

bossini

Gia Dinh

Familja

परिवार 가족

Mi Tha

Family

Familie

OIKO

عائلة

家

Gia Dinh

가족

Fa

Family

परिवार

Pamilya

Familia

ครอบครัว

Gia Dinh

家

OIKOYÉV

Family

परिवार

Keluarga

Pamilya

가족

Gia Dinh

ครอบครัว

Mi Thar Su

Kelu



Change of financial year end date 變更財政年度結算日

The financial year end date has been changed. Accordingly, the financial period 2006/07 covers the 15-month period ended 30 June 2007, while the financial year 2005/06 covers the 12-month period ended 31 March 2006. The difference in duration of the two financial periods should be considered when making year-on-year comparisons.

財政年度結算日已更改。因此，二零零六／零七財政期間涵蓋至二零零七年六月三十日止十五個月期間，而二零零五／零六財政年度涵蓋至二零零六年三月三十一日止十二個月期間。於作出年度比較時，須考慮兩個財政期間之年期差異。

Financial performance 財務表現

	In HK\$mn 港幣百萬元 Period ended 30 June 2007 截至二零零七年 六月三十日止期間	In HK\$mn 港幣百萬元 Year ended 31 March 2006 截至二零零六年 三月三十一日止年度	Change 轉變
Revenue 收益	2,568	2,200	↑ 17%
Gross profit 毛利	1,270	1,025	↑ 24%
Profit from operating activities 營運業務溢利	37	140	↓ 74%
Profit for the period/year attributable to equity holders 權益持有人應佔期內 / 年內溢利	9	105	↓ 91%
Basic EPS (in HK cents) 每股基本盈利(港仙)	0.59	6.69	↓ 91%
Interim dividend per share (in HK cents) 每股中期股息(港仙)	–	1.8	↓ 100%
Final dividend per share (in HK cents) 每股末期股息(港仙)	–	1.8	↓ 100%
Payout ratio (%) 派息比率(%)	–	54%	↓ 54% pts 個百分點
Gross margin (%) 毛利率(%)	49%	47%	↑ 2% pts 個百分點
Operating margin (%) 營運溢利率(%)	1%	6%	↓ 5% pts 個百分點
Net margin (%) 淨溢利率(%)	0.4%	5%	↓ 5% pts 個百分點
EBITDA 未計利息、稅項、折舊及攤銷前盈利	110	191	↓ 42%
EBITDA margin (%) 未計利息、稅項、折舊及攤銷前盈利率(%)	4%	9%	↓ 5% pts 個百分點

Key financial indicators 主要財務指標

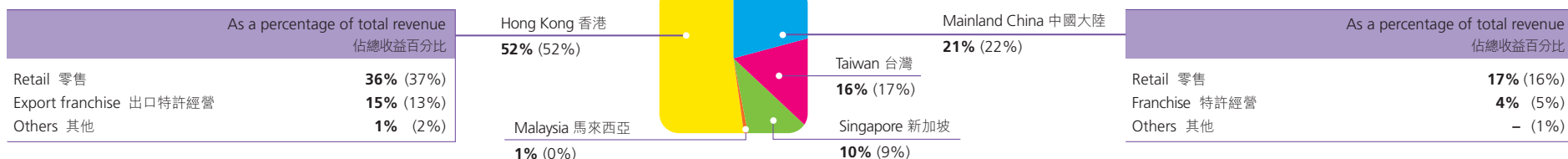
	Period ended 30 June 2007 截至二零零七年 六月三十日止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日止年度	Change 轉變
Inventory turnover* (days) 存貨周轉期*(天)	54	42	↑ 12 days 天
Inventory level (in HK\$mn) 存貨水平(港幣百萬元)	306	254	↑ 20%
Return on equity (%) 股東權益回報率(%)	1%	18%	↓ 17% pts 個百分點
Current ratio (times) 流動比率(倍)	2.28	2.35	↓ 3%
Net cash [†] (in HK\$mn) 現金淨額 [†] (港幣百萬元)	132	244	↓ 46%
Total liabilities to equity ratio (%) 總負債對股東權益比率(%)	47%	46%	↑ 1% pt 個百分點
Capital expenditure (in HK\$mn) 資本開支(港幣百萬元)	106	81	↑ 31%

* Inventory held at period end divided by annualised revenue times 365 days 期結日之存貨除以年度化收益乘365天

[†] Time deposits, cash and bank balances less bank loans 定期存款和現金及銀行結餘減銀行貸款

Revenue by geographical market 按區域分類之收益

For the period ended 30 June 2007 截至二零零七年六月三十日止期間



() Figures for the year ended 31 March 2006 are shown in brackets 截至二零零六年三月三十一日止年度之數字以括號表示

Global distribution network 全球分銷網絡

	At 30 June 2007 於二零零七年 六月三十日	At 31 March 2006 於二零零六年 三月三十一日	Change 轉變
Hong Kong 香港			
Directly managed outlets 直接管理店舖	41	33	↑ 8
Mainland China 中國大陸			
Directly managed outlets 直接管理店舖	346	344	↑ 2
Franchised outlets 特許經營店舖	205	284	↓ 79
Sub-total 小計	551	628	↓ 77
Taiwan 台灣			
Directly managed outlets 直接管理店舖	93	112	↓ 19
Singapore 新加坡			
Directly managed outlets 直接管理店舖	33	29	↑ 4
Malaysia 馬來西亞			
Directly managed outlets 直接管理店舖	11	3	↑ 8
Other countries 其他國家			
Export franchised outlets 出口特許經營店舖	322	263	↑ 59
Total 合共			
Directly managed outlets 直接管理店舖	524	521	↑ 3
Franchised outlets 特許經營店舖	527	547	↓ 20
	1,051	1,068	↓ 17

Regional performance analyses 按地區表現之分析

	Sales (in HK\$m)			Profit/(loss) from operating activities (in HK\$m)			Operating margin (%)		
	銷售額 (港幣百萬元)			營運業務溢利 / (虧損) (港幣百萬元)			營運溢利率 (%)		
	Period ended 30 June 2007 截至二零零七年 六月三十日止 期間	Year ended 31 March 2006 截至二零零六年 三月三十一日止 年度	Change 轉變	Period ended 30 June 2007 截至二零零七年 六月三十日止 期間	Year ended 31 March 2006 截至二零零六年 三月三十一日止 年度	Change 轉變	Period ended 30 June 2007 截至二零零七年 六月三十日止 期間	Year ended 31 March 2006 截至二零零六年 三月三十一日止 年度	Change 轉變
Retail 零售									
Hong Kong 香港	935	815	↑ 15%	18	51	↓ 65%	2%	6%	↓ 4% pts 個百分點
Mainland China 中國大陸	425	351	↑ 21%	(34)	(9)	↓ 278%	-8%	-3%	↓ 5% pts 個百分點
Taiwan 台灣	416	379	↑ 10%	(53)	(10)	↓ 430%	-13%	-3%	↓ 10% pts 個百分點
Singapore 新加坡	245	200	↑ 23%	4	19	↓ 79%	2%	10%	↓ 8% pts 個百分點
Malaysia 馬來西亞	18	1	↑ 1,700%	(3)	(1)	↓ 200%	-17%	-100%	↑ 83% pts 個百分點
Total 合共	2,039	1,746	↑ 17%	(68)	50	↓ 236%	-3%	3%	↓ 6% pts 個百分點
Franchise 特許經營									
Hong Kong Export 香港出口	389	291	↑ 34%	114	86	↑ 33%	29%	30%	↓ 1% pt 個百分點
Mainland China 中國大陸	112	110	↑ 2%	8	15	↓ 47%	7%	14%	↓ 7% pts 個百分點
Total 合共	501	401	↑ 25%	122	101	↑ 21%	24%	25%	↓ 1% pt 個百分點
Regional Total 區域總計									
Hong Kong 香港	1,352	1,130	↑ 20%	116	125	↓ 7%	9%	11%	↓ 2% pts 個百分點
Mainland China 中國大陸	537	490	↑ 10%	(27)	7	↓ 486%	-5%	1%	↓ 6% pts 個百分點
Taiwan 台灣	416	379	↑ 10%	(53)	(10)	↓ 430%	-13%	-3%	↓ 10% pts 個百分點
Singapore 新加坡	245	200	↑ 23%	4	19	↓ 79%	2%	10%	↓ 8% pts 個百分點
Malaysia 馬來西亞	18	1	↑ 1,700%	(3)	(1)	↓ 200%	-17%	-100%	↑ 83% pts 個百分點
Consolidated 綜合	2,568	2,200	↑ 17%	37	140	↓ 74%	1%	6%	↓ 5% pts 個百分點

Financial and operational highlights 財務及營運摘要

Regional retail performance indicators 地區零售銷售表現指標

	Same store sales growth (%)*		Net sales per sq.ft. (in HK\$)			Floor area (sq. ft.)		
	同店銷售額增長 (%)*		每平方米淨銷售額 (港幣)			樓面面積 (平方呎)		
	Period ended 30 June 2007 截至二零零七年 六月三十日止 期間	Year ended 31 March 2006 截至二零零六年 三月三十一日止 年度	Period ended 30 June 2007 截至二零零七年 六月三十日止 期間	Year ended 31 March 2006 截至二零零六年 三月三十一日止 年度	Change 轉變	At 30 June 2007 於二零零七年 六月三十日	At 31 March 2006 於二零零六年 三月三十一日	Change 轉變
Hong Kong 香港	-7%	-5%	5,700	7,300	↓ 22%	149,600	111,400	↑ 34%
Mainland China 中國大陸	-1%	-9%	1,100	1,200	↓ 8%	300,000	307,300	↓ 2%
Taiwan 台灣	-14%	-11%	2,000	2,500	↓ 20%	136,400	176,000	↓ 23%
Singapore 新加坡	-13%	+3%	6,000	6,400	↓ 6%	36,200	32,000	↑ 13%
Malaysia 馬來西亞	N/A 不適用	N/A 不適用	1,400	1,100	↑ 27%	14,700	4,400	↑ 234%
Consolidated 綜合	-8%	-5%	2,500	2,900	↓ 14%	636,900	631,100	↑ 1%

* Same store sales growth is the comparison of sales of the same stores having full month operations in comparable periods (no comparison for Malaysia as the operation in financial year 2005/06 was not on a full year term)
同店銷售額增長為相同店舖於比較期內完整月份之銷售額比較 (由於馬來西亞在2005/06財政年度不是全年營運，因此不作比較)

* The Middle East includes UAE, Qatar, Lebanon, Bahrain, Kuwait, Iran, Jordan, Saudi Arabia and Oman

中東包括阿拉伯聯合酋長國、卡塔爾、黎巴嫩、巴林、科威特、伊朗、約旦、沙特阿拉伯及阿曼

() Figures at 31 March 2006 are shown in brackets

於二零零六年三月三十一日之數字以括號表示



Global distribution network 全球分銷網絡

551
(628)

● directly managed and franchised outlets in Mainland China
位於中國大陸的直接管理及特許經營店舖

322
(263)

● export franchised outlets
出口特許經營店舖

178
(177)

● directly managed outlets in Hong Kong, Taiwan, Singapore and Malaysia
位於香港、台灣、新加坡及馬來西亞的直接管理店舖

1051
(1068)

● outlets in about 20 countries
店舖位於約20個國家

Corporate profile 企業簡介

Our mission is to create
incremental value
for the brand every day ...
in every way

Bossini International Holdings Limited (the “Company”; stock code on The Stock Exchange of Hong Kong Limited (“stock code”): 592) and its subsidiaries (the “Group” or “Bossini”) is a leading apparel brand owner, retailer and franchiser in the region.

Headquartered in Hong Kong, Bossini launched its first retail outlet in 1987. Over the past two decades, it rapidly established an extensive international operating platform and distribution network that extended to a total of 1,051 outlets worldwide. Among these, the Group operated 524 directly managed outlets in its markets, namely Hong Kong, Mainland China, Taiwan, Singapore and Malaysia. The Group also further strengthened its brand presence in Mainland China through the establishment of 205 franchised outlets. As for other overseas markets, the Group cooperated with its business partners to establish a total of 322 export franchised outlets in 20 countries, spanning from Southeast Asia, the Middle East, Europe to as far as Central America.

Renowned for its comfortable, easy to mix-and-match, colourful and energetic style, Bossini offers a full range of good value for money casual wear apparel products, including ladies’, men’s and kids’ wear, which are designed to fit customer needs.

我們的使命 —
每天每處不斷為
品牌增值

堡獅龍國際集團有限公司（「本公司」；香港聯合交易所有限公司之股份代號（「股份代號」）：592）及其附屬公司（「本集團」或「堡獅龍」）是區內具領導地位的服裝品牌擁有人、零售商和特許經營商。

堡獅龍總部設於香港，自一九八七年開設首間零售店舖以來，經過二十年的迅速發展，已建立了一個龐大的全球性營運平台及分銷網絡。本集團在全球共設有1,051間店舖，其中524間位於香港、中國大陸、台灣、新加坡及馬來西亞等市場的零售店舖由本集團直接管理。為加強品牌的滲透力，本集團在中國大陸另設有205間特許經營店舖。海外市場方面，本集團與商業夥伴結盟，設有322間出口特許經營店舖，分佈於東南亞、中東、歐洲及遠至中美洲等20個國家。

堡獅龍為迎合顧客的需求而供應的休閒服裝產品款式齊全，包括女裝、男裝及童裝，各類產品皆物有所值，並因其舒適、易於配襯、色彩豐富又充滿活力而享譽各地市場。

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We are confident about delivering encouraging performance in the near future and bringing to shareholders solid and consistent returns.

我們對於不久將來取得理想成績、為股東帶來穩定回報滿有信心。



Chairman's letter to shareholders

On behalf of the board of directors (the "Board"), I am pleased to report the audited consolidated results of Bossini and its subsidiaries for the 15 months ended 30 June 2007.

The period under review saw emergence of challenges as well as opportunities that provided the necessary drive for the Group to implement various strategies to protect its hard-earned leading position in the retail industry in the region while creating new avenues of development for our business to grow further.

Despite buoyant economic performance and financial markets in Asia, the Group's core market, intense competition from both incumbent operators and new entrants created undue pressure on the Group's business performance. Rental, staff and merchandise costs stayed at high level plus stronger Renminbi to most major currencies have taken further tolls on the Group's profit.

The Group saw its revenue reached HK\$2,568 million for the 15 months ended 30 June 2007 (2006: HK\$2,200 million). Gross margin improved 2 percentage points to 49% while operating margin declined 5 percentage points to 1%. Profit attributable to equity holders for the period was HK\$9 million (2006: HK\$105 million). The Board does not recommend payment of a final dividend.

During the period, the Group embarked on an 360 degree integrated brand revamp program to inject new elements of family essence and values to the "bossini" brand that synchronise with its mission of caring for the needs of every family member from product offering, shop décor to shopping experience.

主席致股東函件



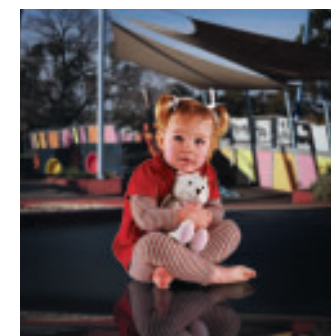
本人謹代表董事局(「董事局」)，欣然提呈堡獅龍及其附屬公司截至二零零七年六月三十日止十五個月之經審核綜合業績。

於回顧期間所面對的種種挑戰和機遇促使本集團實施各種策略鞏固其於地區零售業努力取得的領導地位，及開拓新發展機會，以促進日後的業務增長。

儘管本集團位於亞洲核心市場之經濟及金融市場均蓬勃發展，現有及新加入的競爭者令競爭更趨白熱化，對本集團之業務表現構成不少壓力。租金開支、僱員及商品成本持續高企，加上人民幣兌換大部份主要貨幣的升值強勢，進一步影響本集團的盈利。

截至二零零七年六月三十日止十五個月，本集團錄得收益達港幣25.68億元(二零零六年：港幣22.00億元)。毛利率上升2個百分點至49%，而營運溢利率率下跌5個百分點至1%。權益持有人應佔期內溢利為港幣9百萬元(二零零六年：港幣1.05億元)。董事局不建議派付末期股息。

於期內，本集團進行了一項360度綜合品牌更新計劃，為「bossini」品牌注入以家庭為本及價值的新元素，務求令產品、店舖環境以至購物體驗可體現關注每名家庭成員需要的集團使命。



Encouraging responses to this brand revamp initiatives in Hong Kong had been received from customers and the Group's business partners. The new brand icon and refurbished outlets effectively attracted attention from long time patrons of the Group's products as well as new customers who found the new brand values appropriately delivered attributes that fitted well into their lifestyles.

The Group is now on its way to replicate this brand revamp to overseas markets in phases, applying the new "bossini" concepts around the world and further enhancing the brand image and its market awareness.

On the product front, "bossini" added three new product lines, Maternity, Baby and Young, so as to complement the new brand direction of "Understanding every family member's needs". The new product lines launched in early 2007 have been well-received. In the next financial year, the Group will continue to extend and revitalise its product lines with new high-value, refreshing product designs and functional fabrics so as to stimulate consumption desire.

The Group had diverted more resources in its product design and maintained the existing "easy to mix-and-match" styles with an appropriate but not excessive touch of fashion, so as to pave the way for broader and deeper penetration into the mass market. To further enrich its product portfolio, starting from the next financial year, the Group will increase the frequency of product launches from 8 collections to 12 collections per annum, to maintain our product freshness with new product launch every month.

In relatively stable markets including Hong Kong and Singapore, the Group adopted a prudent stance towards network expansion, in line with the pace of urban developments in these two regions. Meanwhile, efforts were spent in improving efficiency of operations, enhancing training of front- and back-end staff to improve customer service.

香港的品牌更新計劃廣受顧客及本集團業務夥伴歡迎。新的品牌標誌及重新裝修的店舖不但成功吸引長期購買集團產品之客戶群，同時亦爭取了一批認同集團產品物超所值及切合他們生活所需的新顧客。

本集團現正分階段將此項品牌更新計劃推廣至海外市場，務求將新「bossini」概念散播全世界，藉此進一步強化品牌形象及市場知名度。

於產品方面，「bossini」新增了三個全新的產品系列，分別為孕婦、嬰兒和年青系列，以配合「了解每名家庭成員需要」的新品牌方向。在二零零七年初推出的新產品系列頗受歡迎。於下一個財政年度，本集團將繼續開拓及革新產品系列，透過高檔和具新鮮感的產品設計和功能性用料以刺激消費。

本集團已投放更多資源於產品設計及維持現有的「易於配襯」的風格，並配以適當的時裝潮流元素，務求可以更深入及廣泛地滲透大眾化市場。為了進一步豐富產品系列，於下一個財政年度起，集團將增加產品推出的次數，從每年推出8組產品增加至每年12組，令每月均有新產品推出市場以維持產品之新鮮感。

在較穩定的香港及新加坡市場，本集團將採取審慎的網絡擴展策略，以配合該兩個地區的城市發展步伐。同時，集團將致力改善營運效率，加強前線及後勤僱員的培訓以提升客戶服務質素。

For Mainland China, the decision was made to restructure the retail network there by gradually phasing out the “sparkle” label and redeploying the outlets for distribution of merchandises under other labels within the “bossini” family, notably a young line “Yb”. Apart from restructuring its network, the Group will continue to commit resources to enhance profitability from the operations in Mainland China. The Group believes that Mainland China will ultimately emerge as one of the major sources of revenue and profit in the years ahead.

Impaired by Taiwan’s continued economic downturn resulting from political uncertainty, the Group had taken a defensive stance on its operation on the island. Network expansion plan is on hold until emergence of a clear turnaround in consumption sentiment.

Despite starting from a low base and for about a year and a half, the Group sees promising prospects for its operations in Malaysia. Further resources will be committed to this market to quickly increase its business scale there.

The positive momentum in the export franchise business for the fifteen months under review reaffirmed the Group’s belief that this business will still be the major growth driver in the future years. Leveraging its expertise in running this business, the Group will add five new markets to its export franchise network in the next financial year.

With the measures and ground work the Group has put in place during the period, as highlighted by the well-received brand revamp program, I can foretell with well-backed confidence that Bossini will deliver encouraging performance in the near future and bring to shareholders solid and consistent returns on their investments. “bossini”, a home-grown household brand name for young and energetic casual wear, will only progress for better as it will continuously rejuvenate itself to accommodate customers’ needs and preferences.

I would also like to take this opportunity to express my gratitude to all our staff for their dedication and hard work, plus my sincere appreciation to all customers, business partners and shareholders for their continuing supports.

LAW Ka Sing
Chairman

Hong Kong
18 October 2007

於中國大陸方面，本集團將重組中國大陸的零售網絡，逐步關閉「sparkle」品牌並重新調配店舖以分銷「bossini」家庭系列旗下的其他產品，主要為年青系列「Yb」。除網絡重組外，本集團將繼續投放資源，加強中國大陸業務的盈利能力。本集團認為中國大陸於日後將最終成為收益及溢利的主要來源之一。

受到台灣政治不穩定引致經濟持續衰退的影響，本集團對台灣的業務採取防守政策。本集團已暫緩於台灣的網絡擴展計劃，直至消費氣氛明顯好轉為止。

儘管馬來西亞業務於開展時規模較細及僅運作約一年半，本集團認為此項業務具有美好前景。本集團將進一步投放資源發展馬來西亞市場，以盡快擴充其業務規模。

出口特許經營業務於回顧的十五個月仍帶來穩定的增長動力，促使本集團堅信此項業務於來年仍為主要增長的動力。憑藉經營此項業務的專業知識，本集團將於下一個財政年度在其出口特許經營網絡擴展至五個新市場。

憑藉本集團於期內所推行的措施和基礎工作，特別是好評如潮的品牌更新計劃，本人相信，Bossini於不久將來定必取得理想成績，為股東帶來穩定的投資回報。「bossini」是家傳戶曉的年青活力休閒服裝品牌，於未來將會不斷精益求精，透過創新改革以迎合顧客需要和口味。

本人謹藉此機會向全體員工所付出的熱誠和努力致以深切的謝意，並感謝所有客戶、業務夥伴和股東一直以來的支持。

主席
羅家聖

香港
二零零七年十月十八日

We are committed to maintain a solid, transparent and sensible framework of corporate governance and will continue to improve its effectiveness.
我們致力維持穩健、具透明度及合理之企業管治框架，並繼續改善其成效。



Corporate governance report

The Board is committed to maintain a solid, transparent and sensible framework of corporate governance for the Company and its subsidiaries and will continue to improve its effectiveness. The Company has applied the principle and 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 Limited (the “Listing Rules”), except for certain deviations as specified and explained below.

Board of Directors

At 30 June 2007, the Board is composed of 3 executive directors and 4 independent non-executive directors (collectively the “Directors”) whose biographical details are set out in “Management profiles” section on pages 39 to 42 and are posted on the Group’s website www.bossini.com. The Directors had no financial, business, family or other material or relevant relationships with each other at 30 June 2007.

The 4 independent non-executive directors (“INEDs”) represent more than one-third of the Board. None of them has served more than nine years and at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise. All of the INEDs have confirmed in writing their independence from the Company and met the requirements set forth in the independence guidelines of the Listing Rules. All INEDs are also members of the Company’s Audit Committee and Remuneration Committee. These INEDs are high calibre executives who bring a diversified range of expertise and serve the crucial function of providing checks and balances for safeguarding the interests of shareholders and the Group as a whole.

企業管治報告

董事局致力為本公司及其附屬公司維持穩健、具透明度及合理之企業管治框架，並將繼續評估其成效。除下文所指定及闡釋的若干偏離事項外，本公司一直應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載的企業管治常規守則（「企業管治守則」）的原則及遵守其所載的守則條文規定。

董事局

於二零零七年六月三十日，董事局成員包括三名執行董事及四名獨立非執行董事（統稱「董事」），各董事之簡歷已詳載於第39頁至第42頁之「管理層簡介」及公司網頁www.bossini.com。於二零零七年六月三十日，董事之間並無財政、業務、家屬或其他重要或相關之關係。

四名獨立非執行董事（「獨立非執行董事」）佔董事局成員人數三分之一以上。董事局內並無任何本公司獨立非執行董事服務超過九年，而且其中最少一名獨立非執行董事具備合適的會計或相關財務管理的專業資格。全體獨立非執行董事已提交確認書，確認其對本公司的獨立性，並符合載於上市規則內獨立性指引的規定。全體獨立非執行董事同時亦為本公司審核委員會及薪酬委員會成員。這些獨立非執行董事皆為優秀的行政人員，他們具備多方面的專業知識，可為本集團提供足夠的審核和制衡，以維護股東及本集團的整體利益。

The Board held ten full Board meetings in the period under review to discuss the overall strategy as well as the operation and financial performance of the Group. The attendance of individual Directors at Board meetings for the period is set out as follows:

於回顧期內，共召開了十次董事局全體會議，以商討集團之整體政策以及營運及財務表現。各董事在期內於董事局全體會議的出席詳情載列如下：

Members of the Board 董事局成員	No. of meetings attended/held 出席次數／會議舉行次數
Chairman 主席 Mr. LAW Ka Sing 羅家聖先生	7/10
Chief Executive Officer 行政總裁 Ms. CHAN So Kuen 陳素娟女士	10/10
Executive directors 執行董事 Mr. MAK Tak Cheong Edmund (appointed on 1 June 2007) 麥德昌先生 (於二零零七年六月一日獲委任) Mr. FU Shing Kwan Dickie (resigned on 26 June 2006) 傅成坤先生 (已於二零零六年六月二十六日辭任) Mr. YEUNG Kam Tai Kenny (appointed on 9 November 2006 and resigned on 19 January 2007) 楊錦泰先生 (於二零零六年十一月九日獲委任及已於二零零七年一月十九日辭任)	1/1 1/1 2/2
Independent non-executive directors 獨立非執行董事 Mr. LEE Man Chun Raymond 李文俊先生 Ms. LEUNG Mei Han 梁美嫻女士 Prof. SIN Yat Ming 洗日明教授 Mr. WONG Wai Kay 王維基先生	5/10 10/10 10/10 8/10



The Board meets regularly at least four times every year. The Directors participated in person or through electronic means of communication. Regular Board meetings are scheduled in the prior year to provide sufficient notice to the Directors and facilitate the maximum attendance of the directors. The Board members are given an opportunity to include additional matters for discussion and are supplied with relevant information by the senior management and reports relating to the Group's operational and financial performance before the scheduled Board meetings in a timely manner.

Draft and final versions of minutes of Board and Committee meetings will be sent to all Directors or Committee members for their comment and records respectively. The Board member can seek independent professional advice in performing their duties at the Group's expense, if necessary.

If a Director has a conflict of interest in a transaction to be considered by the Board and the Board has determined this interest to be material, the individual is required to declare his interest and to abstain from voting. At least one INED who has no material interest in the transaction shall be present at the full Board meeting approving such transaction.

Chairman and Chief Executive Officer

The Company did not have a separate Chairman and Chief Executive Officer until 5 January 2007 and Mr. LAW Ka Sing held both positions for the period from 1 April 2006 to 4 January 2007. The Board had considered that previous structure provided consistent leadership. In order to reinforce their respective independence, accountability and responsibility and to comply with the CG code, the role of Chairman and Chief Executive Officer were delegated to separate individuals with effect from 5 January 2007. To this end, Mr. LAW Ka Sing was redesignated from the Chairman and Chief Executive Officer of the Company to the Chairman and Ms. CHAN So Kuen, Executive Director of the Company, was appointed as the Chief Executive Officer. Mr. Law continued to be responsible for the overall direction of the Group.

Appointment and Re-election of Directors

It is more efficient and in the best interests of the Company that the new Directors to be appointed in full Board meeting, as this allows a more informed and balanced decision on suitability of the potential appointee. The background, experience, professional skills, availability to commit to the affairs of the Company and, in case of INED, the independence requirements set out in the Listing Rules, of the potential appointee will be taken into consideration.

董事局計劃一年最少召開四次全體會議，董事們皆親身出席或透過電子通訊方式參與。定期董事局會議的時間表於上個年度制訂，務求向董事提供足夠的通知，以達致最高的出席率。在召開定期董事局會議前，各董事均有機會提出商討事項列入會議議程並適時獲發由高級管理層提供的有關資料和本集團營運及財務表現的報告。

董事局會議及董事局委員會會議紀錄之初稿及最後定稿分別發送予董事或委員會會員，以表達意見及紀錄之用。在有需要時，董事局成員可諮詢獨立專業意見以履行他們的職務，費用由本集團支付。

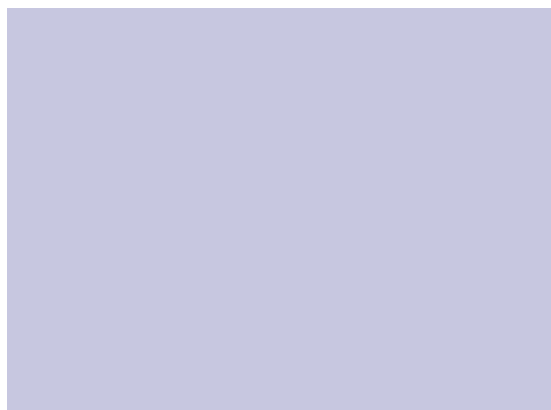
若有董事在董事局將予考慮的交易或建議中存有利益衝突，而董事局認為屬重大的利益衝突，涉及的董事須申報利益，並須放棄投票。有關事項須經董事局全體會議考慮，會上必須有最少一位於交易中不存在重大利益的獨立非執行董事出席。

主席及行政總裁

直至二零零七年一月五日，本公司並無區分主席與行政總裁之職務，羅家聖先生於二零零六年四月一日至二零零七年一月四日止期間兼任兩個職位。董事局認為，先前之架構為本集團提供貫徹之領導。為加強彼等各自之獨立性、問責性及責任以及遵守企業管治守則之規定，主席及行政總裁之角色已於二零零七年一月五日起委派不同人士擔任。羅家聖先生由本公司主席兼行政總裁調任為主席，而本公司執行董事陳素娟女士獲委任為行政總裁。羅先生繼續負責本集團之整體方向。

董事的委任及重選

董事局集體審閱及批准任何新董事的委任，將為最有效率及合乎公司及獲推薦新董事的最大利益，因為在這情況下，獲推薦的董事及董事局均可就其能否勝任作出平衡而有根據的決定。在挑選合適的新董事時，會考慮其背景，至於獨立非執行董事，則需遵守不時於上市規則內所載之獨立性要求。



All INEDs of the Company are appointed for specific terms, their length of service with the Company is one year from the dates of their appointments which will be automatically renewed unless early termination by either party serving not less than three months prior written notice or upon mutual consent on short notice. They are subject to retirement by rotation and re-election at annual general meetings of the Company (“AGMs”) in accordance with the Bye-laws of the Company.

Directors receive an induction document on their appointment to the Board as appropriate, covering matters such as the operation and activities of the Group, the role of the Board, the tasks and membership of the principal Board committees, the powers delegated to those committees and the Board’s governance policies and practices. On their appointment, Directors are advised on their legal and other duties and obligations as directors of a listed company.

Pursuant to the Bye-laws of the Company, all newly appointed director of the Company shall hold office until the next AGM and shall then be eligible for re-election. At each AGM, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation provided that every Director, save any Director holding office as Chairman or Managing Director, including those appointed for a specific term shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been

本公司所有獨立非執行董事均有指定委任年期，他們的服務年期均由他們獲委任日期起計為期一年，除非任何一方給予不少於三個月的事先書面通知或經雙方同意提早終止，否則將自動續期。根據本公司的章程細則，他們須於本公司的股東週年大會（「股東週年大會」）上輪值退任及膺選連任。

新董事在獲委任時將獲發一份啟導文件，介紹本集團的業務及活動、董事局職責、主要董事委員會的任務及成員、該等委員會被授的權力及董事局的管治策略及常規。董事在獲委任時獲告知作為上市公司董事所承擔的法律責任及其他職責及義務。

根據本公司的章程細則，每名獲董事局委任的新董事，他們的任期將直至下屆股東週年大會為止，並符合資格膺選連任。於每屆股東週年大會上，當時三分之一或如董事局人數並非三或三的倍數，則最接近但不超過三分之一的董事（擔任主席或董事總經理之董事除外）須輪值退任；惟每位董事包括有指定任期之董事須最少每三年輪值退任一次。每年須告退之董事應包括自上次獲推選或獲委任以來任期最長之董事，惟倘超過一名董事乃於同日成為董

longest in office since their last election but as between persons who became Directors on the same day shall be determined by lot, unless they otherwise agree between themselves. The retiring Directors shall be eligible for re-election.

The Chairman and the Chief Executive Officer of the Company are not subject to retirement by rotation. The Board considers that the continuity of the Chairman and Chief Executive Officer of the Company and their leadership are crucial in maintaining the stability of the Group's business operations.

Audit Committee

The Audit Committee plays a vital role in corporate governance of the Group and comprises 4 INEDs, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han, Prof. SIN Yat Ming and Mr. WONG Wai Kay. Ms. Leung, who has professional qualifications in accounting and financial management expertise, is the Chairman of the Audit Committee. No member of the Audit Committee is a former partner of the Company's existing external auditors. The Audit Committee is provided with sufficient resources, including the advice of external auditors and Internal Audit Department to discharge its duties. The Audit Committee has reviewed the consolidated financial results for the 15 months ended 30 June 2007.

The major roles and functions of the Audit Committee are set out clearly in the terms of reference which are of no less exacting terms than those set out in the CG Code and are available on the Group's website. The terms of reference for the Audit Committee are also aligned with the guidelines issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee met 3 times during the period to review the accounting policies and practices adopted by the Group with Executive Directors, senior management and the Company's internal and external auditors. It also discusses matters related to financial reporting, internal controls, risk management and appointment of external auditors. The Audit Committee is also responsible for reviewing the interim and final results of the Group. The attendance of individual committee members is set out hereunder.

The work of the Audit Committee during the period are as follows:-

- (a) reviewed the annual financial results for the year ended 31 March 2006 and interim financial results for the 6 months ended 30 September 2006 and for the 12 months ended 31 March 2007;
- (b) reviewed the progress report and report on internal audit results for the year 2005/06, 6 months ended 30 September 2006 and 12 months ended 31 March 2007 prepared by Internal Audit Department respectively; and

事，則以抽籤決定須退任之董事(彼等另行達成協議則另當別論)。退任董事可獲重選連任。

本公司的主席及行政總裁並不受輪值退任的規定所規限。董事局認為本公司主席及行政總裁的持續性及其領導，乃維持本集團業務穩定性的關鍵要素。

審核委員會

審核委員會在企業管治方面的工作中扮演一個非常重要的角色並由四名獨立非執行董事李文俊先生、梁美嫻女士、冼日明教授及王維基先生所組成。梁女士是審核委員會的主席，她在會計及財務管理方面具有專業資格及知識。概無審核委員會的成員為本公司現時外聘核數師的前任合夥人。本公司已提供充足資源，包括外聘核數師和內部審計部的意見予審核委員會，使委員會能履行其職責。審核委員會已審閱截至二零零七年六月三十日止十五個月之綜合財務業績。

審核委員會的主要職責及功能已於書面職權範圍內明確載列，其內容不比上市規則之「企業管治常規守則」的規定寬鬆，並已於公司網頁上載。審核委員會的職權範圍與香港會計師公會頒佈的指引的建議一致。

期內，審核委員會曾召開三次會議，與執行董事、高級管理人員及公司的內部及外聘核數師一同檢討本集團的會計政策及實務準則，以及討論有關財務報告、內部監控、風險管理及委任外聘核數師，審核委員會亦負責審閱本集團的中期及全年業績。各委員會成員的出席情況已載於下文。

審核委員會於期內已完成下列工作：

- (a) 審閱截至二零零六年三月三十一日止的全年財務業績及截至二零零六年九月三十日止六個月及二零零七年三月三十一日止十二個月的中期財務業績；
- (b) 審閱內部審計部所編製二零零五／零六年度、二零零六年九月三十日止六個月及二零零七年三月三十一日止十二個月的進度報告及內部審計結果報告；及

(c) approved, ratify and confirm the annual audit plan for the fifteen months ended 30 June 2008 of Internal Audit Department.

Remuneration Committee

The Company has established the Remuneration Committee with specific written terms of reference. The Remuneration Committee consists of 4 INEDs, namely Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han, Prof. SIN Yat Ming and Mr. WONG Wai Kay. Ms. Leung is the Chairman of the Remuneration Committee. The Remuneration Committee is provided with sufficient resources to discharge its duties.

The major roles and functions of the Remuneration Committee are set out clearly in the terms of reference which included the duties specified in the CG Code and are available on the Company's website.

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration policy and structure of the Directors and senior management and the establishment of a formal and transparent procedure for developing policy on such remuneration.

No director is involved in any decisions as to his own remuneration. The Group's remuneration policy seeks to provide a fair market remuneration so as to attract, retain and motivate high quality staff.

Three remuneration committee meetings were convened during the period and the attendance of individual committee members is set out as follows:

	Audit committee meetings 審核委員會會議		Remuneration committee meetings 薪酬委員會會議
Members of the Audit Committee and the Remuneration Committee 審核委員會及薪酬委員會成員	Number of meetings attended/held 出席次數/會議舉行次數		Number of meetings attended/held 出席次數/會議舉行次數
Chairman 主席 Ms. LEUNG Mei Han 梁美嫻女士	3/3		3/3
Committee members 委員會成員 Mr. LEE Man Chun Raymond 李文俊先生 Prof. SIN Yat Ming 冼日明教授 Mr. WONG Wai Kay 王維基先生	2/3 3/3 2/3		1/3 3/3 2/3

(c) 批准、追認及確認內部審計部對截至二零零八年六月三十日止十五個月的審計計劃。

薪酬委員會

本公司已成立薪酬委員會，並書面制定其職權範圍。薪酬委員會由四名獨立非執行董事組成，分別為李文俊先生、梁美嫻女士、冼日明教授及王維基先生。梁女士為薪酬委員會主席。薪酬委員會已獲提供足夠資源以履行其職務。

薪酬委員會的主要職責及功能已於書面職權範圍內明確載列，當中包括企業管治守則所特定的職責，並已刊載於本公司網頁內。

薪酬委員會之職責包括就董事及高級管理人員之薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事局提出建議。

概無董事涉及有關其本身薪酬之任何決定。本集團之薪酬政策致力提供公平之市場薪酬，以吸引、挽留及推動高質素員工。

本公司於年內已召開三次薪酬委員會會議，各委員會成員的出席詳情載列如下：

Management Committee

The Board has delegated to the Management Committee the authority of dealing with the operational matters of the Group, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference, which includes taking in charge of major decision making in relation to the day-to-day business operations of the Company, administering the Company's routine resolutions and dealing with ad-hoc matters, ensuring adequate funding and reporting periodically to the Board. The Management Committee consists of three executive directors and assumes full accountability to the Board for all operation of the Group.

Internal controls and internal audit

The Board has overall responsibility for maintaining a sound and effective system of internal controls particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Company's business strategies and the Group's business operations. During the period, the Board has reviewed the effectiveness of the system of internal controls through the Audit Committee.

The Group's internal controls are evaluated by the Internal Audit Department independently, operating since August 2002, on an on-going basis and covered all major operations of the Group on a rotational basis. The key tasks of which include:

- (a) reviewing material aspects of the Group's key activities and corresponding internal controls with unrestricted rights of access;
- (b) conducting audits on the work practices, procedures and internal controls established by the business units of the Group on a regular basis in order to evaluate the adequacy and effectiveness of the internal controls system established;
- (c) conducting special reviews and investigations into areas of concern identified by management; and
- (d) monitoring the corrective actions taken by relevant departments.

The internal audit charter was approved and adopted by the Audit Committee. The Internal Audit Department adopted a risk-based approach to develop the annual audit plan, which is reviewed and approved by the Audit Committee. It furnishes independent and objective evaluations and recommendations in the form of an audit report to management. Internal Audit staffs are authorized to access any information relating to the Company and to make enquiries to staffs concerned, and the head of the Internal Audit Department will directly report to the Audit Committee on the major audit findings and management responses.

管理委員會

除根據書面職權範圍由董事局決定及批准的事項外，管理委員會獲董事局授予整體權限以處理本集團的營運事宜，包括負責有關本公司日常業務運作的重大決定、管理本公司的例行決議案及處理特殊事項、確保有足夠的資金及定期向董事局匯報。管理委員會由三名執行董事組成並須就本集團之所有經營業務向董事局負全責。

內部監控及內部審計

董事局有責任保持一個穩健妥善而且有效的內部監控系統。特別在財務、營運、規章及風險管理等事項的監控，以達成公司的業務策略以及集團的業務運作。在期內，董事局已通過審核委員會檢討內部監控系統之有效性。

本集團的內部監控由自二零零二年八月起運作的內部審計部獨立進行持續評估並以循環方式涵蓋本集團所有主要營運業務，其主要工作包括：

- (a) 獲給予不受限制的職權以檢討本集團主要運作及相應內部監控；
- (b) 定期審核本集團業務單位所建立的工作慣例、程序及內部監控措施來評估現有內部監控系統的完整性及有效性；
- (c) 就管理層所關注的事項進行特別檢討及調查；及
- (d) 監督有關部門所進行的改進措施。

審核委員會已批核及採用內部審核規章，而內部審計部就採用以風險為基準的方法來制定年度審計計劃，該計劃會由審核委員會審閱及批核。內部審計部向管理層發出審計報告以提供獨立及客觀的評估及審計建議。內部審計職員有權取得任何有關本公司的資料，及向有關職員作出查詢，而內部審計部主管將就重大審計結果及管理層回應直接向審核委員會匯報。

The Internal Audit Department reports twice each year to the Audit Committee and the Directors on significant findings on internal controls. The Board has, through the works of the Audit Committee and the Internal Audit Department, carried out ongoing examination and monitoring of the Company's internal controls system and completed the evaluation of the internal controls system.

The Bossini Group Policy set forth a set of standards to all employees to govern the operations of the Group in legal, financial, procurement, human resources, corporate governance and public relation spheres, and will facilitate the ongoing examination and evaluation of the Group's compliance with relevant rules and regulations and of the effectiveness of internal controls. Employees are expected to strictly adhere to the Bossini Group Policy and encouraged to alert senior management of potential cases of misconduct without fear of retribution. The Bossini Group Policy was first issued in March 2004. It is taken up for review and renewal on an annual basis by the designated Group Policy Committee.

Model Code for Securities Transactions by Directors

The Bossini Group Policy laid down a code of conduct regarding the directors' securities transactions in terms as stringent as those set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Based on the specific enquiry made, all Directors have confirmed that they have complied with the Bossini Group Policy throughout the period. Employees are not encouraged to deal in the securities of the Company within one month before the interim and the final results announcements and prohibited to make use of price-sensitive information to deal in the securities of the Company.

Directors' interest at 30 June 2007 in the share capital and underlying shares of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) are set out on page 48.

Financial Reporting and External Auditors' Remuneration

The Directors recognise the responsibility for preparing the financial statements which give a true and fair view of the state of affairs and of the results and cashflows of the Group on a going concern basis with the support from the Finance Department.



內部審計部就內部監控之重要發現每年向審核委員會及董事報告兩次。董事局已透過審核委員會及內部審計部的工作持續檢查及監控本公司的內部監控系統及完成內部監控系統的評估。

堡獅龍集團政策亦為全體員工制定劃一標準，以監督本集團在法律、財務、採購、人力資源、企業管治及公共關係等方面的運作，並有助持續檢閱及評估本集團有否遵守有關的法例及規定，以及內部監控的有效性。堡獅龍集團政策要求各員工嚴格遵守各項守則及鼓勵員工如發現集團內有任何不當行為時需即時向相關主管匯報，而毋須憂慮遭受處分。堡獅龍集團政策於二零零四年三月首次推行，由指定的集團政策委員會每年檢討及更新。

董事進行證券交易的標準守則

堡獅龍集團政策載有董事進行證券交易的操守守則，其嚴謹程度與上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）一樣。根據向各董事所作的具體諮詢，全體董事確認於期內一直遵守標準守則所載的有關買賣標準。本集團不鼓勵員工於中期及全年業績公佈前一個月內買賣本公司證券，亦禁止利用股價敏感資料買賣本公司證券。

於二零零七年六月三十日，董事於本公司或其相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股本及相關股份中的權益刊載於第48頁。

財務匯報及外聘核數師酬金

董事知悉他們在財務部協助下須按持續經營基準編製可真實公平地反映本集團之財務狀況、業績及現金流量報表的責任。

The responsibilities of the Company's external auditors with respect to the financial reporting are set out in the Auditors' Report on page 54.

During the 15 months ended 30 June 2007, the auditors' remuneration in relation to statutory audit work of the Group amounted to HK\$2.15 million, of which a sum of HK\$1.77 million was paid to the Group's principal external auditor, Ernst & Young ("EY"). The remuneration for EY and its affiliated firms, for services rendered is broken down below:

	HK\$ million 港幣百萬元
Audit services 審計服務	1.77
Non-audit services 非審計服務	
Tax representative services 稅務代表服務	0.15
Interim result review services 中期業績審閱服務	0.45
Connected transaction review services 關連交易審閱服務	0.10
Total 總計	2.47

Communication with shareholders

The Board is committed to providing clear and full information on the Group to shareholders through the publication of notices, announcements, circulars, interim and annual reports. Moreover, additional information is also available to shareholders through the Investor Relations section on the Company's website. The Board also welcomes the views of shareholders on matters affecting the Group and encourages them to attend shareholders' meetings to communicate any concerns they might have with the Board or management directly.

Corporate transparency and investor relations

The Group disseminates information on business development on a timely basis through various channels to maintain transparency of its operation. The Company meets with analysts and overseas institutional investors from time to time so that investors can make recommendations and enquiries. The Company also holds regular conferences and meetings with financial analysts and investors, at which the Company's management directly provides relevant information and data to financial analysts, fund managers and investors, as well as answers their queries.

外聘核數師發表有關其申報責任之聲明已載列於本年報第54頁的核數師報告內。

截至二零零七年六月三十日止十五個月期間，本集團就法定審計工作而付予的核數師酬金為港幣2.15百萬元，當中港幣1.77百萬元已支付予本集團的主要外聘核數師安永會計師事務所（「安永」）。就安永及其聯屬公司所提供的服務酬金分析如下：

與股東的溝通

董事局透過刊印通告、公佈、通函、中期與年度報告，致力為股東提供清晰及全面的集團業績資料。此外，股東亦可登入集團網站「投資者關係」分頁取得更多資料。董事局亦歡迎股東對本集團事有影響的事務提出意見以及鼓勵他們出席股東大會與董事局及管理層直接溝通他們關心的事項。

企業透明度及投資者關係

本集團通過不同的渠道適時傳達業務發展信息以提高企業運作的透明度。本公司不時與分析員和海外機構投資者舉行會議，方便投資者提出建議及查詢。本公司亦定期與財務分析員及投資者舉行研討會及會議，公司管理層於會上直接向財務分析員、基金經理及投資者提供有關資料，以及解答他們的查詢。

We are well-poised to reap harvests from revitalisation efforts
on our brand, product range and network.
我們正熱切期待品牌、產品系列及銷售網絡
之革新所帶來的成果。



Management discussion and analysis

Financial Performance

The financial year end date of the Company has been changed from 31 March to 30 June since the financial period 2006/07 (for details, please refer to the Company's announcement dated 7 February 2007). Accordingly, this set of preliminary results covers the 15-month period from 1 April 2006 to 30 June 2007. It should be noted that the financial data presented herein are being compared with that for financial year 2005/06, the 12-month period ended 31 March 2006. The difference in duration of the two financial periods should be considered when making year-on-year comparisons.

During the financial period under review, the mass apparel sector continued to experience keen market competition. Rental and staff costs remained at high levels, impairing the Group's profitability in both Hong Kong and other core markets.

The management of the Group was disappointed with its results for the 15 months ended 30 June 2007 as performance of the Group's retail business remained sluggish and below par. The overall disappointing performance was mainly attributable to sub-optimal competitiveness of the Group's product mix and escalating operating overheads, in particular rental and staff costs. Despite this, pursuant to progressive launch of the spring/summer collection for 2007, improvement in sales started to gather upward momentum.

管理層討論及分析



財務表現

由二零零六／零七年財政期間起，本公司之財政年度結算日已由三月三十一日改為六月三十日，詳情請參閱本公司於二零零七年二月七日刊發之公佈。因此，本初步報表涵蓋二零零六年四月一日起至二零零七年六月三十日止十五個月期間之業績。務請注意，本報表所呈列之財務數字乃與二零零五／零六年財政年度（即截至二零零六年三月三十一日止十二個月期間）之數字比較。於作出年度比較時，須考慮兩個財政期間之年期差異。

於回顧財政期內，大眾化服裝業務之市場競爭仍然激烈。租金開支及僱員成本持續高企，影響本集團於香港及其他核心市場的盈利。

由於本集團零售業務的銷售表現疲乏且低於預期，本集團管理層對截至二零零七年六月三十日止十五個月之業績感到失望。整體表現未如理想主要由於本集團產品組合之競爭力較為遜色及營運開支不斷增加，特別是租金開支及僱員成本方面。儘管如此，本集團陸續推出二零零七年春夏季服裝系列後，銷售方面已重拾升軌。

The Group's revenue for the 15 months ended 30 June 2007 was HK\$2,568 million (2006: HK\$2,200 million). Gross profit of the Group for the period was HK\$1,270 million (2006: HK\$1,025 million). Gross margin rose by 2 percentage points to 49% (2006: 47%). Operating profit and operating margin were HK\$37 million (2006: HK\$140 million) and 1% (2006: 6%) respectively. Profit for the period attributable to equity holders was HK\$9 million (2006: HK\$105 million).

Operating Efficiencies

Overall same-store sales of the Group declined 8% during the 15 months ended 30 June 2007 (2006: 5% decline). Net sales per sq. ft. of retail space reduced by 14% to HK\$2,500 from HK\$2,900 in 2006.

The Group's operating expenses for the 15 months ended 30 June 2007 amounted to HK\$1,246 million (2006: HK\$902 million), comprising 48% (2006: 41%) of the total revenue of the Group. The increase in operating expenses was mainly attributable to surging rental and staff costs.

Operating Cost Analysis 營運成本分析

	For the 15 months ended 30 June 2007 截至二零零七年 六月三十日止十五個月		For the 12 months ended 31 March 2006 截至二零零六年 三月三十一日止十二個月		Change 轉變
	HK\$ million 港幣百萬元	% of revenue 佔收益百分比	HK\$ million 港幣百萬元	% of revenue 佔收益百分比	
Revenue 收益	2,568	100%	2,200	100%	+17%
Selling and distribution costs 銷售及分銷成本	904	35%	661	30%	+37%
Administrative expenses 行政開支	289	11%	202	9%	+43%
Other operating expenses 其他營運開支	53	2%	39	2%	+36%
Total operating expenses 總營運開支	1,246	48%	902	41%	+38%

截至二零零七年六月三十日止十五個月，本集團之收益為港幣25.68億元(二零零六年：港幣22.00億元)。本集團於期內之毛利為港幣12.70億元(二零零六年：港幣10.25億元)。毛利率上升2個百分點至49%(二零零六年：47%)。營運溢利及營運溢利率分別為港幣3.7千萬元(二零零六年：港幣1.40億元)及1%(二零零六年：6%)。權益持有人應佔期內溢利為港幣9百萬元(二零零六年：港幣1.05億元)。

營運效益

截至二零零七年六月三十日止十五個月之整體同店銷售額下跌8%(二零零六年：下跌5%)，而零售店舖每平方呎淨銷售額由二零零六年之港幣2,900元下降14%至港幣2,500元。

本集團截至二零零七年六月三十日止十五個月之營運成本為港幣12.46億元(二零零六年：港幣9.02億元)，佔本集團總收益的48%(二零零六年：41%)。營運成本增加主要是由於租金開支及僱員成本上升所致。



Business Review

Network Expansion

At 30 June 2007, the Group operated 1,051 outlets around the world (2006: 1,068), covering more than 20 countries and regions. Of these, 524 outlets were managed directly (2006: 521), while 527 were franchised (2006: 547).

Breaking down into geographically locations, the Group had 41 directly managed outlets (2006: 33) in Hong Kong, 346 directly managed (2006: 344) and 205 franchised outlets (2006: 284) in Mainland China, 93 directly managed outlets (2006: 112) in Taiwan, 33 directly managed outlets (2006: 29) in Singapore, 11 directly managed outlets (2006: 3) in Malaysia, and 322 export franchised outlets (2006: 263) in other countries. The Group has also expanded its foothold in India, Oman and Reunion Island. The total retail floor space of the Group slightly increased by 1% to 636,900 sq. ft. at 30 June 2007 (2006: 631,100 sq. ft.).

業務回顧

網絡擴充

於二零零七年六月三十日，本集團在全球擁有1,051間店舖（二零零六年：1,068間），覆蓋超過20個國家及地區，其中包括524間（二零零六年：521間）直接管理店舖及527間（二零零六年：547間）特許經營店舖。

按地區分佈而言，本集團於香港經營41間（二零零六年：33間）直接管理店舖，於中國大陸設有346間（二零零六年：344間）直接管理店舖及205間（二零零六年：284間）特許經營店舖，台灣93間（二零零六年：112間）直接管理店舖，新加坡33間（二零零六年：29間）直接管理店舖，馬來西亞11間（二零零六年：3間）直接管理店舖及322間（二零零六年：263間）特許經營店舖分佈於其他國家。本集團亦已開拓印度、阿曼及留尼旺島等市場。於二零零七年六月三十日，本集團的總零售樓面面積輕微增加1%至636,900平方呎（二零零六年：631,100平方呎）。

Regional Performance Analyses 按地區表現之分析

	Hong Kong 香港			Mainland China 中國大陸			Taiwan 台灣			Singapore 新加坡			Malaysia 馬來西亞			Total 合共		
	For the 15 months ended 30 June 2007 截至 二零零七年 六月三十日止 十五個月	For the 12 months ended 31 March 2006 截至 二零零六年 三月三十一日止 十二個月	Change	For the 15 months ended 30 June 2007 截至 二零零七年 六月三十日止 十五個月	For the 12 months ended 31 March 2006 截至 二零零六年 三月三十一日止 十二個月	Change	For the 15 months ended 30 June 2007 截至 二零零七年 六月三十日止 十五個月	For the 12 months ended 31 March 2006 截至 二零零六年 三月三十一日止 十二個月	Change	For the 15 months ended 30 June 2007 截至 二零零七年 六月三十日止 十五個月	For the 12 months ended 31 March 2006 截至 二零零六年 三月三十一日止 十二個月	Change	For the 15 months ended 30 June 2007 截至 二零零七年 六月三十日止 十五個月	For the 12 months ended 31 March 2006 截至 二零零六年 三月三十一日止 十二個月	Change	For the 15 months ended 30 June 2007 截至 二零零七年 六月三十日止 十五個月	For the 12 months ended 31 March 2006 截至 二零零六年 三月三十一日止 十二個月	Change
Retail 零售																		
Net retail sales (in HK\$ million) 零售淨銷售額 (港幣百萬元)	935	815	+15%	425	351	+21%	416	379	+10%	245	200	+23%	18	1	+1,700%	2,039	1,746	+17%
Operating profit/loss (in HK\$ million) 營運溢利 / (虧損) (港幣百萬元)	18	51	-65%	(34)	(9)	-278%	(53)	(10)	-430%	4	19	-79%	(3)	(1)	-200%	(68)	50	-236%
Operating margin (%) 營運溢利率 (%)	2%	6%	-4% pts 個百分點	-8%	-3%	-5% pts 個百分點	-13%	-3%	-10% pts 個百分點	2%	10%	-8% pts 個百分點	-17%	-100%	+83% pts 個百分點	-3%	3%	-6% pts 個百分點
Retail floor area (sq. ft.) (a) 零售樓面面積 (平方呎) (a)	149,600	111,400	+34%	300,000	307,300	-2%	136,400	176,000	-23%	36,200	32,000	+13%	14,700	4,400	+234%	636,900	631,100	+1%
Net sales per sq. ft. (in HK\$) (b) 每平方米淨銷售額 (港幣元) (b)	5,700	7,300	-22%	1,100	1,200	-8%	2,000	2,500	-20%	6,000	6,400	-6%	1,400	1,100	+27%	2,500	2,900	-14%
Same store sales growth (c) 同店銷售額增長 (c)	-7%	-5%	-2% pts 個百分點	-1%	-9%	+8% pts 個百分點	-14%	-11%	-3% pts 個百分點	-13%	+3%	-16% pts 個百分點	n/a	n/a 不適用	n/a 不適用	-8%	-5%	-3% pts 個百分點
No. of outlets 店舖數目	41	33	+8	346	344	+2	93	112	-19	33	29	+4	11	3	+8	524	521	+3
Franchise 特許經營																		
Sales (in HK\$ million) 銷售額 (港幣百萬元)	389	291	+34%	112	110	+2%	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	501	401	+25%
Operating profit (in HK\$ million) 營運溢利 (港幣百萬元)	114	86	+33%	8	15	-47%	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	122	101	+21%
Operating margin (%) 營運溢利率 (%)	29%	30%	-1% pts 個百分點	7%	14%	-7% pts 個百分點	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	24%	25%	-1% pts 個百分點
No. of outlets 店舖數目	322	263	+59	205	284	-79	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用	527	547	-20
Regional total 區域總計																		
Sales (in HK\$ million) 銷售額 (港幣百萬元)	1,352	1,130	+20%	537	490	+10%	416	379	+10%	245	200	+23%	18	1	+1,700%	2,568	2,200	+17%
Operating profit/loss (in HK\$ million) 營運溢利 / (虧損) (港幣百萬元)	116	125	-7%	(27)	7	-486%	(53)	(10)	-430%	4	19	-79%	(3)	(1)	-200%	37	140	-74%
Operating margin (%) 營運溢利率 (%)	9%	11%	-2% pts 個百分點	-5%	1%	-6% pts 個百分點	-13%	-3%	-10% pts 個百分點	2%	10%	-8% pts 個百分點	-17%	-100%	+83% pts 個百分點	1%	6%	-5% pts 個百分點
No. of outlets 店舖數目	41(d)	33(d)	+8	551	628	-77	93	112	-19	33	29	+4	11	3	+8	1,051	1,068	-17

Notes:

- (a) At period end
- (b) On weighted average basis
- (c) Same store sales growth is the comparison of sales of the same stores having full month operations in comparable periods (no comparison for Malaysia as the operation in financial year 2005/06 was not on a full year term)
- (d) No. of export franchised outlets is not included (30 June 2007: 322 outlets, 31 March 2006: 263 outlets)

附註:

- (a) 於期末
- (b) 加權平均基準
- (c) 同店銷售額增長為相同店舖於比較期內完整月份之銷售額比較 (由於馬來西亞之業務於二零零五/零六年財政年度並非全年營運，因此不作比較)
- (d) 不包括出口特許經營店舖 (二零零七年六月三十日: 322間; 二零零六年三月三十一日: 263間)

Brand Revamp Program

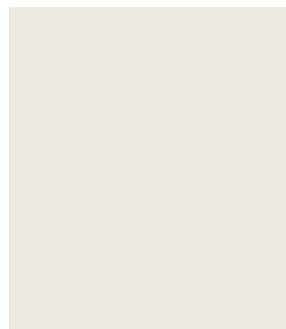
Established in the industry for two decades, “bossini” has emerged to become a household label of high quality, value-for-money casual apparel appealing to consumers in the region. During the period under review, the Group embarked on an integrated brand revamp program to inject new elements of family-centric values into the “bossini” brand identity, making it a synonym for offering care for the needs of every family member in many aspects, ranging from product offering, shop décor to shopping experience. The Group appointed an internationally renowned designer to lead the comprehensive brand revamp program. A new brand icon design and revolutionary shop décor were introduced to provide a more enjoyable shopping experience to customers. The Group believes that the program will help rejuvenate the brand and enhance its competitiveness.

Launch of New Product Lines

A total of three new product lines, namely, Maternity, Baby and Young, were launched in early 2007 in an effort to reinforce bossini’s new positioning as a family-fit brand that provided home feeling to customers. The new lines received enthusiastic response from customers. Subsequent to the launch of the brand revamp program, the Group continued to implement marketing campaigns refreshing customers’ awareness of the new attributes of the “bossini” brand and the new product lines and licensed products to penetrate into different market segments.

Key Operational Breakdown Analysis

The Group operated on a global platform, with core markets located in Hong Kong, Mainland China, Taiwan, Singapore and Malaysia. During the financial period under review, Hong Kong remained the major source of income, representing 52% (2006: 52%) of the Group’s consolidated revenue, followed by Mainland China, Taiwan, Singapore and Malaysia, which accounted for 21% (2006: 22%), 16% (2006: 17%), 10% (2006: 9%) and 1% (2006: 0%), respectively, of the Group’s consolidated revenue.



品牌更新計劃

「bossini」在業內屹立二十年，是家傳戶曉的品牌，為區內顧客提供優質及物有所值的休閒服裝。於回顧期內，本集團推行了一項綜合品牌更新計劃，為「bossini」品牌注入新的家庭價值元素，務求從產品、店鋪環境至購物體驗等各方面關注每名家庭成員的需要。本集團聘用了一位國際知名的設計師，統籌此項涉獵廣泛的品牌更新計劃。本集團已採用新設計的品牌標誌及店鋪裝修，冀能為顧客提供更愉快的購物體驗。本集團相信，此計劃將有助革新品牌及提升競爭力。

推出新產品系列

於二零零七年初推出三個新產品系列，分別是孕婦、嬰兒和年青系列，致力加強「bossini」成為家庭貼心品牌，給予顧客一種「家」的感覺的新市場定位。新系列頗受顧客歡迎。品牌更新計劃推出後，本集團不斷進行連串市場推廣活動，引起顧客對新「bossini」品牌的特色、新產品系列和專利授權產品的注意，務求滲透不同市場分部。

主要業務細分及分析

本集團業務運作遍及全球，以香港、中國大陸、台灣、新加坡及馬來西亞為核心市場。回顧財政期內，香港仍然是主要收入來源，佔本集團綜合收益的52%（二零零六年：52%），其次為中國大陸、台灣、新加坡及馬來西亞，分別佔本集團綜合收益的21%（二零零六年：22%）、16%（二零零六年：17%）、10%（二零零六年：9%）及1%（二零零六年：0%）。

Hong Kong

For the 15 months ended 30 June 2007, total revenue generated from Hong Kong amounted to HK\$1,352 million (2006: HK\$1,130 million). The retail and export franchising businesses accounted for 36% and 15% (2006: 37% and 13%), respectively, of the Group's total revenue. The overall operating profit in Hong Kong was HK\$116 million (2006: HK\$125 million), representing an operating margin of 9% (2006: 11%).

Bossini added 8 directly managed outlets in Hong Kong during the fifteen months under review, bringing the total number of outlets to 41 at 30 June 2007 (2006: 33) and the total retail floor area to 149,600 sq. ft. (2006: 111,400 sq. ft.). A remarkable 4-floor flagship store was opened at the end of March 2007. Retail sales in the financial period reached HK\$935 million (2006: HK\$815 million). Same-store sales declined by 7% (2006: 5% decline) during the period under review. Operating profit was HK\$18 million (2006: HK\$51 million), equivalent to an operating profit margin of 2% (2006: 6%).

The export franchising business recorded satisfactory performance. Revenue for export franchising was HK\$389 million (2006: HK\$291 million). Operating profit reached HK\$114 million (2006: HK\$86 million), while operating margin was 29% (2006: 30%). In the overseas franchising business, including the 59 new outlets opened during the past 15 months, there were in aggregate 322 stores (2006: 263 stores) at 30 June 2007. The Group commenced export franchising business in India, Oman and Reunion Island during the financial period under review.

Mainland China

The Group's focus has always been on profitability. In line with this goal, the Group continued its efforts on evaluating individual store performance and reconfigured its operations in Mainland China. During the 15-month period under review, the Group actively restructured its sales network under "sparkle" by

香港

截至二零零七年六月三十日止十五個月，來自香港的總收益為港幣13.52億元(二零零六年：港幣11.30億元)。零售業務及出口特許經營業務分別佔本集團總收益的36%及15%(二零零六年：37%及13%)。香港的整體營運溢利為港幣1.16億元(二零零六年：港幣1.25億元)，相當於營運溢利率9%(二零零六年：11%)。

在回顧期之十五個月內，堡獅龍於香港增設了8間直接管理店舖，使店舖數目於二零零七年六月三十日增加至41間(二零零六年：33間)，總零售樓面面積為149,600平方呎(二零零六年：111,400平方呎)。一間獨樹一幟樓高四層的旗艦店已於二零零七年三月底開幕。於財政期內的零售銷售額為港幣9.35億元(二零零六年：港幣8.15億元)。於回顧期內，同店銷售額下跌7%(二零零六年：下跌5%)。營運溢利為港幣1.8千萬元(二零零六年：港幣5.1千萬元)，相等於營運溢利率2%(二零零六年：6%)。

出口特許經營業務錄得理想成績。出口特許經營業務的收益為港幣3.89億元(二零零六年：港幣2.91億元)。營運溢利達港幣1.14億元(二零零六年：港幣8.6千萬元)，營運溢利率為29%(二零零六年：30%)。於二零零七年六月三十日，出口特許經營業務方面，在過去十五個月新增了59間店舖，總數達322間店舖(二零零六年：263間店舖)。於回顧財政期內，本集團已於印度、阿曼和留尼旺島開展出口特許經營業務。

中國大陸

本集團一向強調提高盈利，為了達到此目標，本集團不斷對個別店舖表現進行評估，並重新整理中國大陸的業務。於回顧之十五個月期內，本集團積極重組「sparkle」品牌的銷售網絡，關閉了此品牌六十間直接管理及特許經營



closing down 60 directly managed outlets and franchised outlets of the label. A total of 79 franchised outlets of the “bossini” and “sparkle” label were closed, significantly reducing the number of franchised outlets to 205 (2006: 284) while adding only 2 directly managed outlets. These in effect increased slightly the total number of directly managed outlets to 346 (2006: 344). The total number of outlets in Mainland China was therefore further reduced to 551 (2006: 628). Total retail floor area decreased to 300,000 sq. ft. (2006: 307,300 sq. ft.).

In the network of directly managed outlets, there were 247 (2006: 225) “bossini” outlets and 99 (2006: 119) “sparkle” outlets. In the franchising network, 170 (2006: 209) were “bossini” outlets and 35 (2006: 75) were “sparkle” outlets.

Total revenue in Mainland China for the 15 months ended 30 June 2007 reached HK\$537 million (2006: HK\$490 million). Sales from directly managed outlets reached HK\$425 million (2006: HK\$351 million) whereas sales from franchised outlets was HK\$112 million (2006: HK\$110 million). The sales revenue from directly managed and franchised outlets in Mainland China as a percentage of the Group’s consolidated revenue were 17% (2006: 16%) and 4% (2006: 5%), respectively. Same-store sales for the retail business declined by 1% in Mainland China (2006: 9% decline). Nevertheless, sales picked up modestly in the first quarter of 2007. It is therefore expected that the growth momentum would continue throughout the year.

店舖。「bossini」及「sparkle」品牌合共關閉了79間特許經營店舖，使特許經營店舖數目大幅減少至205間（二零零六年：284間），且只增設2間直接管理店舖，因此直接管理店舖的總數輕微增加至346間（二零零六年：344間）。中國大陸的店舖總數因而減少至551間（二零零六年：628間），而總零售樓面面積則減至300,000平方呎（二零零六年：307,300平方呎）。

於直接管理店舖網絡中，247間（二零零六年：225間）為「bossini」店舖及99間（二零零六年：119間）為「sparkle」店舖。於特許經營網絡方面，170間（二零零六年：209間）為「bossini」店舖及35間（二零零六年：75間）為「sparkle」店舖。

中國大陸的業務截至二零零七年六月三十日止十五個月的總收益為港幣5.37億元（二零零六年：港幣4.90億元）。當中，來自直接管理店舖的銷售額達港幣4.25億元（二零零六年：港幣3.51億元），而來自特許經營店舖的銷售額為港幣1.12億元（二零零六年：港幣1.10億元）。中國大陸的直接管理店舖及特許經營店舖的銷售額分別佔本集團綜合收益的17%（二零零六年：16%）及4%（二零零六年：5%）。中國大陸零售業務的同店銷售額下跌1%（二零零六年：下跌9%），由於二零零七年第一季的銷售額已逐步改善，因此預期其增長勢頭於年內將會持續。



The three brands in Mainland China, namely “bossini”, “bossinistyle” and “sparkle” incurred an operating loss of HK\$27 million for the 15 months ended 30 June 2007 (2006: HK\$7 million operating profit) from the Mainland China operation. The operating margin was negative 5% (2006: positive 1%).

Taiwan

Taiwan was yet to recover from the economic downturn and political instability during the financial period under review. The Group closed 19 outlets during the 15-month period under review, resulting in a total number of 93 (2006: 112). Total retail floor area decreased by 23% to 136,400 sq. ft. (2006: 176,000 sq. ft.).

Sales in Taiwan for the period was HK\$416 million (2006: HK\$379 million) and same-store sales experienced a decline of 14% (2006: 11% decline). Operating loss amounted to HK\$53 million (2006: HK\$10 million loss).

Singapore

At 30 June 2007, the total number of directly managed outlets reached 33 (2006: 29) and the total retail floor area increased by 13% to 36,200 sq. ft. (2006: 32,000 sq. ft.).

Retail sales in Singapore reached HK\$245 million (2006: HK\$200 million) while same-store sales recorded a decline of 13% (2006: 3% growth). The operation registered an operating profit of HK\$4 million for the financial period under review (2006: HK\$19 million) at an operating margin of 2% (2006: 10%).

截至二零零七年六月三十日止十五個月，中國大陸的三個品牌「bossini」、「bossinistyle」及「sparkle」為中國大陸業務帶來營運虧損港幣2.7千萬元（二零零六年：營運溢利港幣7百萬元）。營運溢利率為負5%（二零零六年：正1%）。

台灣

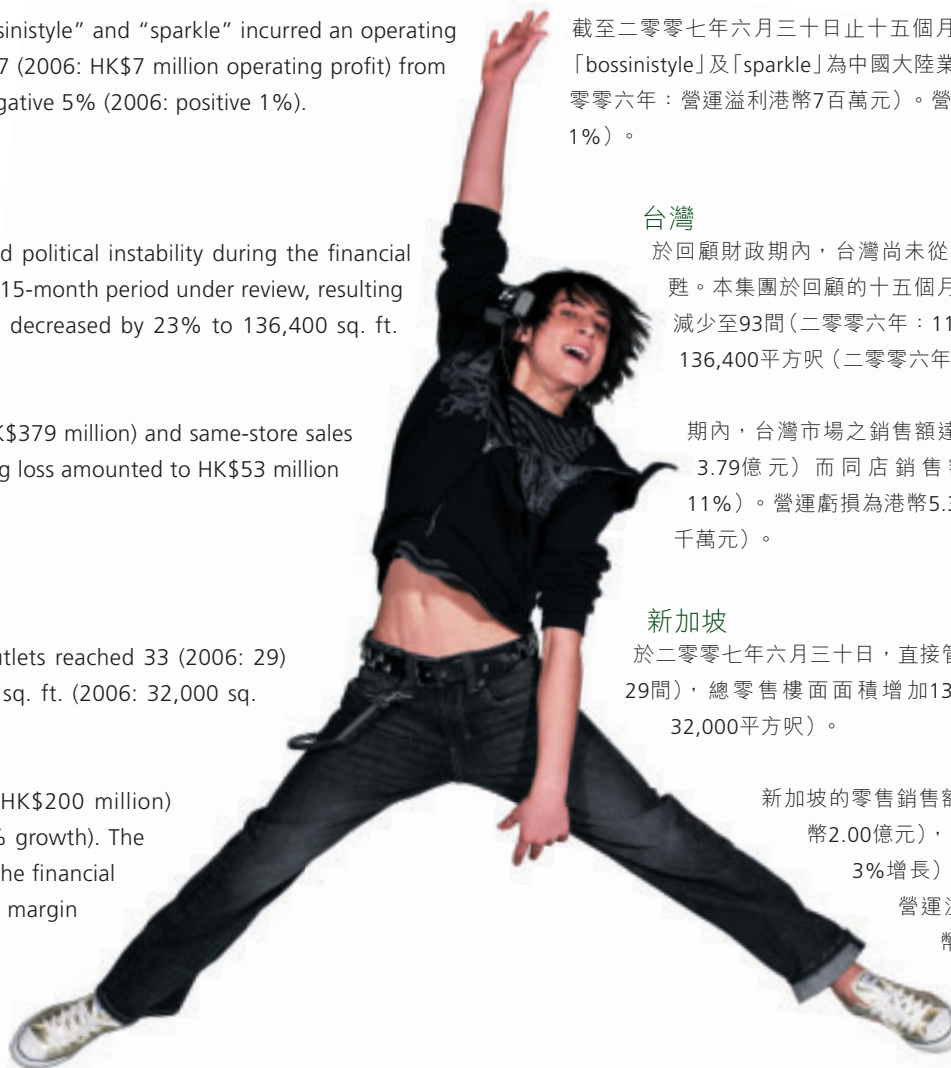
於回顧財政期內，台灣尚未從經濟衰退及政局不穩定的環境中復甦。本集團於回顧的十五個月期內關閉了19間店舖，令店舖總數減少至93間（二零零六年：112間）。總零售樓面面積減少23%至136,400平方呎（二零零六年：176,000平方呎）。

期內，台灣市場之銷售額達港幣4.16億元（二零零六年：港幣3.79億元）而同店銷售額下降14%（二零零六年：下降11%）。營運虧損為港幣5.3千萬元（二零零六年：虧損港幣1.0千萬元）。

新加坡

於二零零七年六月三十日，直接管理店舖總數為33間（二零零六年：29間），總零售樓面面積增加13%至36,200平方呎（二零零六年：32,000平方呎）。

新加坡的零售銷售額達港幣2.45億元（二零零六年：港幣2.00億元），同店銷售額下跌13%（二零零六年：3%增長）。新加坡業務於回顧財政期內錄得營運溢利港幣4百萬元（二零零六年：港幣1.9千萬元），營運溢利率則為2%（二零零六年：10%）。



Malaysia

The Group re-entered the market and operated for about a year and a half. Such market was in its initial stage of progressive growth. During the fifteen months under review, sales revenue hit HK\$18 million (2006: HK\$1 million) with an operating loss of HK\$3 million (2006: HK\$1 million loss). The Group opened 8 outlets in the period under review, bringing the total number of stores to 11 (2006: 3).

Changes of Inventory Provision Policy

The Group revised its inventory provision policy during the period under review. If the previous inventory provision policy were applied for the current period, profit for the period attributable to equity holders would have been HK\$13 million less. The Group anticipates that this revision of inventory policy will facilitate better inventory and margin management.

Change of Financial Year End Date

The financial year end date of the Company has been changed from 31 March to 30 June commencing from the financial period 2006/07 (for details, please refer to the Company's announcement dated 7 February 2007). Accordingly, this set of preliminary results covered the period from 1 April 2006 to 30 June 2007. The annual report for the 15 months ended 30 June 2007 will be distributed on or before 31 October 2007.

Liquidity and Financial Resources

At 30 June 2007, the Group's net cash balance amounted to HK\$132 million (2006: HK\$244 million) after payment of a final dividend of HK\$28.2 million in September 2006 for the last financial year. The Group's current ratio stood at a healthy level of 2.28 times (2006: 2.35 times) and the total liabilities to equity ratio at 47% (2006: 46%). The Group had no bank borrowings (2006: Nil) payable within one year.

The Group's inventory turnover days[#] was 54 days (2006: 42 days) for the fifteen months under review. Return on equity ratio was 1% (2006: 18%).

Inventory held at period end divided by annualised revenue times 365 days

馬來西亞

本集團重新投入此市場後已運作約一年半。馬來西亞市場現處於初步發展階段。於回顧的十五個月期內，銷售額達港幣1.8千萬元（二零零六年：港幣1百萬元），營運虧損為港幣3百萬元（二零零六年：港幣1百萬元虧損）。於回顧期內，本集團新增了8間店舖，令店舖總數增加至11間（二零零六年：3間）。

存貨撥備政策轉變

本集團於回顧期內更改其存貨撥備政策，若按過往的存貨撥備政策，權益持有人應佔期內溢利將會減少約港幣1.3千萬元。本集團預期修訂後的存貨撥備政策將有助達至最佳的存貨及利潤管理。

更改財政年度結算日

自二零零六／零七年財政年度起，本公司的財政期間結算日已由三月三十一日更改為六月三十日（詳情請見本公司於二零零七年二月七日刊發的公佈）。因此，本初步報表涵蓋二零零六年四月一日起至二零零七年六月三十日止期間之業績。截至二零零七年六月三十日止十五個月之年報將於二零零七年十月三十一日或之前派發。

流動資金及財政資源

於二零零六年九月派付上一財政年度之末期股息港幣2.82千萬元後，本集團於二零零七年六月三十日之現金淨額為港幣1.32億元（二零零六年：港幣2.44億元）。本集團的流動比率維持於2.28倍之健康水平（二零零六年：2.35倍），總負債對股東權益比率為47%（二零零六年：46%）。本集團並無須於一年內償還之銀行借貸（二零零六年：無）。

於回顧的十五個月，本集團之存貨周轉期[#]為54日（二零零六年：42日），股本回報率為1%（二零零六年：18%）。

於期末所持有之存貨除以年度化收益乘以365日

Contingent Liabilities 或然負債

	30 June 2007 二零零七年六月三十日	31 March 2006 二零零六年三月三十一日
	HK\$'000 港幣千元	HK\$'000 港幣千元
Bank guarantees given in lieu of utility and property rental deposits 代替水電及租用物業按金之銀行擔保	1,580	1,510

The Company has given guarantees in favour of banks to the extent of HK\$433 million (31 March 2006: HK\$455 million) in respect of banking facilities granted to certain subsidiaries. These facilities were utilised to the extent of HK\$25 million at 30 June 2007 (31 March 2006: HK\$24 million).

本公司就若干附屬公司所獲批之銀行信貸而向銀行作出港幣4.33億元(二零零六年三月三十一日:港幣4.55億元)之擔保。於二零零七年六月三十日已動用之信貸額為港幣2.5千萬元(二零零六年三月三十一日:港幣2.4千萬元)。

Human Capital

At 30 June 2007, the Group employed full-time staff or equivalent of 4,300 (2006: 4,300) in Hong Kong, Macau, Mainland China, Taiwan, Singapore and Malaysia. It deploys a performance-based and share option remuneration system and offers benefits such as insurance and retirement schemes as well as discretionary performance bonuses.

人力資源

於二零零七年六月三十日,本集團在香港、澳門、中國大陸、台灣、新加坡及馬來西亞共聘用4,300名(二零零六年:4,300名)全職員工。本集團引用以員工的工作表現釐定及購股權薪酬機制,並提供其他福利,包括保險及退休計劃以及按表現發放花紅。

Outlook

The management of the Group was disappointed with its results for the 15-month period ended 30 June 2007 and are determined in turning around the Group's performance by focusing on enhancing brand image, enriching product portfolio, strengthening overseas market penetration and realigning non-performing outlets in both Taiwan and Mainland China. With clear mandates coupling with strong economic growth in most countries in Asia, the Group's core market, the management is confident that the Group's performance will substantially rebound in the coming year; and signs of revival were present in the first half of 2007.

未來展望

本集團管理層對其截至二零零七年六月三十日止十五個月期間的業績感到失望,並藉著致力加強品牌形象、強化產品組合、增加海外市場滲透率及重整台灣及中國大陸的虧蝕店舖以扭轉弱勢。憑藉清晰目標,加上亞洲大部份國家包括本集團核心市場的強勁經濟增長,管理層相信本集團之業務於來年定可大幅改善,並於二零零七年上半年漸見曙光。

During the period, the Group has been receiving good market response to its holistic 360 degree brand revamp initiatives in Hong Kong. The new brand image and color together with refurbished outlets drew public attention effectively. The Group will continue to replicate this brand revamp in overseas markets in phases in this calendar year. The programme had been rolled out in Mainland China and Singapore at the end of September of 2007 and scheduled to roll out in Taiwan in November of 2007, spreading the new “bossini” brand attributes of Family Values, Smile, Color and Humor around the world to further enhancing the brand image and its market awareness. We estimate that additional cost impact for the roll out of the new concept to the overseas markets would be modest. The management believes that the long-term benefits derived from the program will far outweigh its efforts and costs.

On the product front, the three newly launched product lines, Maternity, Baby and Young, have been well received. In the next financial year, the Group will continue to extend and revitalise its product lines with refreshing product designs and functional fabrics so as to stimulate demand, complementing with large scale cooperation for licensed products. In mid September 2007, the Group introduced a brand-new limited edition of “bossini X M&M’s” Miss Green collection. The crossover with M&M’s synergistically extended both companies’ common brand value of emphasis on family, riding on the perfect harmony of Miss Green’s tone and the Group’s new vivid green brand color.

The outlook for our Hong Kong retail operation next year appears to be mixed with both opportunities and challenges. The Group will continue to maintain a pragmatic expansion strategy with a strong emphasis on profitability and efficiency. With the sales improvement realised in the first half of 2007, plus double-digit growth in overall retail sales for Hong Kong according to the published statistics, the management is confident that our Hong Kong retail operation has gone through its turning point which will ignite further improvements in the future. We planned to open additional 2 to 4 stores for the financial year 2007/08. Our export franchise business consistently delivered encouraging performance with double-digit growth in revenue during the last three months of the period under review. We expect that this trend of steady growth will sustain. The Group launched a well-received new “Young” product line in such market to diversify its revenue streams and customer base and the market response was encouraging. We plan to further expand our export franchise business into five new countries in the next financial year, which include, South Korea, Syria, Egypt and Romania to further bolster market presence worldwide.

期內，本集團的360度全面品牌更新計劃廣受香港市場接納，好評如潮。新的品牌形象與顏色，加上全新的店舖裝修成功吸引公眾注意。本集團將於二零零七年內在海外市場逐步展開此項計劃。該計劃已於二零零七年九月底在中國大陸及新加坡展開，並預計於二零零七年十一月伸延至台灣，務求將「bossini」的新品牌特色「家庭價值、微笑、色彩和幽默」散播全球，藉此進一步加強品牌形象及市場知名度。我們估計將新概念推廣至海外市場所產生的額外成本影響輕微。管理層相信，計劃所帶來的長遠利益，將會遠遠抵銷我們所付出的努力及成本。

在產品方面，本集團新推出的三個產品系列，分別為孕婦、嬰兒和年青系列頗受市場歡迎。於下一個財政年度，本集團將繼續開拓及革新產品系列，透過清新產品設計和功能性用料以刺激市場需求，並進行大型專利授權產品合作項目。於二零零七年九月中，本集團推出嶄新的限量版「bossini X M&M’s」Miss Green 系列。與 M&M 合作發展可加強發揮兩家公司對強調家庭的共同品牌信念，而 Miss Green 的色調正好配合本集團新品牌的鮮綠色。

香港零售業務於未來一年充滿機遇和挑戰。本集團將繼續維持務實的擴展策略，致力提升盈利能力及效率。憑藉二零零七年上半年體現之銷售改善，加上根據所公佈的數據顯示香港整體零售銷售額達雙位數字增長，管理層相信香港零售業務已逐步好轉，並可期於日後得以進一步改善。我們計劃於二零零七／零八財政年度增加2至4間店舖。出口特許經營業務表現理想，於回顧期內之最後三個月，營業額錄得雙位數字增長，我們預期此項業務將可保持穩定的增長趨勢。本集團已將廣受歡迎的新「年青」產品系列推出市場，以擴充收入來源及顧客基礎，市場反應熱烈。我們計劃於下個財政年度將出口特許經營業務擴展至五個新國家，包括南韓、敘利亞、埃及和羅馬尼亞，以進一步增加國際市場的佔有率。



Mainland China continues to be the world's leading growth engine and its economy is expected to be buoyant in the coming years. With more management involvement in our Mainland China operation and outlets and product line realignment in progress, the management is confident that a modest turnaround would materialise in the upcoming year.

Apart from the significant reduction in number of franchised outlet by 79 stores, the realignment of the "sparkle" operation will continue until early 2008 to reduce operating costs, reallocate financial resources and enhance profitability. Approximately 40 "sparkle" loss-making outlets are gradually being phased out and the

中國大陸一直是世界增長動力火車頭，預期來年的經濟將會蓬勃發展。除加強中國大陸業務的管理外，店舖及產品系列亦在重整中，管理層相信於未來一年中國大陸業務將可轉虧為盈。

除大幅減少79間特許經營店舖外，本集團將繼續重整「sparkle」業務直至二零零八年初，以削減營運成本、重新調配財務資源及提升盈利能力。本集團已逐步關閉約40間錄得虧損的「sparkle」店舖，餘下的店舖則視情況而轉為

remaining stores would be converted into the new young line “Yb by bossini” as appropriate. The Group also plans to open at least two new flagship stores in major cities of China in the financial year 2007/08.

Taiwan’s retail market is expected to remain lackluster due to political and economic instabilities. We plan to further close down 9 outlets in the upcoming financial year, reducing the total number of outlets to 84 from 93 at 30 June 2007. We also plan to redeploy our resources to other markets while putting our network expansion on the island on hold due to the lingering economic uncertainty there. With the network realignment commenced in the latter part of the period under review, we are quite confident that the Taiwan operation would improve significantly in the upcoming financial year.

The management expects that Singapore will experience stable performance in the near future. We shall continue to expand our sales network in the country throughout the financial year 2007/08 with three additional outlets. We are particularly optimistic about the outlook of our Malaysia operation which look promising in long-term once a considerable size of distribution network is established. We plan to increase the number of shops in Malaysia by 12 in the upcoming financial year. We anticipate the market will record satisfactory top-line growth and achieve breakeven in the financial year 2007/08.

Leveraging the brand revamp program, product range innovation and effective network restructuring approach, the Group is well poised to reap the harvest from its efforts on revitalisation. In the coming year, the businesses in export franchise will still be a driving force of growth. The Group remains confident about the long-term growth potential.

新年青系列「Yb by bossini」。集團計劃於二零零七／零八年財政年度在中國大陸的主要城市開設最少2間旗艦店。

由於政治局面及經濟的不穩定，預期台灣零售市場仍然停滯不前。本集團計劃於未來一年關閉9間店舖，將店舖總數由二零零七年六月三十日的93間減至84間。由於台灣的經濟未明朗，本集團計劃重新調配資源至其他市場，並擱置於台灣的網絡擴展計劃。加上於回顧期內的下半部份，已開始進行網絡重整，我們相信台灣業務於來年將可大大改善。

管理層預期，新加坡於未來仍會繼續保持穩定表現。我們將於二零零七／零八財政年度在新加坡增加3間店舖以繼續擴展新加坡的銷售網絡。我們尤其對馬來西亞業務前景感到樂觀，在建立龐大的分銷網絡後，長遠而言將可取得盈利。我們計劃於來年，將馬來西亞店舖數目增加12間。我們預期此市場可錄得滿意的增長，並於二零零七／零八年財政年度達至收支平衡。

憑藉推出好評如潮的品牌更新計劃、創新產品系列及有效的網絡重組方案，管理層熱切期待努力革新所帶來之成果。於來年，出口特許經營業務將仍是業務增長的主要動力。本集團仍對業務的長遠發展潛力滿有信心。

Our mission is to create an ingrained positive
and self-reinforcing corporate culture.

我們的使命是建立一個根深蒂固及
能自我完善的企業文化。



Corporate culture

企業文化

Bossini is a learning organization that values knowledge sharing and life-long learning. It encourages employees to progress and excel every day through providing them with comprehensive on-the-job training and focused programmes.

In developing a culture unique to Bossini, the Group issued a guideline entitled “the bossini way” in mid 2002 to share with all staff its vision, mission and shared values. It is a framework of values that encourages productive habits and practices of employees. We believe such a pronounced and unique corporate culture helps align the Group’s and our staff’s vision, mission and values, thus empowers the Group and its employees as a body to advance in a consistent direction.

Since May 2004, Bossini has been cooperating with the Center For Effective Leadership (HK) Ltd. to provide training for employees in the “7 Habits®”. The Group’s mission is to fully implement these ideals throughout the organization, creating an ingrained positive culture capable of continually reinforcing itself. Bossini is confident that these efforts will benefit its employees and the Group as a whole and will continue to implement them in the future.



堡獅龍為一間學習型機構，我們重視知識交流，提倡終身學習。我們透過全面的在職培訓和重點訓練，鼓勵員工每天不斷進步，精益求精。

在建立本身特有之文化過程中，本集團於二零零二年中推出名為「堡獅龍之道」之指引，與全體員工分享其願景、使命及共同信念。此指引為本集團每位成員提供一個信念框架，鼓勵員工實踐有效能的習慣及方法。我們深信，此特有的企業文化有助統一本集團及員工的願景、使命和共同信念，從而帶領本集團及其員工向同一方向邁進。

自二零零四年五月起，堡獅龍已與香港高效能管理中心合作，為員工提供「七個習慣®」的培訓。本集團的使命是在整個集團實行上述的理想，並建立一個根深蒂固，能不斷自我完善的企業文化。集團相信，上述各方面所作出的努力對員工及集團整體均會帶來莫大的裨益，因此，本集團將會持之以恆地實踐。

“the bossini way” 「堡獅龍之道」

VISION

願景

To be the top-of-mind brand leader
顧客首選的品牌、市場卓越的領導

SHARED VALUES

共同信念

Employees and the company are bonded by a commitment to serve each other's interests in the best way possible

員工及公司堅守共同承諾 — 為彼此的權益做到最好

使命

MISSION

To create incremental value for the brand every day ... in every way
每天每處不斷為品牌增值

7 Habits®	7 Practices
1. Be Proactive®	1. Face Reality
2. Begin with the End in Mind®	2. Keep it Simple
3. Put First Things First®	3. Act with the Speed of Light
4. Think Win-Win®	4. Set Stretch Goals
5. Seek First to Understand, then to be Understood®	5. Drive Quality
6. Synergize®	6. Create and Sustain a Learning Organisation
7. Sharpen the Saw®	7. Keep the A, Nurture the B, Discard the C

「七個習慣®」	「七個方法」
1. 主動積極®	1. 面對現實
2. 以終為始®	2. 保持精簡
3. 要事第一®	3. 極速行動
4. 雙贏思維®	4. 目標高遠
5. 知彼解己®	5. 精益求精
6. 統合綜效®	6. 建立持續性學習型組織
7. 不斷更新®	7. 保留A、培育B、摒除C

Human resources and social responsibilities

Human capital development has always been highly emphasized by Bossini. To ensure the Group's long-term business growth and profitability, we started an internal job evaluation project in Hong Kong with the engagement of external consultants to build a comprehensive job grading system and structure. It will be completed by December 2007 and will be extended to other countries and regions of business operations.

For the period of this Annual Report, the Group provided an average of 24.9 hours for each staff on training and development programs. These training programs included the The 7 Habits of Highly Effective People for staff at all levels, Harvard ManageMentor® PLUS (an e-learning program developed by Harvard Business School Publishing) for our middle to senior managers. In January and April 2007, Thinkertoys seminars were conducted to promote and enhance the culture of innovation.



The Bossini brand revamp program in March 2007 unfolded our new corporate image. A series of human capital development programs were implemented to align with our new image and extended product lines. We have conducted a series of new training programs including a "Service DNA Workshop" aimed to improve the communication and presentation skills of our staff. Professional consultants from Beauty Tech Institute held workshops to further energize our staff with fresh and friendly personal image. Experienced education psychologist of the Heep Hong Society was invited to conduct children psychology seminars to improve our staff's communication and serving skills to pregnant women and their children for our baby and kids products.



人力資源及社會責任

堡獅龍一直重視人力資本發展。為確保本集團之長遠業務發展及盈利能力，本集團已於香港聘請外界顧問開始進行內部工作評估項目，以建立全面的職級系統及架構。有關項目將於二零零七年十二月完成，並將推廣至其他業務國家及地區。

於本年報期間，本集團為每名員工提供平均24.9小時的培訓及發展項目，包括為全體員工提供的高效人仕七習慣以及為中級和高級經理提供的Harvard ManageMentor® PLUS（由哈佛商學院出版社創辦的線上學習課程）。於二零零七年一月及四月，本集團亦曾舉辦Thinkertoys座談會以宣傳及加強創新文化。



於二零零七年三月進行的堡獅龍品牌更新計劃揭開本集團的新企業形象。本集團進行了一系列人力資本發展項目以配合新形象及產品類別的增加。本集團亦進行多項嶄新培訓項目，包括服務DNA改造工作坊，務求提升員工的溝通及表達技巧。本集團邀請美麗藝術化妝髮型美容學府的專業顧問舉辦工作坊以進一步為員工塑造鮮明及親切的個人形象。本集團亦邀請協康會的資深教育心理學家舉辦兒童心理座談會，以提升嬰兒及兒童產品部的員工對孕婦和兒童的溝通及服務技巧。

Human Resources and Social Responsibilities 人力資源及社會責任

“Serving with 7-Habits wholeheartedly” was a series of training programs and activities aimed to incorporate 7-Habits into our frontline retail customer services supported by the back office of the entire Company. Through training sessions, service slogan competition, induction programs, and briefing sessions at the front line level, this campaign marked the achievement of an overall average of 97% customer satisfaction rate in the “Mystery Shopper Evaluation Program” conducted by an external research agency company, Oracle Added Value, among all Bossini shops. Friendly, good product knowledge, proactive attitude, and attention to details were often the descriptions praised by the customers on our shop staff and services.



「用心服務七習慣」是一項培訓課程及活動，務求在公司後勤辦公室協助下將七習慣融入前線零售客戶服務內。透過為前線員工提供培訓課程、服務口號比賽、入職指導課程及簡報課程等，活動成效顯著。本集團透過外界意見調查公司Oracle Added Value於各堡獅龍店舖進行的「神秘顧客報告」顯示，客戶的整體滿意率平均達97%。客戶給予本集團店舖員工及服務的評價為形象親切、具備良好產品知識、態度熱誠及細緻服務。

Social Responsibilities

Bossini is committed to being a socially responsible corporate citizen; which means investing in and enriching our communities and seeking to maintain high ethical standards plus inducing a culture that values honesty, integrity and transparency in all that we do. To only work with business partners that respect and treat their workers fairly. We are committed to our employees, to the environment in which we live and to the communities we serve worldwide.



社會責任

堡獅龍致力成為對社會負責任之企業公民，投資及增進我們的社區及尋求維持高道德水平及引發一個著重誠實、正直及具透明度的文化。我們祇會與尊重及公平地對待員工的生意夥伴合作。我們忠誠的對待我們的員工、我們所居住的環境及我們服務的遍及全球的社區。

Bossini encourages and supports employee to organise and participate in volunteer activities. In October 2006, the volunteer team of the Company has organised a school visit to Ebenezer New Hope School, a school for visually and mentally disabled students, and enjoy a joyful night with the students. In April 2007, the volunteer team has organised a 3-day-2-night tour to visit a primary school in Guangdong Province. These were the more visible activities organised by the volunteer team during the period. Other activities included initiating colleague to join the Back to School Project to help impoverished students in the mountain area to continue their education.



堡獅龍鼓勵及支持員工組織及參與義務工作。在二零零六年十月，公司義工隊探訪了心光恩望學校，一所為視障及智障學生而設的學校，並與學生歡度了一個愉快的晚上。二零零七年四月，義工隊組織了一個三日兩夜的探訪團到廣東省探訪一間小學。上述僅為義工隊於年內組織的較大型活動，其它活動包括策動同事參加重返校園計劃，資助貧窮山區的失學兒童重返校園讀書。

A Caring Company

In recognition of the Company's community efforts, the Company was awarded as "the Caring Company" by the Hong Kong Council of Social Service for three consecutive years. As an integral part of the communities in which we operate, Bossini will continue its effort in caring the people in need, actively participating in and supporting different charity projects. The Group is dedicated to fulfilling our shares as a responsible corporate citizen.

Other awards 其它獎項



Bossini has won the "Best Octopus Marketing in Other Retail Sector" Award in Octopus 10th Anniversary Partner Awards Online Voting.

在八達通10週年商業夥伴大獎網上投票選舉中，堡獅龍榮獲「最佳八達通商戶市場推廣—其他零售組別」殊榮。



Bossini was selected as the Sing Tao Excellent Services Brand 2006 in fashion chain outlets by Sing Tao Daily.

堡獅龍被選為服飾連鎖店行業的星鑽服務品牌2006，該活動由星島日報主辦。

關懷社會的公司

本公司連續第三年獲得香港社會服務聯會表揚為「商界展關懷」公司，對社會服務的貢獻再次獲得肯定。作為社區的一份子，堡獅龍會繼續主動關懷有需要人士，積極參與及支持不同的慈善項目，本集團會竭力履行企業公民之責任。



Bossini was presented with the Gold Award of PRC Consumer's Most Favourable Hong Kong Brands 2007 in the Clothing and Clothing Retails Category which was organized by China Enterprise Reputation & Credibility Association (Overseas) Limited and a number of media and professional bodies.

堡獅龍榮獲由中華（海外）企業信譽協會及其他媒體及商會合辦「中國消費者最喜愛香港名牌2007」評選活動—服裝及服裝零售類別行業金獎。

Our executives are high-calibre professionals diversified in their expertise but focused in their goal: adding value for shareholders.

我們的行政人員為高質素的專業人士，他們具有不同專長，
但目標一致：為股東增值。



Management profiles

Executive Directors

Mr. LAW Ka Sing, aged 57, is the Chairman of the Company. Mr. Law joined the Group in 1991 and has over 27 years' experience in garment manufacturing, retailing and wholesale business. He is responsible for the overall direction of the Group.

Ms. CHAN So Kuen, aged 47, was appointed as the Chief Executive Officer of the Group in January 2007. Ms. Chan graduated from The Hong Kong Polytechnic University and Oklahoma City University, the United States of America, with a Master's Degree in Business Administration. She is also a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Ms. Chan joined the Group in August 2003 as the Director of Finance. She has more than 24 years' experience in auditing, financial management and corporate finance in audit firm, travel, property development, hotel investment and management, household appliances trading and manufacturing, semiconductor and retail industries. Ms. Chan is responsible for the overall management and strategic planning of the Group.

Mr. MAK Tak Cheong Edmund, aged 43, is the Director of Finance of the Group. Mr. Mak graduated from the University of Windsor, Canada with two Bachelor's degrees in Computer Science and Commerce. He is also a member of the American Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Mak joined the Group in February 2007. He has over 17 years' experience in auditing, financial management and corporate finance in audit firm, consumer electronics and communications products, real estate service, food retail chain and internet service industries. Mr. Mak is responsible for the overall financial management, corporate finance, legal, internal audit and investor relation functions of the Group. He is also the Qualified Accountant of the Company.

管理層簡介

執行董事

羅家聖先生，現年57歲，為本公司之主席。羅先生於一九九一年加盟本集團，於成衣製造、零售及批發業務方面已積累逾二十七年經驗。彼負責本集團之整體方向。

陳素娟女士，現年47歲，於二零零七年一月獲委任為本集團之行政總裁。陳女士畢業於香港理工大學及美國奧克拉荷馬城大學，持有工商管理碩士銜。彼亦為英國特許公認會計師公會及香港會計師公會之資深會員。陳女士於二零零三年八月加盟本集團出任財務董事，於審計師樓、旅遊業、物業發展、酒店投資及管理、家電貿易及製造業、半導體及零售行業等之審計、財務管理及企業財務方面，已積累逾二十四年經驗。目前，陳女士負責本集團之整體管理及策略規劃工作。

麥德昌先生，現年43歲，為本集團之財務董事。麥先生畢業於加拿大溫莎大學，分別持有電腦科學學士及商科學士學位。彼亦為美國會計師公會及香港會計師公會會員。麥先生於二零零七年二月加盟本集團，於審計師樓、消費類電子及通訊產品、地產服務、食品零售連鎖集團及互聯網服務行業等之審計、財務管理及企業財務方面，已積累逾十七年經驗。目前，麥先生負責本集團之整體財務管理、企業財務、法律、內部審計及投資者關係工作。彼亦為本公司之合資格會計師。

Mr. WONG Yan Sang, aged 50, is the Director of Human Capital of the Group. Mr. Wong graduated from the University of Durham (Business School) with Master Degree in Business Administration. He is also an associate member of the Hong Kong Institute of Human Resources Management. Prior to joining the Group in July 2007, Mr. Wong had over 20 years' experience in the field of human resources management at various multinational corporations. Mr. Wong is responsible for the overall human capital functions of the Group.

Independent Non-executive Directors

Mr. LEE Man Chun Raymond, aged 36, was appointed in September 2004, is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Lee is the chief executive officer as well as founder of Lee & Man Paper Manufacturing Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 2314). He holds a Bachelor's Degree Applied Science from The University of British Columbia in Canada. Mr. Lee is also involved in a number of public engagements including being a standing member of the Political Consultative Committee of Hainan, the Vice-chairman of Rehabilitation Advisory Committee, the member of Yan Chai Hospital Advisory Board and the honorary president of the Kowloon region of the Scout Association of Hong Kong. In 2002, Mr. Lee was awarded the "Young Industrialist Award of Hong Kong 2002" and in 2003, he was also awarded the "2003 Hong Kong Ten Outstanding Young Persons Selection Awardee". In addition, Mr. Lee received the "Bronze Bauhinia Star" (BBS) from the Government of the Hong Kong Special Administrative Region in 2005 and was also appointed non-official Justice of the Peace (JP) in 2007.

Ms. LEUNG Mei Han, aged 49, was appointed in September 2004, is also the Chairman of the Audit Committee and the Remuneration Committee of the Company. Ms. Leung holds a Bachelor's Degree in Commerce from The University of Queensland, Australia and is a fellow member of CPA Australia. She has over 22 years' experience in accounting, securities, corporate finance and related areas. Ms. Leung is also an independent non-executive director of Four Seas Mercantile Holdings Limited (stock code: 374) and Yue Da Holdings Limited (stock code: 629) listed on the Stock Exchange since 1998 and 2007 respectively.

黃仁生先生，現年50歲，為本集團人力資源董事。黃先生畢業於英國杜倫大學(商學院)，持有工商管理碩士銜。彼亦為香港人力資源管理學會副會員。黃先生在二零零七年七月加盟本集團前，在若干跨國企業擔任人力資源管理逾二十年。目前，黃先生負責本集團之整體人力資本工作。

獨立非執行董事

李文俊先生，現年36歲，於二零零四年九月獲委任，亦為本公司審核委員會及薪酬委員會之成員。李先生為於香港聯合交易所有限公司(「聯交所」)上市之公司，理文造紙有限公司(股份代號：2314)之行政總裁及創辦人。彼持有加拿大英屬哥倫比亞大學應用科學學士學位。李先生亦擔任多項公職，包括海南省政協之常務委員、康復諮詢委員會副主席、香港仁濟醫院顧問局委員、香港童軍九龍地域名譽會長等。彼於二零零二年獲頒發「二零零二香港青年工業家獎」及於二零零三年獲頒發「二零零三年香港十大傑出青年」獎。此外，於二零零五年，李先生獲香港特別行政區政府頒發銅紫荊星章及於二零零七年獲委任為非官守太平紳士。

梁美嫻女士，現年49歲，於二零零四年九月獲委任，亦為本公司審核委員會及薪酬委員會之主席。梁女士持有澳洲昆士蘭大學商科學士學位，為澳洲會計師公會資深會員。彼於會計、證券、公司財務及相關業務擁有逾二十二年經驗。梁女士自一九九八年及二零零七年起亦分別為四洲集團有限公司(股份代號：374)及悅達控股有限公司(股份代號：629)(於聯交所上市之公司)之獨立非執行董事。

Prof. SIN Yat Ming, aged 52, was appointed in October 2005, is also a member of the Audit Committee and the Remuneration Committee of the Company. Prof. Sin holds a Ph.D. from The University of British Columbia, Canada. He is a director of Master of Science Programme in Marketing and a professor of Department of Marketing in The Chinese University of Hong Kong. He is serving as the advisor for Hong Kong Institute of Marketing.

Mr. WONG Wai Kay, aged 45, was appointed in December 2004, is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Wong holds a Bachelor of Science Degree in Electronic Engineering from The Chinese University of Hong Kong. He is the co-founder and chairman of City Telecom (H.K.) Limited, a company listed on the Stock Exchange and the Nasdaq National Market (stock code: 1137 and CTEL respectively).

Senior Management

Ms. CHAN Ngan Ling Barbara, aged 41, is the General Manager of the Group's operations in Singapore and Malaysia. Ms. Chan holds a Bachelor's Degree in Sociology from the Hong Kong Baptist University. She joined the Group in 1994. She has over 17 years' experience in an investment company and some leading fashion retail chains. She has also previous experience in human resources and training. Ms. Chan is responsible for the overall management of the Group's business in Singapore and Malaysia.

Ms. CHAU Wai Man Pansy, aged 45, is the Director of Buying and Design of the Group. Ms. Chau graduated from The Hong Kong Polytechnic University with a Master's Degree in Business Administration (Fashion Business). She joined the Group in July 2001. She has over 23 years' experience mainly in product development, sales planning and buying work in leading fashion retail chains. She is responsible for strategic product planning and buying, together with the design functions of the Group.

冼日明教授，現年52歲，於二零零五年十月獲委任，亦為本公司審核委員會及薪酬委員會之成員。冼教授持有加拿大英屬哥倫比亞大學哲學博士學位。彼為香港中文大學市場學碩士課程主任及市場學系教授。冼教授為香港市務學會之顧問。

王維基先生，現年45歲，於二零零四年十二月獲委任，亦為本公司審核委員會及薪酬委員會之成員。王先生持有香港中文大學電子工程學理學士學位。彼為於聯交所及於美國納斯達克上市之公司，城市電訊(香港)有限公司(股份代號分別為：1137及CTEL)的聯合創辦人及主席。

高級管理人員

陳雁玲女士，現年41歲，為本集團新加坡及馬來西亞業務之總經理。陳女士持有香港浸會大學所頒發之社會學學士學位。彼於一九九四年加盟本集團，於一所投資公司及多間大型服裝連鎖店已積累逾十七年經驗，亦曾負責人力資源及培訓工作。目前，陳女士負責本集團於新加坡及馬來西亞之整體業務管理。

周慧雯女士，現年45歲，為本集團之採購及設計董事。周女士畢業於香港理工大學擁有工商管理碩士學位(服裝企業)。彼於二零零一年七月加盟本集團，於多間大型時裝零售連鎖集團，主要負責產品開發、銷售策劃及採購工作，已積累逾二十三年經驗。目前，彼負責本集團之產品策略規劃及採購工作，並統領本集團整體設計發展方向。

Management profiles 管理層簡介

Mr. LEE Suen Luk, aged 44, is the Director of Global Business Development of the Group. Mr. Lee graduated from the University of East Asia, Macau and The University of Hull, United Kingdom, with a Master's Degree in Business Administration. He joined the Group in November 2003. He has about 19 years' experience in merchandising, buying, retail management, business development and consultancy services in leading fashion retail chain, multinational consultancy and software companies. Mr. Lee is responsible for the Group's export franchise business and global market development.

Mr. LING Tze Leung, aged 38, is the Director of Information Technology and Supply Chain of the Group. Mr. Ling graduated from The Hong Kong Polytechnic University and Australian Catholic University with a Master Degree in Management. Mr. Ling joined the Group in May 2003. He has over 16 years' experience in information technology in prestige multi-national retailers and shipping company. Mr. Ling is responsible for the overall strategic IT planning, IT service, project execution, process improvement and warehouse management for the Group.

Mr. YUEN Chi Wah Sanger, aged 38, is the Director of Production and Business of the Group. Mr. Yuen holds a Diploma in Business Administration from the Hong Kong Shue Yan University. He joined the Group in 1995. He has about 16 years' experience in garment manufacturing and retail industries, and was previously responsible for information system and business project management. Mr. Yuen is responsible for the Group's sourcing and production activities for apparel and accessories and the overall management of the Group's business in Taiwan.

李選祿先生，現年44歲，為本集團之環球業務拓展董事。李先生畢業於澳門東亞大學及英國赫爾大學，擁有工商管理碩士學位。彼於二零零三年十一月加盟本集團，於大型服裝連鎖店、跨國顧問及軟件公司，已積累約十九年之採購、零售管理、業務發展及顧問服務經驗。目前，李先生負責本集團之出口特許經營業務及環球市場發展。

凌子良先生，現年38歲，為本集團之資訊科技及供應鏈管理董事。凌先生畢業於香港理工大學及澳洲天主教大學，持有管理碩士學位。彼於二零零三年五月加盟本集團，於跨國零售商及船務公司，已積累逾十六年之資訊科技經驗。目前，凌先生負責本集團之整體資訊科技策略規劃、資訊科技服務、項目執行、程序改善及倉庫管理。

源志華先生，現年38歲，為本集團之生產及業務董事。源先生持有香港樹仁大學的工商管理文憑。彼於一九九五年加盟本集團，於紡織業及零售業已積累約十六年經驗，並曾負責資訊系統及業務項目管理。目前，源先生負責本集團之服裝及配飾用品之採購及生產事宜及本集團於台灣之整體業務管理。

Five-year financial summary 五年財務摘要

A summary of the results, assets and liabilities of the Group for the past four years ended 31 March 2006 and for the period from 1 April 2006 to 30 June 2007, as extracted from the published audited financial statements, is set out below.

以下為本集團截至二零零六年三月三十一日止過去四年及由二零零六年四月一日至二零零七年六月三十日止期間之業績、資產及負債摘要，乃節錄自已刊發經審核財務報表。

Results 業績

	Period from 1 April 2006 to 30 June 2007 由二零零六年 四月一日至 二零零七年 六月三十日 止期間 HK\$'000 港幣千元	Year ended 31 March 截至三月三十一日止年度			
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
REVENUE 收益	2,568,325	2,199,515	2,016,941	1,783,418	1,691,443
PROFIT/(LOSS) FROM OPERATING ACTIVITIES 營運業務溢利/(虧損)	36,845	139,543	224,688	145,915	(66,065)
Finance costs 融資成本	(1,822)	(722)	(635)	(4,387)	(6,712)
PROFIT/(LOSS) BEFORE TAX 除稅前溢利/(虧損)	35,023	138,821	224,053	141,528	(72,777)
Tax 稅項	(25,829)	(33,786)	(42,908)	(23,756)	(1,354)
PROFIT/(LOSS) FOR THE PERIOD/YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY 本公司權益持有人應佔期內/年內溢利/(虧損)	9,194	105,035	181,145	117,772	(74,131)

Assets and Liabilities 資產及負債

	30 June 六月三十日 2007 HK\$'000 港幣千元	31 March 三月三十一日			
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
TOTAL ASSETS 資產總值	845,522	860,243	824,122	637,460	596,088
TOTAL LIABILITIES 負債總值	(268,965)	(272,822)	(263,084)	(191,775)	(322,330)
	576,557	587,421	561,038	445,685	273,758



Financial report



財務報告

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Report of the directors 董事局報告書

The directors present their report and the audited financial statements of the Company and the Group for the period from 1 April 2006 to 30 June 2007 (the "Period").

Change of financial year end date

Pursuant to a resolution of the Board of the Company passed on 7 February 2007, the Company's financial year end date was changed from 31 March to 30 June. Accordingly, the current accounting period covered the Group's 15 months of operation from 1 April 2006 to 30 June 2007, and the comparative amounts for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and the related notes are not entirely comparable. The period of annual planning of the Company and its subsidiaries would coincide with the peak sales season of the Group if the financial year end of 31 March was to be maintained, and the Board considers that the change of financial year end date would enable the Group to better utilise its resources and facilitate better planning and operational processes of the Group.

Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 16 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Period.

Results and dividends

The Group's profit for the Period and the state of affairs of the Company and of the Group at 30 June 2007 are set out in the financial statements on pages 56 to 148.

The Board does not recommend the payment of any dividend in respect of the Period.

Summary of financial information

A summary of the published results and assets and liabilities of the Group for the past four years ended 31 March 2006 and the Period, as extracted from the audited financial statements, is set out on page 43. This summary does not form part of the audited financial statements.

董事局謹此提呈本公司及本集團由二零零六年四月一日至二零零七年六月三十日止期間(「本期間」)之董事局報告書及經審核財務報表。

更改財政年度結算日

根據本公司董事局於二零零七年二月七日通過之決議案，本公司之財政年度結算日已由三月三十一日更改為六月三十日。因此，本會計期間涵蓋二零零六年四月一日至二零零七年六月三十日止十五個月，綜合收益表、綜合權益變動報表、綜合現金流量表及相關附註之比較數字並非全部可作比較。由於假若維持三月三十一日為年結日，則本公司及其附屬公司之年度規劃將與銷售高峰期重疊，故董事局認為變更財政年度結算日能使本集團妥善運用資源，並完善本集團之規劃及運作流程。

主要業務

本公司之主要業務為投資控股。其主要附屬公司之主要業務詳情載列於財務報表附註16。本集團之主要業務性質於本期間並無重大變更。

業績及股息

本集團於本期間之溢利及本公司與本集團於二零零七年六月三十日之財政狀況載列於第56至148頁之財務報表內。

董事局不建議派發本期間之股息。

財務資料摘要

本集團截至二零零六年三月三十一日止過去四個年度及本期間之已公佈業績、資產及負債摘要載列於第43頁。此摘要節錄自經審核之財務報表。此摘要並不構成經審核財務報表之一部份。

Property, plant and equipment

Details of movements in the property, plant and equipment of the Group during the Period are set out in note 14 to the financial statements.

Share capital and share options

There was no movement in the Company's authorised share capital during the Period.

Details of movements in the Company's issued share capital and share options during the Period are set out in notes 26 and 27 to the financial statements.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Reserves

Details of movements in the reserves of the Company and the Group during the Period are set out in note 28(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves

At 30 June 2007, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda, amounted to HK\$163,876,000. Under the laws of Bermuda, the Company's share premium account, in the amount of HK\$2,682,000, may be distributed in the form of fully paid bonus shares.

Major customers and suppliers

In the Period under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the Period.

Purchases from the Group's five largest suppliers accounted for approximately 41% of the total purchases for the Period and purchases from the largest supplier included therein amounted to approximately 20%. Save as disclosed in note 33(a)(iii) to the financial statements, none of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers.

物業、廠房及設備

本集團物業、廠房及設備於本期間之變動詳情載列於財務報表附註14。

股本及購股權

本公司法定股本於本期間並無任何變動。

本公司已發行股本及購股權於本期間之變動詳情載列於財務報表附註26及27。

優先購股權

本公司之公司章程細則或百慕達法例概無優先購股權條款，規定本公司必須向現有股東按其持股量比例發售新股。

儲備

本公司及本集團儲備於本期間之變動詳情，分別載列於財務報表附註28(b)及綜合權益變動報表內。

可供派發儲備

於二零零七年六月三十日，本公司根據百慕達一九八一年公司法條文計算之可供派發儲備為港幣163,876,000元。根據百慕達法例，本公司股份溢價賬中為數港幣2,682,000元之金額可以繳足股款之紅股形式派發。

主要客戶及供應商

於本期間內，銷貨予本集團首五大客戶之數額佔本期間總銷售額不足30%。

向本集團首五大供應商購貨之數額約佔本期間總購貨額41%，而其中向最大供應商購貨之數額約佔20%。除於財務報表附註33(a)(iii)所披露者外，概無本公司董事或彼等之聯繫人士或任何據董事所深知擁有超過5%本公司已發行股本之股東在本集團首五大供應商中擁有任何實益權益。

Directors

The directors of the Company during the Period were:

Executive directors:

Mr. LAW Ka Sing

Ms. CHAN So Kuen

Mr. MAK Tak Cheong Edmund (appointed on 1 June 2007)

Mr. YEUNG Kam Tai Kenny (appointed on 9 November 2006 and resigned on 19 January 2007)

Mr. FU Shing Kwan Dickie (resigned on 26 June 2006)

Independent non-executive directors:

Mr. LEE Man Chun Raymond

Ms. LEUNG Mei Han

Prof. SIN Yat Ming

Mr. WONG Wai Kay

Subsequent to the balance sheet date, on 5 October 2007, Mr. WONG Yan Sang was appointed as a director of the Company.

In accordance with the Company's Bye-laws, Ms. LEUNG Mei Han and Mr. WONG Wai Kay, will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. Mr. MAK Tak Cheong Edmund and Mr. WONG Yan Sang, who were appointed on 1 June 2007 and 5 October 2007, respectively, will hold office until the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. LEE Man Chun Raymond, Ms. LEUNG Mei Han, Prof. SIN Yat Ming and Mr. WONG Wai Kay, and considers them to be independent.

董事

本期間，本公司之董事如下：

執行董事：

羅家聖先生

陳素娟女士

麥德昌先生 (於二零零七年六月一日獲委任)

楊錦泰先生 (於二零零六年十一月九日獲委任，
於二零零七年一月十九日辭任)

傅成坤先生 (於二零零六年六月二十六日辭任)

獨立非執行董事：

李文俊先生

梁美嫻女士

冼日明教授

王維基先生

在結算日後，於二零零七年十月五日，黃仁生先生已獲委任為本公司董事。

根據本公司之章程細則，梁美嫻女士及王維基先生將於應屆股東週年大會上輪值退任，而彼等具資格且願意於應屆股東週年大會上膺選連任。分別於二零零七年六月一日及二零零七年十月五日獲委任之麥德昌先生及黃仁生先生之任期將直至應屆股東週年大會為止，而彼等具資格且願意在應屆股東週年大會上膺選連任。

本公司已接獲李文俊先生、梁美嫻女士、冼日明教授及王維基先生之年度獨立性確認書，並認為彼等屬獨立人士。

Directors' and senior management's biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 39 to 42 of the annual report.

Directors' service contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' remuneration

The emolument policy of the employees of the Group has been set up by the Board or executive directors on the basis of their merit, qualification and competence.

The emoluments payable to directors of the Company will be decided by the Board on the recommendation of the Remuneration Committee, having regard to the directors' duties, responsibilities and performance and the results of the Group.

Directors' interests in shares and underlying shares

At 30 June 2007, the interests of the director in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of 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 pursuant to the Model Code were as follows:

Long positions in ordinary shares of the Company:

Name of director	Number of shares held, capacity and nature of interest 持股數目、身份及權益性質			Total	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比	董事姓名
	Directly beneficially owned 直接 實益擁有	Through controlled corporation 透過 受控法團擁有				
Mr. LAW Ka Sing	1,063,091,098	30,000,000	1,093,091,098	69.42	羅家聖先生	

董事及高級管理層簡歷

本公司董事及本集團高級管理層簡歷詳情載列於年報第39至42頁。

董事服務合約

於應屆股東週年大會上膺選連任之董事，概無與本公司訂立本公司不可於一年內終止而毋須支付賠償(法定補償除外)之服務合約。

董事酬金

本集團僱員之酬金政策由董事局或執行董事按彼等之貢獻、資歷及能力而訂立。

本公司董事之酬金將由董事局按薪酬委員會之建議就董事之職務、職責及表現以及本集團之業績而釐定。

董事於股份及相關股份之權益

於二零零七年六月三十日，董事於本公司或其相聯法團(具有證券及期貨條例第XV部所賦予之涵義)之股本及相關股份中，擁有本公司遵照證券及期貨條例第352條存置之登記冊所記錄之權益，或根據標準守則須知會本公司及聯交所之權益如下：

於本公司普通股之好倉：

Directors' interests in shares and underlying shares (continued)

The interests of the directors in the share options of the Company are separately disclosed in note 27 to the financial statements.

Save as disclosed above, as at 30 June 2007, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' rights to acquire shares or debentures

Save as disclosed under the heading "Directors' interests in shares and underlying shares" above and in the share option scheme disclosures in note 27 to the financial statements, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

董事於股份及相關股份之權益 (續)

董事於本公司購股權之權益另行披露於財務報表附註27。

除上文所披露者外，於二零零七年六月三十日，董事概無於本公司或其任何相聯法團之股份、相關股份或債券中，擁有須遵照證券及期貨條例第352條予以記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

除上文「董事於股份及相關股份之權益」及財務報表附註27購股權計劃之披露事項所披露者外，本公司於本期間內任何時間概無授予任何董事或彼等各自之配偶或未成年子女藉收購本公司之股份或債券而取得利益之權利，而彼等亦無行使任何該等權利；本公司或其任何附屬公司於年內概無參與訂立任何安排，致使董事可於任何其他法人團體獲得此等權利。

董事於合約中之權益

本期間概無董事在本公司或其任何附屬公司簽訂而對本集團業務有重大影響之任何合約中直接或間接擁有重大權益。

Substantial shareholders' interests in shares and underlying shares

At 30 June 2007, the following interests of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name 姓名	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比	Number of share options held 所持購股權數目
Mr. LAW Ka Sing 羅家聖先生	Directly beneficially owned 直接實益擁有	1,063,091,098	67.51	—
	Through controlled corporation 透過受控法團擁有	30,000,000	1.91	—
		1,093,091,098	69.42	—

Save as disclosed above, at 30 June 2007, no person, other than the directors of the Company, whose interests are also set out in the section "Directors' interests in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public at the date of this report.

Purchase, redemption or sale of listed securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

主要股東於股份及相關股份之權益

於二零零七年六月三十日，本公司遵照證券及期貨條例第336條存置之權益登記冊顯示，下列人士於本公司已發行股本及購股權中擁有5%或以上權益：

好倉：

Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比	Number of share options held 所持購股權數目
1,063,091,098	67.51	—
30,000,000	1.91	—
1,093,091,098	69.42	—

除上文所披露者及在「董事於股份及相關股份之權益」一節所載本公司董事之權益外，於二零零七年六月三十日，概無人士於本公司之股份或相關股份中，擁有須遵照證券及期貨條例第336條予以記錄之權益或淡倉。

公眾持股量之足夠性

根據本公司可以得悉之公開資料及就董事所知悉，於本報告日，公眾人士最少持有本公司已發行股本總數的25%。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於本期間內概無購買、出售或贖回本公司任何上市證券。

Connected transactions and continuing connected transactions

During the Period, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules. Further details of these transactions are included in note 33 to the financial statements.

(a) Property leasing

The Group entered into two tenancy agreements with Laws International Group Limited (“Laws International”) and with Bright City International Limited (“Bright City”) on 1 August 2005 in connection with the rental of a warehouse and the head office, respectively. Certain directors of Laws International and Bright City, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing, a director and substantial shareholder of the Company. Laws International transferred its ownership of the warehouse to Bright City on 18 August 2005. The rental periods of both tenancy agreements for the rental of the warehouse and the head office are two years commencing from 1 August 2005 and expiring on 31 July 2007 and three years commencing from 1 August 2005 and expiring on 31 July 2008, respectively. On 31 July 2007, the Group renewed its tenancy agreement with Bright City for the rental of the warehouse for another two years commencing from 1 August 2007 and expiring on 31 July 2009. The rentals were determined by reference to open market rents at the inception of the tenancy agreements.

(b) Purchase of garments

The Group entered into a purchase agreement with Laws International on 2 June 2004 (the “Purchase Agreement”) for the purchases of garments from Laws International and its subsidiaries. Certain directors of Laws International and its subsidiaries, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing, a director and substantial shareholder of the Company. The Purchase Agreement was effective from 1 April 2004 to 31 March 2007. According to the Purchase Agreement, the annual values of the purchases of garments from Laws International and its subsidiaries by the Group for the years ended 31 March 2005, 31 March 2006 and 31 March 2007 would not exceed HK\$236,000,000, HK\$330,000,000 and HK\$429,000,000, respectively.

關連交易及持續關連交易

於本期間，本集團進行了下列持續關連交易，若干資料已遵照上市規則第14A章之規定作出披露。該等交易之詳情已載於財務報表附註33。

(a) 物業租賃

於二零零五年八月一日，本集團分別與羅氏國際集團有限公司（「羅氏國際」）及澤城國際有限公司（「澤城」）就租用貨倉及總辦事處訂立兩份租賃協議。羅氏國際及澤城之若干擁有實益股本權益之董事乃本公司董事兼主要股東羅家聖先生之親屬。羅氏國際於二零零五年八月十八日將貨倉之擁有權轉讓予澤城。有關租用貨倉及總辦事處之兩份租賃協議分別由二零零五年八月一日起至二零零七年七月三十一日止為期兩年，及由二零零五年八月一日起至二零零八年七月三十一日止為期三年。於二零零七年七月三十一日，本集團與澤城續訂租賃協議以租用貨倉，由二零零七年八月一日起至二零零九年七月三十一日止，為期兩年。租金乃參照租約生效時之公開市值租金而釐定。

(b) 採購成衣

於二零零四年六月二日，本集團與羅氏國際就向羅氏國際及其附屬公司採購成衣而訂立一份採購協議（「採購協議」）。羅氏國際及其附屬公司之若干擁有實益股本權益之董事為本公司董事兼主要股東羅家聖先生之親屬。採購協議自二零零四年四月一日起生效，並於二零零七年三月三十一日屆滿。根據採購協議，本集團於截至二零零五年三月三十一日、二零零六年三月三十一日及二零零七年三月三十一日止年度向羅氏國際及其附屬公司採購成衣之全年總值將分別不會超過港幣236,000,000元、港幣330,000,000元及港幣429,000,000元。

Connected transactions and continuing connected transactions (continued)

(b) Purchase of garments (continued)

On 7 February 2007, the Group renewed the purchase agreement with Laws International (the "New Purchase Agreement") which is effective from 1 April 2007 to 30 June 2009. According to the New Purchase Agreement, the values of the purchases of garments from Laws International and its subsidiaries by the Group for the period from 1 April 2007 to 30 June 2007 and each of the two financial years ending 30 June 2009 will not exceed HK\$74,000,000, HK\$287,000,000 and HK\$345,000,000, respectively. The prices of the products are to be determined by reference to the prevailing market prices.

The independent non-executive directors of the Company have reviewed the continuing connected transactions in relation to the purchases of garments set out above and have confirmed that these continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available from independent suppliers; and (iii) in accordance with the relevant Purchase Agreement/New Purchase Agreement and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. The independent non-executive directors of the Company have further confirmed the values of purchases of garments from Laws International and its subsidiaries by the Group for the period from 1 April 2006 to 31 March 2007 and the period from 1 April 2007 to 30 June 2007 did not exceed HK\$429,000,000 and HK\$74,000,000, respectively.

關連交易及持續關連交易(續)

(b) 採購成衣(續)

於二零零七年二月七日，本集團與羅氏國際續訂採購協議(「新採購協議」)，由二零零七年四月一日起至二零零九年六月三十日止期間生效。根據新採購協議，本集團由二零零七年四月一日起至二零零七年六月三十日止期間及截至二零零九年六月三十日止兩個財政年度各年向羅氏國際及其附屬公司採購成衣之總值將分別不會超過港幣74,000,000元、港幣287,000,000元及港幣345,000,000元。產品價格乃參考當時市價釐定。

本公司之獨立非執行董事已審閱上文所述有關採購成衣之持續關連交易，並已確認該等持續關連交易乃(i)於本集團之正常及日常業務過程中；(ii)按一般商業條款或不遜於獨立供應商給予本集團之條款；及(iii)根據有關採購協議／新採購協議及按公平合理並符合本公司股東整體利益之條款訂立。本公司之獨立非執行董事已進一步確認，由二零零六年四月一日至二零零七年三月三十一日止期間以及由二零零七年四月一日至二零零七年六月三十日止期間，本集團向羅氏國際及其附屬公司採購成衣之總值分別並無超過港幣429,000,000元及港幣74,000,000元。

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

LAW Ka Sing

Chairman

Hong Kong
18 October 2007

核數師

安永會計師事務所任滿告退，重聘其為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事局

主席

羅家聖

香港
二零零七年十月十八日

Independent auditors' report 獨立核數師報告書



To the shareholders of Bossini International Holdings Limited

(Incorporated in Bermuda with limited liability)

We have audited the financial statements of Bossini International Holdings Limited set out on pages 56 to 148, which comprise the consolidated and company balance sheets as at 30 June 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the period from 1 April 2006 to 30 June 2007, 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 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致堡獅龍國際集團有限公司全體股東

(於百慕達註冊成立的有限公司)

我們已審核載於第56至148頁的堡獅龍國際集團有限公司財務報表，此財務報表包括二零零七年六月三十日的綜合及公司資產負債表及由二零零六年四月一日至二零零七年六月三十日止期間之綜合收益表、綜合權益變動報表及綜合現金流量表以及主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

董事須負責根據香港會計師公會頒佈之香港財務匯報準則及香港《公司條例》編製並且真實而公允地列報該等財務報表。這些責任包括設計、實施及維護與財務報表編製及真實而公允地列報相關的內部監控，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；選擇和運用恰當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們的報告依據百慕達一九八一年公司法第90條僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔任何責任。

Auditors' responsibility (continued)

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 auditors' 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 auditors consider 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 financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2007 and of the Group's profit and cash flows for the period from 1 April 2006 to 30 June 2007 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.

ERNST & YOUNG

Certified Public Accountants

18/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong
18 October 2007

核數師的責任(續)

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

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核證據。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允地列報財務報表相關的內部監控，以設計適當的審核程序，但並非對公司的內部監控的有效性發表意見。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，我們所獲得的審核證據充足且適當地為我們的審核意見提供基礎。

意見

我們認為，該等財務報表已根據香港財務匯報準則真實而公允地反映 貴公司及 貴集團於二零零七年六月三十日的財政狀況及 貴集團由二零零六年四月一日至二零零七年六月三十日止期間的溢利和現金流量，並已按照香港公司條例的披露規定而妥為編製。

安永會計師事務所

執業會計師

香港中環
金融街8號
國際金融中心二期18樓

二零零七年十月十八日

Consolidated income statement 綜合收益表

Period from 1 April 2006 to 30 June 2007 由二零零六年四月一日至二零零七年六月三十日止期間

in HK\$ thousand	Notes 附註	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度	港幣千元
Revenue	5	2,568,325	2,199,515	收益
Cost of sales		(1,298,059)	(1,174,301)	銷售成本
Gross profit		1,270,266	1,025,214	毛利
Other income and gains	5	12,825	16,616	其他收入及收益
Selling and distribution costs		(904,248)	(660,924)	銷售及分銷成本
Administrative expenses		(288,621)	(202,424)	行政開支
Other operating expenses		(53,377)	(38,939)	其他營運開支
Profit from operating activities		36,845	139,543	營運業務溢利
Finance costs	6	(1,822)	(722)	融資成本
Profit before tax	7	35,023	138,821	除稅前溢利
Tax	10	(25,829)	(33,786)	稅項
Profit for the period/year attributable to equity holders of the Company	11	9,194	105,035	本公司權益持有人應佔 期內／年內溢利
Dividends	12			股息
Interim		–	28,240	中期
Proposed final		–	28,240	擬派末期
		–	56,480	
Earnings per share attributable to ordinary equity holders of the Company	13			本公司普通權益持有人應佔 每股盈利
Basic		HK 0.59 cent 港仙	HK 6.69 cents	基本
Diluted		HK 0.58 cent 港仙	HK 6.52 cents	攤薄

Consolidated balance sheet 綜合資產負債表

30 June 2007 二零零七年六月三十日

in HK\$ thousand	Notes 附註	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	港幣千元
Non-current assets				
Property, plant and equipment	14	176,349	153,334	物業、廠房及設備
Trademark	15	1,164	1,164	商標
Deferred tax assets	25	1,774	2,672	遞延稅項資產
Deposits paid	19	61,042	48,849	已付按金
Bank deposits	21	–	15,600	銀行存款
Total non-current assets		240,329	221,619	非流動資產總值
Current assets				
Inventories	17	306,318	253,591	存貨
Debtors	18	70,706	55,664	應收賬款
Bills receivable		5,753	11,973	應收票據
Deposits paid	19	25,367	30,442	已付按金
Prepayments and other receivables		62,406	57,621	預付款項及其他應收賬項
Derivative financial instruments	20	60	998	衍生金融工具
Tax recoverable		2,271	35	可收回稅款
Pledged bank deposits	21	786	787	有抵押銀行存款
Cash and cash equivalents	21	131,526	227,513	現金及現金等值項目
Total current assets		605,193	638,624	流動資產總值

Consolidated balance sheet 綜合資產負債表

30 June 2007 二零零七年六月三十日

in HK\$ thousand	Notes 附註	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	港幣千元
Current liabilities				流動負債
Trade creditors and accruals	22	184,786	196,038	應付賬款及應計賬項
Bills payable		23,450	22,243	應付票據
Tax payable		29,802	28,531	應繳稅款
Due to related companies	23	19,558	23,573	應付關連公司款項
Derivative financial instruments	20	914	1,153	衍生金融工具
Provisions	24	6,628	–	撥備
Total current liabilities		265,138	271,538	流動負債總值
Net current assets		340,055	367,086	流動資產淨值
Total assets less current liabilities		580,384	588,705	除流動負債後資產總值
Non-current liabilities				非流動負債
Provisions	24	1,233	583	撥備
Deferred tax liabilities	25	2,594	701	遞延稅項負債
Total non-current liabilities		3,827	1,284	非流動負債總值
Net assets		576,557	587,421	資產淨值
Equity				權益
Issued capital	26	157,458	156,891	已發行股本
Reserves	28(a)	419,099	402,290	儲備
Proposed final dividend	12	–	28,240	擬派末期股息
Total equity		576,557	587,421	權益總值

CHAN So Kuen 陳素娟
Director 董事

MAK Tak Cheong Edmund 麥德昌
Director 董事

Consolidated statement of changes in equity 綜合權益變動報表

Period from 1 April 2006 to 30 June 2007 由二零零六年四月一日至二零零七年六月三十日止期間

in HK\$ thousand 港幣千元	Notes 附註	Issued share capital 已發行 股本	Share premium account 股份 溢價賬	Share option reserve 購股權 儲備	Capital reserve ^(a) 資本儲備 ^(a)	Contributed surplus ^(b) 繳入盈餘 ^(b)	Asset revaluation reserve 資產 重估儲備	Exchange fluctuation reserve 外匯波動 儲備	Reserve funds ^(c) 儲備基金 ^(c)	Retained profits 保留溢利	Proposed final dividend 擬派 末期股息	Total equity 權益總值
At 1 April 2006 於二零零六年四月一日		156,891	1,855	2,000	(4,987)	90,258	10,151	15,790	1,798	285,425	28,240	587,421
Reversal of impairment of land and buildings 土地及樓宇減值撥回	14	-	-	-	-	-	3,368	-	-	-	-	3,368
Realisation on depreciation 於折舊時變現		-	-	-	-	-	(535)	-	-	535	-	-
Deferred tax relating to revaluation of leasehold land and buildings 重估租賃土地及樓宇之遞延稅項	25	-	-	-	-	-	(2,272)	-	-	-	-	(2,272)
Exchange realignment 匯兌調整		-	-	-	-	-	-	5,908	-	-	-	5,908
Total income and expense for the period recognised directly in equity 直接於權益確認之期內損益總額		-	-	-	-	-	561	5,908	-	535	-	7,004
Profit for the period 期內溢利		-	-	-	-	-	-	-	-	9,194	-	9,194
Total income and expense for the period 期內損益總額		-	-	-	-	-	561	5,908	-	9,729	-	16,198
Final 2006 dividend declared 已宣派二零零六年末期股息		-	-	-	-	-	-	-	-	-	(28,240)	(28,240)
Issue of shares 發行股份	26	567	827	(402)	-	-	-	-	-	-	-	992
Equity-settled share option arrangements 權益結算購股權安排	27	-	-	186	-	-	-	-	-	-	-	186
At 30 June 2007 於二零零七年六月三十日		157,458	2,682*	1,784*	(4,987)*	90,258*	10,712*	21,698*	1,798*	295,154*	-	576,557

Consolidated statement of changes in equity 綜合權益變動報表

Period from 1 April 2006 to 30 June 2007 由二零零六年四月一日至二零零七年六月三十日止期間

in HK\$ thousand 港幣千元	Notes 附註	Issued share capital 已發行 股本	Share premium account 股份 溢價賬	Share option reserve 購股權 儲備	Capital reserve ^(a) 資本儲備 ^(a)	Contributed surplus ^(b) 繳入盈餘 ^(b)	Asset revaluation reserve 資產 重估儲備	Exchange fluctuation reserve 外匯波動 儲備	Reserve funds ^(c) 儲備基金 ^(c)	Retained profits 保留溢利	Proposed final dividend 擬派 末期股息	Total equity 權益總值
At 1 April 2005 於二零零五年四月一日		156,891	1,855	1,309	(4,987)	90,258	-	15,904	1,750	236,870	61,188	561,038
Reversal of impairment of land and buildings 土地及樓宇減值撥回	14	-	-	-	-	-	10,151	-	-	-	-	10,151
Exchange realignment 匯兌調整		-	-	-	-	-	-	(114)	48	-	-	(66)
Total income and expense for the year recognised directly in equity 直接於權益確認之年內損益總額		-	-	-	-	-	10,151	(114)	48	-	-	10,085
Profit for the year 年內溢利		-	-	-	-	-	-	-	-	105,035	-	105,035
Total income and expense for the year 年內損益總額		-	-	-	-	-	10,151	(114)	48	105,035	-	115,120
Final 2005 dividend declared 已宣派二零零五年末期股息		-	-	-	-	-	-	-	-	-	(61,188)	(61,188)
Equity-settled share option arrangements 權益結算購股權安排	27	-	-	691	-	-	-	-	-	-	-	691
Interim 2006 dividend 二零零六年中期股息	12	-	-	-	-	-	-	-	-	(28,240)	-	(28,240)
Proposed final 2006 dividend 擬派二零零六年末期股息	12	-	-	-	-	-	-	-	-	(28,240)	28,240	-
At 31 March 2006 於二零零六年三月三十一日		156,891	1,855*	2,000*	(4,987)*	90,258*	10,151*	15,790*	1,798*	285,425*	28,240	587,421

* These reserve accounts comprise the consolidated reserves of HK\$419,099,000 (31 March 2006: HK\$402,290,000) in the consolidated balance sheet.

* 此等儲備賬項包含列於綜合資產負債表內之綜合儲備港幣419,099,000元（二零零六年三月三十一日：港幣402,290,000元）。

Notes:

- (a) The capital reserve of the Group represents goodwill arising on the acquisition of subsidiaries in prior years.
- (b) The contributed surplus of the Group represents the difference between the nominal value of the share capital issued by the Company and the aggregate of the share capital and the share premium account of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares in 1993.
- (c) In accordance with the financial regulations applicable in Mainland China, a portion of the profits of a subsidiary in Mainland China has been transferred to the reserve funds which are restricted as to use.

附註：

- (a) 本集團之資本儲備為過往年度收購附屬公司所產生之商譽。
- (b) 本集團之繳入盈餘為一九九三年上市前根據集團重組所收購之附屬公司之股本及股份溢價賬總額及本公司已發行之股本面值之差額。
- (c) 根據適用於中國大陸之財務規例，中國大陸一附屬公司之部份溢利已轉移至有限制用途之儲備基金。

Consolidated cash flow statement 綜合現金流量表

Period from 1 April 2006 to 30 June 2007 由二零零六年四月一日至二零零七年六月三十日止期間

in HK\$ thousand	Notes	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度	港幣千元
Cash flows from operating activities				營運業務之現金流量
Profit before tax		35,023	138,821	除稅前溢利
Adjustments for:				經調整：
Finance costs	6	1,822	722	融資成本
Interest income	5	(5,314)	(4,773)	利息收入
Inventory provision/(write-back of inventory provision)	7	(4,606)	12,487	存貨撥備/ (存貨撥備撥回)
Loss on disposal/write-off of items of property, plant and equipment	7	7,139	2,573	出售/撤銷物業、廠房及設備項目之虧損
Fair value losses/(gains) on derivative instruments – transactions not qualifying as hedges, net	7	522	(4,939)	衍生工具之公平值虧損/(收益) – 不符合對沖活動的交易，淨額
Depreciation	7	78,817	54,983	折舊
Equity-settled share option expense	7	186	691	權益結算購股權開支
Impairment of debtors	7	514	–	應收賬款減值
Impairment losses of property, plant and equipment charged to/(reversed in) the consolidated income statement	7	298	(5,400)	於綜合收益表載列 之物業、廠房及設備 減值虧損扣除/(撥回)
		114,401	195,165	
Increase in inventories		(49,111)	(53,716)	存貨增加
Decrease/(increase) in debtors		(15,840)	3,464	應收賬款減少/(增加)
Decrease/(increase) in bills receivable		6,220	(7,909)	應收票據減少/(增加)
Increase in deposits paid		(7,318)	(11,775)	已付按金增加
Increase in prepayments and other receivables		(5,089)	(26,228)	預付款項及其他應收賬項增加
Increase/(decrease) in trade creditors and accruals		(10,634)	13,839	應付賬款及應計賬項增加/(減少)
Increase/(decrease) in bills payable		1,207	(2,664)	應付票據增加/(減少)
Increase/(decrease) in amounts due to related companies		(4,015)	16,175	應付關連公司款項 增加/(減少)
Increase in derivative financial instruments		177	5,094	衍生金融工具增加
Increase/(decrease) in provisions		7,278	(330)	撥備增加/(減少)
Cash generated from operations		37,276	131,115	營運業務所得之現金

in HK\$ thousand	Notes 附註	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度	港幣千元
Cash generated from operations		37,276	131,115	營運業務所得之現金
Interest paid		(1,822)	(722)	已付利息
Hong Kong profits tax paid		(21,698)	(27,502)	已付香港利得稅
Overseas taxes paid		(4,758)	(7,148)	已付海外稅項
Net cash inflow from operating activities		8,998	95,743	營運業務之現金流入淨額
Cash flows from investing activities				投資活動之現金流量
Interest received		5,314	4,773	已收利息
Purchases of items of property, plant and equipment	14	(106,213)	(79,397)	購買物業、廠房及設備項目
Purchases of trademark	15	-	(1,164)	購買商標
Proceeds from disposal of items of property, plant and equipment		2,779	187	出售物業、廠房及設備項目 所得款項
Increase in non-pledged bank deposits with original maturity of more than three months when acquired		-	(15,600)	取得時原定到期日 超過三個月之 無抵押銀行存款增加
Increase in pledged bank deposits		-	(787)	有抵押銀行存款增加
Net cash outflow from investing activities		(98,120)	(91,988)	投資活動之現金流出淨額

Consolidated cash flow statement 綜合現金流量表

Period from 1 April 2006 to 30 June 2007 由二零零六年四月一日至二零零七年六月三十日止期間

in HK\$ thousand	Notes 附註	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度	港幣千元
Cash flows from financing activities				融資活動之現金流量
Proceeds from issue of shares upon exercise of share options	26	992	–	因行使購股權而發行股份之所得款項
Dividends paid		(28,240)	(89,428)	已付股息
New bank loans		5,000	–	新增銀行貸款
Repayment of bank loans		(5,000)	(15,000)	償還銀行貸款
Net cash outflow from financing activities		(27,248)	(104,428)	融資活動之現金流出淨額
Net decrease in cash and cash equivalents		(116,370)	(100,673)	現金及現金等值項目之淨減少
Cash and cash equivalents at 1 April		227,513	325,895	於四月一日之現金及現金等值項目
Effect of foreign exchange rate changes, net		4,783	2,291	外匯兌換率變動之影響，淨額
Cash and cash equivalents at 30 June/31 March		115,926	227,513	於六月三十日／三月三十一日之現金及現金等值項目
Analysis of balances of cash and cash equivalents				現金及現金等值項目結餘分析
Cash and bank balances	21	115,926	208,156	現金及銀行結餘
Non-pledged bank deposits with original maturity of less than three months when acquired	21	–	19,357	取得時原定到期日少於三個月之無抵押銀行存款
		115,926	227,513	

Balance sheet 資產負債表

30 June 2007 二零零七年六月三十日

in HK\$ thousand	Notes 附註	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	港幣千元
Non-current assets				非流動資產
Investments in subsidiaries	16	143,162	143,162	於附屬公司之投資
Current assets				流動資產
Due from subsidiaries	16	182,969	212,141	應收附屬公司款項
Prepayments		224	246	預付款項
Cash and cash equivalents	21	783	265	現金及現金等值項目
Total current assets		183,976	212,652	流動資產總值
Current liabilities				流動負債
Creditors and accruals	22	1,338	2,787	應付賬款及應計賬項
Net current assets		182,638	209,865	流動資產淨值
Net assets		325,800	353,027	資產淨值
Equity				權益
Issued capital	26	157,458	156,891	已發行股本
Reserves	28(b)	168,342	167,896	儲備
Proposed final dividend	12	-	28,240	擬派末期股息
Total equity		325,800	353,027	權益總值

CHAN So Kuen 陳素娟
Director 董事

MAK Tak Cheong Edmund 麥德昌
Director 董事

Notes to financial statements 財務報表附註

30 June 2007 二零零七年六月三十日

1. Corporate information

Bossini International Holdings Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"). During the period, the Group was principally engaged in investment holding and the retailing, distribution and wholesaling of garments.

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value, and certain land and buildings as further explained below. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Pursuant to a resolution of the board of directors of the Company passed on 7 February 2007, the Company's financial year end date was changed from 31 March to 30 June. Accordingly, the current accounting period covered the Group's 15 months of operation from 1 April 2006 to 30 June 2007, and the comparative amounts for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and the related notes are not entirely comparable. The period of annual planning of the Company and its subsidiaries would coincide with the peak sales season of the Group if the financial year end of 31 March was to be maintained, and the board of directors considers that the change of financial year end date would enable the Group to better utilise its resources and facilitate better planning and operational processes of the Group.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period from 1 April 2006 to 30 June 2007. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

1. 公司資料

堡獅龍國際集團有限公司乃於百慕達註冊成立之有限公司。本公司之註冊辦事處位於Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda。本公司股份在香港聯合交易所有限公司(「聯交所」)上市。本集團於本期間主要從事投資控股和成衣零售、分銷及批發業務。

2.1 編製基準

該等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之香港財務匯報準則(「香港財務匯報準則」)(亦包括香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定所編製。該等財務報表乃根據歷史成本常規法編製，惟衍生金融工具以公平值計算以及如下文所詳述之若干土地及樓宇除外。該等財務報表以港元(「港元」)計算，除特別列明外，所有價值均約數至港幣千元計算。

根據本公司董事局於二零零七年二月七日通過之決議案，本公司之財政年度結算日已由三月三十一日更改為六月三十日。因此，本會計期間涵蓋二零零六年四月一日至二零零七年六月三十日止十五個月之業績，綜合收益表、綜合權益變動報表、綜合現金流量表及相關附註之比較數字並非全部可作比較。假若維持三月三十一日為年結日，本公司及其附屬公司之年度規劃將與銷售高峰期重疊，因此，董事局認為更改財政年度結算日能使本集團妥善運用資源，並完善本集團之規劃及運作流程。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司由二零零六年四月一日至二零零七年六月三十日止期間之財務報表。附屬公司業績分別自收購日期(即本集團取得控制權之日)起綜合計算，直至上述控制權終止之日為止。本集團內各公司間之所有重大交易及結餘，均已於綜合賬目時對銷。

2.2 Impact of new and revised Hong Kong Financial Reporting Standards

The Group has adopted the following new and revised HKFRSs for the first time for the current period's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no significant effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>

The principal changes in accounting policies are as follows:

(a) HKAS 21 *The Effects of Changes in Foreign Exchange Rates*

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no significant impact on these financial statements as at 30 June 2007 or 31 March 2006.

2.2 新頒佈及經修訂香港財務匯報準則之影響

本集團已於本期間之財務報表首次採納下列新增及經修訂之香港財務匯報準則。除若干引致新增及經修訂會計政策及額外披露之情況外，採納此等新增及經修訂準則及詮釋對本財務報表並無重大影響。

香港會計準則第21號(經修訂)	海外業務之投資淨額
香港會計準則第39號及 香港財務匯報準則第4號(經修訂)	財務擔保合約
香港會計準則第39號(經修訂)	預測集團內公司間交易之現金流量 對沖會計處理
香港會計準則第39號(經修訂)	公平值選擇權
香港(國際財務匯報詮釋委員會) — 詮釋第4號	釐定一項安排是否包括租賃
香港(國際財務匯報詮釋委員會) — 詮釋第7號	採用根據香港會計準則第29號 <i>嚴重通脹經濟財務報告之</i> 重列方法

會計政策之主要變動如下：

(a) 香港會計準則第21號*外幣匯率變動之影響*

當就海外業務投資淨額採納香港會計準則第21號(經修訂)時，組成集團海外業務淨投資部份之貨幣項目所產生之所有匯兌差異，不論該貨幣項目以何種貨幣列值，均會在綜合財務報表內確認為一個獨立之權益項目。該變動對二零零七年六月三十日或二零零六年三月三十一日之財務報表並無重大影響。

2.2 Impact of new and revised Hong Kong Financial Reporting Standards (continued)

(b) HKAS 39 Financial Instruments: Recognition and Measurement

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*. The adoption of this amendment has had no significant impact on these financial statements.

(ii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

(iii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on these financial statements.

(c) HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease

The Group has adopted this interpretation as of 1 April 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no significant impact on these financial statements.

2.2 新頒佈及經修訂香港財務匯報準則之影響(續)

(b) 香港會計準則第39號金融工具：確認及計量

(i) 財務擔保合約之修訂

此項修訂使香港會計準則第39號之範圍改動，規定非保險性質的財務擔保合約最初須按公平值確認，而後重新計值時，以按香港會計準則第37號撥備、或然負債及或然資產所釐定金額，與最初確認金額減(如適用)按香港會計準則第18號收益確認的累計攤銷後的金額兩者中之較高者計值。採納是項修訂對此等財務報表並無重大影響。

(ii) 預測集團內公司間交易之現金流量對沖會計處理之修訂

該修訂乃修訂香港會計準則第39號，倘預測一項可能性很高之集團內公司間交易是以訂立該交易之實體之功能貨幣以外之貨幣結算，且該等外匯風險將影響綜合收益表，則容許該項交易之外匯風險符合作為一項現金流量對沖之對沖項目。由於本集團現時並無該等交易，此項修訂對此等財務報表並無影響。

(iii) 公平值選擇權之修訂

該修訂改變了按公平值計入損益之金融工具之定義，並限制了使用選擇權界定任何金融資產或金融負債須透過收益表以公平值計量。本集團以往並無使用此選擇權，因此該修訂對此等財務報表並無影響。

(c) 香港(國際財務匯報詮釋委員會) – 詮釋第4號釐定一項安排是否包括租賃

本集團已於二零零六年四月一日採納該詮釋，乃就釐定安排是否包括須按租賃會計法入賬的租賃提供指引。採納該詮釋對此等財務報表並無重大影響。

2.2 Impact of new and revised Hong Kong Financial Reporting Standards (continued)

(d) HK(IFRIC)-Int 7 *Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies*

This interpretation is not relevant to the Group and accordingly has had no significant impact on these financial statements.

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 Amendment	Capital Disclosures
HKAS 23 (Revised)	Borrowing Costs (Revised)
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
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
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

2.2 新頒佈及經修訂香港財務匯報準則之影響 (續)

(d) 香港(國際財務匯報詮釋委員會) – 詮釋第7號採用根據香港會計準則第29號嚴重通脹經濟財務報告之重列方法
此項詮釋與本集團並不相關，因此並無對此等財務報表造成重大影響。

2.3 已頒佈但尚未生效之香港財務匯報準則之影響

本集團於此等財務報表並無應用以下已頒佈但尚未生效之新增及經修訂香港財務匯報準則。

香港會計準則第1號(經修訂)	資本披露
香港會計準則第23號(修訂)	借貸成本(修訂)
香港財務匯報準則第7號	金融工具：披露
香港財務匯報準則第8號	經營分類
香港(國際財務匯報詮釋委員會) – 詮釋第8號	香港財務匯報準則第2號之範圍
香港(國際財務匯報詮釋委員會) – 詮釋第9號	重新評估勘入式衍生工具
香港(國際財務匯報詮釋委員會) – 詮釋第10號	中期財務報告及減值
香港(國際財務匯報詮釋委員會) – 詮釋第11號	香港財務匯報準則第2號 – 集團及庫存股份交易
香港(國際財務匯報詮釋委員會) – 詮釋第12號	服務特許權安排
香港(國際財務匯報詮釋委員會) – 詮釋第13號	忠誠客戶優惠計劃
香港(國際財務匯報詮釋委員會) – 詮釋第14號	香港會計準則第19號 – 界定福利資產的限制、最低資金要求及兩者的互動關係

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards (continued)

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objectives, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

HKFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. The standard sets out requirements for disclosure of information about the Group's operating segments and also about the Group's products and services, the geographical areas in which the Group operates and the Group's major customers.

HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10, HK(IFRIC)-Int 11, HK(IFRIC)-Int 12, HKAS 23 (Revised), HK(IFRIC)-Int 13 and HK(IFRIC)-Int 14 shall be applied for annual periods beginning on or after 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007, 1 January 2008, 1 January 2009, 1 July 2008 and 1 January 2008, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment, HKFRS 7 and HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 已頒佈但尚未生效之香港財務匯報準則之影響(續)

香港會計準則第1號(經修訂)須應用於二零零七年一月一日或其後開始之會計年度。經修訂之準則將影響到有關本集團管理資本之目標、政策及過程之描述性資料；有關本公司視何者為資本之定量數據；以及符合任何資本要求及不符合要求之後果之披露。

香港財務匯報準則第7號適用於二零零七年一月一日或之後開始之會計年度。該準則要求披露能使財務報表使用者評估本集團金融工具之重要性以及該等金融工具所產生風險之性質及程度之資料，同時亦包括香港會計準則第32號之多項披露要求。

香港財務匯報準則第8號適用於二零零九年一月一日或之後開始之會計年度。該準則要求披露有關本集團經營分類以及本集團產品及服務之資料、本集團經營所在地域以及本集團主要客戶之資料。

香港(國際財務匯報詮釋委員會)－詮釋第8號、香港(國際財務匯報詮釋委員會)－詮釋第9號、香港(國際財務匯報詮釋委員會)－詮釋第10號、香港(國際財務匯報詮釋委員會)－詮釋第11號、香港(國際財務匯報詮釋委員會)－詮釋第12號、香港會計準則第23號(修訂)、香港(國際財務匯報詮釋委員會)－詮釋第13號及香港(國際財務匯報詮釋委員會)－詮釋第14號分別適用於二零零六年五月一日、二零零六年六月一日、二零零六年十一月一日、二零零七年三月一日、二零零八年一月一日、二零零九年一月一日、二零零八年七月一日及二零零八年一月一日或之後開始之會計年度。

本集團正評估初步應用該等新增及經修訂香港財務匯報準則之影響。直至目前為止，結論為採納香港會計準則第1號(經修訂)、香港財務匯報準則第7號及香港財務匯報準則第8號可能導致新增或修訂披露，該等新增及經修訂香港財務匯報準則應不會對本集團之經營業績和財政狀況造成重大影響。

2.4 Summary of significant accounting policies

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill previously eliminated against consolidated reserves

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 "Business Combinations" ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated capital reserve and consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated capital reserve and consolidated retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 主要會計政策概要

附屬公司

附屬公司乃指由本公司直接或間接控制其財務及營運政策，藉以從其業務獲益之公司。

附屬公司業績計入本公司收益表時，以已收及應收股息為限。本公司於附屬公司之權益，乃按成本值減除任何減值虧損後列賬。

商譽

收購附屬公司所產生之商譽，乃指業務合併成本超過本集團於被收購方所收購之可辨認資產、負債及或然負債於收購日之公平淨值的權益。

於過往年度與綜合儲備對銷之商譽

於二零零一年採納香港會計師公會之會計實務準則第30條「企業合併」(「會計實務準則第30條」)前，因收購所產生之商譽於收購年度會與綜合資本儲備及綜合保留溢利對銷。於採納香港財務匯報準則第3號後，該等商譽仍可繼續與綜合資本儲備及綜合保留溢利對銷，當與商譽有關之全部或部分業務出售時或與商譽有關之現金產生單位減值時，則不會於收益表中確認。

非金融資產(商譽除外)減值

倘若出現任何減值跡象，或當有需要為資產進行每年減值測試(除了存貨、遞延稅項資產、金融資產及商譽)，則會估計該資產之可回收金額。除非某類資產產生之現金流量不能獨立於其他資產或多項資產所產生之現金流量(在此情況下，可回收金額按資產所屬之現金產生單位釐定)，否則資產之可回收金額按資產或現金產生單位之使用價值與其公平值減銷售成本售價淨額較高者計算，並按個別資產釐定。

2.4 summary of significant accounting policies (continued)

Impairment of non-financial assets other than goodwill (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;

2.4 主要會計政策概要 (續)

非金融資產 (商譽除外) 減值 (續)

減值虧損僅會在資產之賬面值高於其可收回金額時予以確認。評估使用價值時是以除稅前之折扣率計算預計未來之現金流量之現值，而該折扣率反映當時市場對金錢時間值之評估及該項資產之特有風險。減值虧損於出現期間在收益表內與減值資產功能一致之支出類別中列支，除非該資產以重估金額列賬，減值虧損則根據該重估資產有關會計政策列帳。

本集團於每個匯報日均會作出評估，以確定是否有跡象顯示於過往年度確認之減值虧損不再存在或可能已經減少。如有任何上述跡象，則會估計可收回之金額。先前就某項資產 (商譽及若干金融資產除外) 已確認之減值虧損僅會在用作釐定資產可收回金額之估計出現變動時予以撥回，惟撥回之數額不得超出倘於過往年度並無就有關資產確認減值虧損而可能已釐定之賬面值 (扣除任何折舊／攤銷)。減值虧損之撥回於出現期間計入收益表，除非該資產以重估金額列賬，減值虧損撥回則根據該重估資產有關會計政策列帳。

關連人士

在下列情況下，有關人士將視為本集團之關連人士：

- (a) 有關人士直接或間接透過一名或多名中介人：(i) 控制本集團或受本集團控制，或與本集團受同一方控制；(ii) 於本集團擁有權益可行使重大影響力；或(iii) 共同控制本集團；
- (b) 有關人士為聯營公司；

2.4 Summary of significant accounting policies (continued)

Related parties (continued)

- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than software under development, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

2.4 主要會計政策概要 (續)

關連人士 (續)

- (c) 有關人士為共同控制實體；
- (d) 有關人士為本集團之主要管理人員；
- (e) 有關人士為(a)或(d)項所述之任何人士之直系親屬；
- (f) 有關人士受直接或間接歸屬於(d)或(e)項所述人士之實體所控制、共同控制或具重大影響力，或擁有重大投票權；或
- (g) 有關人士為本集團或與本集團有關連之機構為其僱員而設之離職後福利計劃。

物業、廠房及設備和折舊

物業、廠房及設備(開發中軟件除外)乃按成本值或估值減除累積折舊及任何減值虧損後列賬。物業、廠房及設備項目成本包括其購買價及任何令該項資產達至運作狀況及將之運至擬定用途地點之直接應計成本。物業、廠房及設備項目投入運作後產生之開支，例如維修及保養費用，一般於該等開支產生之期間於收益表內扣除。倘能清楚證明該等開支能增加日後使用物業、廠房及設備時預期獲得之經濟利益或能可靠計算項目成本時，該等開支則視為該項資產之額外成本或替代品。

2.4 Summary of significant accounting policies (continued)**Property, plant and equipment and depreciation (continued)**

The asset revaluation reserve arising from the revaluation of property, plant and equipment is realised and transferred directly to retained profits on a systematic basis, as the corresponding asset is used by the Group. The amount realised is the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. If the total of this reserve is insufficient to cover an impairment loss, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	2% to 4% or over the lease terms, whichever is shorter
Leasehold improvements	15% to 33% or over the lease terms, whichever is shorter
Plant and machinery	9% to 25%
Furniture, fixtures and office equipment	15% to 33% or over the lease terms, whichever is shorter
Motor vehicles	15% to 33%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

2.4 主要會計政策概要 (續)**物業、廠房及設備和折舊 (續)**

重估物業、廠房及設備所產生之資產重估儲備，在本集團使用有關資產時有系統地直接調撥往保留溢利。所調撥之數額，乃按該項資產重估賬面值計算之折舊與按其原來成本值計算之折舊之差額。按個別資產基準，若儲備總額不足以填補減值虧損，超出之虧損將在收益表內扣除。其後，任何重估盈餘會計入收益表，計入之數額以先前扣除之虧損為限。於出售經重估之資產時，因早前估值而產生的相關資產重估儲備部份乃當作一項儲備變動，調撥往保留溢利。

每項物業、廠房及設備項目之折舊以直線法按其成本值或估值以估計可用年期撇銷至其剩餘價值。就此目的而採用之主要年率如下：

土地及樓宇	2%至4%或按租約年期攤銷， 以較短者為準
租賃物業裝修	15%至33%或按租約年期攤銷， 以較短者為準
設備及機器	9%至25%
傢俬、裝置及辦公室設備	15%至33%或按租約年期攤銷， 以較短者為準
汽車	15%至33%

倘一項物業、廠房及設備各部分之可使用年期並不相同，該項目各部分之成本或價值將按合理基礎分配，而每部分將作個別折舊。

剩餘價值、可用年期及折舊方法於每屆結算日予以複議，在適當情況下加以調整。

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Software under development is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs during the period of development. Software under development is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under such operating leases are charged to the income statement on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

物業、廠房及設備和折舊 (續)

一項物業、廠房及設備於出售或估計其使用或出售不再產生經濟利益時，將終止確認。於資產終止確認年度因其出售或報廢並在收益表確認之任何盈虧乃有關資產之出售所得款項淨額與賬面值之差額。

開發中軟件以成本減任何減值損失列賬，及並不計算折舊。成本包括於開發期間之直接成本。開發中軟件將於完成及可準備使用時，重新分配至合適之物業、廠房及設備類別。

無形資產 (商譽除外)

無形資產之可使用年期乃評估為有限或無限。具有有限年期之無形資產按可使用經濟年期攤銷，並於該無形資產出現減值跡象時作評估減值。具有有限可使用年期之無形資產之攤銷年期及攤銷方法須至少於每個結算日作檢討。

無限可使用年期之無形資產於每年按個別或現金產生單位作減值測試。該等無形資產並不予以攤銷。無限年期之無形資產可使用年期於每年評估，以釐定無限可使用年期之評估是否持續可靠。如否定，則可使用年期之評估自此由按無限年期更改為有限年期計值。

經營租賃

凡資產所有權之絕大部份回報及風險歸出租人所有之租約，均列為經營租賃。當本集團為出租人時，本集團根據經營租賃出租之資產被列作非流動資產，在經營租賃下應收之租金於租約期內以直線法計入收益表內。當本集團為承租人時，在經營租賃下應繳付之租金於租約期內以直線法在收益表內扣除。

2.4 Summary of significant accounting policies (continued)

Operating leases (continued)

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised in income statement on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Borrowing costs

Borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group considers whether a contract contains an embedded derivative when the Group first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要 (續)

經營租賃 (續)

經營租賃之預付土地租賃付款最初按成本列帳，並其後於收益表中以直線法在租約年期確認。當租賃金額無法可靠地分配為土地部分及樓宇部分，租賃租金全額乃計入土地及樓宇成本，列作物業、廠房及設備之融資租賃。

借貸成本

借貸成本於產生期間在收益表確認為開支。

投資及其他金融資產

屬於香港會計準則第39號範圍內之金融資產會分類為按公平值於損益賬列賬之金融資產、貸款和應收款項、持至到期日之投資及可供出售之金融資產(如適用)。當金融資產初始確認時，按公平值計值，及如並非按公平值於損益賬列賬之投資，需加直接應佔交易費用計值。當本集團首次成為合約之一方時，本集團會考慮合約是否包含內嵌式衍生工具。當該分析顯示內嵌式衍生工具之經濟特性及風險與主體合約之相應部分並無密切關連時，內嵌式衍生工具乃與並無按公平價值列賬於收益賬計值之主體合約分開列賬。

在初始確認後，本集團釐定其金融資產之分類，並在允許及適當之情況下，在結算日重新評估有關指定。

以常規方式購買及出售金融資產，均按交易日進行確認，交易日即本集團承諾購買或出售資產之日期。以常規方式購買或出售是指規定在相關市場中之規則或慣例通常約定之期間內交付資產之金融資產買賣。

2.4 Summary of significant accounting policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts. Gains or losses on these financial assets are recognised in the income statement.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

按公平值於損益賬列賬之金融資產

按公平值於損益賬列賬之金融資產包括持作買賣之金融資產及於初步確認時指定為按公平值於損益賬列賬之金融資產。如購買之金融資產是以短期出售為目的，則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦歸類為持作買賣，除非該等工具指定為有效對沖工具或財務擔保合約。該等金融資產之盈虧於收益賬內確認。

符合下列情況之金融資產將於初步確認時劃分為按公平值於損益賬列賬之金融資產：(i)有關劃分可撤銷或大幅減少因不同基準計算資產或確認損益所產生之不相符處理方法；或(ii)有關資產屬於金融資產之部份，並根據已制訂之風險管理策略管理及按公平值基準評估表現；或(iii)該金融資產包含嵌入式衍生工具而需獨立記錄。

貸款及應收款項

貸款及應收款項為在活躍之市場上並無報價而付款額固定或可以釐定之非衍生金融工具。有關資產其後運用實際利率法，以攤銷成本計值。攤銷成本乃經計及任何收購折讓或溢價後計算，並包括組成實際利率之一部分費用及交易成本。損益會在貸款和應收款項終止確認或減值時，以及透過攤銷過程在收益表中確認。

公平值

在有組織金融市場有活躍買賣之投資，其公平值乃參考結算日營業時間結束時之市場所報買入價釐定。至於並無活躍市場之投資，公平值會使用估值技術釐定。有關技術包括使用近期按公平原則進行之市場交易；參考大致上相同之另一工具當時之市場價值；折現現金流量分析；以及期權定價模式。

2.4 Summary of significant accounting policies (continued)

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to debtors, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the debtors is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

2.4 主要會計政策概要 (續)

金融資產減值

本集團在每個結算日均評估是否存在任何客觀證據表明金融資產或某組金融資產已發生減值。

按攤銷成本列值之資產

倘若有客觀證據表明以攤銷成本計值之貸款及應收賬款已產生減值虧損，則按資產之賬面值與估計日後之現金流量(不包括尚未發生之日後信貸損失)以原始實際利率(指初步確認時計算之實際利率)折現之現值之間差額確認虧損金額。有關資產之賬面值可直接沖減或通過備抵賬目作出抵減。有關減值虧損乃於收益表中確認。

本集團首先對個別具重要性之財務資產進行評估，評估是否有客觀證據顯示個別存在減值，並對非具個別重要性之財務資產進行評估，評估是否有客觀證據顯示個別或共同存在減值。倘若經個別評估之金融資產(無論具重要性與否)確定並無客觀證據顯示存在減值，該項資產會歸入一組具有相類信貸風險特性之金融資產內，並對該組金融資產是否存有減值共同作出評估。倘經個別評估減值之資產且其減值虧損會或將繼續確認入賬，有關資產則不會納入共同減值評估之內。

倘其後減值虧損金額減少，而該減少可以客觀地與確認減值後發生之事件相關，則撥回早前確認之減值虧損。其後撥回之減值虧損於收益表確認，惟以其資產賬面值不超過其於撥回日期時之攤銷成本為限。

就應收賬款而言，若出現客觀證據(如債務人可能資不抵債或者出現嚴重財務困難)顯示本集團將無法按發票之原定條款收回所有到期款項，本集團會作出減值準備。應收賬款之賬面值會通過使用準備賬而減少。已減值之債務一經評估為無法收回時即會註銷。

2.4 Summary of significant accounting policies (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.4 主要會計政策概要(續)

註銷金融資產

在以下情況下，金融資產(或金融資產之一部份或同類金融資產群組之一部份，如適用)會註銷：

- 從資產收取現金流量之權利已屆滿；
- 本集團保留從資產收取現金流量之權利，惟須根據「通過」安排，在未有重大時間延緩情況下，承擔繳付第三方有關權益全數之責任；或
- 本集團已轉讓其從資產收取現金流量之權利，並(a)已轉讓資產之絕大部份風險及回報，或(b)並無轉讓或保留資產絕大部份風險及回報，但已轉讓資產之控制權。

倘若本集團已轉讓其從資產收取現金流量之權利，且並無轉讓及保留資產絕大部份風險及回報，且無轉讓資產之控制權，則資產會按本集團持續持有該資產之程度確認。持續持有為本集團就已轉讓資產作出之一項擔保，而已轉讓資產乃按資產原有賬面值與本集團可能須償還之最高代價金額兩者中之較低者計算。

倘若持續持有乃以書面及／或購入選擇權(包括現金結算選擇權或類似條文)之形式，則本集團持續持有之程度為本集團可購回之所轉讓資產金額，惟以書面認沽權(包括現金結算選擇權或類似條文)持有以公平值計算之資產而言，本集團持續持有之程度僅限於所轉讓資產之公平值與選擇權行使價兩者中之較低者。

2.4 Summary of significant accounting policies (continued)

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade creditors and other payables, amounts due to related companies and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

2.4 主要會計政策概要 (續)

按攤銷成本列賬之金融負債(包括計息貸款及借貸)

金融負債包括貿易及其他應付款項、應付關連公司款項及計息貸款及借貸，初步以公平值減直接應佔交易成本列賬，其後則以實際利率法按攤銷成本計值，惟倘折現之影響並不重大，於此情況下，則按成本列賬。

在攤銷程序終止及確認負債時，產生的收益和損失在收益表中確認。

按公平值於損益賬列賬之金融負債

按公平值於損益賬列賬之金融負債包括持作買賣金融負債及於初步確認時指定為按公平值於損益賬列賬之金融負債。

金融負債如以短期出售為目的而購買，則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦歸類為持作買賣投資，除非該等工具指定為有效對沖工具則另作別論。持作買賣之負債之盈虧於收益表內確認。

倘合約包含一項或多項嵌入式衍生工具，則全份複合式交易合約可能劃分為按公平值於損益賬列賬之金融負債，除非嵌入式衍生工具並無重大調整現金流量或清楚顯示不會將嵌入式衍生工具獨立列賬。

符合下列情況之金融負債將於初步確認時劃分為按公平值於損益賬列賬之金融負債：(i)有關劃分可撇銷或大幅減少因不同基準計算負債或確認損益所產生之不相符處理方法；或(ii)有關負債屬於金融負債之部份，並根據已制訂之風險管理策略管理及按公平基準評估表現；或(iii)包含嵌入式衍生工具而需獨立記錄之金融負債。

2.4 Summary of significant accounting policies (continued)

Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

2.4 主要會計政策概要 (續)

財務擔保合約

在香港會計準則第39號之範圍內之財務擔保合約乃列賬為金融負債。財務擔保合約首次乃按公平價值加收購事項或發出財務擔保合約直接應佔之交易成本確認，惟倘該合約乃按公平價值列賬於收益賬確認則除外。首次確認後，本集團會根據(i)香港會計準則第37號撥備、或然負債和或然資產釐定之金額；及(ii)首次確認之金額減(如適用)根據香港會計準則第18號收益所確認之累計攤銷額之金額兩者中較高者計量財務擔保合約。

終止確認金融負債

金融負債於該負債之責任解除或取消或屆滿時終止確認。

當現有金融負債被另一項來自相同借貨人按重大不同條款之金融負債所取代，或現有負債之條款被重大修訂，該等交換或修訂視為終止確認原來負債，並確認為一項新負債處理，相關賬面值之差異於損益表內確認。

衍生金融工具

本集團使用遠期外幣合約等衍生金融工具對沖其有關外幣波動之風險。該等衍生金融工具初步按訂立衍生合約當日之公平價值確認，其後再按公平價值計量。衍生工具在公平價值為正數時以資產列賬，為負數時以負債列賬。

有關不合資格作對沖會計處理之衍生工具公平價值變動，產生之收益或虧損乃直接計入收益表內。

遠期外幣合約之公平價值經參考到期狀況相若之合約之當時遠期匯率計量。

2.4 Summary of significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less any estimated costs necessary to make the sale.

With effect from the current period, the Group has changed its provisioning policies on inventories by decelerating the rates of provision applied to slow-moving inventories. This constitutes a change in accounting estimate. In the opinion of the directors, the net realisable value of inventories is more accurately reflected by the revised rates. This change has been applied prospectively and has resulted in a reduction in the provision against slow-moving inventories of approximately HK\$13 million for the period.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

2.4 主要會計政策概要 (續)

存貨

存貨乃按成本值及可變現淨值兩者中較低者列賬。成本值按先入先出法計算，並包括所有購貨成本及將存貨運往現存地點及變成現狀所產生之其他成本。可變現淨值乃根據估計銷售價減除任何達成銷售所需之估計成本計算。

自本期間開始，本集團已減低對滯銷存貨作出撥備所用之比率以更改存貨撥備政策。此舉構成會計估算之變更。董事認為，經修訂之比率更能準確地反映存貨之可變現淨值。該變動自本期初開始應用並導致期內對滯銷存貨所作之撥備減少約港幣1.3千萬元。

撥備

因過往事件產生現有法定或推定責任，且有可能需要動用日後資源流出以履行責任時，撥備方予以確認，惟須可就責任金額作出可靠的估計。

倘折現影響重大，就撥備確認之金額為預期須用作履行責任之日後開支於資產負債表之現值。因時間流逝而導致已折現現值增加則計入收益表之融資成本。

所得稅

所得稅包括即期及遞延稅項。所得稅乃於收益表確認，惟有在相同或不同期間直接於權益確認之項目，則於權益確認入賬。

本期或過往期間之本期稅項資產及負債乃按預期可自稅務機關收回或向稅務機關繳付之金額計算。

2.4 Summary of significant accounting policies (continued)

Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要 (續)

所得稅 (續)

就於結算日資產及負債之稅基與彼等就財務申報而言之賬面值間之所有暫時性差額，乃以負債法提撥遞延稅項準備。

遞延稅項負債乃就所有應課稅暫時性差額確認入賬，除非：

- 遞延稅項負債乃因商譽或進行非業務合併之交易之時初步確認交易之資產或負債而產生，且不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司投資有關之應課稅暫時性差額而言，倘暫時性差額之撥回時間可予控制及暫時性差額可能不會在可見將來撥回。

遞延稅項資產乃就所有可扣稅暫時性差額、結轉之未動用稅項資產及未動用稅項虧損予以確認，惟以可能出現日後應課稅溢利以動用可扣稅暫時性差額、結轉之未動用稅項資產及未動用稅項虧損為限：

- 除非遞延稅項資產乃關於負商譽或進行非業務合併之交易之時初步確認交易之資產或負債而產生之可扣稅暫時性差額，且不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司投資有關之可扣稅暫時性差額而言，遞延稅項資產僅於可能在可見將來撥回暫時性差額及將產生日後應課稅溢利以動用暫時性差額時，方予確認。

2.4 Summary of significant accounting policies (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, in the period in which the services are rendered;
- (c) interest income, on an accrual basis using effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產之賬面值將於每個結算日審閱，並減值至不再可能有足夠日後應課稅溢利以動用全部或部份遞延稅項資產之水平。相反，先前未確認之遞延稅項資產乃於各結算日重估，並於可能有足夠日後應課稅溢利以動用全部或部份遞延稅項資產為限，予以確認。

遞延稅項資產及負債乃根據結算日已實施或實質上已實施或大致上已生效之稅率（及稅務法例），按預期適用於資產變現或負債清償當時之稅率計算。

倘現有可依法執行權利，容許本期稅項資產抵銷本期稅項負債，而該遞延稅項涉及同一稅務實體及同一稅務機關，則遞延稅項資產及遞延稅項負債予以對銷。

收益確認

倘收益會為本集團帶來經濟利益並能可靠計算時，方會按下列基準予以確認：

- (a) 從貨物銷售取得之收入，在貨物重大風險及回報之擁有權已轉予買家，而本集團對其再無參與和擁有權相關之管理，亦對已售出貨物再無實際控制權之時確認；
- (b) 從提供服務取得之收入，於提供服務期間確認；
- (c) 利息收入，採用實質利率方法，以有關利率在財務工具之預計年期內折現估計未來可收取現金至財務資產之賬面淨值；

2.4 Summary of significant accounting policies (continued)

Revenue recognition (continued)

- (d) rental income, on a time proportion basis over the lease terms; and
- (e) royalty income, on a time proportion basis in accordance with the substance of the relevant agreements.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's Memorandum of Association and Bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Employee benefits

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

2.4 主要會計政策概要 (續)

收益確認 (續)

- (d) 租金收入，於租約期內按時間比例基準確認；及
- (e) 專利費，根據有關協議實質內容按時間比例基準確認。

股息

董事建議派發之末期股息乃於資產負債表歸類為權益部份中另作分配之保留溢利，直至其獲股東於股東大會批准為止。當該等股息獲股東批准及宣派後，則被列作負債確認入賬。

中期股息於建議時同時宣派，原因是本公司之組織大綱及章程細則授予董事局宣派中期股息之權力。因此，中期股息乃於建議及宣派時即時確認為負債。

僱員福利

以股份支付款項之交易

本公司實施購股權計劃，為對本集團業務成功作出貢獻之合資格參與者，提供激勵與獎勵。本集團僱員(包括董事)以股份支付款項之交易之方式收取報酬，僱員提供服務作為收取權益工具之代價(「以權益結算交易」)。

與僱員進行以權益結算交易之成本，乃參照授出日期之公平值而計量。公平值根據柏力克-舒爾斯期權定價模式確定。評定以權益結算交易之價值時，除了對本公司股份價格有影響之條件(「市場條件」)(如適用)外，並無將任何績效條件計算在內。

2.4 Summary of significant accounting policies (continued)

Employee benefits (continued)

Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the “vesting date”). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2.4 主要會計政策概要(續)

僱員福利(續)

以股份支付款項之交易(續)

以權益結算交易之成本，連同權益相應增加部分，在績效及／或服務條件獲得履行之期間(於有關僱員完全有權獲得授予之日(「歸屬日期」)結束)內確認。在歸屬日期前，每屆結算日確認之以權益結算交易之累積開支，反映歸屬期已到期部分及本集團對最終將會歸屬之股權工具數目之最佳估計。在某一期間內在收益表內扣除或進賬，乃反映累積開支於期初與期終確認時之變動。

對於已授出但尚未歸屬之購股權，不會確認任何開支，但視乎市場條件而決定歸屬與否之已授出購股權則除外，對於該類購股權而言，只要所有其他績效條件已經達成，不論市場條件是否達成，均會被視為已歸屬。

倘若權益結算獎勵之條款有所變更，所確認之開支最少須達到猶如條款並無任何變更之水平。此外，倘若按變更日期之計量，任何變更導致以股份支付之安排之總公平值有所增加，或對僱員帶來其他利益，則應該等變更確認開支。

倘若權益結算獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認之授予購股權之開支，均應立刻確認，然而，若授予新購股權代替已註銷之購股權，並於授出日期指定為替代購股權，則已註銷之購股權及新購股權，均應被視為原購股權之變更，一如前段所述。

2.4 Summary of significant accounting policies (continued)

Employee benefits (continued)

Share-based payment transactions (continued)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 April 2005 and to those granted on or after 1 April 2005.

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date, net of employer contributions and accrued benefits derived therefrom under the Group's pension schemes.

2.4 主要會計政策概要 (續)

僱員福利 (續)

以股份支付款項之交易 (續)

計算每股盈利時，未行使購股權之攤薄效應，反映為額外股份攤薄。

本集團已採納香港財務匯報準則第2號有關權益結算獎勵之過渡性條文，香港財務匯報準則第2號僅應用於二零零二年十一月七日已授出但於二零零五年四月一日尚未歸屬之權益結算獎勵及於二零零五年四月一日或之後授出之權益結算獎勵。

有薪假期結轉

本集團根據僱傭合約按曆年基準給予其僱員有薪年假。在若干情況下，於結算日未支取之年假准予結轉，留待有關僱員於來年享用。於結算日，已就僱員於年內獲取並予結轉之有薪年假之預期未來成本作出累算。

僱傭條例長期服務金

根據香港僱傭條例，本集團若干僱員已為本集團服務滿若干年期，因而符合資格於彼等終止聘用時獲享長期服務金。倘有關終止聘用符合香港僱傭條例所註明之情況，本集團須負責作出該等付款。

本集團就預期可能作出之未來長期服務金提撥準備。該撥備乃按截至結算日，僱員就其對本集團提供之服務已賺取之未來可能付款之最佳估計，減除根據本集團退休金計劃之僱主供款及所得應計利益後計算。

2.4 Summary of significant accounting policies (continued)

Employee benefits (continued)

Pension schemes

The Group operates two pension schemes in Hong Kong, namely a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance and a defined contribution retirement benefits scheme as defined in the Occupational Retirement Schemes Ordinance (the "ORSO Scheme"), for all of its employees in Hong Kong.

Under the MPF Scheme, contributions of 5% of the employees' relevant income with a maximum monthly contribution of HK\$1,000 per employee are made by each of the employer and the employees. The employer contributions are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Under the ORSO Scheme, contributions of 5% of the employees' basic salaries are made by the employer and are charged to the income statement as they become payable in accordance with the rules of the ORSO Scheme. The rates of contributions made by the employees are either 0% or 5% of the salary of each employee at the discretion of the employee. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

The assets of the MPF and ORSO Schemes are held separately from those of the Group in independently administered funds.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.4 主要會計政策概要 (續)

僱員福利 (續)

退休金計劃

本集團於香港為所有在香港受僱之員工實施兩項退休福利計劃，即根據強制性公積金計劃條例訂立之強制性公積金計劃（「強積金計劃」）及根據職業退休計劃條例所界定之定額供款退休福利計劃（「職業退休計劃」）。

在強積金計劃下，僱主及僱員各自按僱員有關入息5%之比率供款，供款額最高為每名僱員港幣1,000元。根據強積金計劃條款，僱主之供款於應繳付時在收益表內扣除。本集團之僱主供款於繳入強積金計劃後全數歸僱員所有。

在職業退休計劃下，僱主按僱員底薪5%之比率供款，並根據職業退休計劃的規定，供款於應繳付時在收益表內扣除。而僱員則可選擇按其薪金0%或5%之比率供款。當僱員在取得本集團僱主之全數供款前退出職業退休計劃，本集團可用沒收供款之數額減低其往後應付之供款。

強積金計劃及職業退休計劃之資產，與本集團之資產分開，並由獨立管理之基金持有。

本集團於中國大陸營運之附屬公司的僱員均須參加由地方市政府設立之中央退休保障計劃。該等附屬公司須按其工資成本之若干百分比向該中央退休保障計劃作出供款。根據該中央退休保障計劃的規定，供款於應付時在收益表內扣除。

2.4 Summary of significant accounting policies (continued)

Employee benefits (continued)

Pension schemes (continued)

The Company's subsidiaries in Singapore participate in a Central Provident Fund Scheme which is a contribution plan established by the Central Provident Fund board of directors in Singapore.

The Group operates two pension schemes in Taiwan under the Labour Standards Law (the "Old Scheme") and under the Labour Pension Act which became effective on 1 July 2005 (the "New Scheme"). Under the Old Scheme, the Taiwan Branch of one of the Company's subsidiaries makes regular contributions to the Old Scheme to meet its employees' retirement and termination benefits. Currently, the contributions have been approved to be made at 2% of the employees' total salaries. The fund is administered by a committee and is deposited in the committee's name with a government approved financial institution, Central Trust of China, which acts as the trustee. Under the New Scheme, the Taiwan Branch and a Taiwan subsidiary contribute each month 6% of the salaries of the employees who choose to participate in the New Scheme, and deposit these amounts into individual pension accounts at the Bureau of Labour Insurance.

The Company's subsidiary in Malaysia participates in a state pension scheme, the Employees Provident Fund, and contributions are based on 12% of the employees' gross salaries.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 主要會計政策概要(續)

僱員福利(續)

退休金計劃(續)

本公司在新加坡之附屬公司參與公積金計劃，此乃一項由新加坡公積金局設立之供款計劃。

本集團於台灣分別根據勞動基準法(「舊計劃」)及於二零零五年七月一日生效之Labour Pension Act(「新計劃」)經營兩個退休福利計劃。根據舊計劃，本公司附屬公司之台灣分公司定期向舊計劃供款，為其僱員提供退休及離職福利。現時，已獲批准之供款額為僱員總薪酬之2%。該基金由一個委員會管理，並以該委員會名義存放於一間作為基金信託人之政府認可財務機構Central Trust of China。根據新計劃，台灣分公司及台灣附屬公司每月為選擇新計劃之僱員按彼等薪酬之6%供款，並存放於Bureau of Labor Insurance之個人退休賬戶內。

本公司於馬來西亞之附屬公司參與一個國家退休計劃Employees Provident Fund，並按僱員總薪金之12%供款。

現金及現金等值項目

就綜合現金流量報表而言，現金及現金等值項目乃指現金、定期存款及高度流通性之短期投資(可隨時套現為已知數額之現金，而其低風險價值變更，且購入時之到期日較短，一般而言為三個月內)，該等金額扣除要求付還之銀行透支及佔本集團現金管理之主要部份。

就資產負債表而言，現金及現金等值項目包括現金及銀行存款(包括定期存款)以及性質類似現金及無用途限制之資產。

2.4 Summary of significant accounting policies (continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the period. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the period are translated into Hong Kong dollars at the weighted average exchange rates for the period.

3. Significant accounting judgements and estimates

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣

該等財務報表以港元呈報，即本公司之功能及呈報貨幣。本集團內之實體各自決定其功能貨幣，各實體之財務報表項目均以所訂功能貨幣計量。外幣交易初步按交易日之有關功能貨幣之匯率換算入賬。以外幣為計價單位之貨幣資產及負債，按有關功能貨幣於結算日之匯率再換算。所有匯兌差額撥入收益表處理。按歷史成本列賬、以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。按公平值列賬、以外幣計量之非貨幣項目，採用釐定公平值日期之匯率換算。

若干海外附屬公司之功能貨幣並非港元。於結算日時，有關實體之資產與負債，按結算日之匯率換算為本公司之呈報貨幣，其收益表則按本期間之加權平均匯率換算為港元。因此而產生之匯兌差額，列入外匯變動儲備。出售海外實體時，就該項外國業務在權益中確認之遞延累積金額，會在收益表中確認。

於編製綜合現金流量表時，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司於期內經常產生之現金流量則按該期間之加權平均匯率換算為港元。

3. 重大會計判斷及估計

判斷

於應用本集團之會計政策時，除下文所討論涉及估計者外，管理層曾作出下列對財務報表已確認金額影響最重大之判斷：

3. Significant accounting judgements and estimates (continued)

Impairment of assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, 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.

Provision for inventories

Management reviews the aging analysis of inventories of the Group at each balance sheet date, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgments and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and provision charge/write-back in the period in which such estimate has been changed. In addition, physical count on all inventories is carried out on a periodical basis in order to determine whether provision need to be made in respect of any obsolete inventories identified. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow moving items. Management reassesses the estimation on each of the balance sheet date. The directors of the Company are satisfied that sufficient provision for obsolete and slow moving inventories has been made in the consolidated financial statements.

3. 重大會計判斷及估計(續)

資產減值

在釐定資產是否出現減值或早前導致減值之事項不再存在時，本集團需在資產減值之範疇上作出判斷，尤其在評估：(1)有否發生可能影響資產值之事件或有關事件可導致資產值不再存在；(2)按持續使用資產或直至終止確認之基準估計之未來現金流量之貼現值能否支持資產之賬面值；及(3)編製現金流量預測所使用之適當主要假設，包括此等現金流量預測是否使用適當貼現率貼現。更改管理層就確定減值水平而選定之假設，包括現金流量預測中之貼現率或增長率假設，或會對減值檢測所用之淨現值產生重大影響。

估計不明朗因素

很大可能導致下一個財政年度資產及負債賬面值須作出重大調整之未來主要假設及於結算日之估計不明朗因素之其他主要來源於下文討論。

存貨撥備

管理層於各結算日檢討本集團之存貨賬齡分析，並就已認為不再適合出售之陳舊及滯銷存貨項目作出撥備。該撥備之評估須涉及管理層判斷及估計。倘實際結果或未來之預期與原定估計不同，則該等差額將於該估計已變更期間內影響該存貨之賬面值及撥備費用／回撥。此外，所有存貨均定期進行實物盤點，以決定是否需要對所識別的陳舊及滯銷存貨作出撥備。本集團於各結算日進行存貨檢討，並對陳舊及滯銷存貨項目作出撥備。管理層於各結算日重新評估有關估計。本公司董事認為綜合財務報表已就陳舊及滯銷存貨作充足撥備。

3. Significant accounting judgements and estimates (continued)

Impairment of assets

The Group determines whether an asset is impaired at least on an annual basis. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the asset and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses for subsidiaries situated in Hong Kong, Mainland China and Taiwan at 30 June 2007 were HK\$17,120,000 (31 March 2006: HK\$16,274,000), HK\$12,695,000 (31 March 2006: HK\$437,000) and HK\$62,648,000 (31 March 2006: HK\$29,998,000), respectively. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profit will be available against which the tax losses can be utilised. Further details are contained in note 25 to the financial statements.

4. Segment information

Segment information is presented by way of geographical segment as the primary segment. In determining the Group's geographical segments, revenue and results are attributed to the segments based on the location of assets.

Since over 90% of the Group's revenue, results and assets and liabilities are derived from the retailing and distribution of garments, no separate analysis of financial information by business segment is presented in these financial statements.

3. 重大會計判斷及估計(續)

資產減值

本集團至少每年釐定資產是否減值。釐定資產是否出現減值須對資產之使用價值作出估計。估計使用價值時本集團需對來自資產之預期未來現金流量作出估計，亦要選擇合適折現率計算該等現金流量之現值。

遞延稅項資產

所有未用稅項虧損，如日後有可能出現應課稅溢利可用作抵銷該等虧損，則確認為遞延稅項資產。釐定可確認之遞延稅項資產金額時，管理層須根據未來應課稅溢利之可能時間及水平以及未來稅務規劃策略作出重大判斷。於二零零七年六月三十日，於香港、中國大陸及台灣之未確認稅項虧損分別為港幣17,120,000元(二零零六年三月三十一日：港幣16,274,000元)、港幣12,695,000元(二零零六年三月三十一日：港幣437,000元)及港幣62,648,000元(二零零六年三月三十一日：港幣29,998,000元)。由於該等附屬公司已產生虧損一段時間及認為並無可能有可用作抵銷稅務虧損之應課稅溢利，故並無就該等虧損確認遞延稅項資產。詳情載於財務報表附註25。

4. 分類資料

分類資料以地域分類為主要分類。於釐定本集團之地域分類時，分類應佔收益及業績乃按資產所在地計算。

由於本集團逾90%之收益、業績、資產及負債均源自成衣零售及分銷業務，故並無在財務報表中呈列按業務分類之財務資料獨立分析。

4. Segment information (continued)

Geographical segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's geographical segments for the period from 1 April 2006 to 30 June 2007 and for the year ended 31 March 2006.

4. 分類資料(續)

地域分類

下表呈列本集團由二零零六年四月一日至二零零七年六月三十日止期間及截至二零零六年三月三十一日止年度按地域分類之收益、溢利及若干資產、負債及開支資料。

Group 集團	Hong Kong 香港		Mainland China 中國大陸		Taiwan 台灣		Singapore and Malaysia 新加坡及馬來西亞		Consolidated 綜合	
	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度
in HK\$ thousand 港幣千元										
Segment revenue: 分類收益:										
Sales to external customers 銷售予外間顧客	1,352,602	1,129,195	536,627	489,491	415,726	379,404	263,370	201,425	2,568,325	2,199,515
Other income and gains 其他收入及收益	3,034	6,684	2,145	1,416	2,242	3,657	90	86	7,511	11,843
Total 總計	1,355,636	1,135,879	538,772	490,907	417,968	383,061	263,460	201,511	2,575,836	2,211,358
Segment results 分類業績	111,371	122,368	(27,675)	6,524	(53,832)	(11,450)	1,667	17,328	31,531	134,770
Interest income 利息收入									5,314	4,773
Profit from operating activities 營運業務溢利									36,845	139,543
Finance costs 融資成本									(1,822)	(722)
Profit before tax 除稅前溢利									35,023	138,821
Tax 稅項									(25,829)	(33,786)
Profit for the period/year 期內/年內溢利									9,194	105,035

4. Segment information (continued) Geographical segments (continued)

4. 分類資料(續) 地域分類(續)

Group 集團	Hong Kong 香港		Mainland China 中國大陸		Taiwan 台灣		Singapore and Malaysia 新加坡及馬來西亞		Consolidated 綜合	
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日
in HK\$ thousand 港幣千元										
Segment assets 分類資產	402,415	424,974	226,880	235,443	109,288	124,743	102,894	72,376	841,477	857,536
Unallocated assets 未分配資產									4,045	2,707
Total assets 總資產									845,522	860,243
Segment liabilities 分類負債	105,571	134,942	89,096	75,033	29,378	27,785	12,524	5,830	236,569	243,590
Unallocated liabilities 未分配負債									32,396	29,232
Total liabilities 總負債									268,965	272,822

4. Segment information (continued)
Geographical segments (continued)

4. 分類資料(續)
地域分類(續)

Group 集團	Hong Kong 香港		Mainland China 中國大陸		Taiwan 台灣		Singapore and Malaysia 新加坡及馬來西亞		Consolidated 綜合	
	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度	Period ended 30 June 2007 截至 二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至 二零零六年 三月三十一日 止年度
in HK\$ thousand 港幣千元										
Other segment information: 其他分類資料：										
Capital expenditure 資本開支	59,485	30,104	21,888	17,340	11,221	24,697	13,619	8,420	106,213	80,561
Depreciation 折舊	35,172	22,052	22,670	18,975	12,541	9,257	8,434	4,699	78,817	54,983
Loss/(gain) on disposal/write-off of items of property, plant and equipment 出售/撇銷物業、廠房及設備 項目之虧損/(收益)	5	679	1,205	1,264	6,040	593	(111)	37	7,139	2,573
Inventory provision/(write-back of inventory provision) 存貨撥備/(存貨撥備撥回)	(2,656)	2,918	2,529	7,287	(4,510)	2,126	31	156	(4,606)	12,487
Impairment losses of property, plant and equipment charged to/(reversed in) the consolidated income statement 於綜合收益表載列之物業、廠房 及設備減值虧損扣除/(撥回)	-	(5,400)	-	-	-	-	298	-	298	(5,400)
Impairment of debtors 應收賬款減值	-	-	514	-	-	-	-	-	514	-
Impairment losses of land and buildings reversed in the asset revaluation reserve 於資產重估儲備載列之土地及 樓宇減值虧損撥回	(3,368)	(10,151)	-	-	-	-	-	-	(3,368)	(10,151)

5. Revenue, other income and gains

Revenue, which is also the Group's turnover, represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts, and the rendering of services, but excludes intra-group transactions.

An analysis of revenue, other income and gains is as follows:

	Group 集團		
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度	
in HK\$ thousand			港幣千元
Revenue:			收益：
Retailing and distribution of garments	2,539,946	2,147,499	成衣零售及分銷
Rendering of garment-related services	28,379	52,016	提供成衣相關服務
	2,568,325	2,199,515	
Other income and gains:			其他收入及收益：
Interest income	5,314	4,773	利息收入
Claims received	2,016	1,210	已收索償款項
Royalty income	2,359	204	專利費收入
Gross rental income	1,671	2,447	租金收入毛額
Impairment losses of land and buildings reversed in the consolidated income statement	–	5,400	於綜合收益表載列之土地及樓宇 減值虧損撥回
Others	1,465	2,582	其他
	12,825	16,616	
	2,581,150	2,216,131	

5. 收益、其他收入及收益

收益(亦即本集團之營業額)乃扣除退貨及商品折扣後之售貨發票數額淨值及提供服務所得之總額，惟不包括集團內部之交易。

收益、其他收入及收益之分析如下：

6. Finance costs

	Group 集團	
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
in HK\$ thousand		
Interest on bank loans and overdrafts wholly repayable within five years	1,822	722

7. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Group 集團	
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
in HK\$ thousand		
Cost of sales:		
Cost of inventories sold	1,302,665	1,161,814
Inventory provision/(write-back of inventory provision)	(4,606)	12,487
	1,298,059	1,174,301
Staff costs (including directors' remuneration – note 8):		
Salaries and wages	425,618	317,902
Equity-settled share option expense	186	691
Pension scheme contributions	25,087	17,241
Less: Forfeited contributions	(431)	–
Net pension scheme contributions (note a)	24,656	17,241
	450,460	335,834

6. 融資成本

	Group 集團	
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
港幣千元		
須於五年內悉數償還之銀行貸款及透支之利息	1,822	722

7. 除稅前溢利

本集團之除稅前溢利已扣除/(計入)下列項目：

	Group 集團	
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
港幣千元		
銷售成本：		
售出存貨之成本	1,302,665	1,161,814
存貨撥備/(存貨撥備撥回)	(4,606)	12,487
	1,298,059	1,174,301
員工成本(包括董事酬金—附註8)：		
薪金及工資	425,618	317,902
權益結算購股權開支	186	691
退休金計劃供款	25,087	17,241
減：沒收供款	(431)	–
退休金計劃淨供款(附註a)	24,656	17,241
	450,460	335,834

7. Profit before tax (continued)

The Group's profit before tax is arrived at after charging/(crediting):

	Group 集團	
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
in HK\$ thousand		
Depreciation	78,817	54,983
Minimum lease payments under operating leases:		
Land and buildings	386,420	264,901
Contingent rents of retail shops and department stores	61,619	53,368
Plant and machinery	848	732
Auditors' remuneration	2,616	1,890
Loss on disposal/write-off of items of property, plant and equipment	7,139	2,573
Impairment losses of property, plant and equipment charged to/(reversed in) the consolidated income statement (note b)	298	(5,400)
Impairment of debtors	514	–
Foreign exchange differences, net	(10,384)	(3,873)
Net rental income	(197)	(104)
Fair value losses/(gains) on derivative instruments – transactions not qualifying as hedges, net	522	(4,939)

Notes:

- (a) As at 30 June 2007, forfeited contributions available to the Group to reduce its contributions to the ORSO Scheme in future years amounted to HK\$235,000 (31 March 2006: HK\$513,000).
- (b) The impairment losses of property, plant and equipment reversed in the consolidated income statement in the previous year were included in "Other income and gains" on the face of the consolidated income statement.

7. 除稅前溢利 (續)

本集團之除稅前溢利已扣除/(計入)下列項目:

	港幣千元
折舊	
經營租賃下最低租賃付款:	
土地及樓宇	
零售店舖及百貨公司之或然租金	
設備及機器	
核數師酬金	
出售/撇銷物業、廠房及設備項目之虧損	
於綜合收益表載列之物業、廠房及設備減值虧損扣除/(撥回) (附註b)	
應收賬款減值	
外匯兌換差額, 淨值	
租金收入淨值	
衍生工具之公平值虧損/(收益)	
– 不符合作為對沖活動的交易, 淨額	

附註:

- (a) 於二零零七年六月三十日, 本集團可用作減低來年職業退休計劃供款之沒收供款為港幣235,000元(二零零六年三月三十一日: 港幣513,000元)。
- (b) 去年於綜合收益表載列之物業、廠房及設備減值虧損撥回已包括在綜合收益表之「其他收入及收益」內。

8. Directors' remuneration

Directors' remuneration for the period, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group 集團	
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
in HK\$ thousand		
Executive directors:		
Fees	–	–
Salaries, allowances and benefits in kind	7,604	9,044
Performance related bonuses	728	456
Employee share option benefits	(182)	362
Pension scheme contributions	37	58
Compensation for loss of office	507	600
	8,694	10,520
Independent non-executive directors:		
Fees	731	440
	9,425	10,960

During the period, no share options were granted to the directors in respect of their services to the Group under the share option scheme of the Company. The fair value of share options granted to directors after 7 November 2002 that had not yet vested as at 1 April 2005, which has been recognised to the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current period is included in the above directors' remuneration disclosures.

8. 董事酬金

根據上市規則及香港公司條例第161條規定披露之本期間董事酬金如下：

執行董事：

袍金
薪金、津貼及實物收益
與表現相關之花紅
僱員購股權福利
退休金計劃供款
離職補償

獨立非執行董事：

袍金

期內，本公司概無就董事向本集團提供服務而向彼等授出本公司購股權計劃下之任何購股權。於二零零二年十一月七日後已授出但於二零零五年四月一日尚未歸屬之購股權之公平值乃於授出日期釐定，並已於歸屬期間在收益表確認，於本期間計入財務報表之金額已計入上述董事酬金之披露內。

8. Directors' remuneration (continued)**(a) Independent non-executive directors**

The fees paid to independent non-executive directors during the period were as follows:

in HK\$ thousand	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
Ms. LEUNG Mei Han	281	180
Mr. WONG Wai Kay	225	180
Prof. SIN Yat Ming	225	80
Mr. LEE Man Chun Raymond	-	-
	731	440

There were no other emoluments payable to the independent non-executive directors during the period (year ended 31 March 2006: Nil). Mr. LEE Man Chun Raymond waived or agreed to waive remuneration of HK\$225,000 during the period (year ended 31 March 2006: HK\$180,000).

8. 董事酬金 (續)**(a) 獨立非執行董事**

於期內已支付予獨立非執行董事之袍金如下：

港幣千元

梁美嫻女士
王維基先生
冼日明教授
李文俊先生

期內並無應付獨立非執行董事之其他酬金(截至二零零六年三月三十一日止年度：無)。李文俊先生於期內放棄或同意放棄酬金港幣225,000元(截至二零零六年三月三十一日止年度：港幣180,000元)。

8. Directors' remuneration (continued)
(b) Executive directors

8. 董事酬金(續)
(b) 執行董事

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Employee share option benefits	Pension scheme contributions	Compensation for loss of office	Total remuneration	
in HK\$ thousand	袍金	薪酬、津貼及實物收益	與表現相關之花紅	僱員購股權福利	退休計劃供款	離職補償	酬金總額	港幣千元
Period ended 30 June 2007								截至二零零七年六月三十日止期間
Executive directors:								執行董事：
Mr. LAW Ka Sing	–	3,546	262	–	15	–	3,823	羅家聖先生
Ms. CHAN So Kuen	–	3,040	328	112	15	–	3,495	陳素娟女士
Mr. MAK Tak Cheong Edmund (note a)	–	130	–	–	1	–	131	麥德昌先生(附註a)
Mr. FU Shing Kwan Dickie (note b)	–	514	138	(294)	4	147	509	傅成坤先生(附註b)
Mr. YEUNG Kam Tai Kenny (note c)	–	374	–	–	2	360	736	楊錦泰先生(附註c)
	–	7,604	728	(182)	37	507	8,694	
Year ended 31 March 2006								截至二零零六年三月三十一日止年度
Executive directors:								執行董事：
Mr. LAW Ka Sing	–	3,253	–	–	12	–	3,265	羅家聖先生
Ms. CHAN So Kuen	–	1,807	148	101	12	–	2,068	陳素娟女士
Mr. FU Shing Kwan Dickie (note b)	–	1,693	138	101	12	–	1,944	傅成坤先生(附註b)
Ms. CHAU Wai Man Pansy (note d)	–	1,209	101	80	10	–	1,400	周慧雯女士(附註d)
Mr. ORR Kuen Fung Simon (note e)	–	870	69	80	10	–	1,029	柯權峯先生(附註e)
Mr. FUNG Ping Chuen (note f)	–	212	–	–	2	600	814	馮炳全先生(附註f)
	–	9,044	456	362	58	600	10,520	

8. Directors' remuneration (continued)

(b) Executive directors (continued)

Notes:

- (a) Mr. MAK Tak Cheong Edmund was appointed as an executive director on 1 June 2007 and prior to that, he was appointed as a senior management of the Group.
- (b) Mr. FU Shing Kwan Dickie resigned as an executive director on 26 June 2006.
- (c) Mr. YEUNG Kam Tai Kenny was appointed as an executive director on 9 November 2006 and resigned on 19 January 2007, and prior to that period, he was appointed as a senior management of the Group.
- (d) Ms. CHAU Wai Man Pansy resigned as an executive director on 12 January 2006 but remained as a senior management of the Group at 30 June 2007.
- (e) Mr. ORR Kuen Fung Simon resigned as an executive director on 12 January 2006 but remained as a senior management of the Group until 17 February 2007.
- (f) Mr. FUNG Ping Chuen resigned as an executive director on 1 June 2005.

There was no arrangement under which an executive director waived or agreed to waive any remuneration during the period.

8. 董事酬金 (續)

(b) 執行董事 (續)

附註：

- (a) 麥德昌先生於二零零七年六月一日獲委任為執行董事。於此之前，彼為本集團之高級管理人員。
- (b) 傅成坤先生已於二零零六年六月二十六日辭任執行董事。
- (c) 楊錦泰先生於二零零六年十一月九日獲委任為執行董事，並於二零零七年一月十九日辭任。於該期間之前，彼為本集團之高級管理人員。
- (d) 周慧雯女士已於二零零六年一月十二日辭任執行董事，惟於二零零七年六月三十日仍繼續留任本集團之高級管理人員。
- (e) 柯權峯先生已於二零零六年一月十二日辭任執行董事，惟繼續留任本集團之高級管理人員，直至二零零七年二月十七日止。
- (f) 馮炳全先生已於二零零五年六月一日辭任執行董事。

期內並無執行董事放棄或同意放棄任何酬金之安排。

9. Five highest paid employees

The five highest paid employees during the period included two (year ended 31 March 2006: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (year ended 31 March 2006: two) non-director, highest paid employees for the period are as follows:

	Group 集團	
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
in HK\$ thousand		
Salaries, allowances and benefits in kind	5,438	2,979
Performance related bonuses	709	228
Employee share option benefits	269	173
Pension scheme contributions	156	71
	6,572	3,451

9. 五名最高薪僱員

期內五名最高薪僱員包括兩名(截至二零零六年三月三十一日止年度：三名)董事，其酬金詳情已載列於上文附註8。其餘三名(截至二零零六年三月三十一日止年度：兩名)最高薪非董事僱員於期內之酬金詳情如下：

港幣千元

薪金、津貼及實物收益
與表現相關之花紅
僱員購股權福利
退休金計劃供款

9. Five highest paid employees (continued)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Group 集團	
	Number of employees 僱員數目	
Period ended	Year ended	
30 June 2007	31 March 2006	
截至二零零七年	截至二零零六年	
六月三十日	三月三十一日	
止期間	止年度	
HK\$1,500,001 to HK\$2,000,000	1	2
HK\$2,000,001 to HK\$2,500,000	2	–
	3	2

During the period, no share options were granted to the non-director, highest paid employees in respect of their services to the Group under the share option scheme of the Company. The fair value of the share options granted after 7 November 2002 but had not yet vested as at 1 April 2005, which has been recognised to the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current period is included in the above non-director, highest paid employees' remuneration disclosures.

9. 五名最高薪僱員(續)

酬金介乎下列範圍之最高薪非董事僱員數目如下：

港幣1,500,001元至港幣2,000,000元
港幣2,000,001元至港幣2,500,000元

期內，本公司並無就最高薪非董事僱員向本集團提供服務而向彼等授出本公司購股權計劃下之任何購股權。於二零零二年十一月七日後已授出但於二零零五年四月一日尚未歸屬之購股權之公平值乃於授出日期釐定，並已於歸屬期間於收益表確認，於本期間計入財務報表之金額已計入最高薪非董事僱員之酬金披露內。

10. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (year ended 31 March 2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

in HK\$ thousand	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
Group:		
Current – Hong Kong		
Charge for the period/year	17,654	21,697
Overprovision in prior years	(210)	(324)
Current – Elsewhere		
Charge for the period/year	7,582	11,589
Underprovision in prior years	320	365
Deferred (note 25)	483	459
	25,829	33,786
Tax charge for the period/year		

10. 稅項

香港利得稅已按期內於香港賺取之估計應課稅溢利以稅率17.5% (截至二零零六年三月三十一日止年度：17.5%) 提撥準備。在其他地區所得應課稅溢利之稅項，乃根據本集團業務經營所在國家／司法權區之現有法律、詮釋及常規，按其現行稅率計算。

港幣千元

集團：

即期－香港
期內／年內支出
過往年度超額撥備
即期－其他地區
期內／年內支出
過往年度撥備不足
遞延（附註25）

期內／年內稅項支出

10. Tax (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	Group 集團				
	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	%	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度	%	
in HK\$ thousand					港幣千元
Profit before tax	35,023		138,821		除稅前溢利
Tax at the statutory tax rate	6,129	17.5	24,294	17.5	按法定稅率計算之稅項
Effect of different tax rates for companies operating in other jurisdictions	(5,790)	(16.5)	1,942	1.4	於其他司法權區營運之公司 受不同稅率之影響
Adjustments in respect of current tax of previous periods	110	0.3	41	–	就過往期間即期稅項 作出調整
Income not subject to tax	(3,652)	(10.4)	(3,634)	(2.6)	毋須繳稅之收入
Expenses not deductible for tax	6,150	17.6	4,858	3.5	不可作稅項扣減之開支
Unrecognised tax losses and temporary differences	21,813	62.2	5,832	4.2	未確認稅項虧損 及暫時性差額
Tax losses utilised from previous periods	(1,050)	(3.0)	(367)	(0.3)	過往期間已動用稅項虧損
Others	2,119	6.0	820	0.6	其他
Tax charge at the Group's effective rate	25,829	73.7	33,786	24.3	按本集團實際稅率計算之稅項支出

10. 稅項 (續)

按採用本公司及其大部份附屬公司所在國家／司法權區之法定稅率計算且適用於除稅前溢利之稅項開支與按實際稅率計算之稅項開支對賬，以及適用稅率（即法定稅率）與實際稅率之對賬如下：

10. Tax (continued)

On 16 March 2007, the 10th National People's Congress approved the Corporate Income Tax Law of the PRC (the "New Corporate Income Tax Law"), which will become effective from 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the corporate income tax (the "CIT") rate for domestic-invested and foreign invested enterprises at a rate of 25%. This change in the CIT rate will directly offset the Group's effective tax rate prospectively from 2008.

At the date of approval of these financial statements, detailed implementation and administrative requirements relating to the New Corporate Income Tax Law have yet to be announced. These detailed requirements include regulations concerning the computation of taxable income, as well as specific preferential tax treatments and their related transitional provisions. The Group will further evaluate the impact on its operating results and financial positions of future periods as more detailed requirements are issued.

11. Profit from ordinary activities attributable to equity holders of the Company

The consolidated profit attributable to equity holders of the Company for the period from 1 April 2006 to 30 June 2007 includes a loss of HK\$165,000 (year ended 31 March 2006: profit of HK\$54,729,000), which has been dealt with in the financial statements of the Company (note 28(b)).

10. 稅項 (續)

於二零零七年三月十六日，在第十屆全國人民代表大會會議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。新企業所得稅法引入一系列變動，包括(但不限於)將本地投資及外商投資企業之企業所得稅率(「企業所得稅」)統一為25%。此項企業所得稅率變動將直接抵銷本集團由二零零八年之實際稅率。

於該等財務報表獲批准日，有關新企業所得稅之詳細實施情況及行政規定仍未公佈。該等詳盡規定包括應課稅收入之計算方法之規例、特別稅務優惠及相關過渡性條文。本集團將於頒佈更詳盡規定後進一步評估對日後營運業績及財政狀況之影響。

11. 本公司權益持有人應佔日常業務溢利

由二零零六年四月一日至二零零七年六月三十日止期間之本公司權益持有人應佔綜合溢利包括虧損港幣165,000元(截至二零零六年三月三十一日止年度：溢利港幣54,729,000元)，並已反映在本公司財務報表內(附註28(b))。

12. Dividends

in HK\$ thousand	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
Interim – Nil (year ended 31 March 2006: HK1.8 cents per ordinary share)	–	28,240
Proposed final – Nil (year ended 31 March 2006: HK1.8 cents per ordinary share)	–	28,240
	–	56,480

13. Earnings per share attributable to ordinary equity holders of the Company

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$9,194,000 (year ended 31 March 2006: HK\$105,035,000), and the weighted average of 1,570,535,280 (year ended 31 March 2006: number of ordinary shares of 1,568,911,394) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$9,194,000 (year ended 31 March 2006: HK\$105,035,000). The weighted average number of ordinary shares used in the calculation is the 1,570,535,280 (year ended 31 March 2006: number of ordinary shares of 1,568,911,394) ordinary shares in issue during the period, as used in the basic earnings per share calculation and the weighted average number of 26,684,740 (year ended 31 March 2006: 41,323,712) ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

12. 股息

港幣千元

中期—無（截至二零零六年三月三十一日止年度：每股普通股1.8港仙）
擬派末期—無（截至二零零六年三月三十一日止年度：每股普通股1.8港仙）

13. 本公司普通權益持有人應佔每股盈利

每股基本盈利乃根據本公司普通權益持有人應佔期內溢利港幣9,194,000元（截至二零零六年三月三十一日止年度：港幣105,035,000元）及期內已發行普通股加權平均數1,570,535,280股（截至二零零六年三月三十一日止年度：普通股數目1,568,911,394股）計算。

每股攤薄盈利乃根據本公司普通權益持有人應佔期內溢利港幣9,194,000元（截至二零零六年三月三十一日止年度：港幣105,035,000元）計算。計算所用之普通股加權平均數目為用於計算每股基本盈利之期內已發行普通股1,570,535,280股（截至二零零六年三月三十一日止年度：普通股數目1,568,911,394股），及假設被視作悉數行使或轉換所有具攤薄潛力普通股為普通股而按零代價發行之普通股加權平均數26,684,740股（截至二零零六年三月三十一日止年度：41,323,712股）。

14. Property, plant and equipment Group

14. 物業、廠房及設備集團

in HK\$ thousand	Land and buildings 土地及樓宇	Leasehold improvements 租賃物業裝修	Plant and machinery 設備及機器	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備	Motor vehicles 汽車	Software under development 開發中軟件	Total 總值	港幣千元
30 June 2007								於二零零七年六月三十日
At 31 March 2006 and at 1 April 2006:								於二零零六年三月三十一日及於二零零六年四月一日：
Cost or valuation	82,154	265,073	12,369	105,733	3,988	2,177	471,494	成本值或估值
Accumulated depreciation and impairment	(26,633)	(203,046)	(3,461)	(81,738)	(3,282)	–	(318,160)	累積折舊及減值
Net carrying amount	55,521	62,027	8,908	23,995	706	2,177	153,334	賬面淨值
At 1 April 2006, net of accumulated depreciation and impairment	55,521	62,027	8,908	23,995	706	2,177	153,334	於二零零六年四月一日，扣除累積折舊及減值
Additions	–	84,979	418	20,501	315	–	106,213	添置
Disposals/write-off	–	(7,876)	(1,580)	(448)	(14)	–	(9,918)	出售／撇銷
Reversal of/(provision for) impairment during the period	3,368	(278)	–	(20)	–	–	3,070	期內減值撥回／(撥備)
Depreciation provided during the period	(2,956)	(59,123)	(846)	(15,640)	(252)	–	(78,817)	期內折舊撥備
Transfers	–	–	–	2,177	–	(2,177)	–	轉撥
Exchange realignment	–	1,240	494	694	39	–	2,467	匯兌調整
At 30 June 2007, net of accumulated depreciation and impairment	55,933	80,969	7,394	31,259	794	–	176,349	於二零零七年六月三十日，扣除累積折舊及減值
At 30 June 2007:								於二零零七年六月三十日：
Cost or valuation	82,154	305,753	11,730	127,300	2,772	–	529,709	成本值或估值
Accumulated depreciation and impairment	(26,221)	(224,784)	(4,336)	(96,041)	(1,978)	–	(353,360)	累積折舊及減值
Net carrying amount	55,933	80,969	7,394	31,259	794	–	176,349	賬面淨值
Analysis of cost or valuation:								按成本值或估值分析：
At cost	42,154	305,753	11,730	127,300	2,772	–	489,709	按成本值
At 31 July 1993 valuation	40,000	–	–	–	–	–	40,000	按一九九三年七月三十一日估值
	82,154	305,753	11,730	127,300	2,772	–	529,709	

14. Property, plant and equipment (continued)
Group14. 物業、廠房及設備(續)
集團

in HK\$ thousand	Land and buildings 土地及樓宇	Leasehold improvements 租賃物業裝修	Plant and machinery 設備及機器	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備	Motor vehicles 汽車	Software under development 開發中軟件	Total 總值	港幣千元
31 March 2006								於二零零六年三月三十一日
At 1 April 2005:								於二零零五年四月一日：
Cost or valuation	82,154	247,367	11,315	92,626	4,124	–	437,586	成本值或估值
Accumulated depreciation and impairment	(39,820)	(202,453)	(2,411)	(73,804)	(3,689)	–	(322,177)	累積折舊及減值
Net carrying amount	42,334	44,914	8,904	18,822	435	–	115,409	賬面淨值
At 1 April 2005, net of accumulated depreciation and impairment	42,334	44,914	8,904	18,822	435	–	115,409	於二零零五年四月一日， 扣除累積折舊及減值
Additions	–	61,522	696	14,494	508	2,177	79,397	添置
Disposals/write-off	–	(2,444)	–	(276)	(40)	–	(2,760)	出售/撇銷
Reversal of impairment during the year	15,551	–	–	–	–	–	15,551	年內減值撥回
Depreciation provided during the year	(2,364)	(42,074)	(927)	(9,253)	(365)	–	(54,983)	年內折舊撥備
Exchange realignment	–	109	235	208	168	–	720	匯兌調整
At 31 March 2006, net of accumulated depreciation and impairment	55,521	62,027	8,908	23,995	706	2,177	153,334	於二零零六年三月三十一日， 扣除累積折舊及減值
At 31 March 2006:								於二零零六年三月三十一日：
Cost or valuation	82,154	265,073	12,369	105,733	3,988	2,177	471,494	成本值或估值
Accumulated depreciation and impairment	(26,633)	(203,046)	(3,461)	(81,738)	(3,282)	–	(318,160)	累積折舊及減值
Net carrying amount	55,521	62,027	8,908	23,995	706	2,177	153,334	賬面淨值
Analysis of cost or valuation:								按成本值或估值分析：
At cost	42,154	265,073	12,369	105,733	3,988	2,177	431,494	按成本值
At 31 July 1993 valuation	40,000	–	–	–	–	–	40,000	按一九九三年七月三十一日估值
	82,154	265,073	12,369	105,733	3,988	2,177	471,494	

14. Property, plant and equipment (continued)

The Group's land and buildings are held under medium term leases and are situated in:

in HK\$ thousand	At cost 按成本值	At valuation 按估值	Total 總值
Hong Kong	21,654	40,000	61,654
Elsewhere	20,500	–	20,500
	42,154	40,000	82,154

Certain land and buildings were revalued at 31 July 1993 by Chesterton Petty Limited, independent professionally qualified valuers, on an open market, existing use basis. Since 1994, no further revaluations of the Group's land and buildings have been carried out, as the Group has relied upon the exemption granted under the transitional provision in paragraph 80A of HKAS 16, from the requirement to carry out future revaluation of its property, plant and equipment which were stated at valuation at that time.

At 30 June 2007, had the Group's revalued land and buildings been carried at cost less accumulated depreciation and impairment losses, they would have been included in the financial statements at approximately HK\$14,413,000 (31 March 2006: HK\$15,265,000).

Certain land and buildings were revalued at the balance sheet date by RHL Appraisal Limited, independent professionally qualified valuers, based on open market basis assuming sale with vacant possession, at an aggregate open market value of HK\$50,300,000 (31 March 2006: HK\$38,600,000). Impairment losses of HK\$3,368,000 provided for these land and buildings were reversed during the period, resulting from the above valuations, has been credited to the asset revaluation reserve.

14. 物業、廠房及設備(續)

本集團之土地及樓宇均以中期租約持有並位於：

港幣千元

香港
其他地方

若干土地及樓宇由獨立並具專業資格估值師卓德測計師行有限公司於一九九三年七月三十一日按公開市場及現有用途之基準作估值。自一九九四年起，由於本集團應用香港會計準則第16號第80A段之過渡性寬限條文，故毋須再根據物業、廠房及設備進行日後重估並按當時之估值列賬之規定，就本集團之土地及樓宇進行重估。

於二零零七年六月三十日，若本集團經重估之土地及樓宇以成本值減除累積折舊及減值虧損後入賬，其於財務報表所載之價值應約為港幣14,413,000元(二零零六年三月三十一日：港幣15,265,000元)。

若干土地及樓宇於結算日由獨立專業合資格估值師永利行評值顧問有限公司按交吉情況下之公開市場基準重新估值之公開市值合共為港幣50,300,000元(二零零六年三月三十一日：港幣38,600,000元)。基於上述估值，本期間已就該等土地及樓宇作出之減值虧損撥備撥回港幣3,368,000元，並已計入資產重估儲備內。

15. Trademark

15. 商標

in HK\$ thousand	Group 集團	港幣千元
30 June 2007		二零零七年六月三十日
Cost at 1 April 2006 and at 30 June 2007, net of accumulated impairment	1,164	按二零零六年四月一日及於二零零七年六月三十日之成本， 扣除累積減值
At 30 June 2007:		於二零零七年六月三十日：
Cost	1,164	成本
Accumulated impairment	-	累積減值
Net carrying amount	1,164	賬面淨值
31 March 2006		二零零六年三月三十一日
At 1 April 2005, net of accumulated impairment:		於二零零五年四月一日，扣除累積減值：
Cost	-	成本
Additions – acquired separately	1,164	添置－獨立收購
Net carrying amount	1,164	賬面淨值
At 31 March 2006:		於二零零六年三月三十一日：
Cost	1,164	成本
Accumulated impairment	-	累積減值
Net carrying amount	1,164	賬面淨值

15. Trademark (continued)

Indefinite useful life

The Group classified the acquired “bossini” trademark as an intangible asset with indefinite life in accordance with HKAS 38 *Intangible Assets*. This is supported by the fact that the “bossini” trademark is well known and long established, and its legal rights are capable of being renewed indefinitely at insignificant cost and are therefore perpetual in duration. Based on the anticipated future financial performance of the Group, the trademark is expected to generate positive cash flows indefinitely. Under HKAS 38, the Group re-evaluates the useful life of the “bossini” trademark each year to determine whether events or circumstances continue to support the view of the indefinite useful life of the asset.

Impairment

In accordance with HKAS 36 *Impairment of Assets*, the Group completed its annual impairment test for the “bossini” trademark by comparing its recoverable amount to its carrying amount as at 30 June 2007. The Group has conducted a valuation of the “bossini” trademark as one corporate asset based on the value in use calculation for the Indonesian market. The resulting value of the “bossini” trademark as at 30 June 2007 was significantly higher than its carrying amount. This valuation uses cash flow projections based on financial estimates covering a three-year period, the expected sales deriving from the “bossini” trademark in the Indonesian market and a discount rate of 10.3%. The cash flows beyond the three-year period are extrapolated using a steady 15% growth rate. This growth rate does not exceed the long term average growth rate for apparel markets in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business expansion plan going forward, the current wholesale order books and the strategic retail expansion in Indonesia and believes that there is no impairment in the “bossini” trademark. Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the aggregate carrying amount of the trademark to exceed the aggregate recoverable amount.

15. 商標 (續)

無限使用年期之商標

本集團根據香港會計準則第38號無形資產，將「bossini」商標分類為一項無限期無形資產。該結論乃基於「bossini」商標具知名度及歷史悠久，其法律權利可以於不需支付重大之成本下無限重續，因此享有永久年期。基於本集團預測之未來財務表現，預期商標可無限期產生現金流入。根據香港會計準則第38號，本集團每年重估「bossini」商標之可使用年期，以釐定是否存在事件或情況繼續支持資產屬無限使用年期之觀點。

減值

根據香港會計準則第36號資產減值，本集團將「bossini」商標於二零零七年六月三十日之可收回金額及賬面值作出比較以完成其每年減值測試。本集團基於使用價值計算對印尼市場之「bossini」商標（以一個企業資產）進行評估。經評估印尼市場之「bossini」商標於二零零七年六月三十日之價值大幅高於其賬面值。該估值依據基於三年期之財務估計現金流量預測，預計來自「bossini」商標於印尼市場之銷售及以10.3%之折現率進行。超過三年之現金流量乃使用15%之穩定增長率推算。該增長率不超過本集團所經營之成衣市場的長期平均增長率。管理層已檢視以上假設和估值及已考慮未來業務擴充計劃、目前批發訂單及於印尼策略零售拓展，並相信「bossini」商標毋需作出減值。管理層相信任何以上重要假設有任何合理可測之轉變應不會導致商標之合計賬面值超越合計可收回金額。

16. Interests in subsidiaries

16. 附屬公司權益

	Company 公司		
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
in HK\$ thousand			港幣千元
Unlisted shares, at cost	193,962	193,962	非上市股份，按成本值
Provision for impairment	(50,800)	(50,800)	減值撥備
	143,162	143,162	
Due from subsidiaries	182,969	212,141	應收附屬公司款項
	326,131	355,303	

The amounts due from subsidiaries included in the Company's current assets are unsecured, interest-free and are repayable on demand or within one year. The carrying amounts approximate to their fair values.

於本公司流動資產計入之應收附屬公司款項均無抵押、免息及按要求時或須於一年內償還。該等應收附屬公司款項之賬面值與彼等之公平值相若。

16. Interests in subsidiaries (continued)

Particulars of the principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and operations 成立／註冊及營運地區	Nominal value of issued/registered share capital 已發行／註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct直接	Indirect間接	
Active Link Limited (note a) 弘譽有限公司(附註a)	Hong Kong 香港	HK\$港幣5,000,000元	–	100	Retailing and wholesaling of garments 成衣零售及批發
Bossini Clothing Limited	Hong Kong 香港	HK\$港幣2元	–	100	Retailing and distribution of garments 成衣零售及分銷
Bossini Distribution Limited 堡獅龍分銷有限公司	Hong Kong 香港	HK\$港幣1元	–	100	Retailing and distribution of garments 成衣零售及分銷
Bossini Enterprises Limited 堡獅龍企業有限公司	Hong Kong 香港	HK\$港幣2元	–	100	Retailing and distribution of garments 成衣零售及分銷
Bossini Garment Limited	Hong Kong 香港	HK\$港幣2元	–	100	Distribution of garments 成衣分銷
Bossini Investment Limited	British Virgin Islands 英屬處女群島	US\$11,928美元	100	–	Investment holding 投資控股
Burling Limited	British Virgin Islands 英屬處女群島	US\$100美元	–	100	Licensing of trademarks 商標特許

16. 附屬公司權益(續)

主要附屬公司之詳情如下：

16. Interests in subsidiaries (continued)

16. 附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊及營運地區	Nominal value of issued/registered share capital 已發行/註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct直接	Indirect間接	
廣州市堡獅龍實業有限公司 (notes b and d) (附註 b及d)	People's Republic of China ("PRC")/Mainland China 中華人民共和國(「中國」)/ 中國大陸	RMB人民幣1,010,000元	–	100	Retailing and distribution of garments 成衣零售及分銷
J & R Bossini Fashion Pte Ltd	Singapore 新加坡	S\$2,000,000新加坡元	–	100	Retailing and distribution of garments 成衣零售及分銷
J & R Bossini Holdings Limited 堡獅龍集團有限公司	Hong Kong 香港	HK\$港幣2元	–	100	Investment holding 投資控股
Kacono Trading Limited	British Virgin Islands 英屬處女群島	HK\$港幣2,000元	–	100	Investment holding 投資控股
Key Value Trading Limited	British Virgin Islands 英屬處女群島	US\$100美元	–	100	Investment holding 投資控股
Land Challenger Limited 朗志有限公司	Hong Kong 香港	HK\$港幣2元	–	100	Sub-contracting of garments 成衣分包
Langzhi Fashion (Shenzhen) Co., Ltd. (notes c and d) 朗志時裝(深圳)有限公司(附註 c及d)	PRC/Mainland China 中國/中國大陸	HK\$港幣6,600,000元	–	100	Manufacture and sub-contracting of garments 成衣製造及分包

16. Interests in subsidiaries (continued)

16. 附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊及營運地區	Nominal value of issued/registered share capital 已發行／註冊股本之面值	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct直接	Indirect間接	
Lead Commence Limited 立啟興業有限公司	Hong Kong 香港	HK\$港幣2元	–	100	Retailing and distribution of garments 成衣零售及分銷
Luhur Daya Sdn. Bhd.	Malaysia 馬來西亞	RM\$馬幣2元	–	100	Retailing and distribution of garments 成衣零售及分銷
Onmay International Limited 上美國際有限公司	Hong Kong 香港	HK\$港幣2元	–	100	Retailing and distribution of garments 成衣零售及分銷
Rapid City Limited 捷利城有限公司	Hong Kong 香港	HK\$港幣2元	–	100	Property holding and letting 物業持有及租賃
Sun View Properties Limited 日景置業有限公司	Hong Kong 香港	HK\$港幣2元	–	100	Property holding and letting 物業持有及租賃

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表僅列出董事認為對本集團期內業績有主要影響或構成本集團淨資產重要部份之附屬公司。董事認為若將其他附屬公司之詳情載列於此，篇幅將過於冗長。

16. Interests in subsidiaries (continued)

Notes:

- (a) The branch of this subsidiary in Taiwan was not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.
- (b) 廣州市堡獅龍實業有限公司 is a limited liability enterprise established in the PRC which obtained its business registration certificate on 14 July 1993.
- (c) Langzhi Fashion (Shenzhen) Co., Ltd. is a wholly-owned foreign investment enterprise with limited liability established in the PRC which obtained its business registration certificate on 14 June 1993 and is licensed to conduct business for 25 years from the date of its business registration.
- (d) These subsidiaries were not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

17. Inventories

	Group 集團		
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
in HK\$ thousand			港幣千元
Raw materials	3,543	2,304	原料
Finished goods	302,775	251,287	製成品
	306,318	253,591	

16. 附屬公司權益(續)

附註：

- (a) 該附屬公司於台灣分公司之賬目，並非由香港安永會計師事務所或安永會計師事務所之其他國際成員公司審核。
- (b) 廣州市堡獅龍實業有限公司為一間於中國成立之有限責任企業，其於一九九三年七月十四日取得營業執照。
- (c) 朗志時裝(深圳)有限公司為一間於中國成立及由外商全資擁有之有限責任企業。其於一九九三年六月十四日取得營業執照，並獲准由營業執照日起計經營業務25年。
- (d) 此等附屬公司之賬目，並非由香港安永會計師事務所或安永會計師事務所之其他國際成員公司審核。

17. 存貨

18. Debtors

Other than cash and credit card sales, the Group normally grants credit periods of up to 60 days to its trade customers. Each trade customer has a maximum credit limit, except for new trade customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade customers relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade debtors are non-interest-bearing.

An aged analysis of debtors as at the balance sheet date, based on the invoice date, is as follows:

	Group 集團		
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
in HK\$ thousand			
0 to 30 days	47,743	45,364	0至30天
31 to 60 days	15,421	8,097	31至60天
61 to 90 days	4,087	1,250	61至90天
Over 90 days	3,455	953	逾90天
	70,706	55,664	

The carrying amounts disclosed above approximate to their fair values.

18. 應收賬款

除現金及信用卡銷售外，本集團在一般情況下授予其貿易客戶最高60天信貸期。除新貿易客戶一般須預付款項外，各貿易客戶均設有最高信貸限額。本集團致力對未收回之應收款項維持嚴謹控制。逾期欠款由高級管理層定期作出審閱。鑑於以上所述以及本集團之應收賬項分散於為數眾多之多類貿易客戶，故本集團並無高度集中之信貸風險。應收賬項均免息。

以下為按發票日計應收賬款於結算日之賬齡分析：

上述披露之賬面值與彼等之公平值相若。

19. Deposits paid

19. 已付按金

	Group 集團		
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
in HK\$ thousand			港幣千元
Rental deposits	86,409	79,291	租賃按金
Less: Non-current portion	(61,042)	(48,849)	減：非即期部份
Current portion	25,367	30,442	即期部份

The rental deposits are paid for operating leases in respect of land and buildings, and are negotiated for terms ranging from one to eleven years. The carrying amounts disclosed above approximate to their fair values.

本集團根據土地及樓宇之經營租約支付租賃按金，議定之租期介乎1至11年不等。上述披露事項之賬面值與彼等之公平值相若。

20. Derivative financial instruments Group

20. 衍生金融工具集團

in HK\$ thousand	30 June 2007 於二零零七年六月三十日		港幣千元
	Assets 資產	Liabilities 負債	
Forward currency contracts	60	914	遠期貨幣合同

in HK\$ thousand	31 March 2006 於二零零六年三月三十一日		港幣千元
	Assets 資產	Liabilities 負債	
Forward currency contracts	998	1,153	遠期貨幣合同

The carrying amounts of the forward currency contracts are the same as their fair values.

遠期貨幣合同之賬面值與彼等之公平值相同。

During the period, the Group entered into various forward currency contracts to manage its exchange rate exposures which did not meet the criteria for hedge accounting. Losses in the fair value of non-hedging currency derivatives amounting to HK\$522,000 (year ended 31 March 2006: gains of HK\$4,939,000) were charged to the income statement during the period. At 30 June 2007, the terms of the forward currency contracts held by the Group to hedge the expected future sales are as follows:

期內，本集團訂立多項遠期貨幣合同以管理其匯率風險，而該等合同並不符合對沖會計處理方法之相關條件。期內，非對沖貨幣衍生工具公平值虧損金額港幣522,000元（截至二零零六年三月三十一日止年度：收益港幣4,939,000元）已於收益表中扣除。於二零零七年六月三十日，本集團所持有以對沖日後預期銷售之遠期貨幣合同之條款如下：

Notional amount 名義款額	Maturity 到期日	Exchange rate 匯率
<i>Sell</i> 出售		
New Taiwan dollar ("TWD") 340,000,000 340,000,000元新台幣	July – December 2007 二零零七年七月至十二月	TWD/USD32.477 – 33.51 新台幣/美元32.477-33.51
Singapore dollar ("SGD") 9,000,000 9,000,000新加坡元	July – December 2007 二零零七年七月至十二月	SGD/USD1.5156 – 1.53 新加坡元/美元1.5156-1.53

21. Cash and cash equivalents and bank deposits

21. 現金及現金等值項目以及銀行存款

	Group 集團		Company 公司		in HK\$ thousand 港幣千元
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
Cash and bank balances	115,926	208,156	783	265	現金及銀行結餘
Non-pledged bank deposits	15,600	34,957	–	–	無抵押銀行存款
Pledged bank deposits	786	787	–	–	有抵押銀行存款
	132,312	243,900	783	265	
Less: Non-pledged bank deposits classified as non-current portion	–	(15,600)	–	–	減：列作非即期部份之 無抵押銀行存款
Pledged bank deposits	(786)	(787)	–	–	有抵押銀行存款
Cash and cash equivalents	131,526	227,513	783	265	現金及現金等值項目

At the balance sheet date, the cash and cash equivalents of the Group denominated in Renminbi (“RMB”) amounted to HK\$22,614,000 (31 March 2006: HK\$65,168,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團以人民幣（「人民幣」）定值之現金及現金等值項目為港幣22,614,000元（二零零六年三月三十一日：港幣65,168,000元）。人民幣不能自由兌換其他貨幣，惟根據中國大陸外匯管制法條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權經營外匯業務之銀行將人民幣兌換為外幣。

21. Cash and cash equivalents and bank deposits (continued)

Cash at banks and pledged bank deposits earn interest at floating rates based on daily bank deposit rates. Short term bank deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term bank deposit rates. Non-pledged bank deposits of HK\$15,600,000 classified as current (31 March 2006: non-current) portion is made for a period of three years which will mature on 13 April 2008, and earn interest at interest rates ranging from 3% to 4.75% per annum. The Group is not entitled to withdraw the bank deposits without the bank's prior consent and the bank may at its absolute discretion refuse to give such consent. These bank deposits are non-assignable and non-chargeable, except to the bank.

The bank deposits of HK\$786,000 are pledged to the local tax authority for an overseas branch of the Group as at 30 June 2007.

The carrying amounts of the cash and cash equivalents, the non-pledged bank deposits and the pledged deposits approximate to their fair values.

22. Trade creditors and accruals

	Group 集團		Company 公司		
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
in HK\$ thousand					港幣千元
Trade creditors	47,584	61,402	–	–	應付賬款
Accruals	137,202	134,636	1,338	2,787	應計賬項
	184,786	196,038	1,338	2,787	

21. 現金及現金等值項目以及銀行存款(續)

銀行存款及有抵押存款每日按銀行存款利率釐定之浮動利率計息。短期定期存款期間介乎1天至3個月，乃視乎本集團之即時現金需要而定，及按相關之短期定存利率計息。列作即期(二零零六年三月三十一日：非即期)部份之無抵押銀行存款港幣15,600,000元為期三年，將於二零零八年四月十三日到期，並按介乎年利率3%至4.75%計息。本集團不得在未取得銀行之事先同意下提取銀行存款，而銀行可全權決定拒絕給予有關同意書。除銀行外，該等銀行存款不得轉讓及抵押。

於二零零七年六月三十日，本集團就一家海外分店抵押銀行存款港幣786,000元予當地稅務局。

現金及現金等值項目、無抵押銀行存款及有抵押存款之賬面值與彼等之公平值相若。

22. 應付賬款及應計賬項

22. Trade creditors and accruals (continued)

An aged analysis of the trade creditors as at the balance sheet date, based on the invoice date, is as follows:

	Group 集團	
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日
in HK\$ thousand		
0 to 30 days	43,013	52,800
31 to 60 days	2,894	6,223
61 to 90 days	933	1,969
Over 90 days	744	410
	47,584	61,402

The trade creditors are non-interest-bearing and are normally settled on 30-day terms. The carrying amounts disclosed above approximate to their fair values.

23. Due to related companies

The amounts due to related companies are unsecured, interest-free, and repayable within 30 days of the invoice date. The carrying amounts approximate to their fair values.

22. 應付賬款及應計賬項 (續)

以下為按發票日計應付賬款於結算日之賬齡分析：

		港幣千元
0至30天	43,013	52,800
31至60天	2,894	6,223
61至90天	933	1,969
逾90天	744	410
	47,584	61,402

應付賬款為免息及一般於30日內支付。上述披露事項之賬面值與彼等之公平值相若。

23. 應付關連公司款項

應付關連公司款項乃無抵押、免息及須於發票日期起計30日內償還。應付關連公司款項之賬面值與公平值相若。

24. Provisions Group

24. 撥備 集團

	Long service payments 長期服務金 (note a) (附註a)	Other provision 其他撥備 (note b) (附註b)	Total 總值	
in HK\$ thousand				港幣千元
At 1 April 2006	583	–	583	於二零零六年四月一日
Additional provision	789	6,628	7,417	額外撥備
Amounts utilised during the period	(41)	–	(41)	期內動用之款項
Reversal of unutilised amounts	(98)	–	(98)	撥回未動用款項
At 30 June 2007	1,233	6,628	7,861	於二零零七年六月三十日
Portion classified as current liabilities	–	(6,628)	(6,628)	列作即期負債部份
Long term portion	1,233	–	1,233	長期部份

Notes:

- (a) The Group provides for the probable future long service payments expected to be made to employees under the Hong Kong Employment Ordinance, as further explained under the heading "Employee benefits" in note 2.4 to the financial statements. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group at the balance sheet date.
- (b) Other provision is made in relation to a tax claim from the local tax authority on an overseas branch of the Group relating to the underpayment of value added tax during the period from January 2001 to May 2003. The provision is based on directors' best estimation of the probable future payments.

附註：

- (a) 本集團根據香港僱傭條例就預期日後可能須向僱員支付之長期服務金作出撥備，詳情於財務報表附註2.4「僱員福利」進一步闡釋。撥備乃按僱員於結算日向本集團提供服務可能賺取之日後款額之最合適估計釐訂。
- (b) 本集團就當地稅務局向其一家海外分店追討於二零零一年一月至二零零三年五月期間少付之增值稅作出其他撥備，有關撥備乃由董事根據未來可能支付之款項所作之最佳估計。

25. Deferred tax

The movements in deferred tax liabilities and assets during the period are as follows:

Deferred tax liabilities – 2007**Group**

in HK\$ thousand	Depreciation allowance in excess of related depreciation 折舊免稅額超過 相關折舊	Revaluation of properties 物業重估	Total 總值
At 1 April 2006	701	–	701
Deferred tax credited to the income statement during the period (note 10)	(415)	–	(415)
Deferred tax debited to equity during the period	–	2,272	2,272
Exchange realignment	36	–	36
Gross deferred tax liabilities at 30 June 2007	322	2,272	2,594

25. 遞延稅項

期內之遞延稅項負債及資產變動如下：

遞延稅項負債 – 2007**集團**

港幣千元

於二零零六年四月一日
期內在收益表計入之
遞延稅項
(附註10)
期內在權益扣除之
遞延稅項
匯兌調整
於二零零七年六月三十日之
遞延稅項負債毛額

25. Deferred tax (continued)

Deferred tax assets – 2007

Group

in HK\$ thousand	Depreciation in excess of related depreciation allowance 折舊超過相關 折舊免稅額	Others 其他	Total 總值
At 1 April 2006	1,355	1,317	2,672
Deferred tax credited/(charged) to the income statement during the period (note 10)	(1,355)	457	(898)
Gross deferred tax assets at 30 June 2007	–	1,774	1,774
Net deferred tax liabilities at 30 June 2007			820

25. 遞延稅項 (續)

遞延稅項資產 – 2007

集團

港幣千元

於二零零六年四月一日

期內在收益表計入/
(扣除)之遞延稅項
(附註10)

於二零零七年六月三十日之
遞延稅項資產毛額

於二零零七年六月三十日之
遞延稅項負債淨額

25. Deferred tax (continued)
Deferred tax liabilities – 2006
Group

25. 遞延稅項 (續)
遞延稅項資產 – 2006
集團

in HK\$ thousand	Depreciation allowance in excess of related depreciation 折舊免稅額超過 相關折舊	港幣千元
At 1 April 2005	498	於二零零五年四月一日
Deferred tax charged to the income statement during the year (note 10)	184	年內在收益表扣除之遞延稅項 (附註10)
Exchange realignment	19	匯兌調整
Gross deferred tax liabilities at 31 March 2006	701	於二零零六年三月三十一日之遞延稅項負債毛額

25. Deferred tax (continued)

Deferred tax assets – 2006

Group

in HK\$ thousand	Depreciation in excess of related depreciation allowance 折舊超過相關 折舊免稅額	Others 其他	Total 總值
At 1 April 2005	2,061	886	2,947
Deferred tax credited/(charged) to the income statement during the year (note 10)	(706)	431	(275)
Gross deferred tax assets at 31 March 2006	1,355	1,317	2,672
Net deferred tax assets at 31 March 2006			1,971

The Group has estimated tax losses of HK\$17,120,000 (31 March 2006: HK\$16,274,000) and estimated deductible temporary differences of HK\$1,370,000 (31 March 2006: HK\$1,611,000) arising in Hong Kong, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has estimated tax losses arising in Mainland China of HK\$12,695,000 (31 March 2006: HK\$437,000) and in Taiwan of HK\$62,648,000 (31 March 2006: HK\$29,998,000) that can be used to offset against future taxable profits of the companies in which the losses arose for a maximum of five years. Deferred tax assets have not been recognised in respect of these losses as it is uncertain if sufficient future taxable profits will be generated against which the tax losses can be utilised.

25. 遞延稅項 (續)

遞延稅項資產 – 2006

集團

港幣千元

於二零零五年四月一日
年內在收益表計入/
(扣除)之遞延稅項
(附註10)
於二零零六年三月三十一日之
遞延稅項資產毛額
於二零零六年三月三十一日之
遞延稅項資產淨額

本集團於香港產生之估計稅項虧損為港幣17,120,000元(二零零六年三月三十一日:港幣16,274,000元)及估計可扣減暫時性差額為港幣1,370,000元(二零零六年三月三十一日:港幣1,611,000元),有關所產生之虧損可無限期用作抵銷公司日後之應課稅溢利。本集團亦有於中國大陸及台灣產生估計稅項虧損分別為港幣12,695,000元(二零零六年三月三十一日:港幣437,000元)及港幣62,648,000元(二零零六年三月三十一日:港幣29,998,000元),所產生的虧損可用作抵銷公司日後之應課稅溢利最多5年。由於未能確定日後是否能獲得足夠應課稅溢利以抵銷可動用稅項虧損,遞延稅項資產並無就該等虧損進行確認。

25. Deferred tax (continued)

At 30 June 2007, there was no significant unrecognised deferred tax liability (31 March 2006: Nil) for taxes that would be payable on the unremitted earnings of a subsidiary of the Group.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

**26. Share capital
Shares****25. 遞延稅項 (續)**

於二零零七年六月三十日，稅項中並無因本集團附屬公司之不可匯寄盈利引致之重大未確認遞延稅項負債（二零零六年三月三十一日：無）。

本公司向其股東派付股息後，並無導致任何須繳納所得稅之後果。

**26. 股本
股份**

	Company 公司		港幣千元
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
in HK\$ thousand			
Authorised: 2,000,000,000 (31 March 2006: 2,000,000,000) ordinary shares of HK\$0.10 each	200,000	200,000	法定股本： 2,000,000,000股（二零零六年三月三十一日：2,000,000,000股） 每股面值港幣0.10元之普通股
Issued and fully paid: 1,574,579,394 (31 March 2006: 1,568,911,394) ordinary shares of HK\$0.10 each	157,458	156,891	已發行及繳足股本： 1,574,579,394股（二零零六年三月三十一日：1,568,911,394股） 每股面值港幣0.10元之普通股

26. Share capital (continued)

Shares (continued)

During the period, the movement in share capital was as follows:

	Number of shares in issue 已發行股數	Issued share capital 已發行股本 HK\$'000 港幣千元	Share premium account 股份溢價賬 HK\$'000 港幣千元	Total 總值 HK\$'000 港幣千元	
At 1 April 2005, 31 March 2006 and 1 April 2006	1,568,911,394	156,891	1,855	158,746	於二零零五年四月一日、二零零六年三月三十一日及 二零零六年四月一日
Exercise of share options (note a)	5,668,000	567	827	1,394	行使購股權 (附註a)
At 30 June 2007	1,574,579,394	157,458	2,682	160,140	於二零零七年六月三十日

Note:

- (a) The subscription rights attaching to 5,668,000 share options were exercised at the subscription price of HK\$0.175 per share (note 27), resulting in the issue of 5,668,000 shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$992,000, and the related share option reserve of HK\$402,000 was transferred to the share premium account upon the exercise of these share options.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 27 to the financial statements.

26. 股本 (續)

股份 (續)

期內之股本變動載列如下：

附註：

- (a) 5,668,000份購股權隨附之認購權按認購價每股港幣0.175元獲行使(附註27)，致使發行5,668,000股每股面值港幣0.10元之股份，總現金代價為港幣992,000元(未計開支)，於該等購股權獲行使時，相關購股權儲備港幣402,000元已轉撥至股份溢價賬內。

購股權

本公司購股權計劃及根據該計劃發行購股權之詳情載列於財務報表附註27。

27. Share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of motivating and providing incentives to eligible participants who contribute to the success of the Group's operations, and to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entities in which the Group holds equity interests (the "Invested Entities").

Eligible participants of the Scheme include executive directors, non-executive directors (including independent non-executive directors), and other full-time or part-time employees of the Company, the Company's subsidiaries and the Invested Entities. The Scheme became effective on 27 November 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all share options to be granted under the Scheme and any other future share option schemes of the Company (excluding share options lapsed in accordance with the terms of the Scheme or any other future share option schemes of the Company) shall not exceed 10% of the total number of shares in issue on 30 August 2005, the date of Annual General Meeting that the Company seeks the approval of the shareholders of the Company for refreshing the 10% limit under the Scheme. The number of shares issuable under the Scheme was adjusted to approximately 156,891,139 which represented 10% of the Company's shares in issue at 30 August 2005. The maximum number of shares issuable under share options to each participant in the Scheme within any 12-month period is limited to 1% of the total number of shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting with such participant and his associates abstaining from voting.

27. 購股權計劃

本公司設立購股權計劃(「計劃」)，旨在激發及獎勵該等對本集團業務成績作出貢獻之合資格參與人士，及致使本集團能聘請及挽留能幹僱員，並吸納對本集團及本集團持有其股本權益之任何實體(「投資實體」)而言有價值之人力資源。

計劃之合資格參與人士包括本公司、本公司附屬公司及投資實體之執行董事、非執行董事(包括獨立非執行董事)及其他全職或兼職僱員。計劃於二零零三年十一月二十七日生效，除非計劃以其他方式註銷或修訂，否則自該日起計有效期為10年。

根據計劃及本公司任何將來其他購股權計劃將予授出之所有購股權獲行使時可予發行之股份最高數目(不包括根據計劃或本公司任何將來其他購股權計劃條款失效之購股權)，不得超過二零零五年八月三十日(即本公司徵求本公司股東批准更新計劃上限10%之股東週年大會日期)之已發行股份總數10%。根據計劃可發行之股份數目已調整至約156,891,139股，佔本公司於二零零五年八月三十日已發行股份之10%。於任何12個月期間內，根據購股權可向各計劃參與人士發行之股份最高數目，以本公司於任何時間已發行股份之1%為限。進一步授出超過該上限之購股權，須待股東於股東大會批准，方為有效，惟有關參與人士及其聯繫人士須就此放棄投票。

27. Share option scheme (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is a grantee of the share options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of grant of the share options. Options granted during the term of the Scheme and remain unexercised immediately prior to the end of the 10-year period of the Scheme shall continue to be exercisable in accordance with their terms of grant within the exercise period for which such options are granted, notwithstanding the expiry of the Scheme.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

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

27. 購股權計劃 (續)

向本公司董事、行政總裁或主要股東或彼等各自之聯繫人士授出之購股權，須事先獲獨立非執行董事（不包括同時為購股權承授人之獨立非執行董事）批准。此外，於任何12個月期間向本公司主要股東或獨立非執行董事或彼等各自之聯繫人士授出之任何購股權，倘超過本公司任何時間已發行股份0.1%或總值（按授出日期本公司股份收市價計算）超過港幣5,000,000元，則須獲股東於股東大會事先批准。

授出購股權之要約可於授出日期起計28日內在承授人支付合共港幣1元象徵式代價後接納。已授出購股權之行使期由董事局釐訂，並自若干授出期間後開始及於購股權授出日期起計10年內屆滿。於計劃期間授出及於緊接計劃10年期間屆滿前尚未行使之購股權，儘管計劃已期滿，仍可根據其授出條款於授出購股權行使期間內繼續予以行使。

購股權之行使價由董事局釐訂，惟不得低於以下之最高者：(i)於購股權授出日期本公司股份於聯交所之收市價；(ii)緊接授出日期前5個交易日本公司股份於聯交所之平均收市價；及(iii)本公司股份面值。

購股權並無賦予持有人獲派股息或於股東大會上投票之權利。

27. Share option scheme (continued)

The following share options were outstanding under the Scheme during the period:

27. 購股權計劃 (續)

期內計劃項下尚未行使之購股權如下：

Name or category of participants	Number of share options 購股權數目					At 30 June 2007	Date of grant of share options (note a)	Exercise period of share options	Price of the Company's shares (note c) 本公司股份價格 (附註c)		
	At 1 April 2006	Granted during the period	Exercised during the period	Forfeited during the period	Expired during the period				Exercise price of share options (note b)	Immediately before the exercise date	At exercise date of options
參與人士姓名或類別	於二零零六年 四月一日	期內授出	期內行使	期內沒收	期內屆滿	於二零零七年 六月三十日	授出購股權日期 (附註a)	購股權行使期	購股權 行使價 (附註b)	緊接行使 日期前	於購股權 行使日期
									HK\$ per share 每股港幣元	HK\$ per share 每股港幣元	HK\$ per share 每股港幣元
Directors 董事											
Ms. CHAN So Kuen 陳素娟女士	1,332	-	-	-	-	1,332	2 December 2003 二零零三年十二月二日	2 December 2004 to 1 December 2013 二零零四年十二月二日至 二零一三年十二月一日	0.175	-	-
	3,333,334	-	-	-	-	3,333,334	2 December 2003 二零零三年十二月二日	2 December 2006 to 1 December 2013 二零零六年十二月二日至 二零一三年十二月一日	0.175	-	-
	3,333,334	-	-	-	-	3,333,334	2 December 2003 二零零三年十二月二日	2 December 2008 to 1 December 2013 二零零八年十二月二日至 二零一三年十二月一日	0.175	-	-
	6,668,000	-	-	-	-	6,668,000					

27. Share option scheme (continued)

The following share options were outstanding under the Scheme during the period:

27. 購股權計劃(續)

期內計劃項下尚未行使之購股權如下：

Name or category of participants	Number of share options 購股權數目					At 30 June 2007	Date of grant of share options (note a)	Exercise period of share options	Price of the Company's shares (note c) 本公司股份價格 (附註c)		
	At 1 April 2006	Granted during the period	Exercised during the period	Forfeited during the period	Expired during the period				Exercise price of share options (note b)	Immediately before the exercise date	At exercise date of options
參與人士姓名或類別	於二零零六年四月一日	期內授出	期內行使	期內沒收	期內屆滿	於二零零七年六月三十日	授出購股權日期 (附註a)	購股權行使期	購股權行使價 (附註b)	緊接行使日期前	於購股權行使日期
									HK\$ per share 每股港幣元	HK\$ per share 每股港幣元	HK\$ per share 每股港幣元
Directors 董事											
Mr. FU Shing Kwan Dickie (note d) 傅成坤先生 (附註d)	1,332	-	-	(1,332)	-	-	2 December 2003 二零零三年十二月二日	2 December 2004 to 1 December 2013 二零零四年十二月二日至 二零一三年十二月一日	0.175	-	-
	3,333,334	-	-	(3,333,334)	-	-	2 December 2003 二零零三年十二月二日	2 December 2006 to 1 December 2013 二零零六年十二月二日至 二零一三年十二月一日	0.175	-	-
	3,333,334	-	-	(3,333,334)	-	-	2 December 2003 二零零三年十二月二日	2 December 2008 to 1 December 2013 二零零八年十二月二日至 二零一三年十二月一日	0.175	-	-
	6,668,000	-	-	(6,668,000)	-	-					

27. Share option scheme (continued)

The following share options were outstanding under the Scheme during the period:

27. 購股權計劃 (續)

期內計劃項下尚未行使之購股權如下：

Name or category of participants	Number of share options 購股權數目					At 30 June 2007	Date of grant of share options (note a) 授出購股權日期 (附註a)	Exercise period of share options	Price of the Company's shares (note c) 本公司股份價格 (附註c)		
	At 1 April 2006	Granted during the period	Exercised during the period	Forfeited during the period	Expired during the period				Exercise price of share options (note b) 購股權行使價 (附註b) HK\$ per share 每股港幣元	Immediately before the exercise date 緊接行使日期前 HK\$ per share 每股港幣元	At exercise date of options 於購股權行使日期 HK\$ per share 每股港幣元
Other employees 其他僱員											
In aggregate 合共	7,996	–	(2,000)	(332)	–	5,664	2 December 2003 二零零三年十二月二日	2 December 2004 to 1 December 2013 二零零四年十二月二日至 二零一三年十二月一日	0.175	0.470	0.481
	16,000,002	–	(5,666,000)	(334)	–	10,333,668	2 December 2003 二零零三年十二月二日	2 December 2006 to 1 December 2013 二零零六年十二月二日至 二零一三年十二月一日	0.175	0.470	0.481
	16,000,002	–	–	(3,333,334)	–	12,666,668	2 December 2003 二零零三年十二月二日	2 December 2008 to 1 December 2013 二零零八年十二月二日至 二零一三年十二月一日	0.175	–	–
	32,008,000	–	(5,668,000)	(3,334,000)	–	23,006,000					
	45,344,000	–	(5,668,000)	(10,002,000)	–	29,674,000					

27. Share option scheme (continued)

Notes:

- (a) The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital, and was adjusted for the issue of bonus shares on 14 September 2004 from HK\$0.35 to HK\$0.175 each.
- (c) The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercises of options within the disclosure line.
- (d) Mr. FU Shing Kwan Dickie resigned as a director of the Company on 26 June 2006. All unexercised share options held by him lapsed on 26 September 2006 in accordance with the Scheme.

The fair value of equity-settled share options granted on 2 December 2003 was estimated as at the date of grant using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

At the balance sheet date, the Company had 29,674,000 share options outstanding under the Scheme, which represented approximately 1.9% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 29,674,000 additional ordinary shares of the Company and additional share capital of approximately HK\$2,967,000 and share premium of approximately HK\$2,226,000 (before issue expenses). The related share option reserve of HK\$2,106,000 will be transferred to the share premium account upon the exercise of the share options.

The 5,668,000 share options exercised during the period resulted in the issue of 5,668,000 ordinary shares of the Company and new share capital of HK\$567,000 and share premium of HK\$425,000 (before issue expenses). The related share option reserve of HK\$402,000 was transferred to the share premium account upon the exercise of these share options, as further detailed in note 26 to the financial statements.

27. 購股權計劃 (續)

附註：

- (a) 購股權歸屬期間為自授出日期起計直至行使期間開始為止。
- (b) 購股權之行使價可根據供股或發行紅股、或本公司股本之其他類似變動而予以調整，並已於二零零四年九月十四日就發行紅股由每股港幣0.35元調整至港幣0.175元。
- (c) 所披露本公司股份於緊接購股權行使日期前之價格為股份於所披露之所有購股權獲行使時緊接購股權行使日期前在聯交所之收市價之加權平均數。
- (d) 傅成坤先生已於二零零六年六月二十六日辭任本公司董事，而其所持有之所有未行使購股權已根據該計劃於二零零六年九月二十六日失效。

於二零零三年十二月二日所授出之權益結算購股權之公平值乃於授出日期估計，並利用柏力克-舒爾斯期權定價模式，經考慮所授出購股權之條款及條件後而計算。

於結算日，本公司計劃項下之尚未行使之購股權有29,674,000份，相當於該日本公司已發行股份約1.9%。按本公司現有股本結構悉數行使餘下之購股權，將導致本公司發行約29,674,000股額外普通股股份，而股本及股份溢價將分別增加約港幣2,967,000元及約港幣2,226,000元（未扣除發行開支）。於行使購股權時，相關購股權儲備港幣2,106,000元將轉撥至股份溢價賬內。

期內5,668,000份購股權獲行使致使發行5,668,000股本公司普通股股份，並產生新股本港幣567,000元及股份溢價港幣425,000元（未計發行開支）。於該等購股權獲行使時，相關購股權儲備港幣402,000元已轉撥至股份溢價賬內，詳情已於財務報表附註26披露。

27. Share option scheme (continued)

Subsequent to the balance sheet date, during the period from 3 July 2007 to 17 August 2007, a total of 10,336,000 share options were exercised, and resulted in the issue of 10,336,000 ordinary shares of the Company and new share capital of HK\$1,034,000 and share premium of HK\$775,000 (before issue expenses). The related share option reserve of HK\$734,000 will be transferred to the share premium account upon the exercise of the share options.

Subsequent to the balance sheet date, on 4 July 2007, a total of 44,000,000 share options were granted to certain directors and employees of the Company in respect of their services to the Group in the forthcoming years. These share options vest on the date of grant and have an exercise price of HK\$0.53 per share and an exercise period ranging from 4 July 2008 to 3 July 2017. The price of the Company's shares at the date of grant was HK\$0.53 per share, which is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.

At the date of approval of these financial statements, the Company had 61,004,000 share options outstanding under the Scheme, which represented approximately 3.8% of the Company's shares in issue as at that date.

28. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for the current period and prior year are presented in the consolidated statement of changes in equity on pages 59 to 61 of the financial statements.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against consolidated retained profits and consolidated capital reserve.

The amounts of goodwill arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, remaining in the consolidated capital reserve of HK\$25,969,000 and consolidated retained profits of HK\$2,069,000 as at 30 June 2007.

27. 購股權計劃 (續)

於結算日後，由二零零七年七月三日起至二零零七年八月十七日止期間，合共10,336,000份購股權獲行使，致使發行10,336,000股本公司普通股份，並產生新股本港幣1,034,000元及股份溢價港幣775,000元(未計發行開支)。於該等購股權獲行使時，相關購股權儲備港幣734,000元將轉撥至股份溢價賬內。

於結算日後，於二零零七年七月四日，本公司若干名董事及僱員就彼等於未來年度為本集團提供服務而獲授合共44,000,000份購股權。該等購股權於授出日期歸屬，行使價為每股港幣0.53元，行使期由二零零八年七月四日起至二零一七年七月三日止。本公司股份於授出日期之價格為每股港幣0.53元，即股份於緊接購股權授出日期前一個交易日在聯交所之收市價。

於此等財務報表獲批准日，本公司計劃項下有61,004,000份購股權尚未行使，相當於該日本公司已發行股份約3.8%。

28. 儲備

(a) 集團

本期間及去年本集團儲備及其中變動之數額呈列於財務報表第59至61頁之綜合權益變動報表內。

於過往年度因收購附屬公司所產生之商譽之若干金額仍用作對銷綜合保留溢利及綜合資本儲備。

於二零零一年採納會計實務準則第30號前因收購附屬公司所產生而於二零零七年六月三十日仍存於綜合資本儲備及綜合保留溢利內之商譽金額分別為港幣25,969,000元及港幣2,069,000元。

28. Reserves (continued)
(b) Company

28. 儲備 (續)
(b) 公司

in HK\$ thousand	Notes 附註	Share premium account 股份溢價賬	Contributed surplus 繳入盈餘	Share option reserve 購股權儲備	Retained profits 保留溢利	Total 總值	港幣千元
Balance at 1 April 2006		1,855	157,616	2,000	6,425	167,896	於二零零六年四月一日結餘
Loss for the period		-	-	-	(165)	(165)	期內虧損
Issue of shares	26	827	-	(402)	-	425	發行股份
Equity-settled share option arrangements	27	-	-	186	-	186	權益結算購股權安排
At 30 June 2007		2,682	157,616	1,784	6,260	168,342	於二零零七年六月三十日
Balance at 1 April 2005		1,855	157,616	1,309	8,176	168,956	於二零零五年四月一日結餘
Profit for the year		-	-	-	54,729	54,729	年內溢利
Equity-settled share option arrangements	27	-	-	691	-	691	權益結算購股權安排
Interim 2006 dividend		-	-	-	(28,240)	(28,240)	二零零六年中期股息
Proposed final 2006 dividend		-	-	-	(28,240)	(28,240)	擬派二零零六年末期股息
At 31 March 2006		1,855	157,616	2,000	6,425	167,896	於二零零六年三月三十一日

The contributed surplus of the Company originally represented the difference between the nominal value of the Company's shares issued in exchange for the issued share capital of the subsidiaries and the aggregate net asset value of the subsidiaries acquired at the date of acquisition, at the time of the Group reorganisation prior to the listing of the Company's shares in 1993. Under the Companies Act 1981 of Bermuda, the Company may make distributions to its shareholders out of the contributed surplus.

本公司之繳入盈餘原乃於一九九三年本公司股份上市前作出集團重組時，本公司為交換附屬公司已發行股本而發行之股份面值，與被收購之附屬公司於收購日的資產淨值總和之差額。根據百慕達一九八一年公司法，本公司可將繳入盈餘分派予其股東。

28. Reserves (continued)**(b) Company (continued)**

The share option reserve of the Group and the Company comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

29. Operating lease arrangements**(a) As lessor**

The Group sub-leases certain of its retail properties under operating lease arrangements, with leases negotiated for terms ranging from three to six years. The terms of the leases also require the tenants to pay security deposits.

At 30 June 2007, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group 集團		
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日	
in HK\$ thousand			港幣千元
Within one year	635	2,044	於一年內
In the second to fifth years, inclusive	907	1,392	於第二年至第五年，包括首尾兩年
After five years	182	-	五年後
	1,724	3,436	

28. 儲備 (續)**(b) 公司 (續)**

本集團及本公司之購股權儲備包括已授出但尚未行使購股權之公平值，詳情載於財務報表附註2.4有關以股份支付款項之交易之會計政策內。有關款項將於相關購股權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收時轉撥至保留溢利。

29. 經營租賃之安排**(a) 作為出租人**

本集團在經營租賃之安排下，分租其若干零售物業，議定之租期為三至六年不等。該租約之條款亦規定租客須繳付保證按金。

於二零零七年六月三十日，本集團在與租戶簽訂之不可撤銷之經營租賃下，日後最低租賃應收款項總額於到期日如下：

29. Operating lease arrangements (continued)

(b) As lessee

The Group leases certain of its offices, retail outlets and warehouse properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to eleven years.

At 30 June 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group 集團	
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日
in HK\$ thousand		
Within one year	302,251	251,998
In the second to fifth years, inclusive	374,895	286,746
After five years	11,444	6,856
	688,590	545,600

The operating lease rentals of certain retail outlets are based solely on the sales of those outlets. In the opinion of the directors, as the future sales of those retail outlets could not be accurately estimated, the relevant rental commitments have not been included above.

At the balance sheet date, the Company did not have any future minimum lease payments under non-cancellable operating leases.

29. 經營租賃之安排(續)

(b) 作為承租人

本集團在經營租賃之安排下，租用若干辦公室、零售店舖及貨倉物業。該等物業議定之租期由一年至十一年不等。

於二零零七年六月三十日，本集團在不可撤銷之經營租賃下，日後最低租賃付款總額於到期日如下：

於一年內
於第二年至第五年，包括首尾兩年
五年後

若干零售店舖之經營租賃租金僅按該等店舖之銷售額計算。董事認為，由於難以準確估計該等零售店舖日後之銷售額，故以上並無包括有關租金承擔。

於結算日，本公司在不可撤銷經營租賃下，並無任何日後最低租賃付款。

30. Commitments

In addition to the operating lease commitments detailed in note 29(b) above, the Group had the following commitments at the balance sheet date:

Capital commitments

in HK\$ thousand	Group 集團	
	30 June 2007 二零零七年 六月三十日	31 March 2006 二零零六年 三月三十一日
Contracted, but not provided for:		
Leasehold improvements	421	1,011
Furniture, fixtures and office equipment	64	321
Computer software	3,584	4,738
	4,069	6,070
Authorised, but not provided for:		
Leasehold improvements	1,497	–
Furniture, fixtures and office equipment	423	–
Computer software	58	–
	1,978	–
	6,047	6,070

At the balance sheet date, the Company did not have any significant commitments.

30. 承擔

除於上文附註29(b)詳述之經營租賃承擔外，本集團於結算日之承擔如下：

資本承擔

已訂約但未撥備：
租賃物業裝修
傢俬、裝置及辦公室設備
電腦軟件
已授權但未撥備：
租賃物業裝修
傢俬、裝置及辦公室設備
電腦軟件

於結算日，本公司並無任何重大承擔。

31. Contingent liabilities

in HK\$ thousand	Group 集團	
	30 June 2007	31 March 2006
	二零零七年 六月三十日	二零零六年 三月三十一日
Bank guarantees given in lieu of utility and property rental deposits	1,580	1,510

The Company has given guarantees in favour of banks to the extent of HK\$433,000,000 (31 March 2006: HK\$455,000,000) in respect of banking facilities granted to certain subsidiaries. These facilities were utilised to the extent of HK\$25,085,000 as at 30 June 2007 (31 March 2006: HK\$23,873,000).

32. Litigation

- (a) A High Court action (the “WDC Action”), which commenced on 10 June 1998, was brought against J & R Bossini Trading Limited (“Bossini Trading”), a subsidiary of the Company, by Weiland Development Company Limited (“WDC”), for breach of a lease (the “Lease”) relating to a property used by Bossini Trading as a warehouse for a minimum amount of approximately HK\$7,248,000. Bossini Trading is defending the WDC Action and had counter-claimed against WDC for a declaration that the Lease was lawfully terminated. As at the date of this report, the directors believe that it is not practicable to estimate the possible extent of the liability of Bossini Trading, if any, in respect of this action. However, the directors are of the opinion that the claim is unlikely to succeed based on the merits of the case and therefore, the directors consider that no material liability is likely to result therefrom.

31. 或然負債

in HK\$ thousand	Group 集團	
	30 June 2007	31 March 2006
	二零零七年 六月三十日	二零零六年 三月三十一日
Bank guarantees given in lieu of utility and property rental deposits	1,580	1,510

代替水電及租用物業按金之銀行擔保

本公司就若干附屬公司所獲批之銀行信貸而向銀行作出港幣433,000,000元(二零零六年三月三十一日：港幣455,000,000元)之擔保。於二零零七年六月三十日已動用之信貸額為港幣25,085,000元(二零零六年三月三十一日：港幣23,873,000元)。

32. 訴訟

- (a) Weiland Development Company Limited(「WDC」)於一九九八年六月十日，就本公司之附屬公司堡獅龍貿易有限公司(「堡獅龍貿易」)違反租用貨倉之物業租約(該「租約」)，向堡獅龍貿易提出一項高院民事訴訟(「WDC訴訟」)，索償最低款額約港幣7,248,000元。堡獅龍貿易現正就WDC訴訟作出抗辯及向WDC提出反訴訟，要求法院頒令指該租約已合法終止。於本報告日期，董事相信要估計堡獅龍貿易可能須就此訴訟承擔之法律責任(如有)並不可行。然而，就該訴訟所作之依據，董事認為有關索償之勝訴機會不大，故堡獅龍貿易不會因而須承擔重大責任。

32. Litigation (continued)

(b) Two High Court actions (the "Actions"), which both commenced on 24 July 1998, were brought against Bossini Trading by Sano Screen Manufacturing Limited and Tri-Star Fabric Printing Works Limited (collectively called the "Plaintiffs"), for breach of leases relating to properties used by Bossini Trading as warehouses. Judgements in respect of the Actions were awarded in favour of the Plaintiffs against Bossini Trading on 16 June 2000 for an amount not exceeding HK\$2,467,000, together with interest thereon from the date of the said judgements to the date of payment at the judgement rate, and the costs of the Actions. As at the date of this report, no payment has been made by Bossini Trading.

A winding-up order was made against Bossini Trading on 28 January 2002. So far as the directors are aware, with a winding-up order having been made against Bossini Trading, WDC would require leave of the courts to continue the WDC Action and such leave has not been obtained.

With respect to the Actions, the Plaintiffs would likely be ranked as unsecured creditors in the event of any distribution of assets upon the winding-up of Bossini Trading.

As Bossini Trading has minimal assets and neither the Company nor any of its subsidiaries has provided any guarantees or sureties in respect of the liabilities of Bossini Trading, the directors consider that there would be no significant adverse impact on the financial position of the Group as a result of any action taken by the Plaintiffs to enforce the judgements against Bossini Trading or any unfavourable judgement being made against Bossini Trading upon leave of the courts being granted to WDC to continue the WDC Action.

32. 訴訟(續)

(b) Sano Screen Manufacturing Limited及Tri-Star Fabric Printing Works Limited(統稱「原訴人」)於一九九八年七月二十四日就堡獅龍貿易違反租用貨倉之物業租約，向堡獅龍貿易提出兩項高院民事訴訟(該等「訴訟」)。法院於二零零零年六月十六日就該等訴訟判決裁定原訴人勝訴，堡獅龍貿易須賠償為數不超過港幣2,467,000元之款項(連同由裁決日起至支付該筆款項之日止期間按裁決利率計算之利息)及堂費。於本報告日期，堡獅龍貿易尚未繳付該等款項。

法院於二零零二年一月二十八日向堡獅龍貿易頒發清盤令。就董事所知，由於堡獅龍貿易已遭法院頒令清盤，WDC須取得法院准許方可繼續WDC訴訟，而至今WDC仍未獲發該等准許。

就該等訴訟而言，倘堡獅龍貿易遭清盤而進行任何資產分配，原訴人將被列入無抵押債權人類別。

由於堡獅龍貿易只有少量資產，而本公司及其任何附屬公司概無就堡獅龍貿易之債務提供任何擔保或保證，故董事認為倘原訴人向堡獅龍貿易採取任何法律行動執行裁決，或WDC獲法院准許繼續WDC訴訟而法院作出任何對堡獅龍貿易不利之裁決，亦不會對本集團之財務狀況構成重大不利影響。

33. Related party transactions

- (a) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following material transactions with related parties during the period:

	Group 集團		
	Period ended 30 June 2007 截至二零零七年 六月三十日	Year ended 31 March 2006 截至二零零六年 三月三十一日	
in HK\$ thousand	Notes 附註	止期間	止年度
Rental paid for warehouse premises	(i)	1,550	1,152
Rental paid for office premises	(ii)	7,275	5,559
Purchases of garments	(iii)	267,985	256,321
Sales of equipment	(iv)	928	—

Notes:

- (i) The rental was paid to Laws International Group Limited (“Laws International”) for the period from 1 April 2005 to 31 August 2005, and to Bright City International Limited (“Bright City”) for the period from 1 September 2005 to 30 June 2007, as Laws International had transferred its ownership of the warehouse to Bright City on 18 August 2005. Certain directors of Laws International and Bright City, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing, a director and substantial shareholder of the Company. The rental was determined by reference to open market rents at the inception of the tenancy agreement. As the rental is settled monthly, the Group had no outstanding rental payable to Laws International and Bright City as at 30 June 2007 (31 March 2006: Nil).
- (ii) The rental was paid to Bright City and was determined by reference to open market rents at the inception of the tenancy agreement. As the rental is settled monthly, the Group had no outstanding rental payable to Bright City as at 30 June 2007 (31 March 2006: Nil).
- (iii) During the period, garments totalling HK\$267,985,000 (year ended 31 March 2006: HK\$256,321,000) were purchased from certain wholly-owned subsidiaries of Laws International. The purchases were determined by reference to the prevailing market prices. The balance owing to these suppliers as at 30 June 2007 was HK\$19,558,000 (31 March 2006: HK\$23,573,000).

33. 關連人士交易

- (a) 除財務報表所詳述之交易及結餘外，本集團於期內與關連人士進行之重大交易如下：

	Group 集團		
	Period ended 30 June 2007 截至二零零七年 六月三十日	Year ended 31 March 2006 截至二零零六年 三月三十一日	
in HK\$ thousand	Notes 附註	止期間	止年度
Rental paid for warehouse premises	(i)	1,550	1,152
Rental paid for office premises	(ii)	7,275	5,559
Purchases of garments	(iii)	267,985	256,321
Sales of equipment	(iv)	928	—

附註：

- (i) 於二零零五年四月一日至二零零五年八月三十一日止期間，租金乃繳付予羅氏國際集團有限公司（「羅氏國際」）。由於羅氏國際已於二零零五年八月十八日將貨倉之擁有權轉讓予澤城國際有限公司（「澤城」），因此於二零零五年九月一日至二零零七年六月三十日止期間，租金乃繳付予澤城。羅氏國際及澤城之若干擁有實益股本權益之董事乃本公司董事兼主要股東羅家聖先生之親屬。租金乃參照租約生效時之公開市值租金而釐定。由於租金乃每月支付，本集團於二零零七年六月三十日（二零零六年三月三十一日：無）並無應付羅氏國際及澤城之未支付租金。
- (ii) 支付予澤城之租金乃參照租約生效時之公開市值租金而釐定。由於租金乃每月支付，本集團於二零零七年六月三十日（二零零六年三月三十一日：無）並無應付澤城之未支付租金。
- (iii) 期內，本公司分別向若干羅氏國際全資附屬公司購買合共港幣267,985,000元（截至二零零六年三月三十一日止年度：港幣256,321,000元）之成衣。採購乃參照當時之市價釐訂。於二零零七年六月三十日尚欠該等供應商之餘額為港幣19,558,000元（二零零六年三月三十一日：港幣23,573,000元）。

33. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

Notes: (continued)

(iv) During the period, certain equipment was sold to certain wholly-owned subsidiaries of Laws International totalling HK\$928,000 (year ended 31 March 2006: Nil). The sales consideration was determined at the net carrying amount of the equipment sold. The Group had no outstanding sales proceeds receivable from these purchasers as at 30 June 2007 (31 March 2006: Nil).

The related party transactions in notes (i), (ii) and (iii) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Outstanding balances with related parties:

Details of the Group's trade balances with related companies as at the balance sheet date are included in note 23 to the financial statements.

(c) Compensation of key management personnel of the Group:

in HK\$ thousand	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間	Year ended 31 March 2006 截至二零零六年 三月三十一日 止年度
Short term employee benefits	23,218	15,795
Post-employment benefits	272	189
Share-based payments	186	691
Total compensation paid to key management personnel	23,676	16,675

Further details of directors' emoluments are included in note 8 to the financial statements.

33. 關連人士交易 (續)

(a) (續)

附註：(續)

(iv) 期內，本集團分別向若干羅氏國際全資附屬公司售出若干設備合共港幣928,000元(截至二零零六年三月三十一日止年度：無)。出售價格乃以該等設備之賬面淨值釐定。於二零零七年六月三十日，本集團並無應向該等購買商收取設備款項(二零零六年三月三十一日：無)。

上述附註(i)、(ii)及(iii)之關連人士交易亦構成上市規則第14A章所界定之持續關連交易。

(b) 與關連人士之未償還款項結餘：

於結算日，本集團與關連公司之貿易結餘詳情載於財務報表附註23。

(c) 本集團主要管理人員之補償：

港幣千元
短期僱員福利
離職後福利
以股份支付之款項
支付予主要管理人員之補償總額

董事酬金之進一步詳情已載於財務報表附註8。

34. Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise cash and bank and time deposits, bills payable and interest-bearing bank loans. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as debtors, deposits paid, and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing loans with floating interest rates.

The Group's policy is to manage its interest cost by reducing its bank borrowings. The Group fully repaid its interest-bearing loans during the period.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from the sale and the investments in foreign operations in currencies other than the United States dollar and the Hong Kong dollar. Approximately 47% (year ended 31 March 2006: 48%) of the Group's sales are denominated in currencies other than the United States dollar and the Hong Kong dollar. It is the Group's policy to enter into forward currency contracts to mitigate foreign exchange risk arising from material transactions denominated in currencies other than the United States dollar and the Hong Kong dollar.

At 30 June 2007, the Group had forward currency contracts with an aggregate nominal amount of HK\$126 million to manage its foreign currency risk in Singapore dollars and Taiwan dollars.

34. 財務風險管理目標及政策

本集團之主要金融工具(衍生產品除外)包括現金以及銀行及定期存款、應付票據及計息銀行貸款。該等金融工具之主要目的為籌集資金作本集團經營所需。本集團有不同金融資產及負債，例如應收賬款、已付按金及應付賬款，均直接來自其經營業務。

本集團亦訂立多項衍生交易，主要包括遠期貨幣合同，其目的為管理從本集團業務所產生之貨幣風險及融資來源。

本集團金融工具之主要風險為現金流量利率風險、外幣風險、信貸風險及流動資金風險。董事局檢討及協定管理有關風險之政策，並概述如下。本集團有關衍生產品之會計政策載於財務報表附註2.4。

現金流量利率風險

本集團承受市場利率波動之風險主要關於本集團之浮動利率計息貸款。

本集團之政策乃透過減少銀行借貸以管理其利息成本。本集團已於期內悉數償還其計息貸款。

外幣風險

本集團有交易貨幣風險。有關風險來自以美元及港幣以外貨幣進行之銷售及投資。本集團約47%(截至二零零六年三月三十一日止年度：48%)之銷售乃以美元及港幣以外之貨幣計值。本集團之政策為訂立遠期貨幣合同以減低以美元及港幣以外貨幣計值之重大交易所產生之外匯風險。

於二零零七年六月三十日，本集團擁有面值合共港幣1.26億元之遠期貨幣合同以管理其新加坡元及台幣之外幣風險。

34. Financial risk management objectives and policies (continued)

Credit risk

The Group trades primarily in cash and major credit cards, and it is the Group's policy to demand deposits for wholesales made on credit terms. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The Group places cash and cash equivalents with reputable banks to minimise the credit risk thereof.

The credit risk of the Group's other financial assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility by keeping adequate credit facilities from banks. The Group had credit facilities from banks of HK\$320 million and only HK\$25 million was utilised as at 30 June 2007.

35. Approval of the financial statements

The financial statements were approved and authorised for issue by the board of directors on 18 October 2007.

34. 財務風險管理目標及政策 (續)

信貸風險

本集團之貿易主要以現金及信用卡支付。本集團之政策為就提供信貸期之批發交易收取按金。此外，本集團會不斷監察應收賬款結餘，而本集團所承受之壞賬風險極微。

本集團將現金及現金等值項目存放於聲譽良好之銀行，以將信貸風險減至最低。

本集團其他金融資產之信貸風險來自對手方之失責，而最大之風險相等於該等工具之賬面值。

流動資金風險

本集團之目標為在集資之持續性與透過銀行保持充裕信貸額之靈活度兩者取得平衡。於二零零七年六月三十日，本集團取得之銀行信貸額為港幣3.20億元，當中僅港幣2.5千萬元獲動用。

35. 財務報表之批准

董事局已於二零零七年十月十八日批准及授權發佈本財務報表。

Company information 公司資料

Executive directors

Mr. LAW Ka Sing (Chairman)
Ms. CHAN So Kuen
Mr. MAK Tak Cheong Edmund
Mr. WONG Yan Sang

Independent non-executive directors

Mr. LEE Man Chun Raymond
Ms. LEUNG Mei Han
Prof. SIN Yat Ming
Mr. WONG Wai Kay

Qualified accountant

Mr. MAK Tak Cheong Edmund

Company secretary

Ms. WONG Suk May

Principal bankers

The Hongkong and Shanghai Banking
Corporation Limited
Standard Chartered Bank
Citibank, N.A.

Auditors

Ernst & Young

Principal solicitor

Deacons

執行董事

羅家聖先生 (主席)
陳素娟女士
麥德昌先生
黃仁生先生

獨立非執行董事

李文俊先生
梁美嫻女士
冼日明教授
王維基先生

合資格會計師

麥德昌先生

公司秘書

王淑薇女士

主要往來銀行

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核數師

安永會計師事務所

主要律師

的近律師行

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Pembroke HM08
Bermuda

Hong Kong branch share registrars

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bossini

Bossini International Holdings Limited

堡獅龍國際集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 592)

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