the current or prior accounting periods.

1. 編製基準及會計政策 (續)

本集團並無於此等簡明綜合中期賬目採納以下已頒佈但尚未生效之新訂／經修訂準則及詮釋：

香港財務報告準則第8號	經營分類
香港會計準則第23號(經修訂)	借貸成本
香港(國際財務報告詮釋委員會) — 詮釋第11號	香港財務報告準則第2號 — 集團及庫存股份交易
香港(國際財務報告詮釋委員會) — 詮釋第12號	特許權服務協議

本公司董事預計採用上述新訂／經修訂準則及詮釋可能導致賬目出現新增或經修訂呈列方式及披露，惟將不會對本集團之業績及財政狀況造成重大影響。

1. Basis of preparation and accounting policies (Continued)

The Group has not early adopted the following new/revised standards and interpretations that have been issued but are not yet effective in these condensed consolidated interim accounts:

			於以下會計期間 或之後日期開始生效 Effective for accounting periods beginning on or after
HKFRS 8	Operating Segments		二零零九年一月一日 1 January 2009
HKAS 23 (Revised)	Borrowing Costs		二零零九年一月一日 1 January 2009
HK(IFRIC) – Int 11	HKFRS 2 Group and Treasury Share Transactions		二零零七年三月一日 1 March 2007
HK(IFRIC) – Int 12	Service Concession Arrangements		二零零八年一月一日 1 January 2008

The directors of the Company anticipate that the application of the above new/revised standards and interpretations may result in new or amended presentation and disclosures on the accounts but will have no significant impact on the Group's results and financial position.

2. 營業額及分類資料

本集團之主要業務為製造及分銷鞋類及服飾產品。

業務分類

本集團之業務分為兩個類別：品牌業務及原設備製造業務。截至二零零七年六月三十日止六個月，本集團按業務分類劃分之營業額及經營業績分析如下：

2. Turnover and segment information

The Group is principally engaged in the manufacturing and distribution of footwear and apparel products.

Business segments

The Group is organised into two business segments, brand business and original-equipment manufacturing (“OEM”) business. An analysis of the Group’s turnover and operating results for the six months ended 30 June 2007 by business segment is as follows:

		二零零七年 2007			二零零六年 2006		
		品牌業務 Brand business 千港元 HK\$'000	原設備 製造業務 OEM business 千港元 HK\$'000	本集團 Group 千港元 HK\$'000	品牌業務 Brand business 千港元 HK\$'000	原設備 製造業務 OEM business 千港元 HK\$'000	本集團 Group 千港元 HK\$'000
營業額	Turnover	1,388,132	362,508	1,750,640	1,089,293	351,738	1,441,031
分類業績	Segment results	216,234	28,334	244,568	146,917	28,991	175,908
可出售 非上市之 金融資產 之收益	Income derived from an unlisted available-for-sale financial asset			1,500			1,500
衍生金融工具 之公平價 值收益	Fair value gain on derivative financial instruments			1,819			143
未分配收入	Unallocated revenues			155			72
未分配開支	Unallocated expenses			(832)			(643)
經營盈利	Operating profit			247,210			176,980

2. 營業額及分類資料 (續)

地域分類

按地域分類呈報資料時，分類營業額乃以客戶所在地為基準計算。截至二零零七年六月三十日止六個月，本集團按地域分類劃分之營業額分析如下：

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
中國	China	1,374,718	1,087,846
美國	The US	331,315	331,800
其他	Others	44,607	21,385
		1,750,640	1,441,031

3. 經營盈利

經營盈利已扣除下列各項：

3. Operating profit

Operating profit is stated after charging the following:

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
攤銷土地使用權	Amortisation of land use rights	807	541
已售存貨成本	Cost of inventories sold	761,741	641,004
固定資產折舊	Depreciation of fixed assets	45,265	29,687
僱員福利開支（包括以股份為基礎之款項開支）	Employee benefits expense including share-based payment expenses	213,287	194,590
出售固定資產之虧損	Loss on disposal of fixed assets	3,064	3,430
滯銷存貨撥備	Provision for slow moving inventories	7,144	12,706
		1,031,248	922,958

PRIME
SUGGESTIONS

4. 稅項

由於本集團並無在香港產生任何應課稅盈利，故並無在賬目內作出香港利得稅撥備。香港以外地區產生之所得稅，乃根據截至二零零七年六月三十日止六個月之估計應課稅盈利，按本集團經營業務所在國家或地方之適用稅率計算。

本公司若干在中國經營業務之附屬公司可享有若干稅項豁免及寬減，包括減稅期及降低企業所得稅率。因此，此等附屬公司之中國企業所得稅已計及此等稅項豁免及寬減而作出撥備。

自簡明綜合損益表扣除／(計入)之稅項包括：

4. Taxation

No provision for Hong Kong profits tax has been made in the accounts as the Group does not have any assessable profit arising in Hong Kong. Taxation on profits arising outside Hong Kong has been calculated on the estimated assessable profit for the six months ended 30 June 2007 at the rates of taxation prevailing in the countries/places in which the Group operates.

Certain subsidiaries of the Company operating in China are eligible for certain tax exemptions and concessions including tax holidays and reduced corporate income tax rates. Accordingly, the China corporate income tax for such subsidiaries has been provided after taking account of these tax exemptions and concessions.

The amount of taxation charged/(credited) to the condensed consolidated profit and loss account represents:

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
現行稅項－香港以外地區之稅項	Current taxation – taxation outside Hong Kong	52,772	35,141
遞延稅項	Deferred taxation	1,992	(8,923)
		54,764	26,218

於二零零七年三月十六日，全國人民代表大會已批准《中華人民共和國企業所得稅法》(「新企業所得稅法」)，並將於二零零八年一月一日起生效。根據新企業所得稅法，由二零零八年一月一日起，當地公司之適用企業所得稅率將由33%減至25%或於五年內由15%遞增至25%。劃一企業所得稅率將直接減少或增加本集團於二零零八年後之實際稅率。根據香港會計準則第12號，遞延稅項資產及負債將根據預計變現資產或償還負債之期間適用之稅率計算。因此，截至二零零七年六月三十日止六個月期間確認之稅項支出增加3,954,000港元。

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"), which will be effective from 1 January 2008. Under the New CIT Law, the corporate income tax rate applicable to the domestic companies from 1 January 2008 will be decreased from 33% to 25% or progressively increased from 15% to 25% within 5 years. This unification in the corporate income tax rate will directly reduce or increase in the Group's effective tax rate prospectively from 2008. According to HKAS 12, the deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. As a result, an increase in taxation charge of HK\$3,954,000 is recognised during the six months ended 30 June 2007.

5. 中期股息

本集團董事會於結算日後宣派之中期股息如下：

5. Interim dividend

The interim dividend declared by the Board after the balance sheet date is as follows:

截至六月三十日止六個月

Six months ended 30 June

二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
----------------------------------	----------------------------------

擬派中期股息每股普通股2.5港仙 (二零零六年：2.0港仙)

Interim dividend, proposed, of HK2.5 cents
(2006: HK2.0 cents) per ordinary share

40,947

32,758

6. 每股盈利

每股基本盈利乃根據本集團權益持有人應佔盈利184,395,000港元(二零零六年：147,336,000港元)計算，而每股基本盈利則按於截至二零零七年六月三十日止六個月之已發行普通股加權平均數1,637,892,384股(二零零六年：1,637,892,384股)計算。

6. Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$184,395,000 (2006: HK\$147,336,000). The basic earnings per share is based on the weighted average number of 1,637,892,384 (2006: 1,637,892,384) ordinary shares in issue during the six months ended 30 June 2007.

由於截至二零零七年六月三十日止六個月期間本公司尚未行使購股權之行使價高於本公司股份之平均市價，而截至二零零六年六月三十日止六個月期間並無任何已發行之潛在攤薄股份，因此並無呈列每股攤薄盈利。

No diluted earnings per share has been presented as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's shares during the six months ended 30 June 2007 while there were no dilutive potential shares in issue during the six months ended 30 June 2006.

7. 資本開支

7. Capital expenditure

		土地使用權 Land use rights 千港元 HK\$'000	固定資產 Fixed assets 千港元 HK\$'000
於二零零七年一月一日之賬面淨值	Net book value at 1 January 2007	29,289	378,576
匯兌調整	Exchange adjustment	1,270	12,069
增加	Additions	9,827	81,774
攤銷／折舊費用	Amortisation/depreciation charge	(807)	(45,265)
出售	Disposals	-	(3,891)
於二零零七年六月三十日 之賬面淨值	Net book value at 30 June 2007	39,579	423,263



8. 貿易應收賬款

按發票日期統計之貿易應收賬款賬齡分析如下：

0 至30日	0 – 30 days
31 至60日	31 – 60 days
61 至90日	61 – 90 days
91 至120日	91 – 120 days
121至180日	121 – 180 days
181至360日	181 – 360 days
360日以上	Over 360 days

8. Trade receivables

The ageing analysis of trade receivables by invoice date is as follows:

二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
90,641	79,214
51,577	22,996
13,309	8,933
2,007	1,058
1,436	574
404	495
124	–
159,498	113,270

本集團一般給予購貨客戶平均30至60日信貸期，惟主要及長期客戶之特別延長信貸期則由本集團與有關客戶雙方協定。

The Group generally allows an average credit period of 30 to 60 days to its trade customers other than major and long standing customers with whom specific extended terms will be agreed between the Group and the relevant counter parties.

9. 衍生金融工具

衍生金融工具指根據香港會計準則第39號之規定不符合以對沖會計法處理之遠期外匯合約，此等衍生金融工具將被視為持作買賣用途。

9. Derivative financial instruments

Derivative financial instruments represent foreign exchange forward contracts which are not qualified for hedge accounting under the requirements of HKAS 39 are deemed as held for trading.

10. 貿易應付賬款

按發票日期統計之貿易應付賬款(包括應付關連人士款項結餘)賬齡分析如下：

0 至30日	0 – 30 days
31 至60日	31 – 60 days
61 至90日	61 – 90 days
91 至120日	91 – 120 days
121至180日	121 – 180 days
181至360日	181 – 360 days
360日以上	Over 360 days

10. Trade payables

The ageing analysis of trade payables including balances due to related parties by invoice date is as follows:

	二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
	295,215	171,658
	65,380	89,746
	14,133	14,396
	2,876	5,794
	2,346	2,912
	9,636	5,258
	5,189	6,730
	394,775	296,494

11. 銀行貸款及透支

於二零零七年六月三十日，本集團之短期銀行貸款21,329,000港元(二零零六年十二月三十一日：25,358,000港元)由賬面值為零(二零零六年十二月三十一日：零)之可出售上市之金融資產作抵押。於二零零六年十二月三十一日，本集團之短期銀行貸款26,968,000港元由賬面淨值合共18,264,000港元之若干土地使用權及租賃樓宇以及銀行存款6,000,000港元作抵押。

11. Bank loans and overdrafts

As at 30 June 2007, the Group's short-term bank loans of HK\$21,329,000 (31 December 2006: HK\$25,358,000) were secured by a listed available-for-sale financial asset of nil (31 December 2006: nil) carrying value. As at 31 December 2006, the Group's short-term bank loans of HK\$26,968,000 were secured by certain land use rights and leasehold buildings of a total net book value of HK\$18,264,000 and a bank deposit of HK\$6,000,000.

PRIME SUCCESS

12. 股本

12. Share capital

二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
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法定股本：	Authorised:		
10,000,000,000 股每股面值 0.10港元之普通股	10,000,000,000 ordinary shares of HK\$0.10 each	1,000,000	1,000,000
已發行及繳足股本：	Issued and fully paid:		
1,637,892,384 股每股面值 0.10港元之普通股	1,637,892,384 ordinary shares of HK\$0.10 each	163,789	163,789

於本期間，本公司股本並無任何變動。

There were no movements in the share capital of the Company during the period.

13. 以權益結算以股份為基礎之交易

於截至二零零七年六月三十日止六個月期間就授予購股權所獲服務的公平價值乃經參考所授出購股權的公平值計算。購股權公平值估計乃根據柏力克-舒爾斯期權定價模式計算。

13. Equity settled share-based transaction

The fair value of services received in return for share options granted during the six months ended 30 June 2007 were measured by reference to the fair value of share options granted. The estimate of the fair value of the options were measured based on the Black-Scholes Options Pricing Model.

該模式之購股權變動輸入參數如下：

The variables of the options input into the model are as follows:

於計價日之股份價格	8.90港元	Share price at measurement date	HK\$8.90
購股權行使價	8.90港元	Option exercise price	HK\$8.90
預期年度波幅	39.26%	Expected annualised volatility	39.26%
無風險利率	4.08%	Risk-free rate	4.08%
預計購股權年期	1.5年	Expected option life	1.5 year
預計股息率	0.62%	Expected dividend yield	0.62%

13. 以權益結算以股份為基礎之交易 (續)

預期年度波幅乃根據本公司股份價格於去年之歷史波幅釐定。模式所使用之預計年期已根據管理層之最佳估計及就不可轉讓性、行使限制及行為考慮因素等作出調整。

截至二零零七年六月三十日止六個月期間所授出購股權之估計公平值為7,883,000港元，已從損益賬扣除，並計入以股份為基礎之款項儲備內。

14. 購買土地使用權及固定資產之資本承擔

13. Equity settled share-based transaction (Continued)

Expected annualised volatility was determined by using the historical volatility of the Company's share price over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The estimated fair value of the options granted during the six months ended 30 June 2007 of HK\$7,883,000 was charged to the profit and loss account and credited to the share-based payment reserve.

14. Capital commitments for purchase of land use rights and fixed assets

		二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
已授權但未訂約	Authorised but not contracted for	41,824	58,632
已訂約但未撥備	Contracted but not provided for	21,352	33,061
		63,176	91,693

15. 關連人士交易及結餘

於截至二零零七年六月三十日止六個月，本集團曾於正常業務中進行下列關聯人士交易：

與關聯公司之交易及結餘

向下列各方採購：	Purchases from:
聯營公司	an associated company
被投資公司	investee companies

附註：向聯營公司莆田市涵江大永鞋業有限公司及向被投資公司尚鋒興業股份有限公司、莆田市涵江金星鞋業有限公司及大恩鞋材有限公司購買鞋類物料及鞋類產品之交易乃於本集團日常業務過程中進行。交易條款乃經本集團與交易方協定後釐定，而所有應付結餘亦按照交易條款支付。

主要管理人員之薪酬

薪金及花紅	Salaries and bonuses	3,919	6,155
定額供款退休金成本	Defined contribution pension costs	59	49
以股份為基礎之款項開支	Share-based payment expenses	4,559	—

8,537 6,204

15. Related party transactions and balances

During the six months ended 30 June 2007, the Group has entered into the following related party transactions in the normal course of its business:

Transactions and balances with related companies

交易 Transactions		結餘 Balances	
二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000

531	70	566	446
22,843	13,024	5,858	54,429

Note: Purchases of shoe materials and footwear products from the associated company, Dayong Shoe Material Co., Ltd. Hanjiang Putian City, and investee companies, Sun Home Leather Corporation Limited, Jingxing Shoe Industrial Co., Ltd. Hanjiang Putian City and Daen Shoe Material Company Limited, were conducted in the normal course of the Group's business. The terms of transactions were determined and agreed between the Group and the counter parties and all balances due were repayable according to trade terms.

Key management personnel compensation

截至六月三十日止六個月 Six months ended 30 June	
二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000

薪金及花紅	Salaries and bonuses	3,919	6,155
定額供款退休金成本	Defined contribution pension costs	59	49
以股份為基礎之款項開支	Share-based payment expenses	4,559	—

8,537 6,204

補充資料

中期股息

董事會於二零零七年九月十二日議決宣派截至二零零七年十二月三十一日止年度中期股息每股普通股2.5港仙(二零零六年: 2.0港仙)。中期股息將於二零零七年十月十八日或之前派發予於二零零七年十月十日下午四時正名列本公司股東名冊之股東。

暫停辦理股份過戶登記手續

本公司將由二零零七年十月八日至二零零七年十月十日(首尾兩日包括在內)止期間暫停辦理股份過戶登記手續。為符合資格享有宣派之中期股息, 股東最遲須於二零零七年十月五日下午四時正前將所有過戶文件, 連同有關股票, 一併送交本公司之香港股份過戶登記處卓佳秘書商務有限公司, 地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

購買、出售或贖回本公司股份

於截至二零零七年六月三十日止六個月, 本公司並無贖回其任何股份, 且本公司或其任何附屬公司於期內亦無購買或出售本公司任何股份。

董事及主要行政人員於本公司股份及相關股份中之權益

於二零零七年六月三十日, 按本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定存置之登記冊所記錄, 董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中擁有之權益或根據上市公司董事進行證券交易的標準守則(「標準守則」)已知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下:

Supplementary Information

Interim Dividend

The Board has resolved on 12 September 2007 to declare an interim dividend of HK2.5 cents (2006: HK2.0 cents) per ordinary share for the year ending 31 December 2007. The interim dividend will be payable on or before 18 October 2007 to shareholders whose names appear on the register of members of the Company at 4:00 p.m. on 10 October 2007.

Closure of Register of Members

The register of members of the Company will be closed from 8 October 2007 to 10 October 2007 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 5 October 2007.

Purchase, sale or redemption of the Company's shares

The Company has not redeemed any of its shares during the six months ended 30 June 2007. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

Directors' and chief executives' interests in shares and underlying shares of the Company

As at 30 June 2007, the interests of each director and chief executive in the shares and underlying shares of the Company and 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 by the Company pursuant to 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 Companies (the "Model Code") were as follows:

於本公司每股面值0.10港元普通股之好倉

Long position in ordinary shares of HK\$0.10 each of the Company

董事姓名	權益性質	所持股份數目	佔本公司已發行股本百分比
Name of director	Nature of interest	Number of shares held	Percentage of the issued share capital of the Company
陳英杰 Chen Ying-Chieh	公司 Corporate	147,738,920 (附註)(Note)	9.02

附註：陳英杰先生透過Pushkin Holding Limited擁有本公司147,738,920股實益權益。Pushkin Holding Limited於英屬處女群島註冊成立，由陳英杰先生持有三分之一股本權益。

Note: Mr Chen Ying-Chieh has beneficial interest in 147,738,920 shares in the Company through Pushkin Holding Limited, a company incorporated in the British Virgin Islands, in which Mr Chen Ying-Chieh holds one-third of the equity interests.

除上述者外，本公司董事總經理陳賢民先生亦僅就確保若干附屬公司有超過一名股東而持有有關附屬公司之無投票權遞延股份及代理人股份。

In addition to the above, Mr Chen Hsien Min, the Managing Director of the Company, also holds non-voting deferred shares and nominee shares of certain subsidiaries solely for the purpose of ensuring that the relevant subsidiaries have more than one member.

除上文及「購股權計劃」一節所披露者外，於二零零七年六月三十日，各董事或主要行政人員或彼等之任何聯繫人士(包括彼等之配偶及18歲以下之子女)概無擁有或獲授或行使可認購本公司及其相聯法團股份之權利而須根據證券及期貨條例作出披露。

Save as disclosed above and the section "Share Option Scheme", as at 30 June 2007, none of the directors or chief executive, nor any of their associates (including their spouses and children under 18 years of age), had any interests in or had been granted, or exercised, any rights to subscribe for shares of the Company and its associated corporations required to be disclosed pursuant to the SFO.

於期內任何時間，本公司或其任何附屬公司均無參與任何安排致使本公司董事及主要行政人員(包括其配偶及18歲以下之子女)於本公司或其相聯法團股份、相關股份或債券中持有任何權益或淡倉。

At no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in shares or underlying shares in, or debentures of, the Company or its associated corporations.

主要股東於本公司股份及相關股份中之權益

根據證券及期貨條例第XV部第336條本公司須予存置之主要股東登記冊所示，截至二零零七年六月三十日，本公司已獲知會有以下主要股東擁有本公司已發行股本5%或以上之權益。此等權益是繼於「董事及主要行政人員於本公司股份及相關股份中之權益」一節外所披露之權益。

Substantial shareholders' interests in shares and underlying shares of the Company

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 30 June 2007, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed under the section "Directors' and chief executives' interests in shares and underlying shares of the Company".

於本公司每股面值0.10港元普通股之好倉

Long positions in the ordinary shares of HK\$0.10 each the Company

名稱	身份	所持股份數目	佔本公司已發行股本百分比
Name	Capacity	Number of shares held	Percentage of the issued share capital of the Company
	實益擁有人	(附註1)	
Lucky Earn International Limited	Beneficial owner	434,669,995 (Note 1)	26.54
	實益擁有人	(附註2)	
Top Glory Assets Limited	Beneficial owner	197,346,895 (Note 2)	12.05
陳怡臻	受控公司之權益	(附註2)	
Chen Yi-Chen	Interest of controlled corporation	197,346,895 (Note 2)	12.05
陳怡勳	受控公司之權益	(附註2)	
Chen Yi-Hsun	Interest of controlled corporation	197,346,895 (Note 2)	12.05
	實益擁有人	(附註3)	
Pushkin Holding Limited	Beneficial owner	147,738,920 (Note 3)	9.02
陳英杰	受控公司之權益	(附註3)	
Chen Ying-Chieh	Interest of controlled corporation	147,738,920 (Note 3)	9.02
陳英典	受控公司之權益	(附註3)	
Chen Ying-Tien	Interest of controlled corporation	147,738,920 (Note 3)	9.02
陳英哲	受控公司之權益	(附註3)	
Chen Ying-Che	Interest of controlled corporation	147,738,920 (Note 3)	9.02



附註：

1. 本公司執行董事張智凱先生、彼之兄弟及兩名姊妹分別實益擁有在英屬處女群島註冊成立之 Lucky Earn International Limited 26%、26% 及 24% 權益。
2. 陳怡臻女士（「陳女士」）及陳怡勳先生（「陳先生」）各自實益擁有在英屬處女群島註冊成立之 Top Glory Assets Limited 50% 權益。根據證券及期貨條例，彼等被視為在 Top Glory Assets Limited 所持有之 197,346,895 股本公司股份中擁有權益。陳女士及陳先生為本公司董事總經理陳賢民先生之子女。
3. 本公司主席陳英杰先生及彼之兩名兄弟陳英典先生及陳英哲先生各自實益擁有 Pushkin Holding Limited 三分之一的權益。根據證券及期貨條例，彼等被視為在 Pushkin Holding Limited 所持有之 147,738,920 股本公司股份中擁有權益。

購股權計劃

本公司採納購股權計劃（「購股權計劃」）獎勵僱員（包括本公司及其附屬公司之執行或非執行董事及高級人員）為本集團作出貢獻，以讓本集團得以招聘及吸納或留聘對本集團而言屬珍貴之優秀人力資源。根據購股權計劃，董事可酌情邀請合資格參與者（包括本集團之僱員、執行及非執行董事、高級人員、代理或顧問）接納購股權，遵照其所訂明之條款及條件認購本公司股份。購股權計劃將由二零零三年五月二十九日起計十年內有效。

根據購股權計劃所授出之全部購股權獲行使而可能發行之股份總數，合共不得超過本公司於批准購股權計劃當日之已發行股本 10% 或本公司不時之已發行股本 30%。如根據購股權計劃授出之購股權將會超出上述限額，則不得授出購股權。於二零零七年六月三十

Notes:

1. Mr Chang Chih-Kai, an Executive Director of the Company, his brother and his two sisters have beneficial interests of 26%, 26% and 24% each respectively in Lucky Earn International Limited, a company incorporated in the British Virgin Islands.
2. Ms Chen Yi-Chen (“Ms Chen”) and Mr Chen Yi-Hsun (“Mr Chen”) have beneficial interests of 50% each in Top Glory Assets Limited, a company incorporated in the British Virgin Islands. By virtue of the SFO, they are deemed to be interested in the 197,346,895 shares of the Company held by Top Glory Assets Limited. Ms Chen and Mr Chen are the children of Mr Chen Hsien Min, the Managing Director of the Company.
3. Mr Chen Ying-Chieh, the Chairman of the Company, and his two brothers, Mr Chen Ying-Tien and Mr Chen Ying-Che, each has one-third of the beneficial interests of Pushkin Holding Limited. By virtue of the SFO, they are deemed to be interested in the 147,738,920 shares of the Company held by Pushkin Holding Limited.

Share option scheme

The Company has adopted a share option scheme (the “Share Option Scheme”) to provide incentives to the employees, including any executive or non-executive directors and officers of the Company and its subsidiaries, to contribute to the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. Pursuant to the Share Option Scheme, the directors may, at their discretion, invite eligible participants including employees, executive and non-executive directors, officers, agents or consultants of the Group to take up options to subscribe for the Company’s shares subject to the terms and conditions stipulated therein. The Share Option Scheme will remain in force for a period of ten years from 29 May 2003.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the date of approval of the Share Option Scheme or 30% of the issued share capital of the Company from time to time. No options may be granted under the Share Option Scheme if this will result in such limit exceeded. As at 30 June 2007, the

日，據此可予發行之股份數目為9,238股。每名參與者在任何12個月期間內獲授之購股權（不論已行使或尚未行使）予以行使時已經及將予發行之本公司股份總數，不得超過本公司已發行股份1%。

行使價不得低於下列較高者：(a)股份於授出日期在聯交所每日報價表所示之收市價；(b)股份在緊接授出日期前五個營業日在聯交所每日報價表所示之平均收市價；及(c)股份面值。

購股權並不賦予持有人享有股息或於股東大會投票之權利。

於二零零七年六月三十日，根據購股權計劃已授出但未行使之購股權詳情載列如下：

number of shares available for issue in respect thereof is 9,238 shares. The total number of shares of the Company issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to each participant must not exceed 1% of the shares of the Company in issue.

The exercise price must be at least the highest of: (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Details of the share options outstanding as at 30 June 2007 which were granted under the Share Option Scheme were as follows:

		購股權數目				
		Number of options				
		於二零零七年			於二零零七年	
		一月一日	期內已授出	期內已失效	六月三十日	
		At 1 January	Granted during	Lapsed during	At 30 June	
		2007	the period	the period	2007	
執行董事	Executive directors					
陳英杰	Chen Ying-Chieh	–	1,250,000	–	1,250,000	
陳賢民	Chen Hsien Min	–	1,100,000	–	1,100,000	
張智凱	Chang Chih-Kai	–	1,250,000	–	1,250,000	
其他參與者	Other participants					
僱員	Employees	–	6,730,000	3,630,000	3,100,000	

上述所有購股權已於二零零七年二月二十三日授出，並可於二零零七年八月二十三日至二零零九年八月二十二日期間行使，行使價為8.90港元。

截至二零零七年六月三十日止六個月期間，概無購股權根據購股權計劃被註銷。

All the above options are granted on 23 February 2007 and exercisable from 23 August 2007 to 22 August 2009 at an exercise price of HK\$8.90.

During the six months ended 30 June 2007, no share options were cancelled under the Share Option Scheme.

企業管治

本公司於期內一直遵守聯交所證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）之規定。

董事進行之證券交易

本公司採納了上市規則附錄十所載標準守則。本公司各董事在本公司作出特定查詢後確認，彼等於截至二零零七年六月三十日止六個月內一直遵守標準守則所載規定準則。

審核委員會

審核委員會由本公司三名獨立非執行董事組成，審核委員會已與管理層審閱本集團採納之會計原則及慣例，並商討有關審計、內部監控及財務報告等事宜，本集團之未經審核簡明綜合中期賬目已由審核委員會審閱及批准，委員會認為有關賬目已遵從適用之會計準則、上市規則及所有法列規定，並已作充分披露。

薪酬委員會

薪酬委員會由本公司三名獨立非執行董事組成。薪酬委員會之職責為不時審核及評估執行董事及高級管理人員之薪酬政策並向董事會提供意見。

提名委員會

提名委員會由本公司三名獨立非執行董事組成。提名委員會之職責包括定期檢討董事會之架構、規模及組合，以及就任何建議變動向董事會提供意見。

承董事會命
陳英杰
主席

香港，二零零七年九月十二日

Corporate governance

The Company has complied with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the period.

Securities transactions by directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 June 2007.

Audit committee

The Audit Committee, comprises the three independent non-executive directors of the Company, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Group's unaudited condensed consolidated interim accounts have been reviewed and approved by the Audit Committee, who is of the opinion that such accounts comply with the applicable accounting standards, the Listing Rules and all legal requirements, and that adequate disclosures have been made.

Remuneration committee

The Remuneration Committee comprises the three independent non-executive directors of the Company, is responsible for reviewing and evaluating the remuneration policies of executive directors and senior management and making recommendations to the Board from time to time.

Nomination committee

The Nomination Committee comprises the three independent non-executive directors of the Company, is responsible for reviewing the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes.

By order of the Board
Chen Ying-Chieh
Chairman

Hong Kong, 12 September 2007



永恩國際集團有限公司
Prime Success International Group Limited