

11. Staff Costs (Including Directors' Emoluments)

	2006 HK\$'000	2005 HK\$'000
Wages and salaries	148,313	125,187
Pension costs-defined benefit plan (Note 27)	(56)	230
Pension costs-defined contribution plans	6,496	5,378
Unutilised annual leave	(1,428)	1,572
	153,325	132,367

12. Directors' Emoluments and Five Highest Paid Individuals

(a) Directors' emoluments

Name of directors	Fees HK\$'000	Basic salaries, housing allowances, other allowances and benefits-in-kinds HK\$'000	Bonuses HK\$'000	Retirement benefit costs HK\$'000	2006 Total emoluments HK\$'000	2005 Total emoluments HK\$'000
Yu Lai Si	-	5,523	-	12	5,535	5,855
Tam Chie Sang	-	897	-	12	909	1,159
Yu Lai Chu, Eileen	-	897	-	12	909	1,159
Yu Kam Shui, Erastus	-	1,375	-	12	1,387	1,596
Lai Yin Ping	-	897	-	12	909	1,159
Wong Lung Tak, Patrick, J.P. ⁽¹⁾⁽²⁾⁽³⁾	150	-	-	-	150	100
Wong Chun Nam ⁽¹⁾⁽²⁾⁽³⁾	150	-	-	-	150	100
Wong Chi Keung ⁽¹⁾⁽²⁾⁽³⁾	150	-	-	-	150	100
Total for the year 2006	450	9,589	-	60	10,099	
Total for the year 2005	300	8,868	2,000	60		11,228

⁽¹⁾ Independent non-executive directors

⁽²⁾ Members of the Company's Audit Committee

⁽³⁾ Members of the Company's Remuneration Committee



12. Directors' Emoluments and Five Highest Paid Individuals (Continued)

(a) Directors' emoluments (Continued)

Certain directors of the Company have been granted options to acquire shares of the Company. Details of share options granted, exercised and lapsed during the year are disclosed in the Directors' Report and Note 25.

(b) Five highest paid individuals

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

	2006 HK\$'000	2005 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kinds	3,764	1,592
Bonuses	629	400
Retirement benefit costs	36	12
	4,429	2,004

12. Directors' Emoluments and Five Highest Paid Individuals (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Number of individual	
	2006	2005
Emolument bands		
HK\$500,000 – HK\$1,000,000	1	–
HK\$1,000,001 – HK\$1,500,000	1	–
HK\$2,000,001 – HK\$2,500,000	1	1
	3	1

For the years ended 30th September 2006 and 2005, no directors waived any emoluments and no emoluments have been paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group and compensation for loss of office.

13. Intangible Assets

	License fees	
	2006 HK\$'000	2005 HK\$'000
At 1 st October	1,264	1,922
Additions	102	667
Amortisation charge	(850)	(1,325)
At 30 th September	516	1,264
At 30 th September		
Cost	5,280	5,178
Accumulated amortisation	(4,764)	(3,914)
Net book amount	516	1,264



14. Investment Properties

	2006 HK\$'000	2005 HK\$'000
At 1 st October	89,000	52,600
Additions	–	12,637
Disposals	(62,000)	–
Fair value gain	–	23,763
At 30 th September	27,000	89,000

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

	2006 HK\$'000	2005 HK\$'000
In Hong Kong, held on:		
Leases of between 10 to 50 years	22,000	22,000
Leases of over 50 years	5,000	67,000
	27,000	89,000

The investment properties were revalued at 30th September 2006 on the basis of their open market values by Savills Valuation and Professional Services Limited, an independent firm of chartered surveyors.

No investment property was pledged as at 30th September 2006 (2005: investment properties of HK\$62,000,000 was pledged as security for the Group's long-term bank loan).

15. Property, Plant and Equipment

	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Computer equipment HK\$'000	Machinery and equipment HK\$'000	Office equipment, furniture and fixtures HK\$'000	Total HK\$'000
At cost						
As at 1 st October 2004	46,598	2,655	5,333	12,552	6,042	73,180
Additions	13,333	21	777	5,111	1,188	20,430
Disposals	(1,315)	(155)	(102)	(118)	(242)	(1,932)
Exchange adjustment	314	11	34	1	68	428
As at 30 th September 2005	58,930	2,532	6,042	17,546	7,056	92,106
Accumulated depreciation						
As at 1 st October 2004	32,944	1,683	3,871	4,848	3,765	47,111
Charge for the year	11,564	376	976	2,768	981	16,665
Disposals	(1,313)	(123)	(57)	(100)	(218)	(1,811)
Exchange adjustment	208	7	16	–	47	278
As at 30 th September 2005	43,403	1,943	4,806	7,516	4,575	62,243
Net book value						
As at 30 th September 2005	15,527	589	1,236	10,030	2,481	29,863
At cost						
As at 1 st October 2005	58,930	2,532	6,042	17,546	7,056	92,106
Additions	17,616	673	1,744	2,346	1,810	24,189
Disposals	(1,945)	(299)	–	(12)	(470)	(2,726)
Exchange adjustment	353	9	57	–	2	421
As at 30 th September 2006	74,954	2,915	7,843	19,880	8,398	113,990
Accumulated depreciation						
As at 1 st October 2005	43,403	1,943	4,806	7,516	4,575	62,243
Charge for the year	14,939	452	985	3,262	990	20,628
Disposals	(1,945)	(299)	–	(6)	(369)	(2,619)
Exchange adjustment	315	5	45	–	(1)	364
As at 30 th September 2006	56,712	2,101	5,836	10,772	5,195	80,616
Net book value						
As at 30 th September 2006	18,242	814	2,007	9,108	3,203	33,374



16. Investments in Subsidiaries

Company

	2006 HK\$'000	2005 HK\$'000
Unlisted shares, at cost	3,000	3,000
Amounts due from subsidiaries	78,387	62,972
Amounts due to subsidiaries	(1,117)	(2,202)
	80,270	63,770

Details of the principal subsidiaries are set out in Note 32.

The amounts due from/to subsidiaries are unsecured, interest-free and are repayable on demand.

17. Rental Deposits and Prepayment

Rental deposits are carried at amortised cost using the effective interest rate of 2% per annum.

As at 30th September 2006, the carrying amounts of rental deposits approximate their fair values.

18. Inventories

	2006 HK\$'000	2005 HK\$'000
Finished goods – merchandises	45,343	35,150

19. Trading Investments

	2006 HK\$'000	2005 HK\$'000
Equity securities: Listed in Hong Kong	1,828	65

Trading investments are stated at market value at the balance sheet date.

20. Accounts Receivable

Details of the aging analysis are as follows:

	2006 HK\$'000	2005 HK\$'000
0 to 30 days	34,263	27,349
31 days to 60 days	4,431	2,564
61 days to 90 days	921	527
Over 90 days	117	1,311
	39,732	31,751

Credit terms generally range from 30 days to 90 days.

The fair value of accounts receivable approximates its carrying amount.

Accounts receivable are mainly denominated in Hong Kong Dollars, New Taiwan Dollars and Renminbi.



21. Bank Balances and Cash

Bank balances and cash are mainly denominated in Hong Kong Dollars, US Dollars, New Taiwan Dollars and Renminbi.

The short-term bank deposits carry interest at around 3% (2005: 3%) per annum and mature within 3 months. Bank deposits over three months to maturity represents certain structured bank deposits carrying interest up to 11% (2005: nil) per annum and mature in 6 months.

The fair values of short-term bank deposits approximate their carrying amounts.

22. Accounts Payable

Details of the aging analysis are as follows:

	2006 HK\$'000	2005 HK\$'000
0 to 30 days	6,231	11,330

The fair value of accounts payable approximates its carrying amount.

Accounts payable are mainly denominated in US Dollars.

23. Receipts in Advance

The balance represents proceeds from sales of gift coupons not yet redeemed and money received in advance for beauty salon services, skin-care and other related services.

24. Long-term Bank Loan

	2006 HK\$'000	2005 HK\$'000
Total of long-term bank loan – secured	-	16,737
Current portion of long-term bank loan	-	(1,950)
	-	14,787

The Group's long-term bank loan was repayable as follows:

	2006 HK\$'000	2005 HK\$'000
Within one year	-	1,950
In the second year	-	1,950
In the third to fifth year	-	5,850
After the fifth year	-	6,987
	-	16,737
Current portion of long-term bank loan	-	(1,950)
	-	14,787

The long-term bank loan was fully repaid in the current year. At 30th September 2005, the long-term bank loan was secured by certain investment properties of the Group (Note 14).



25. Share Capital

Company

	2006 HK\$'000	2005 HK\$'000
Authorised: 1,000,000,000 (2005: 1,000,000,000) ordinary shares of HK\$0.1 each	100,000	100,000
Issued and fully paid: 342,416,000 (2005: 342,116,000) ordinary shares of HK\$0.1 each	34,242	34,212

Issued and fully paid ordinary shares

	No. of shares	HK\$'000
At 1 st October 2005	342,116,000	34,212
Issue of new shares pursuant to the Company's share option scheme	300,000	30
At 30 th September 2006	342,416,000	34,242

The Company's share option scheme (the "Share Option Scheme") was adopted on 23rd January 2002. The purpose of the Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. Pursuant to the Share Option Scheme, the Board of Directors may, on or before 22nd January 2012, at its discretion, offer to grant options at an option price of HK\$1.00 to any employees, directors (including executive directors, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; any advisor (professional or otherwise) or consultant, distributors, suppliers, agents, customers, partners, joint venture partners, promoter, service provider to subscribe for shares of the Company, representing (when aggregated with options granted under any other scheme) initially not more than 10% of the shares in issue as at the date of the listing of the shares. The subscription price shall be the higher of the average of the closing prices of the share of the Company on the Stock Exchange for the five trading days immediately preceding the date of the offer of options and the nominal value of the shares. The maximum aggregate number of shares issued and to be issued on the exercise of options and in respect of which options may be granted under the Share Option Scheme may not exceed 30% of the total number of shares in issue from time to time excluding any shares issued on the exercise of options.

25. Share Capital (Continued)

Details of the movements in share options during the year are as follows:

Category	Date of grant	Exercise period	Exercise price per share HK\$	As at 1 st October 2005	Granted	Exercised	Cancelled/ Lapsed	As at 30 th September 2006
Directors	30 th August 2002	28 th February 2003 – 29 th August 2007	0.52	5,100,000	-	-	-	5,100,000
	28 th January 2004	3 rd May 2004 – 31 st January 2009	0.42	10,200,000	-	-	-	10,200,000
				15,300,000	-	-	-	15,300,000
Supplier	11 th March 2002	11 th March 2002 – 10 th March 2012	1.18	3,264,000	-	-	-	3,264,000
	12 th March 2003	12 th March 2003 – 11 th March 2013	0.54	976,000	-	-	-	976,000
				4,240,000	-	-	-	4,240,000
Employees (in aggregate)	26 th April 2002	26 th October 2002 – 25 th April 2007	1.67	750,000	-	-	-	750,000
	26 th April 2002	26 th April 2003 – 25 th April 2007	1.67	750,000	-	-	-	750,000
	30 th August 2002	28 th February 2003 – 29 th August 2007	0.52	1,484,000	-	-	-	1,484,000
	30 th August 2002	31 st August 2003 – 29 th August 2007	0.52	2,560,000	-	-	-	2,560,000
	30 th August 2002	29 th February 2004 – 29 th August 2007	0.52	1,560,000	-	-	-	1,560,000
	28 th January 2004	3 rd May 2004 – 31 st January 2009	0.42	1,160,000	-	200,000	-	960,000
	28 th January 2004	1 st November 2004 – 31 st January 2009	0.42	1,160,000	-	100,000	-	1,060,000
	28 th January 2004	2 nd May 2005 – 31 st January 2009	0.42	860,000	-	-	-	860,000
				10,284,000	-	300,000	-	9,984,000

Options to subscribe for a maximum of approximately 30 million shares in the Company in aggregate had been granted and are outstanding as at 30th September 2006 to a supplier, certain directors and employees pursuant to the Company's share option scheme, representing 8.6% of the existing issued share capital of the Company as at the date of this Annual Report.

As at 30th September 2006, the weighted average exercise price of share options outstanding was HK\$0.61 per share (2005: HK\$0.61 per share).

Options exercised during the year ended 30th September 2006 resulted in 300,000 shares (2005: nil) being issued at HK\$0.42 each. The related weighted average share price at the time of exercise was HK\$0.52 per share.