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## Financial & operational highlights



### **A year of successful turnaround with record high earnings, gross margin, net margin and turnover**

- Net profit attributable to shareholders recorded HK\$118 million (2003: HK\$74 million net loss)
- Gross margin reached 47.3%; up 5.9%
- Net margin reached 6.6% (2003: -4.4%)
- Turnover reached HK\$1.8 billion, up 5.4%

### **All core markets turned into profit centres**

- Achieved high operating profits in Hong Kong, Mainland China, Taiwan and Singapore

A global distribution network extending to 678 outlets in about 20 countries

10 key management staff with extensive experience and in-depth industry expertise

3 product lines (ladies', men's and kids' wear) and 2 brands ("**bossini**" and "**sparkle**")

A strong corporate culture embracing a workforce of over 3,200 employees

For the year ended 31 March  
in HK\$ million

	2004	2003	Change
<b>Operating results</b>			
Turnover	<b>1,783</b>	1,691	+5.4%
Gross profit	<b>844</b>	701	+20.4%
Gross margin	<b>47.3%</b>	41.4%	+5.9%
Operating profit/(loss)	<b>146</b>	(66)	N.A.
Net profit/(loss) attributable to shareholders	<b>118</b>	(74)	N.A.
Basic EPS/(LPS) (in HK cents)	<b>15.93</b>	(14.41)	N.A.
Dividend per share (in HK cents)	<b>6</b>	N.A.	N.A.
Bonus share (no. of shares)	<b>1 for 1</b>	N.A.	N.A.

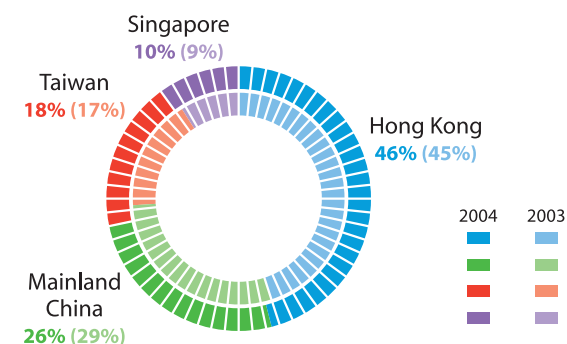
31 March

	2004	2003	Improved
<b>Operating efficiencies and financial position</b>			
Inventory turnover (days)*	<b>37</b>	50	13
Return on average equity	<b>32.8%</b>	(24.0%)	N.A.
Payout ratio	<b>39.2%</b>	N.A.	N.A.
Current ratio (times)	<b>2.72</b>	1.42	91.5%
Total liabilities to equity ratio	<b>43.0%</b>	117.7%	74.7%
Cash and bank balance (in HK\$ million)	<b>225</b>	76	149

\* Inventory held at year end divided by full year turnover times 365 days.

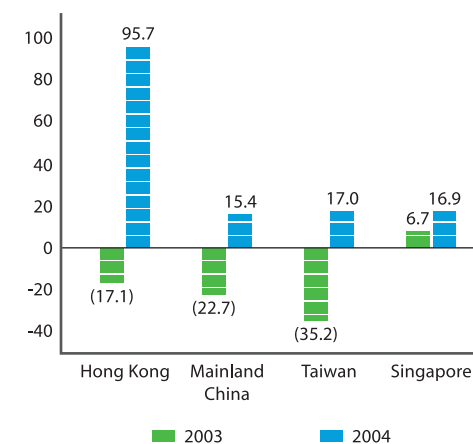
## Turnover by geographical markets

(Figures for 2003 in brackets)



## Segment results

in HK\$ million



# Corporate profile

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

**Bossini International Holdings Limited** (“Bossini” or the “Company”; HKSE code: 592) and its subsidiaries (the “Group”) is a leading apparel brand owner, retailer, licensor and supplier 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 678 outlets worldwide. Among these, the Group operated 314 directly managed outlets in its four core markets, namely Hong Kong, Mainland China, Taiwan and Singapore. The Group also further strengthened its brand presence in Mainland China through the establishment of 195 authorised dealer outlets. As for other overseas markets, the Group cooperated with its business partners to establish a total of 169 overseas licensed outlets in 16 countries, spanning from Southeast Asia, the Middle East, Europe to as far as Latin 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.



**Vision**





bossini





# Chairman's statement



The impressive achievements of the Group were the results of team efforts of the management and its staff and attributable to the Group's business strategy that optimised profit margin, operational efficiency and effectiveness.

The fiscal year 2003/2004 was undoubtedly a fruitful and memorable year for Bossini. Through a series of strategic reforms, the Group achieved a significant turnaround in the year, bolstering its profitability and enhancing its competitiveness in the international apparel market.

### **Soaring profit**

Despite the many uncertainties that surrounded the global economy in the past few years, the Group continued to record stable growth in turnover. Consolidated turnover amounted to HK\$1.8 billion, representing a year-on-year increase of 5.4%.

As a result of our tremendous efforts devoted to distribution network restructuring, stringent cost control, inventory and margin management during the year under review, we are pleased to see a successful turnaround with record high profitability. Net profit attributable to shareholders surged to HK\$118 million (2003: HK\$74 million net loss). Gross margin reached a record-breaking level, up by 5.9% to 47.3% in the year under review. Earnings per share was also lifted to HK15.93 cents (2003: HK14.41 cents loss).

Even more encouragingly, the Group turned in a strong performance in all its core markets, which included Hong Kong, Mainland China, Taiwan and Singapore after two years of adversity.

In view of the satisfactory financial performance, the Board of Directors (the "Board") proposed a final cash dividend of HK6 cents per share for the fiscal year 2003/2004 as well as a bonus issue on the basis of one new share for every one existing share held.

# a clear product positioning

## Refining business strategy

The impressive achievements of the Group were the result of team efforts of the management and its staff. With the further restructuring and strengthening of Bossini's management team, new insights and valuable experiences were brought into the Group. A more refined business strategy that focused on optimising profit margin, operational efficiency and effectiveness has also been formulated.

During the year under review, stringent cost controls were implemented at different levels, from procurement, logistics arrangement, marketing to retail-floor usage. Having thoroughly evaluated the performances of our outlets on the metric of profitability, we have prudently consolidated our network. It thus contributed vastly to the decrease in operating costs, laying a solid foundation for our future business development.

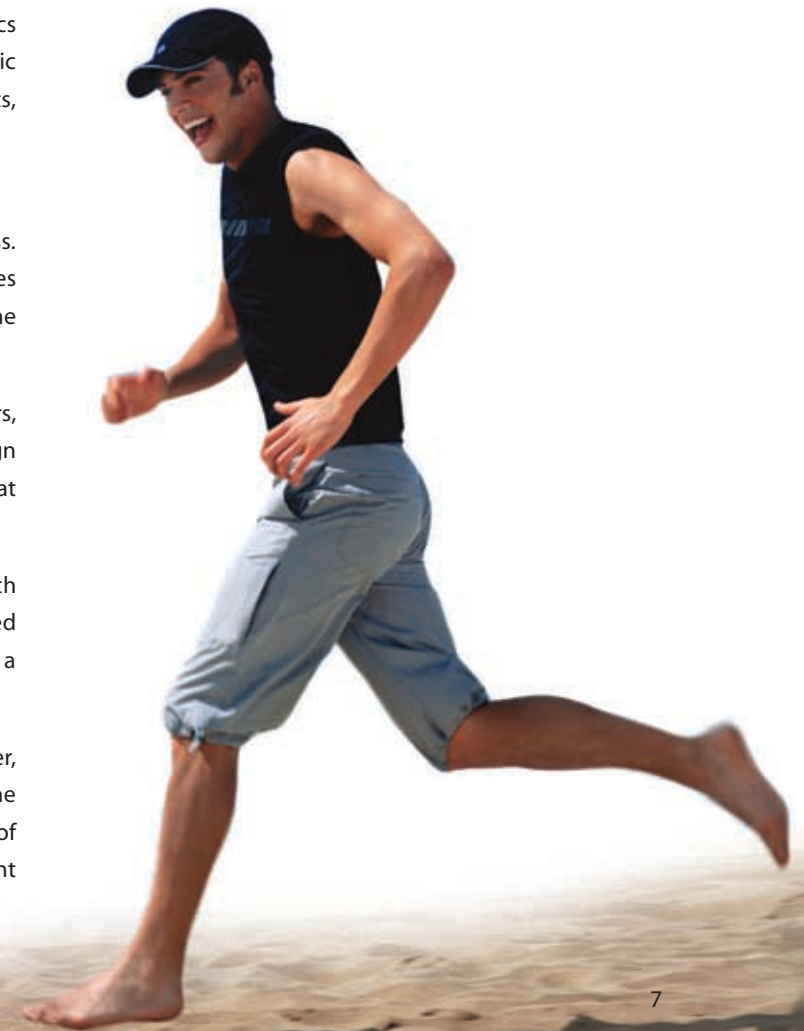
## Enhancing customer values

We at Bossini believe that brand management capability is one of the most valuable assets for the retail apparel business. Abiding by the "back to basic" philosophy stipulated in our internal "Brand Book" which laid down the norms and guidelines for effective brand management, we further solidified the brand positioning of both "**bossini**" and "**sparkle**" during the year under review.

While "**bossini**" features comfortable, easy to mix-and-match and good value-for-money apparel products for customers, "**sparkle**", launched in 2002, targets Mainland China customers who look for equally appealing young and energetic design at more affordable prices. With increasing market acceptance, "**sparkle**" is expected to form a new revenue stream that offers significant long-term growth potential.

Bossini is customer-oriented and is committed to enhancing customer value. Our design team worked closely with our procurement experts to develop products with a clear focus on quality, simplicity and comfort. We also managed to improve production lead time in order to keep pace of market trends, allowing us to serve customers' needs in a timely manner.

We understand that consumers purchase not only our quality product, but also the superior customer services we offer, both of which contribute to an enjoyable shopping experience. For the year under review, the Group calibrated the directions of its outlets' décor and visual merchandising to uplift the shopping environment for our customers. A series of professional training programmes was also conducted for all frontline staff on an ongoing basis to develop and augment effective communication and customer service skills.







In enhancing shareholders' value, the Group is committed to fulfil its endeavour of rewarding shareholders with a consistent dividend policy and continued fruitful returns.

#### **Strengthening corporate governance and deepening corporate culture**

In a year of corporate reform, we identified and redefined a set of corporate goals, strategies, principles and policies for all at Bossini basing on "the bossini way" which formed a solid foundation and framework for the Group's overall management and operations. This helped to enhance our corporate governance. On top of this, focused training programmes were offered to staff in different roles and positions, cultivating the corporate culture and maintaining a vibrant and energetic workforce reflective of Bossini's core values.

#### **A promising future: going from regional to global**

The "bossini" brand apparel is found in different corners of the world. Going forward, our aim is to further strengthen our presence on the global stage. During the year under review, the Group's global business development team underwent a restructure with an aim to enhance its brand competitiveness globally. We will evaluate the potential in different markets and prudently increase the number of overseas outlets to capture growth opportunities.

#### **Commitment to increasing shareholders' value**

Looking ahead, Bossini will, at product level, continue to offer good value-for-money products. At customer level, we strive to provide them a delightful shopping experience worldwide. Furthermore, we will continue to strengthen our operation systems and internal controls at all corporate levels.

As another step towards improving efficiency, we are in the midst of evaluating a world-class information system as one of the initiatives to upgrade our infrastructure. We anticipate that with this new investment in place, our internal operations and communications will be run in a more efficient and effective manner.

# commitment to excel

We believe that the turnaround in the fiscal year 2003/2004 was only the beginning. The Group is committed to fulfil its endeavour of rewarding shareholders with fruitful returns. In enhancing shareholders' value, our ultimate goal is to achieve a continual double-digit growth in both turnover and profit levels in the years to come. In appreciation of the continued support of shareholders, the Board also recommended a consistent dividend policy of at least a 30% payout ratio per annum.

## Appreciation

The encouraging performance would not have been achieved without the dedication and commitment of all our staff who contributed tremendous effort in steering Bossini to continuing growth. On behalf of the Board, I would like to once again take this opportunity to express my heartfelt gratitude not only to our shareholders and customers, but also to our management and staff for their contributions to the Group's outstanding results in the past year. I sincerely hope that all stakeholders will benefit from the continuing success of Bossini in the years ahead.

## LAW Ka Sing

*Chairman*

Hong Kong  
29 June 2004



# Corporate governance

Going through the transitional period, the Board has been committed to raising the Group's corporate governance level. The objective is to enhance operational and management efficiencies and to promote corporate transparency, so as to uphold its responsibilities and maximise shareholders' value.

Bossini believes that good corporate governance provides a sound framework to assist the Board in fulfilling its responsibilities to shareholders. The Group has continually strengthened its corporate governance and increased its transparency to shareholders and investors. To promote good corporate governance company wide, a Group Policy that laid down solid foundations for the overall management of the Group was therefore issued in March 2004.

## **Board of Directors**

Bossini's Board comprises eight directors, including six executive directors and two independent non-executive directors. The Board is accountable to stakeholders, including but not limited to shareholders, employees and business partners. It is responsible for setting strategic directions for the Group's development as well as evaluating the effectiveness and efficiencies of operational and financial management.

The Board regularly reviews the principles and other aspects of corporate governance. During the year under review, the Board was particularly committed to raising the Group's operational efficiencies. By strengthening various strategic and budgetary planning as well as internal systems, the Group underwent radical changes, leading to widened margins and increased profit levels.

## **Audit Committee**

The Group's Audit Committee (the "Committee") is established for the purpose of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The Committee comprises the two independent non-executive directors. Regular meetings were conducted to review the Group's financial performance.

## **Corporate transparency and investor relations**

Bossini proactively enhances its corporate transparency and communications with shareholders through half-yearly and annual results announcements, annual reports and timely release of corporate news and financial summaries. The corporate website, [www.bossini.com](http://www.bossini.com), plays an integral role in helping the Group to keep investors, shareholders and the public abreast of its latest developments. In addition, regular meetings with investors, analysts and the media were also conducted so as to maintain publicity and transparency in the investment community and at the public level.



**Growth**



# Management discussion and analysis



Operating costs showed an improvement of 8.5% or a reduction of approximately HK\$66 million, testimony to the effectiveness of cost-cutting measures and the restructuring of outlets.

## FINANCIAL PERFORMANCE

The Group recorded impressive performance for the year ended 31 March 2004. The consolidated turnover amounted to approximately HK\$1.8 billion, representing a year-on-year increase of 5.4%. Contributed by a series of new inventory and margin management measures, the Group's gross margin increased considerably to 47.3% (2003: 41.4%). Net profit from ordinary activities attributable to shareholders also reached a record high of approximately HK\$118 million (2003: HK\$74 million net loss).

The Group strategically consolidated its retail outlets, closing down under-performing stores to increase the overall retail floor usage efficiency. As a result, the total retail floor space decreased by 17.9% to 482,600 sq. ft. Customers were thus directed to remaining stores, leading to a 7.7% improvement in efficiency with weighted average sales of HK\$2,800 per sq. ft. per annum (2003: HK\$2,600 per sq. ft. per annum).

Simultaneously, the Group's operating costs showed an improvement of 8.5% or a reduction of approximately HK\$66 million, testimony to the effectiveness of cost-cutting measures and the restructuring of outlets.

## BUSINESS REVIEW

As a leading apparel brand owner, retailer, licensor and supplier, the Group has established a global business network through directly managed outlets, authorised dealer and licensed outlets in Mainland China and overseas. Setting our ultimate goals on rewards and profits rather than focusing on sales growth, the Group thus underwent network consolidation during the year. As of 31 March 2004, the Group's network reduced to 678 (2003: 691) outlets worldwide. The total number of directly managed outlets was reduced from 392 to 314 in Hong Kong, Mainland China, Taiwan and Singapore while 34 authorised dealer outlets in Mainland China were newly established, resulting in a total of 195 authorised dealer outlets spreading all over Mainland China under the brands of "**bossini**" and "**sparkle**". The overseas brand presence was established through 169 overseas licensed outlets operated by its business partners in 16 countries.



The encouraging performance for the year ended 31 March 2004 was the result of: (1) stringent cost control, inventory and margin management, leading to substantial profitability improvement; (2) a refined brand positioning and product offering that improved aggregate sales; and (3) the successful boost in morale and development of corporate culture, which nurtured quality and effective staff, and ultimately their efficiency.

## REVIEW OF OPERATIONS

### Segmental market performance

Headquartered in Hong Kong, the Group operates on a global platform, with businesses in Hong Kong, Mainland China, Taiwan and Singapore forming the four key revenue streams.

Hong Kong continued to form the major revenue source, accounting for 46.8% of total sales, followed by Mainland China which accounted for 25.8% of the total sales, while Taiwan and Singapore accounted for 17.7% and 9.7% respectively.

#### Sales by geographical markets:

Year ended 31 March	Hong Kong		Mainland China		Taiwan		Singapore	
	2004	2003	2004	2003	2004	2003	2004	2003
Total sales (in HK\$ million)	<b>835</b>	767	<b>459</b>	484	<b>315</b>	288	<b>174</b>	152
Net retail sales (in HK\$ million)	<b>678</b>	639	<b>309</b>	321	<b>315</b>	288	<b>174</b>	152
Retail floor area (sq. ft.) (a)	<b>98,600</b>	112,700	<b>235,600</b>	308,100	<b>119,500</b>	135,000	<b>28,900</b>	32,200
Net sale per sq. ft. (in HK\$) (b)	<b>6,800</b>	5,500	<b>1,200</b>	1,300	<b>2,600</b>	2,100	<b>5,400</b>	4,700
Number of outlets	<b>27</b>	31	<b>189</b>	257	<b>71</b>	76	<b>27</b>	28

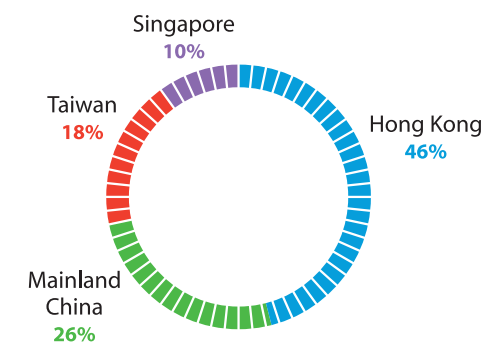
Notes:

(a) As at 31 March

(b) On weighted average basis

#### Sales by geographical markets

Year ended 31 March 2004



# focus on apparel business



## Operating cost analysis:

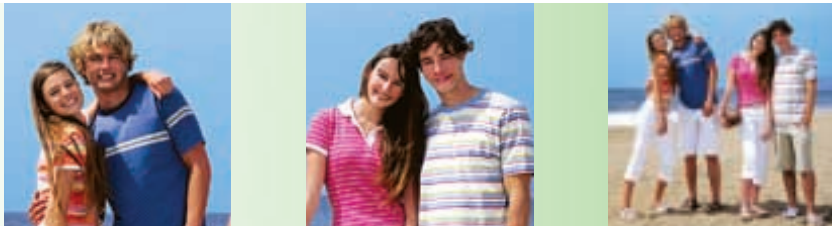
	2004		2003		Improved
	HK\$ million	% of total turnover	HK\$ million	% of total turnover	
<b>Turnover</b>	<b>1,783</b>	<b>100.0%</b>	1,691	100.0%	<b>5.4%</b>
Selling and distribution costs	<b>509</b>	<b>28.5%</b>	563	33.3%	<b>9.6%</b>
Administrative expenses	<b>158</b>	<b>8.9%</b>	160	9.5%	<b>1.5%</b>
Other operating expenses	<b>43</b>	<b>2.4%</b>	52	3.0%	<b>17.3%</b>
<b>Total operating expenses</b>	<b>710</b>	<b>39.8%</b>	775	45.8%	<b>8.5%</b>

## Hong Kong

The retail environment in Hong Kong experienced drastic change in the year. The overall market economy was affected by the SARS epidemic in April and May 2003 which led to lowered consumption and reduced purchasing power. Fortunately, the market picked up rapidly in the second half of the year. This was driven by rising tourist arrivals along with the relaxation of restrictions on the entry of mainland tourists into Hong Kong. Reformed banking regulations to allow RMB trading in Hong Kong also served as a catalyst for Mainlanders' spending in Hong Kong. As a result of these factors, retail demand in Hong Kong surged rapidly.

During the year, the Group consolidated its local network in Hong Kong to 27 outlets (2003: 31) and thus reducing the total retail floor space to 98,600 sq. ft. (2003: 112,700 sq. ft.). Despite this, with the well-established "bossini" brand and the prime location of its stores, the Group successfully captured the arising opportunities. Retail sales from Hong Kong increased by 6.1% to HK\$678 million (2003: HK\$639 million), while distribution sales to overseas licensees increased to HK\$148 million (2003: HK\$119 million). Total sales from this market increased by 8.8% to HK\$835 million (2003: HK\$767 million).

Benefiting from a lowered rental cost and enhanced efficiency, the Group is pleased to report that the Hong Kong operations finally turned around with a highly encouraging operating profit of HK\$96 million (2003: HK\$17 million loss). The Group is confident of sustaining this strong growth momentum in the forthcoming years in view of the strengthening economy ahead.



### Mainland China

The Group's Mainland China operations also marked a turning point in the year. As the aggressive expansion plans in the past year turned out to be unfruitful, the Group has decisively consolidated its network. The total number of directly managed outlets were reduced to 189 (2003: 257) on one hand while the number of authorised dealer outlets was increased to 195 stores (2003: 161) on the other hand. Total floor area of directly managed outlets decreased by 23.5% to 235,600 sq. ft.

The reduced floor area resulted in a 3.7% decline in retail sales from Mainland China to HK\$309 million (2003: HK\$321 million), while distribution sales to authorised dealers decreased to HK\$129 million (2003: HK\$137 million). Total turnover from the market decreased by 5.2% to HK\$459 million (2003: HK\$484 million). On the contrary, the operating profit from Mainland China recorded a high level of HK\$15 million (2003: HK\$23 million loss).

The launch of the “**sparkle**” brand in 2002 suffered from various operational issues arising from management ineptness. After a series of rectifications and cultivation with devoted efforts, “**sparkle**” started to breakeven in the second half of the year. Driven by the combined power of the two brands, the outlook of the Mainland China market is highly promising.

### Taiwan

Despite the many uncertainties that prevailed in Taiwan in the past year, the Group recorded very outstanding operational and financial performance during the year.

Sales from Taiwan amounted to HK\$315 million (2003: HK\$288 million), an increase of 9.4% achieved against a reduction of floor area from 135,000 sq. ft. to 119,500 sq. ft., or by 11.5%, as a result of the Group's swift decision of closing down 5 stores with poor performances. In addition, intensive staff training contributed to substantial improvements in operational efficiencies and productivity. The Taiwan operations, therefore, achieved a turnaround with an exhilarating result, recording an operating profit of HK\$17 million (2003: HK\$35 million loss).





The management will focus on upholding operational efficiencies and profitability. The strategy is to boost both turnover and profit levels by strengthening Bossini's foothold in existing markets and extending our reach to other overseas markets.

### Singapore

Singapore, as one of the major commercial hubs in Asia, is a strategic location for companies seeking regional expansion. The Group's strategy is to maintain its competitiveness in this market via a flexible and prudent approach. During the year, the total retail floor area in Singapore was reduced by 10.2% to 28,900 sq. ft.

In this highly competitive market, "bossini" differentiates itself from other brands with its comfortable and easy to mix-and-match products that offer good value-for-money. As such, sales in Singapore surged by 14.5% to HK\$174 million (2003: HK\$152 million). Together with the positive impact of the cost saving measures, an impressive operating profit growth was shown, which represented a significant improvement of 152.1% to HK\$16.9 million (2003: HK\$6.7 million).

### Use of rights issue proceeds

In May 2003, the Group raised net proceeds (after deducting expenses) of HK\$55.7 million from a rights issue. The proceeds were fully utilized and applied as follows:

- Approximately HK\$10 million for financing the expansion of the Group's authorised dealer business in Mainland China;
- Approximately HK\$30 million for repayment of bank borrowings;
- Approximately HK\$15.7 million for general working capital of the Group.

### Liquidity and financial resources

As at 31 March 2004, the Group's current ratio improved to 2.72 times from prior year's level of 1.42 times. Total liability to equity ratio improved considerably to 43%, as compared to 118% in the previous year end date. The Group's total liabilities were HK\$192 million (2003: HK\$322 million) with equity amounting to HK\$446 million (2003: HK\$274 million).

The Group had net cash balance (total cash on hand minus total bank borrowings) of HK\$190 million at 31 March 2004, as compared to the net bank borrowings of HK\$53 million at the previous year end date.

# target for double-digit growth

## Human capital

As at 31 March 2004, the Group employed 3,230 full-time equivalent staff in Hong Kong, Macau, Mainland China, Taiwan and Singapore. It employs a performance-based remuneration system and offers benefits such as insurance, retirement schemes as well as discretionary performance bonuses.

## Outlook

Looking ahead, the Group will continue to leverage its six key competitive advantages: visionary and experienced management, profit-driven business model, worldwide distribution network, comprehensive product offering, effective retail management and inspiring corporate culture imbued with "The 7 Habits of Highly Effective People®".

The Board is optimistic of the Group's future development. Driven by envisaged rising tourist arrivals, the retail environment in Hong Kong will be characterised by rapid growth in the coming years. Moreover, many of the factors that have depressed local consumption sentiment in recent years are fading. The rebound in the property market and improvement of unemployment rate both led to increased local consumer spending. Capitalising on the growth opportunities, the Group plans to strategically expand its operations in prime areas in Hong Kong with the opening of 5 new stores this year.

The outlook of the Mainland China market is equally promising. Mainland China's retail market is the fourth largest in the world. The strong growth in retail sales in recent years has been driven by rising incomes. On one hand, Bossini is well placed to leverage this trend with two complimentary brands targeting different markets. On the other hand, owing to the increasingly severe competition in this huge market, the Group will adopt a prudent approach, making use of both directly operated and authorised dealer outlets to mitigate risks and capital expenditures. The Group's target is to add 100 outlets to its current network in Mainland China in the coming year.

Despite Taiwan's economic and political uncertainties in recent years, the Group has managed and will continue to grow its sales and profit in the region. Further leveraging on the effective cost management and the successful turnaround in its operation, the Group will maintain its existing business model in the area. Along with the gradual improvement of the Taiwan economy, it is believed that the Taiwan operation will show improving performance in the years ahead.



# a brighter future



The Singapore market will continue to be characterised by keen competition. Though a saturated market, the outlook for the Singapore retail market has improved on the back of the strengthening economy, leading to an improved operating environment for the Group in the coming year. The Group will leverage its brand presence in the region to optimise productivity of existing stores through restructuring of under-performed outlets, while keeping its eyes open for synergistic expansion opportunities.

The Group will endeavour to improve its profitability through further enhancing the qualities of people, product and system, strengthening the corporate and brand images, together with the following strategies:

- leveraging on the growing strength of Bossini's sales and marketing resources
- prudent and diligent expansion plans
- swift closure of unprofitable outlets
- stringent cost control
- enhancing management technique

To further hone its competitive edge, Bossini has invited management consultants to review its merchandise planning, supply chain and logistic operations. It is now considering investing in world class and enterprise wide information systems, which will enable the Group to conduct comprehensive and strategic planning in finance, merchandising, store management, in-season monitoring and timely product replenishment. This will be major infrastructure investments of the Group in the forthcoming years.

Looking ahead, a key mission of management is to deliver steady growth in the years to come. The management will focus on upholding operational efficiencies and profitability. The strategy is to boost both turnover and profit levels by strengthening our foothold in existing markets and extending Bossini's reach to other overseas markets. Leveraging the "bossini" brand which has proven to be a successful apparel brand in many countries, the Group will explore the potential of exporting to overseas markets via licensed outlets, boosting its sales while minimising the cash outlay and capital risk involved in business expansion. Therefore, the Board has every confidence in delivering continually encouraging double-digit growth in the years ahead.



**Culture**



bossini



## Corporate culture

# a learning organisation

A strong corporate culture is one of the key success factors of an enterprise. 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 values.

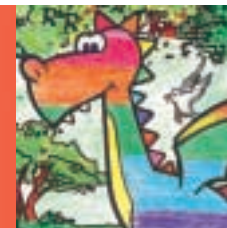
As a learning organisation, the Group offered focused training programmes to promote the “7 Habits®” and “7 Practices” under “the bossini way” to cultivate its corporate culture, keeping a vibrant and energetic workforce that reflects Bossini’s core values.

### “the bossini way”

<b>Vision</b>	<i>To be the top-of-mind brand leader</i>
<b>Mission</b>	<i>To create incremental value for the brand every day ... in every way</i>
<b>Shared Values</b>	<i>Employees and the company are bonded by a commitment to serve each other's interests in the best way possible</i>
<b>7 Habits®</b>	<b>7 Practices</b>
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



# Human resources and social responsibilities



## Human resources

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. Sharing with its staff the same vision of establishing “**bossini**” to be the top-of-mind brand leader, Bossini and its staff are committed to fulfilling and practicing “7 Habits®” at work.

During the year under review, the Group provided a series of leadership training to its middle and top management team to further sharpen their leadership, management and coaching skills. Also, intensive training programmes were offered to enhance the customer service skills of our frontline staff. As a general guideline, an anticipated investment equivalent to 3-5% of total staff payroll is budgeted for on-going career and personal development per annum.

To further strengthen the Group’s “7 Habits®” culture, one of the pillars highlighted in “the bossini way”, the Group has, in May 2004, appointed the Centre For Effective Leadership (HK) Ltd. to provide “7 Habits®” training for our employees in the coming three years.





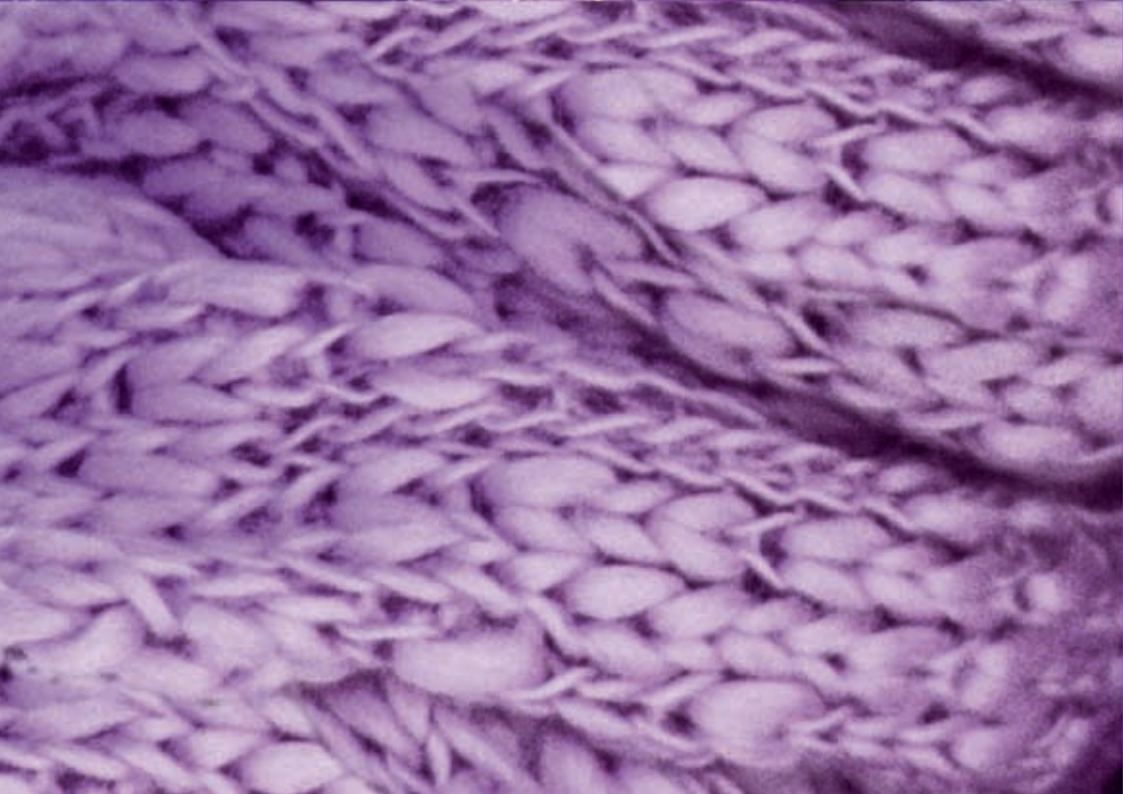
### Social responsibilities

Bossini has always been a responsible corporate citizen who makes contributions to society to help the needy and to build a better world. Over the years, the Group has made contributions via various kinds of sponsorship.

In May 2003, we participated in a charity campaign, namely, “同甘共苦我共你” a uniform-sponsorship program, where Bossini T-shirts were distributed to volunteer workers who helped the aged in the fight against SARS. In March 2004, Bossini organised a “**BoBo Saurus**” coloring competition and raised funding for the End Child Sexual Abuse Foundation.

Looking forward, Bossini will maintain its caring spirit and unite the effort of its staff to further contribute to the building of a harmonious and colorful world. The Group plans to develop strategic cooperation with charitable organisations and to assist its staff to form a volunteer team dedicated to serve those who are in need. The Group’s goal is to gradually inject this caring spirit into its corporate culture.

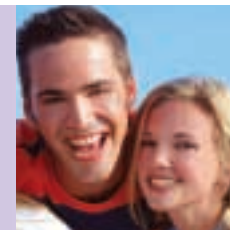
**Team**



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# Management profiles



## EXECUTIVE DIRECTORS

### Mr. LAW Ka Sing

aged 53, is the Chairman and Chief Executive Officer of the Group. Mr Law joined the Group in 1991 and has over 24 years' experience in garment manufacturing, retailing and wholesale business. He is responsible for the overall management and strategic planning of the Group.

### Ms. CHAN So Kuen

aged 44, is the Director of Finance of the Group. She 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 Society of Accountants. Prior to joining the Group in August 2003, she has about 20 years' experience in auditing, financial management and corporate finance in travel, household appliances and semiconductor industries. Ms. Chan is responsible for the overall financial management, corporate finance, legal and internal audit functions of the Group. She is also the Company Secretary of the Group.

### Ms. Pansy CHAU Wai Man

aged 41, is the Director of Buying and Design of the Group. She holds a Higher Diploma in Fashion and Clothing Technology from the Hong Kong Polytechnic University. Prior to joining the Group in July 2001, she has over 17 years' experience mainly in sales planning and buying in leading fashion retail chains. She is responsible for strategic product planning and buying, and for overseeing the design function of the Group.

### Mr. FUNG Ping Chuen

aged 44, is the Director of Human Resources & Knowledge Management of the Group. Mr. Fung holds a Bachelor's Degree in Sociology from the Hong Kong Baptist College and a Master's Degree in Business Administration from the Asia International Open University, Macau. He is a member of the Hong Kong Institute of Human Resources Management. Prior to joining the Group in August 2002, Mr. Fung had over 15 years' experience in the field of human resources management. He also actively participates in the implementation and training of knowledge management and organisational learning practices. Mr. Fung is responsible for the Group's overall human resources and information technology management.



#### **Mr. Dickie FU Shing Kwan**

aged 54, is the General Manager of the Group's operations in Mainland China. Prior to joining the Group in February 2003, Mr. Fu had over 30 years' experience in the banking industry, and has held senior management positions with a number of international banks in the areas of internal audit, business operations and general management. He has also led initiatives in business process re-engineering and cost management in the past few years. Mr. Fu is responsible for the overall management of the Group's business in Mainland China.

#### **Mr. Simon ORR Kuen Fung**

aged 33, is the Director of Production of the Group. Mr. Orr received his Bachelor of Arts Honours Degree in Economics and Industrial Relations from the University of Toronto, Canada. Prior to joining the Group in April 2001, he has about 7 years' experience in garment manufacturing and merchandising. He is responsible for the Group's sourcing and production activities for apparel and accessories.

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

#### **Mrs. Winnie LEUNG WONG Wing Yue**

aged 62, is the President and Managing Director of a number of business enterprises. She has over 34 years' experience in trading and property development in Hong Kong and the United States of America. In addition, she has been involved in stock brokerage, business consultancy and property investment and management in Hong Kong and Mainland China for a number of years.

#### **Mr. David CHEUNG Sik Ho**

aged 52, is the Managing Director of a consultancy firm specialising in human potential training and executive search, and is also the President of a local licensee of a California-based international firm specialising in modern training technology in management and human potential. He has over 16 years' experience in the banking industry in Hong Kong and Canada.

### **SENIOR MANAGEMENT**

#### **Mr. Sanger YUEN Chi Wah**

aged 35, is the General Manager of the Group's operations in Taiwan. He holds a Diploma in Business Administration from the Hong Kong Shue Yan College. Prior to joining the Group in 1995, he had about 4 years' experience in information systems and business project management in garment manufacturing industry. Mr. Yuen is responsible for the overall management of the Group's business in Taiwan.

#### **Ms. Barbara CHAN Ngan Ling**

aged 37, is the General Manager of the Group's operations in Singapore. She holds a Bachelor's Degree in Sociology from the Hong Kong Baptist University. Prior to joining the Group in 1994, she had over 4 years' personnel and training experience in an investment company and a leading fashion retail chain. Ms. Chan is responsible for the overall management of the Group's business in Singapore.

#### **Mr. LEE Suen Luk**

aged 40, is the Director of Global Business Development of the Group. He graduated from the University of East Asia, Macau and the University of Hull, United Kingdom, with a Master's Degree in Business Administration. Prior to joining the Group in November 2003, he had about 15 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 international wholesale business and market development.

#### **Ms. Linda TAM Ling Fai**

aged 37, is the Director of Sales & Marketing of the Group. She holds a Bachelor of Science Degree in Management Studies and Operational Research from the University of Leeds, United Kingdom. Prior to joining the Group in August 2003, she had over 14 years' experience in advertising, branding and retail marketing in advertising agencies, logistics, national trading and telecom companies. Ms. Tam is responsible for the overall sales and marketing functions of the Group.

## Five-year financial summary

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, extracted from the audited financial statements and reclassified as appropriate, is set out below. The amounts for each year in the five-year financial summary have been adjusted for the effects of the retrospective changes in accounting policy affecting income taxes, as detailed in note 2 to the financial statements.



### Results

Year ended 31 March  
in HK\$ thousand

	2004	2003	2002 (Restated)	2001 (Restated)	2000 (Restated)
<b>Turnover</b>	<b>1,783,418</b>	1,691,443	1,588,473	1,554,567	1,264,605
<b>Profit/(loss) from operating activities</b>	<b>146,239</b>	(66,065)	(29,892)	24,804	95,339
Finance costs	(4,387)	(6,712)	(5,333)	(2,827)	(2,044)
Share of profits/(losses) of associates	–	–	–	–	(141)
<b>Profit/(loss) before tax</b>	<b>141,852</b>	(72,777)	(35,225)	21,977	93,154
Tax	(23,756)	(1,354)	5,456	2,822	(14,958)
<b>Profit/(loss) before minority interests</b>	<b>118,096</b>	(74,131)	(29,769)	24,799	78,196
Minority interests	–	–	–	(144)	41
<b>Net profit/(loss) from ordinary activities attributable to shareholders</b>	<b>118,096</b>	(74,131)	(29,769)	24,655	78,237

### Assets and liabilities

31 March  
in HK\$ thousand

	2004	2003 (Restated)	2002 (Restated)	2001 (Restated)	2000 (Restated)
<b>Total assets</b>	<b>637,460</b>	596,088	582,522	536,060	515,384
<b>Total liabilities</b>	<b>191,775</b>	322,330	237,334	209,673	169,543
	<b>445,685</b>	273,758	345,188	326,387	345,841

# Company information

## Executive directors

LAW Ka Sing (Chairman)  
CHAN So Kuen  
Pansy CHAU Wai Man  
FUNG Ping Chuen  
Dickie FU Shing Kwan  
Simon ORR Kuen Fung

## Independent non-executive directors

Winnie LEUNG WONG Wing Yue  
David CHEUNG Sik Ho

## Company secretary

CHAN So Kuen

## Principal bankers

The Hongkong and Shanghai Banking  
Corporation Limited  
Standard Chartered Bank  
Citibank, N.A.

## Auditors

Ernst & Young

## Principal share registrars and transfer office

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke  
Bermuda

## Hong Kong branch share registrars

Computershare Hong Kong Investor Services Limited  
Shops 1712–6, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## Registered office

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

## Principal office

6th Floor  
Phases 1 & 2, Hong Kong Spinners Industrial Building  
601–603 Tai Nan West Street  
Kowloon  
Hong Kong

## Website

[www.bossini.com](http://www.bossini.com)

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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 year ended 31 March 2004.

## 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 15 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

## Results and dividends

The Group's profit for the year ended 31 March 2004 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 66 to 120.

The directors recommend the payment of a final dividend of HK6 cents per ordinary share in respect of the year, to shareholders on the register of members on 30 August 2004. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

The directors also recommend a bonus issue of new shares to be distributed to shareholders of the Company whose names appear on the register of members of the Company on 30 August 2004 in the proportion of one new share for every one existing share held by them (the "Bonus Issue"). Based on 771,461,697 ordinary shares in issue as at 31 March 2004, a maximum of 771,461,697 new ordinary shares (the "Bonus Shares") will be issued. This recommendation has not been incorporated in the financial statements because the Bonus Issue is conditional upon the approval by shareholders at the forthcoming annual general meeting and the granting by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of the listing of and permission to deal in the Bonus Shares to be issued.

## Summary of financial information

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 26. 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截至二零零四年三月三十一日止年度之董事局報告書及經審核財務報表。

## 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15。本集團之主要業務性質於年內並無重大變更。

## 業績及股息

本集團截至二零零四年三月三十一日止年度之溢利及本公司與本集團於該日之財政狀況載列於第66至120頁之財務報表內。

董事局建議就本年度向於二零零四年八月三十日，名列股東名冊之股東派發末期股息每股普通股港幣6仙。有關建議已於財務報表中的資產負債表內列作資本及儲備之保留溢利分配。

董事局另建議按每持有一股現有股份可獲發一股新股之比例，向於二零零四年八月三十日名列本公司股東名冊之本公司股東派發新股作為發行紅股（「發行紅股」）。按照於二零零四年三月三十一日已發行771,461,697股普通股計算，本公司最多將發行771,461,697股新普通股（「紅股」）。由於發行紅股須於即將舉行之股東週年大會上獲股東批准及獲香港聯合交易所有限公司（「聯交所」）批准將予發行之紅股上市及買賣後方可作實，故有關建議並無載入財務報表。

## 財務資料摘要

本集團過往五個財政年度之已公佈業績、資產及負債摘要載列於第26頁。此摘要節錄自經審核之財務報表，且妥為重新分類。此摘要並不構成經審核財務報表一部份。

### Fixed assets

Details of movements in the fixed assets of the Group during the year are set out in note 14 to the financial statements.

### Share capital and share options

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 24 and 25 to the financial statements.

### Capital resources

In May 2003, the Group, by way of a rights issue, raised HK\$55,735,000, after share issue expenses. These proceeds were fully utilised during the year ended 31 March 2004 in accordance with the proposed applications set out in the Company's rights issue prospectus, as follows:

- (a) approximately HK\$10,000,000 was used to finance the expansion of the Group's authorised dealer business in Mainland China;
- (b) approximately HK\$30,000,000 was used for repayment of bank borrowings; and
- (c) approximately HK\$15,735,000 was applied as general working capital of the Group.

### 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 year are set out in note 26 to the financial statements and in the consolidated statement of changes in equity, respectively.

### Distributable reserves

At 31 March 2004, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda, amounted to HK\$213,777,000, of which HK\$46,288,000 has been proposed as a final dividend for the year. Under the laws of Bermuda, the Company's share premium account, in the amount of HK\$68,229,000, may be distributed in the form of fully paid bonus shares.

### 固定資產

本集團固定資產於年內之變動詳情載列於財務報表附註14。

### 股本及購股權

本公司股本及購股權於年內之變動詳情及原因載列於財務報表附註24及25。

### 資金來源

本集團於二零零三年五月藉供股籌集一筆除發行股份開支後為數港幣55,735,000元之款項。此等款項已於截至二零零四年三月三十一日止年度內按本公司供股章程所述之建議用途悉數運用如下：

- (a) 約港幣10,000,000元用於擴展本集團在中國大陸之特許經營業務；
- (b) 約港幣30,000,000元用作償還銀行貸款；及
- (c) 約港幣15,735,000元用作本集團之一般營運資金。

### 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年內之變動詳情，分別載列於財務報表附註26及綜合權益變動報表內。

### 可供派發儲備

於二零零四年三月三十一日，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213,777,000元，其中港幣46,288,000元擬作為本年度末期股息。根據百慕達法例，本公司股份溢價賬中為數港幣68,229,000元之金額可以繳足股款之紅股形式派發。

## Major customers and suppliers

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

Purchases from the Group's five largest suppliers accounted for approximately 36% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 9%. Save as disclosed in note 32(c) to the financial statements, as far as the directors are aware, neither the directors, their associates, nor any shareholders of the Company 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.

## Directors

The directors of the Company during the year were:

### Executive directors:

Mr. LAW Ka Sing

Ms. Pansy CHAU Wai Man

Mr. Simon ORR Kuen Fung\*

Mr. FUNG Ping Chuen

Mr. Dickie FU Shing Kwan (appointed on 15 May 2003)

Ms. CHAN So Kuen (appointed on 1 September 2003)

Mr. TO Chi Kwong (resigned on 6 September 2003)

### Independent non-executive directors:

Mr. David CHEUNG Sik Ho

Mrs. Winnie LEUNG WONG Wing Yue

In accordance with the Company's bye-laws, Ms. Pansy CHAU Wai Man, Mr. Simon ORR Kuen Fung and Ms. CHAN So Kuen will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

\* The spelling of the surname of Mr. Simon ORR Kuen Fung was changed from OR to ORR with effect from 22 April 2004.

## 主要客戶及供應商

於回顧年度內，銷貨予本集團首五大客戶之數額佔本年度總銷售額不足30%。

向本集團首五大供應商購貨之數額約佔本年度總購貨額36%，而其中向最大供應商購貨之數額約佔9%。就董事所知，除於財務報表附註32(c)所披露者外，概無董事、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本公司股東在本集團首五大供應商中擁有任何實益權益。

## 董事

年內本公司之董事如下：

### 執行董事：

羅家聖先生

周慧雯女士

柯權峯先生\*

馮炳全先生

傅成坤先生 (於二零零三年五月十五日獲委任)

陳素娟女士 (於二零零三年九月一日獲委任)

陶志光先生 (於二零零三年九月六日辭任)

### 獨立非執行董事：

張錫豪先生

梁黃詠愉女士

根據本公司之公司章程細則，周慧雯女士、柯權峯先生及陳素娟女士將輪值退任，而彼等具資格且願意在即將舉行之股東週年大會膺選連任。

\* 自二零零四年四月二十二日起，柯權峯先生英文姓氏之串法由OR更改為ORR。

### 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' biographies

Biographical details of the directors of the Company are set out on pages 24 to 25 of the annual report.

### Directors' interests and short positions in shares and underlying shares

At 31 March 2004, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions in ordinary shares of the Company:

Name of directors	Number of shares held, capacity and nature of interest 持股數目、身份及權益性質		Total 合計	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 spouse or minor children 透過配偶或 未成年子女擁有			
Mr. LAW Ka Sing	566,545,549	–	566,545,549	73.4	羅家聖先生
Ms. Pansy CHAU Wai Man	2,000,000	–	2,000,000	0.3	周慧雯女士
Mr. Simon ORR Kuen Fung	–	3,400,000	3,400,000	0.4	柯權峯先生
Mr. FUNG Ping Chuen	1,744,000	–	1,744,000	0.2	馮炳全先生
Mr. Dickie FU Shing Kwan	1,000,000	–	1,000,000	0.1	傅成坤先生
Ms. CHAN So Kuen	2,000,000	–	2,000,000	0.3	陳素娟女士
	<u>573,289,549</u>	<u>3,400,000</u>	<u>576,689,549</u>	<u>74.7</u>	

### 董事服務合約

於即將舉行之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。

### 董事簡歷

本公司董事簡歷詳情載列於年報第24至25頁。

### 董事於股份及相關股份之權益及淡倉

於二零零四年三月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)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及淡倉，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

於本公司普通股之好倉：



The interests of the directors in the share options of the Company are separately disclosed in note 25 to the financial statements.

Save as disclosed above, 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 for Securities Transactions by Directors of Listed Companies.

### **Directors' rights to acquire shares or debentures**

Save as disclosed in the share option scheme disclosures in note 25 to the financial statements, at no time during the year 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 year.

### **Share option scheme**

Concerning the share options granted during the year to the directors and employees, as detailed in note 25 to the financial statements, the directors do not consider it appropriate to disclose a theoretical value of the options granted, because a number of factors crucial for the valuation cannot be determined. Accordingly, the directors believe that any valuation of the share options based on various speculative assumptions would not be meaningful, but would be misleading to the shareholders of the Company.

董事於本公司購股權之權益另行披露於財務報表附註25。

除上文所披露者外，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，或根據上市公司董事進行證券交易的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**

除財務報表附註25購股權計劃之披露事項所披露者外，本公司於年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**

年內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。

### **購股權計劃**

有關年內授予董事及僱員之購股權，誠如財務報表附註25所詳述，董事局認為，由於未能確定若干有關估值之關鍵因素，故不宜披露已授出購股權之理論價值。因此，董事局相信，任何根據猜測假設進行之購股權估值概無意義，且會誤導本公司股東。

### Substantial shareholders' and other persons' interests in shares and underlying shares

At 31 March 2004, 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	566,545,549	73.4	–

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions 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.

### Purchase, sale or redemption of the Company's listed securities

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

### Post balance sheet event

Details of the significant post balance sheet event of the Group are set out in note 31 to the financial statements.

### 主要股東及其他人士於股份及相關股份之權益

於二零零四年三月三十一日，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：

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	566,545,549	73.4	–

除上文所披露者及上文「董事於股份及相關股份之權益及淡倉」一節所載本公司董事之權益外，概無人士於本公司之股份或相關股份中，擁有須根據證券及期貨條例第336條記錄之權益或淡倉。

### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

### 結算日後事項

本集團結算日後重大事項之詳情載列於財務報表附註31。

### Code of Best Practice

In the opinion of the directors, the Company complied with the Code of Best Practice (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company’s bye-laws.

### Audit committee

The Company has an audit committee which was established in accordance with the requirements of the Code, for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The audit committee comprises the two independent non-executive directors of the Company.

### 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  
29 June 2004

### 最佳應用守則

董事局認為，除本公司之獨立非執行董事並無按聯交所證券上市規則附錄14載列之最佳應用守則（「守則」）第7段之要求設有特定任期外，本公司於本年報所涉及之會計年度內，已符合守則之規定，惟各獨立非執行董事須按本公司之公司章程細則，於股東週年大會上輪值退任及重選連任。

### 審核委員會

本公司設有審核委員會，該委員會乃根據守則之規定而成立，目的為審查及監管本集團之財務匯報過程及內部監控。審核委員會之成員包括本公司兩名獨立非執行董事。

### 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即將舉行之股東週年大會上提呈。

代表董事局

### 羅家聖

*主席*

香港  
二零零四年六月二十九日

# Report of the auditors 核數師報告書



To the members

**Bossini International Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 66 to 120 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

## Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion 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.

## Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

致堡獅龍國際集團有限公司

*(於百慕達註冊成立之有限公司)*

列位股東

本核數師行已完成審核載於第66至120按照香港普遍採納之會計原則編製的財務報表。

## 董事與核數師的責任

貴公司之董事須負責編製真實與公平的財務報表。在編製該等真實與公平的財務報表時，董事必須貫徹採用合適的會計政策。我們的責任是根據我們審核工作的結果，對該等財務報表作出獨立的意見，並按照百慕達一九八一年《公司法》第九十條的規定，僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔任何責任。

## 意見的基礎

我們是按照香港會計師公會頒佈的核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製該等財務報表時所作出的重大估計和判斷、所釐定的會計政策是否適合貴公司及貴集團的具體情況，及是否貫徹應用並足夠地披露該等會計政策。



### **Basis of opinion** *(continued)*

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our 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 31 March 2004 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **ERNST & YOUNG**

*Certified Public Accountants*

Hong Kong  
29 June 2004

### **意見的基礎** *(續)*

我們在策劃和進行審核工作時，均以取得一切我們認為必需的資料及解釋為目標，使我們能獲得充份的憑證，就該等財務報表是否存在重要錯誤陳述，作出合理的確定。在作出意見時，我們亦已衡量該等財務報表所載的資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立了合理的基礎。

### **意見**

我們認為本財務報表真實與公平地反映 貴公司及 貴集團於二零零四年三月三十一日的財政狀況及 貴集團截至該日止年度的溢利和現金流量，並已按照香港公司條例之披露要求而妥善編製。

### **安永會計師事務所**

*執業會計師*

香港  
二零零四年六月二十九日

# Consolidated profit and loss account 綜合損益表

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

in HK\$ thousand	Notes 附註	2004	2003	港幣千元
<b>Turnover</b>	5	<b>1,783,418</b>	1,691,443	<b>營業額</b>
Cost of sales		<b>(939,858)</b>	(990,556)	銷售成本
<b>Gross profit</b>		<b>843,560</b>	700,887	<b>毛利</b>
Other revenue	5	<b>12,388</b>	8,302	其他收入
Selling and distribution costs		<b>(508,892)</b>	(563,076)	銷售及分銷成本
Administrative expenses		<b>(158,123)</b>	(160,566)	行政開支
Other operating expenses		<b>(42,694)</b>	(51,612)	其他營運開支
<b>Profit/(loss) from operating activities</b>	6	<b>146,239</b>	(66,065)	<b>營運業務之溢利／(虧損)</b>
Finance costs	9	<b>(4,387)</b>	(6,712)	融資成本
<b>Profit/(loss) before tax</b>		<b>141,852</b>	(72,777)	<b>除稅前溢利／(虧損)</b>
Tax	10	<b>(23,756)</b>	(1,354)	稅項
<b>Net profit/(loss) from ordinary activities attributable to shareholders</b>	11	<b>118,096</b>	(74,131)	<b>股東應佔日常業務淨溢利／(虧損)</b>
<b>Dividends</b>				<b>股息</b>
Proposed final	12	<b>46,288</b>	-	擬派末期股息
<b>Earnings/(loss) per share</b>	13			<b>每股盈利／(虧損)</b>
Basic		<b>15.93 cents</b> 仙	(14.41 cents) 仙	基本
Diluted		<b>15.79 cents</b> 仙	N/A 不適用	攤薄

# Consolidated balance sheet 綜合資產負債表

31 March 2004 二零零四年三月三十一日

in HK\$ thousand	Notes 附註	2004	2003 (Restated) (重新列賬)	港幣千元
<b>Non-current assets</b>				<b>非流動資產</b>
Fixed assets	14	107,775	127,709	固定資產
Deferred tax assets	23	5,360	17,000	遞延稅項資產
Deposits paid		45,459	42,238	已付按金
		<b>158,594</b>	186,947	
<b>Current assets</b>				<b>流動資產</b>
Inventories	16	181,901	230,050	存貨
Debtors	17	37,929	49,300	應收賬款
Bills receivable		4,182	11,592	應收票據
Deposits paid		16,942	25,020	已付按金
Prepayments and other receivables		12,420	16,086	預付款項及其他應收賬項
Tax recoverable		–	959	可收回稅款
Cash and cash equivalents	18	225,492	76,134	現金及現金等值項目
		<b>478,866</b>	409,141	
<b>Current liabilities</b>				<b>流動負債</b>
Creditors and accruals	19	128,264	151,057	應付賬款及應計賬項
Bills payable		9,035	41,521	應付票據
Tax payable		11,193	–	應繳稅款
Due to related companies	20	7,245	–	應付關連公司款項
Interest-bearing bank loans	21	20,000	94,576	計息銀行貸款
		<b>175,737</b>	287,154	
<b>Net current assets</b>		<b>303,129</b>	121,987	<b>流動資產淨值</b>
<b>Total assets less current liabilities</b>		<b>461,723</b>	308,934	<b>除流動負債後資產總值</b>

## Consolidated balance sheet 綜合資產負債表

31 March 2004 二零零四年三月三十一日

in HK\$ thousand	Notes 附註	2004	2003 (Restated) (重新列賬)	港幣千元
<b>Non-current liabilities</b>				
Interest-bearing bank loans	21	15,000	35,000	非流動負債
Provisions	22	1,038	–	計息銀行貸款
Deferred tax liabilities	23	–	176	撥備
		<u>16,038</u>	<u>35,176</u>	遞延稅項負債
		<u>445,685</u>	<u>273,758</u>	
<b>Capital and reserves</b>				
Issued capital	24	77,146	51,431	資本及儲備
Reserves	26(a)	322,251	222,327	已發行股本
Proposed final dividend	12	46,288	–	儲備
		<u>445,685</u>	<u>273,758</u>	擬派末期股息

**LAW Ka Sing 羅家聖**

Director 董事

**CHAN So Kuen 陳素娟**

Director 董事



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

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

in HK\$ thousand 港幣千元	Notes 附註	Issued capital 已發行股本	Share premium account 股份溢價賬	Capital reserve 資本儲備	Contributed surplus 繳入盈餘	Exchange fluctuation reserve 外匯波動儲備	Reserve funds 儲備基金	Retained profits 保留溢利	Total 總值
<b>At 1 April 2002</b>									
於二零零二年四月一日									
<b>As previously reported</b>									
過往呈報									
		41,145	48,495	740	99,175	8,152	1,183	129,298	328,188
<b>Prior year adjustment:</b>									
以前年度調整：									
<b>SSAP 12 – restatement of deferred tax</b>									
會計準則第12條－遞延稅項重新列賬									
	23	-	-	-	-	-	-	17,000	17,000
<b>As restated</b>									
重新列賬									
		41,145	48,495	740	99,175	8,152	1,183	146,298	345,188
<b>Exchange realignment and net gains not recognised in the profit and loss account</b>									
匯兌調整及未於損益表確認之淨收益									
		-	-	-	-	1,160	-	-	1,160
<b>Issue of bonus shares</b>									
發行紅股股份									
	24	10,286	(10,286)	-	-	-	-	-	-
<b>Impairment of goodwill</b>									
商譽減值									
	6	-	-	1,541	-	-	-	-	1,541
<b>Transfer to reserve funds</b>									
轉撥至儲備基金									
		-	-	-	-	-	567	(567)	-
<b>Net loss for the year</b>									
年內淨虧損									
		-	-	-	-	-	-	(74,131)	(74,131)
<b>At 31 March 2003</b>									
於二零零三年三月三十一日									
		51,431	38,209*	2,281*	99,175*	9,312*	1,750*	71,600*	273,758

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

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

in HK\$ thousand 港幣千元	Notes 附註	Issued capital 已發行股本	Share premium account 股份溢價賬	Capital reserve 資本儲備	Contributed surplus 繳入盈餘	Exchange fluctuation reserve 外匯波動儲備	Reserve funds 儲備基金	Retained profits 保留溢利	Proposed final dividend 擬派末期股息	Total 總值
<b>At 1 April 2003</b> 於二零零三年四月一日										
<b>As previously reported</b> 過往呈報		51,431	38,209	2,281	99,175	9,312	1,750	54,600	–	256,758
<b>Prior year adjustment:</b> 以前年度調整：										
SSAP 12 – restatement of deferred tax 會計準則第12條—遞延稅項重新列賬	23	–	–	–	–	–	–	17,000	–	17,000
<b>As restated</b> 重新列賬		51,431	38,209	2,281	99,175	9,312	1,750	71,600	–	273,758
<b>Exchange realignment and net gains not recognised in the profit and loss account</b> 滙兌調整及未於損益表確認之淨收益		–	–	–	–	3,295	–	–	–	3,295
<b>Issue of rights shares</b> 發行供股股份	24	25,715	30,859	–	–	–	–	–	–	56,574
<b>Share issue expenses</b> 發行股份開支	24	–	(839)	–	–	–	–	–	–	(839)
<b>Recognition of negative goodwill upon liquidation of a subsidiary</b> 確認一附屬公司清盤時之負商譽	26(a)	–	–	(5,199)	–	–	–	–	–	(5,199)
<b>Net profit for the year</b> 年內淨溢利		–	–	–	–	–	–	118,096	–	118,096
<b>Proposed final 2004 dividend</b> 擬派二零零四年末期股息		–	–	–	–	–	–	(46,288)	46,288	–
<b>At 31 March 2004</b> 於二零零四年三月三十一日		77,146	68,229*	(2,918)*	99,175*	12,607*	1,750*	143,408*	46,288	445,685

\* These reserve accounts comprise the consolidated reserves of HK\$322,251,000 (2003: HK\$222,327,000 (restated)) 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322,251,000元(二零零三年：港幣222,327,000元(重新列賬))。

# Consolidated cash flow statement 綜合現金流量表

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

in HK\$ thousand	Notes 附註	2004	2003	港幣千元
<b>Cash flows from operating activities</b>				<b>營運業務之現金流量</b>
Profit/(loss) before tax		<b>141,852</b>	(72,777)	除稅前溢利／(虧損)
Adjustments for:				經調整：
Finance costs	9	<b>4,387</b>	6,712	融資成本
Interest income	5	<b>(1,233)</b>	(2,262)	利息收入
Loss on disposal of fixed assets	6	<b>6,296</b>	6,459	出售固定資產之虧損
Depreciation	6	<b>48,997</b>	60,125	折舊
Impairment of goodwill	6	–	1,541	商譽減值
Negative goodwill recognised as income upon liquidation of a subsidiary	5	<b>(5,199)</b>	–	確認一附屬公司清盤時之負商譽
Operating profit/(loss) before working capital changes		<b>195,100</b>	(202)	營運資金變動前的營運溢利／(虧損)
Decrease/(increase) in inventories		<b>49,849</b>	(105,302)	存貨減少／(增加)
Decrease/(increase) in debtors		<b>11,804</b>	(8,165)	應收賬款減少／(增加)
Decrease in bills receivable		<b>7,446</b>	1,397	應收票據減少
Decrease/(increase) in deposits paid		<b>5,182</b>	(1,872)	已付按金減少／(增加)
Decrease/(increase) in prepayments and other receivables		<b>3,766</b>	(5,684)	預付款項及其他應收賬項減少／(增加)
(Decrease)/increase in creditors and accruals		<b>(22,749)</b>	41,655	應付賬款及應計賬項(減少)／增加
(Decrease)/increase in bills payable		<b>(32,695)</b>	29,158	應付票據(減少)／增加
Increase in amount due to related companies		<b>7,245</b>	–	應付關連公司款項增加
Cash generated from/(used in) operations		<b>224,948</b>	(49,015)	營運業務所得／(耗用)之現金
Interest paid		<b>(4,387)</b>	(6,712)	已付利息
Hong Kong profits tax (paid)/refunded		<b>(1,987)</b>	6,784	(已付)／獲退還之香港利得稅
Overseas taxes refunded/(paid)		<b>1,846</b>	(3,342)	獲退還／(已付)之海外稅項
Net cash inflow/(outflow) from operating activities		<b>220,420</b>	(52,285)	營運業務之現金流入／(流出)淨額

## Consolidated cash flow statement 綜合現金流量表

Year ended 31 March 2004 截至二零零四年三月三十一日止年度

in HK\$ thousand	Notes 附註	2004	2003	港幣千元
Net cash inflow/(outflow) from operating activities		<b>220,420</b>	(52,285)	營運業務之現金流入／(流出)淨額
<b>Cash flows from investing activities</b>				<b>投資活動之現金流量</b>
Interest received		<b>1,233</b>	2,262	已收利息
Purchases of fixed assets	14	<b>(34,495)</b>	(62,529)	購買固定資產
Proceeds from disposal of fixed assets		<b>445</b>	383	出售固定資產所得款項
Net cash outflow from investing activities		<b>(32,817)</b>	(59,884)	投資活動之現金流出淨額
<b>Cash flows from financing activities</b>				<b>融資活動之現金流量</b>
Proceeds from issue of rights shares	24	<b>56,574</b>	–	發行供股股份所得款項
Share issue expenses	24	<b>(839)</b>	–	發行股份開支
New bank loans		<b>109,212</b>	68,784	新增銀行貸款
Repayment of bank loans		<b>(203,788)</b>	(54,088)	償還銀行貸款
Net cash (outflow)/inflow from financing activities		<b>(38,841)</b>	14,696	融資活動之現金(流出)／流入淨額
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>148,762</b>	(97,473)	<b>現金及現金等值項目之淨增加／(減少)</b>
Cash and cash equivalents at 1 April		<b>76,134</b>	173,311	於四月一日之現金及現金等值項目
Effect of foreign exchange rate changes, net		<b>596</b>	296	外匯兌換率變動之影響，淨額
<b>Cash and cash equivalents at 31 March</b>		<b>225,492</b>	76,134	<b>於三月三十一日之現金及現金等值項目</b>
<b>Analysis of balances of cash and cash equivalents</b>				<b>現金及現金等值項目結餘分析</b>
Cash and bank balances	18	<b>183,135</b>	51,934	現金及銀行結餘
Time deposits with original maturity of less than three months when acquired	18	<b>42,357</b>	24,200	於原定到期日少於三個月之定期存款
		<b>225,492</b>	76,134	



# Balance sheet 資產負債表

31 March 2004 二零零四年三月三十一日

in HK\$ thousand	Notes 附註	2004	2003	港幣千元
<b>Non-current assets</b>				<b>非流動資產</b>
Interests in subsidiaries	15	<b>359,644</b>	248,415	附屬公司權益
<b>Current assets</b>				<b>流動資產</b>
Prepayments		<b>222</b>	217	預付款項
Tax recoverable		<b>216</b>	–	可收回稅款
Cash and cash equivalents	18	<b>126</b>	128	現金及現金等值項目
		<b>564</b>	345	
<b>Current liabilities</b>				<b>流動負債</b>
Creditors and accruals	19	<b>943</b>	333	應付賬款及應計賬項
Tax payable		<b>113</b>	135	應繳稅項
		<b>1,056</b>	468	
<b>Net current liabilities</b>		<b>(492)</b>	(123)	<b>流動負債淨值</b>
		<b>359,152</b>	248,292	
<b>Capital and reserves</b>				<b>資本及儲備</b>
Issued capital	24	<b>77,146</b>	51,431	已發行股本
Reserves	26(b)	<b>235,718</b>	196,861	儲備
Proposed final dividend	12	<b>46,288</b>	–	擬派末期股息
		<b>359,152</b>	248,292	

**LAW Ka Sing 羅家聖**

Director 董事

**CHAN So Kuen 陳素娟**

Director 董事

# Notes to financial statements 財務報表附註

31 March 2004 二零零四年三月三十一日

## 1. Corporate information

The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The Company is incorporated in Bermuda with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the year, the Group was involved in investment holding and the retailing and distribution of garments.

## 2. Impact of a Revised Hong Kong Statement of Standard Accounting Practice ("SSAP")

SSAP 12 (Revised) "Income taxes" is effective for the first time for the current year's financial statements and prescribes new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of adopting the revised SSAP 12 are summarised as follows:

SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

The principal impact of the revision of this SSAP on these financial statements is described below:

Measurement and recognition:

- deferred tax assets and liabilities relating to the differences between capital allowances for tax purposes and depreciation for financial reporting purposes and other taxable and deductible temporary differences are generally fully provided for, whereas previously the deferred tax was recognised for timing differences only to the extent that it was probable that the deferred tax asset or liability would crystallise in the foreseeable future; and
- a deferred tax asset has been recognised for tax losses arising in the current/prior periods to the extent that it is probable that there will be sufficient future taxable profits against which such losses can be utilised.

## 1. 公司資料

本公司之註冊辦事處位於 Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda。本公司乃於百慕達註冊成立之有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本集團於年內從事投資控股和成衣零售及分銷業務。

## 2. 經修訂香港會計實務準則（「會計準則」）之影響

會計準則第12條（經修訂）「所得稅」訂明新訂會計計算及披露常規，並首次於本年度財務報表應用。採納經修訂會計準則第12條對本集團會計政策及此等財務報表所披露數額的主要影響概述如下：

會計準則第12條訂明源自本期間應課稅溢利或虧損之應繳或可退回所得稅（即期稅項），以及主要源自應課稅或可扣稅暫時性差額及結轉未動用稅項虧損之日後應繳或可退回所得稅（遞延稅項）之會計方法。

此項會計準則修訂對此等財務報表之主要影響列述如下：

計算及確認：

- 與稅項申報之資本扣減與財務申報所用折舊之差額有關之遞延稅項資產及負債及其他應課稅及可扣稅暫時性差額一般會全數提撥準備，而過往一般於可見將來可能實現遞延稅項資產或負債的情況下，始就時差確認之遞延稅項；及
- 已於可能有足夠日後應課稅溢利抵銷該等虧損而就目前／過往期間之稅項虧損確認遞延稅項資產。

## 2. Impact of a Revised Hong Kong Statement of Standard Accounting Practice (“SSAP”) (continued)

Disclosures:

- deferred tax assets and liabilities are presented separately on the balance sheet, whereas previously they were presented on a net basis; and
- the related note disclosures are now more extensive than previously required. These disclosures are presented in notes 10 and 23 to the financial statements and include a reconciliation between the accounting profit and the tax expense for the year.

Further details of these changes and the prior year adjustments arising from them are included in the accounting policy for deferred tax in note 3 and in note 23 to the financial statements.

## 3. Summary of significant accounting policies

### Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the remeasurement of certain fixed assets, as further explained below.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2004. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

### Subsidiaries

A subsidiary is a company 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 profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

## 2. 經修訂香港會計實務準則（「會計準則」）之影響（續）

披露事項：

- 遞延稅項資產及負債於資產負債表分開呈列，而以往則按淨額基準呈列；及
- 相關附註披露事項較以往所規定者全面。此等披露事項於財務報表附註10及23呈列，並包括本年度會計溢利與稅項支出之對賬。

此等變動及由此產生之以前年度調整之進一步詳情載列於財務報表附註3及23有關遞延稅項之會計政策。

## 3. 主要會計政策概要

### 編製基準

此等財務報表乃根據香港會計實務準則、香港普遍採納之會計原則及香港公司條例之披露要求而編製。除重新估算若干固定資產（詳情於下文闡述）外，此等財務報表乃根據歷史成本常規法編製。

### 綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至二零零四年三月三十一日止年度之財務報表。年內收購或出售之附屬公司業績，分別自收購日起或截至出售日止綜合計算。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。

### 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損益表時，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。

### 3. Summary of significant accounting policies (continued)

#### Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

### 3. 主要會計政策概要 (續)

#### 商譽

收購附屬公司所產生之商譽，乃指收購成本超逾本集團應佔所收購可辨認資產及負債於收購日之公平價值的部份。

收購所產生之商譽乃於綜合資產負債表中確認為資產，並以直線法按其估計可用年期攤銷。

於二零零一年採納會計準則第30條「企業合併」前，因收購所產生之商譽於收購年度會與綜合儲備對銷。於採納會計準則第30條後，本集團應用會計準則之過渡性條款，允許該等商譽仍可繼續與綜合儲備對銷。於採納會計準則後因收購而產生之商譽，則按照上述會計準則第30條商譽會計政策處理。

出售附屬公司時，出售盈虧乃參照出售日之資產淨值計算，包括應佔之尚未攤銷商譽及(在適當情況下)任何有關之儲備。於收購時，任何以往與綜合儲備對銷之應佔商譽將獲撥回，並於計算出售盈虧時一併處理。

商譽之賬面值(包括已與綜合儲備對銷之商譽)每年審閱一次，並在認為有需要時減值列賬。過往已確認之商譽減值虧損不予撥回，除非減值虧損乃因發生意料之外且性質特殊之外界事件所引致，且其後亦出現足以抵銷該事件所構成的影響之外界事件，則當別論。



### 3. Summary of significant accounting policies (continued)

#### Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, negative goodwill arising on acquisitions was credited to the capital reserve in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such negative goodwill to remain credited to the capital reserve. Negative goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 negative goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the capital reserve at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

### 3. 主要會計政策概要 (續)

#### 負商譽

收購附屬公司所產生之負商譽，乃指本集團應佔所收購可辨認資產及負債於收購日之公平值超逾收購成本的部份。

倘負商譽與可在收購計劃中辨認及可靠地計算之預期未來虧損及開支有關，惟並非於收購日列為可辨認負債，該部份之負商譽將於未來虧損及開支予以確認時，於綜合損益表內確認為收入。

倘負商譽與收購日可辨認之預期未來虧損及開支無關，則負商譽按收購可折舊／攤銷資產之餘下平均可用年期以有系統基準在綜合損益表予以確認。任何負商譽超逾已收購非貨幣資產公平值之款項即時確認為收入。

於二零零一年採納會計準則第30條「企業合併」前，因收購而產生之負商譽已於收購年度計入資本儲備內。於採納會計準則第30條後，本集團應用會計準則之過渡性條款，允許該等負商譽繼續計入資本儲備內。於採納會計準則後因收購而產生之負商譽，則按照上述會計準則第30條負商譽會計政策處理。

出售附屬公司時，出售盈虧乃參照出售日之資產淨值計算，當中包括尚未於綜合損益表及任何有關之儲備適當地予以確認之應佔負商譽金額。於收購時已計入資本儲備內之任何應佔負商譽將予撥回，並於計算出售盈虧時一併處理。

### 3. Summary of significant accounting policies (continued)

#### Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an 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 an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset 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 fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account 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 asset, the expenditure is capitalised as an additional cost of that asset.

### 3. 主要會計政策概要 (續)

#### 資產減值

本集團於每個結算日均會作出評估，以確定是否有任何資產出現減值跡象，或是否有跡象顯示於過往年度就某項資產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，則會估計有關資產之可收回金額。資產之可收回金額，乃按資產之使用價值或其售價淨值之較高者計算。

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。減值虧損於出現期間在損益表中扣除，除非該資產以重估金額列賬，而該重估資產乃根據有關會計政策計算減值虧損。

先前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損益表，除非該資產以重估金額列賬，而該重估資產乃根據有關會計政策計算減值虧損撥回。

#### 固定資產及折舊

固定資產乃按成本值或估值減除累積折舊及任何減值虧損後列賬。資產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。固定資產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損益表內扣除。倘能清楚證明該等開支能增加日後使用該資產時預期獲得之經濟利益，該等開支則撥作該資產之額外成本計算。

### 3. Summary of significant accounting policies (continued)

#### Fixed assets and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4%
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%

Leasehold land is amortised over the lease terms or at a rate of 2% per annum, whichever is shorter.

The revaluation reserve arising from the revaluation of fixed assets 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 profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves. At the balance sheet date, the revaluation reserve had been fully transferred to retained profits.

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### 3. 主要會計政策概要 (續)

#### 固定資產及折舊 (續)

每項資產之折舊以直線法按其成本值或估值以估計可用年期撇銷。就此目的而採用之主要年率如下：

樓宇	4%
租約物業裝修	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%

租約土地按租約年期或每年2%之比率攤銷，以較短者為準。

重估固定資產所產生之重估儲備，在本集團使用有關資產時變現，並按有系統之基準直接撥往保留溢利。變現之數額，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絀，超出之虧絀將在損益表內扣除。其後，任何重估盈餘會計入損益表，計入之數額以先前扣除之虧絀為限。於出售經重估之資產時，因先前估值而變現的重估儲備相關部份乃撥往保留溢利當作一項儲備變動。於結算日，所有重估儲備已撥往保留溢利。

損益表內確認之固定資產出售或報廢盈虧，乃淨銷售收益與有關資產賬面值之差額。

### 3. Summary of significant accounting policies (continued)

#### 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 profit and loss account 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 profit and loss account on the straight-line basis over the lease terms.

#### 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.

#### 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 profit and loss account.

### 3. 主要會計政策概要 (續)

#### 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損益表內。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損益表內扣除。

#### 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。

#### 撥備

撥備於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，方予以確認，惟須可就責任金額作出可靠估計。

倘折讓影響重大，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讓現值增加則計入損益表之融資成本。



### 3. Summary of significant accounting policies (continued)

#### Income tax

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

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. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

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

- except where the deferred tax asset relating to the deductible temporary differences arises from negative 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 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.

### 3. 主要會計政策概要 (續)

#### 所得稅

所得稅包括即期及遞延稅項。所得稅乃於損益表確認，為有關在同一或不同期間直接於股本確認之項目，則於股本確認入賬。

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。於結算日已實施或實質上已實施之稅率用作釐定遞延稅項。

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。

### 3. 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 future 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 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.

#### Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

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 year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

### 3. 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。

#### 外幣

外幣交易按交易日之適用率入賬。於結算日以外幣計算之貨幣資產及負債均按當天適用之率換算。滙兌差額撥入損益表內處理。

在綜合賬目時，海外附屬公司之財務報表按淨投資法換算為港幣。海外附屬公司之損益表按該年之加權平均匯率換算為港幣，而其資產負債表則按結算日適用之匯率換算為港幣。因而產生之換算差額撥入外滙波動儲備。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期適用之匯率換算為港幣。海外附屬公司於年內經常產生之現金流量，則按該年之加權平均匯率換算為港幣。

### 3. Summary of significant accounting policies (continued)

#### 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 services are rendered;
- (c) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;
- (d) rental income, on a time proportion basis over the lease terms;
- (e) royalties, on a time proportion basis in accordance with the substance of the relevant agreements; and
- (f) dividend income, when the shareholders' right to receive payment has been established.

#### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves 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.

### 3. 主要會計政策概要 (續)

#### 收入確認

倘收入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，在貨物擁有權之重大風險及回報已轉予買家，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，根據未提取之本金及適用之實際利率按時間比例基準確認；
- (d) 租金收入，於租約期內按時間比例基準確認；
- (e) 專利費，根據有關協議實質內容按時間比例基準確認；及
- (f) 股息收入，於股東收取股息款項權利確立時確認。

#### 股息

董事局建議派發之末期股息乃於資產負債表歸類為股本及儲備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章程大綱及公司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。

### 3. Summary of significant accounting policies (continued)

#### Employee benefits

##### *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 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's contributions and accrued benefits derived therefrom under the Group's pension schemes.

##### *Pension schemes*

The Group operates two retirement benefits 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 are made by each of the employer and the employees. The employer contributions are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

### 3. 主要會計政策概要 (續)

#### 僱員福利

##### *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。

##### *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。根據強積金計劃條款，僱主之供款於應支付時在損益表內扣除。本公司之僱主供款於繳入強積金計劃後全數歸僱員所有。

### 3. Summary of significant accounting policies (continued)

#### Employee benefits (continued)

##### Pension schemes (continued)

Under the ORSO Scheme, contributions of 5% of the employees' basic salaries are made by the employer and are charged to the profit and loss account 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 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 profit and loss account as they become payable in accordance with the rules of the central pension scheme.

The Company's subsidiary in Singapore participates in a Central Provident Fund Scheme which is a contribution plan established by the Central Provident Fund Board in Singapore.

In Taiwan, as required by the Labour Standards Law, one of the Company's subsidiaries makes regular contributions to a retirement fund 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, which acts as the trustee.

### 3. 主要會計政策概要 (續)

#### 僱員福利 (續)

##### 退休金計劃 (續)

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，供款於應繳付時在損益表內扣除。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，供款於應付時在損益表內扣除。

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。

在台灣，本公司其中一間附屬公司按照勞動基準法之規定定期向退休基金供款，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。



### 3. Summary of significant accounting policies (continued)

#### Employee benefits (continued)

##### Share option scheme

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. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

#### Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

#### 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 sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

### 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 the customers, and assets are attributed to the segments based on the location of the 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 the financial statements.

### 3. 主要會計政策概要 (續)

#### 僱員福利 (續)

##### 購股權計劃

本公司設有購股權計劃，旨在向為本集團業務成就作出貢獻之合資格參與人士提供鼓勵及獎勵。根據購股權計劃授出之購股權之財務影響不會記錄於本公司或本集團資產負債表內，直至購股權獲行使為止，亦不會在損益表或資產負債表扣除購股權成本。於行使購股權後，本公司將所發行之股份列作額外股本按股份面值入賬，而每股行使價超出股份面值之部份則由本公司記入股份溢價賬。於行使日期前已註銷或已失效之購股權，乃於尚未行使購股權登記冊中刪除。

#### 關連人士

若一方有能力直接或間接控制另一方，或可對另一方所作之財務及營運決策行使重大影響力，則兩方被視作關連人士。共同受一方控制或影響之人士亦被視作關連人士。關連人士可以是個人或法人團體。

#### 現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括手頭現金及活期存款，以及可隨時轉換為可知數額現金而價值變動風險不大，且一般於購入後三個月內到期之短期高流通性投資，減除須應銀行要求償還及構成本集團現金管理整體的一部份之透支。

就資產負債表而言，現金及現金等值項目包括手頭及存於銀行之現金，包括並無限制用途之定期存款。

### 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，分類應佔收入及業績乃按顧客所在地計算，而分類應佔資產則按資產所在地計算。

由於本集團逾90%之收入、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/(loss) and certain asset, liability and expenditure information for the Group's geographical segments.

Group 集團	Hong Kong 香港		Mainland China 中國大陸		Taiwan 台灣		Singapore 新加坡		Consolidated 總計	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
in HK\$ thousand 港幣千元										
<b>Segment revenue</b> 分類收入										
Sales to external customers 銷售予外間顧客	<b>834,756</b>	767,334	<b>459,359</b>	484,449	<b>315,553</b>	287,676	<b>173,750</b>	151,984	<b>1,783,418</b>	1,691,443
Other revenue 其他收入	<b>1,528</b>	3,221	<b>6,928</b>	1,398	<b>2,627</b>	1,258	<b>72</b>	163	<b>11,155</b>	6,040
<b>Total</b> 總計	<b>836,284</b>	770,555	<b>466,287</b>	485,847	<b>318,180</b>	288,934	<b>173,822</b>	152,147	<b>1,794,573</b>	1,697,483
<b>Segment results</b> 分類業績	<b>95,739</b>	(17,141)	<b>15,421</b>	(22,702)	<b>16,960</b>	(35,182)	<b>16,886</b>	6,698	<b>145,006</b>	(68,327)
Interest income 利息收入									<b>1,233</b>	2,262
Profit/(loss) from operating activities 營運業務溢利/(虧損)									<b>146,239</b>	(66,065)
Finance costs 融資成本									<b>(4,387)</b>	(6,712)
Profit/(loss) before tax 除稅前溢利/(虧損)									<b>141,852</b>	(72,777)
Tax 稅項									<b>(23,756)</b>	(1,354)
<b>Net profit/(loss) from ordinary activities attributable to shareholders</b> 股東應佔日常業務淨溢利/(虧損)									<b>118,096</b>	(74,131)

#### 4. 分類資料 (續)

##### 地域分類

下表呈列本集團按地域分類之收入、溢利/(虧損)及若干資產、負債及開支資料。

## 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 新加坡		Consolidated 總計	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003 (Restated) (重新列賬)
in HK\$ thousand 港幣千元										
Segment assets 分類資產	<b>325,515</b>	229,895	<b>182,237</b>	221,678	<b>82,396</b>	85,725	<b>41,952</b>	40,831	<b>632,100</b>	578,129
Unallocated assets 未分配資產									<b>5,360</b>	17,959
Total assets 總資產									<b>637,460</b>	596,088
Segment liabilities 分類負債	<b>74,945</b>	79,157	<b>46,208</b>	96,673	<b>18,971</b>	14,055	<b>5,458</b>	2,693	<b>145,582</b>	192,578
Unallocated liabilities 未分配負債									<b>46,193</b>	129,752
Total liabilities 總負債									<b>191,775</b>	322,330
Other segment information 其他分類資料										
Capital expenditure 資本開支	<b>19,174</b>	9,331	<b>9,453</b>	32,600	<b>2,712</b>	17,771	<b>3,156</b>	2,827	<b>34,495</b>	62,529
Depreciation 折舊	<b>15,364</b>	25,085	<b>17,757</b>	16,004	<b>11,208</b>	13,210	<b>4,668</b>	5,826	<b>48,997</b>	60,125
Loss/(gain) on disposal of fixed assets 出售固定資產虧損/(收益)	<b>140</b>	(85)	<b>5,598</b>	200	<b>558</b>	6,344	-	-	<b>6,296</b>	6,459
Inventory provision/(write-back of inventory provision) 存貨撥備/(撥回存貨撥備)	<b>8,953</b>	10,925	<b>(2,153)</b>	10,633	<b>7,835</b>	79	<b>3,650</b>	2,037	<b>18,285</b>	23,674
Impairment of goodwill 商譽減值	-	1,541	-	-	-	-	-	-	-	1,541
Recognition of negative goodwill upon liquidation of a subsidiary 確認一附屬公司清盤時之負商譽	-	-	<b>(5,199)</b>	-	-	-	-	-	<b>(5,199)</b>	-

## 5. Turnover and revenue

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 turnover and revenue is as follows:

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
Turnover			營業額
Retailing and distribution of garments	1,752,652	1,656,943	成衣零售及分銷
Rendering of garment-related services	30,766	34,500	提供成衣相關服務
	<b>1,783,418</b>	1,691,443	
Other revenue			其他收入
Interest income	1,233	2,262	利息收入
Claims received	1,261	2,630	已收索償款項
Royalty income	1,041	710	專利費收入
Gross rental income	2,580	895	租金收入毛額
Sample charges received	–	977	已收辦費
Recognition of negative goodwill upon liquidation of a subsidiary	5,199	–	確認一附屬公司清盤時之負商譽
Others	1,074	828	其他
	<b>12,388</b>	8,302	
Total revenue	<b>1,795,806</b>	1,699,745	總收入

## 5. 營業額及收入

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。

營業額及收入之分析如下：

**6. Profit/(loss) from operating activities**

Profit/(loss) from operating activities is arrived at after charging/(crediting):

in HK\$ thousand	Group 集團	
	2004	2003
Cost of sales		
Cost of inventories sold	<b>921,573</b>	966,882
Inventory provision	<b>18,285</b>	23,674
	<b>939,858</b>	990,556
Staff costs (including directors' remuneration – note 7)		
Salaries and wages	<b>235,515</b>	234,975
Pension scheme contributions	<b>10,358</b>	10,774
Less: Forfeited contributions	<b>(508)</b>	(807)
Net pension scheme contributions (note a)	<b>9,850</b>	9,967
	<b>245,365</b>	244,942
Depreciation	<b>48,997</b>	60,125
Minimum lease payments under operating leases		
Land and buildings	<b>223,704</b>	241,269
Contingent rent of retail shops and department stores	<b>50,569</b>	46,840
Plant and machinery	<b>112</b>	257
Auditors' remuneration	<b>1,455</b>	1,483
Loss on disposal of fixed assets	<b>6,296</b>	6,459
Foreign exchange gains, net	<b>(4,969)</b>	(349)
Impairment of goodwill (note b)	–	1,541
Net rental income	<b>(496)</b>	(211)
Recognition of negative goodwill upon liquidation of a subsidiary (note c)	<b>(5,199)</b>	–

## Notes:

- (a) As at 31 March 2004, forfeited contributions available to the Group to reduce its contributions to the ORSO Scheme in future years amounted to HK\$749,000 (2003: HK\$227,000).
- (b) Impairment of goodwill in the prior year was included in "Other operating expenses" on the face of the consolidated profit and loss account.
- (c) The recognition of negative goodwill upon liquidation of a subsidiary in the consolidated profit and loss account for the year is included in "Other revenue" on the face of the consolidated profit and loss account.

**6. 營運業務溢利／（虧損）**

營運業務溢利／（虧損）已扣除／（計入）下列項目：

港幣千元
銷售成本
售出存貨之成本
存貨撥備
員工成本（包括董事酬金－附註7）
薪金及工資
退休金計劃供款
減：沒收供款
退休金計劃淨供款（附註a）
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
出售固定資產之虧損
外匯兌換收益，淨值
商譽減值（附註b）
租金收入淨值
確認一附屬公司清盤時之負商譽（附註c）

## 附註：

- (a) 於二零零四年三月三十一日，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749,000元（二零零三年：港幣227,000元）。
- (b) 去年之商譽減值已包含在綜合損益表之「其他營運開支」內。
- (c) 於綜合損益表載列之一間附屬公司清盤時確認之負商譽包括在綜合損益表之「其他收入」內。



## 7. Directors' remuneration

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

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
Executive directors			執行董事
Fees	-	-	袍金
Salaries, allowances and benefits in kind	7,520	8,180	薪金、津貼及實物收益
Performance related bonuses	722	-	與表現相關之花紅
Pension scheme contributions	72	62	退休金計劃供款
	<b>8,314</b>	<b>8,242</b>	
Independent non-executive directors			獨立非執行董事
Fees	192	192	袍金
	<b>8,506</b>	<b>8,434</b>	

Total remuneration includes HK\$491,000 (2003: Nil) of performance related bonuses payable to the executive directors.

## 7. 董事酬金

根據上市規則及香港公司條例第161條規定披露之本年度董事酬金如下：

酬金總額包括應付執行董事與表現相關之花紅港幣491,000元(二零零三年：零)。

The number of directors whose remuneration fell within the following bands is as follows:

酬金介乎下列範圍之董事數目如下：

	Number of directors 董事數目		
	2004	2003	
Nil to HK\$1,000,000	6	4	零至港幣1,000,000元
HK\$1,000,001 to HK\$1,500,000	1	2	港幣1,000,001元至港幣1,500,000元
HK\$1,500,001 to HK\$2,000,000	1	1	港幣1,500,001元至港幣2,000,000元
HK\$2,000,001 to HK\$2,500,000	1	-	港幣2,000,001元至港幣2,500,000元
HK\$2,500,001 to HK\$3,000,000	-	1	港幣2,500,001元至港幣3,000,000元
	<b>9</b>	<b>8</b>	

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內並無董事放棄或同意放棄任何酬金之安排。

**7. Directors' remuneration (continued)**

During the year, 25,000,000 share options were granted to the directors in respect of their services to the Group, further details of which are set out in note 25 to the financial statements. No value in respect of the share options granted during the year has been charged to the consolidated profit and loss account, or is otherwise included in the above directors' remuneration disclosures.

**8. Five highest paid employees**

The five highest paid employees during the year included two (2003: three) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining three (2003: two) non-director, highest paid employees for the year are as follows:

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
Salaries, allowances and benefits in kind	<b>3,377</b>	2,550	薪金、津貼及實物收益
Performance related bonuses	<b>304</b>	–	與表現相關之花紅
Pension scheme contributions	<b>140</b>	101	退休金計劃供款
	<b>3,821</b>	2,651	

Total remuneration includes HK\$304,000 (2003: Nil) of performance related bonuses payable to the three non-director, highest paid employees.

**7. 董事酬金 (續)**

年內，本公司就董事向本集團提供服務向彼等授出25,000,000份購股權，進一步詳情載列於財務報表附註25。本公司概無就年內已授出之購股權於綜合損益表扣除任何價值，或計入上述所披露之董事酬金內。

**8. 五名最高薪僱員**

年內五名最高薪僱員包括兩名(二零零三年：三名)董事，其酬金詳情已載列於上文附註7。其餘三名(二零零三年：兩名)最高薪非董事僱員之酬金詳情如下：

酬金總額包括應付三名最高薪非董事僱員與表現相關之花紅為港幣304,000元(二零零三年：零)。

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

酬金介乎下列範圍之最高薪非董事僱員數目如下：

	Group 集團		
	Number of employees 僱員數目		
	2004	2003	
HK\$1,000,001 to HK\$1,500,000	<b>3</b>	2	港幣1,000,001元至港幣1,500,000元

## 8. Five highest paid employees (continued)

During the year, 7,000,000 share options were granted to the three non-director, highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 25 to the financial statements. No value in respect of the share options granted during the year has been charged to the consolidated profit and loss account, or is otherwise included in the above non-director, highest paid employees' remuneration disclosures.

## 9. Finance costs

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
Interest on bank loans and overdrafts wholly repayable within five years	<u>4,387</u>	<u>6,712</u>	須於五年內悉數償還之銀行貸款及透支的利息

## 10. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 16%) on the estimated assessable profits arising in Hong Kong during the year. The increased Hong Kong profits tax rate became effective from the year of assessment 2003/2004, and so is applicable to the assessable profits arising in Hong Kong for the whole of the year ended 31 March 2004. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
<b>Current – Hong Kong</b>			<b>本年度稅項 – 香港</b>
Charge for the year	<b>6,636</b>	1,253	年內支出
Over provision in prior years	<b>(42)</b>	(458)	過往年度超額撥備
<b>Current – Elsewhere</b>			<b>本年度稅項 – 其他地區</b>
Charge for the year	<b>4,327</b>	978	年內支出
Under provision in prior years	<b>1,381</b>	94	過往年度撥備不足
<b>Deferred (note 23)</b>	<b>11,454</b>	(513)	<b>遞延稅項 (附註23)</b>
Total tax charge for the year	<u><b>23,756</b></u>	<u>1,354</u>	年內稅項支出總額

## 8. 五名最高薪僱員 (續)

年內，本公司就三名最高薪非董事僱員向本集團提供服務而向彼等授出7,000,000份購股權，進一步詳情於財務報表附註25披露。本公司概無就年內已授出之購股權於綜合損益表扣除任何價值，或計入於上文所披露之最高薪非董事僱員酬金內。

## 9. 融資成本

## 10. 稅項

香港利得稅已按年內於香港賺取之估計應課稅溢利以稅率17.5% (二零零三年：16%) 提撥準備。已上調之香港利得稅率，自二零零三／二零零四課稅年度起生效，故適用於截至二零零四年三月三十一日止年度全年於香港賺取之應課稅溢利。在其他地區所得應課稅溢利的稅項，乃根據本集團業務經營所在地區之現有法律、詮釋及常規，按其現行稅率計算。

**10. Tax** (continued)

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rate for the country in which the Company and 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:

	2004		2003	
	HK\$'000 港幣千元	%	HK\$'000 港幣千元	%
<b>Group</b>				
Profit/(loss) before tax	<b>141,852</b>		(72,777)	
Tax at the statutory tax rate	<b>24,824</b>	<b>17.5</b>	(11,644)	16.0
Effect of different tax rates for companies operating in other jurisdictions	<b>5,668</b>	<b>4.0</b>	(8,510)	11.7
Effect on deferred tax of increase in rates	-	-	1,457	(2.0)
Adjustments in respect of current tax of previous periods	<b>1,339</b>	<b>0.9</b>	(364)	0.5
Income not subject to tax	<b>(7,431)</b>	<b>(5.2)</b>	(3,109)	4.2
Expenses not deductible for tax	<b>3,663</b>	<b>2.5</b>	6,023	(8.3)
Unrecognised tax losses and temporary differences	<b>176</b>	<b>0.1</b>	22,232	(30.5)
Tax losses utilised from previous periods	<b>(4,439)</b>	<b>(3.1)</b>	(4,732)	6.5
Others	<b>(44)</b>	-	1	-
Tax charge at the Group's effective rate	<b>23,756</b>	<b>16.7</b>	1,354	(1.9)

**10. 稅項** (續)

按採用本公司及其附屬公司所在國家之法定稅率計算且適用於除稅前溢利／(虧損)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：

<b>集團</b>
除稅前溢利／(虧損)
按法定稅率計算之稅項
於其他司法管轄區營運之公司受不同稅率之影響 稅率增加對遞延稅項之影響
就過往期間即期稅項作出調整
毋須繳稅之收入
不可作稅項扣減之開支
未確認稅項虧損及暫時性差額
過往期間已動用稅項虧損
其他
按本集團實際稅率計算之稅項支出

### 11. Net profit/(loss) from ordinary activities attributable to shareholders

The net profit from ordinary activities attributable to shareholders for the year ended 31 March 2004 dealt with in the financial statements of the Company was HK\$55,125,000 (2003: net loss of HK\$76,480,000) (note 26(b)).

### 12. Dividends

in HK\$ thousand	2004	2003
Proposed final – HK6 cents (2003: Nil) per ordinary share	<u>46,288</u>	<u>–</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

### 13. Earnings/(loss) per share

The basic earnings/(loss) per share is calculated based on the net profit from ordinary activities attributable to shareholders for the year of HK\$118,096,000 (2003: net loss of HK\$74,131,000), and the weighted average of 741,166,854 (2003: 514,307,798) ordinary shares in issue during the year, as adjusted to reflect the rights issue during the year.

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders for the year of HK\$118,096,000. The weighted average number of ordinary shares used in the calculation is the 741,166,854 ordinary shares in issue during the year, as used in the basic earnings per share calculation; and the weighted average of 6,558,703 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the year.

A diluted loss per share amount for the year ended 31 March 2003 has not been disclosed as no diluting events existed during that year.

### 11. 股東應佔日常業務淨溢利／（虧損）

已反映在本公司財務報表內之截至二零零四年三月三十一日止年度股東應佔日常業務淨溢利為港幣55,125,000元（二零零三年：淨虧損港幣76,480,000元）（附註26(b)）。

### 12. 股息

港幣千元
擬派末期股息－每股普通股港幣6仙（二零零三年：零）

本年度擬派末期股息須待本公司股東於即將舉行之股東週年大會上批准，方可作實。

### 13. 每股盈利／（虧損）

每股基本盈利／（虧損）乃根據年內股東應佔日常業務淨溢利港幣118,096,000元（二零零三年：淨虧損港幣74,131,000元）及年內已發行普通股之加權平均數741,166,854股（二零零三年：514,307,798股）計算，股數經調整以反映年內進行之供股。

每股攤薄盈利乃根據年內股東應佔日常業務淨溢利港幣118,096,000元計算。計算所用之普通股加權平均數（亦用於計算每股基本盈利）為年內已發行普通股741,166,854股，及假設年內被視作悉數行使購股權而按零代價發行的普通股加權平均數6,558,703股。

由於在截至二零零三年三月三十一日止年度並無出現令每股虧損攤薄事項，故並無為該年度披露每股攤薄虧損數額。



## 14. Fixed assets

## 14. 固定資產

in HK\$ thousand	Leasehold land and buildings 租約土地及樓宇	Leasehold improvements 租約物業裝修	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	Total 總值	港幣千元
<b>Group</b>							<b>集團</b>
Cost or valuation							成本值或估值
At 1 April 2003	82,154	233,018	5,738	103,079	5,056	429,045	於二零零三年四月一日
Additions	–	27,253	505	6,737	–	34,495	添置
Disposals	–	(30,603)	(2,893)	(10,243)	(792)	(44,531)	出售
Exchange realignment	–	2,825	(4)	850	70	3,741	滙兌調整
At 31 March 2004	82,154	232,493	3,346	100,423	4,334	422,750	於二零零四年三月三十一日
Analysis of cost or valuation							按成本值或估值分析
At cost	42,154	232,493	3,346	100,423	4,334	382,750	按成本值
At valuation	40,000	–	–	–	–	40,000	按估值
	82,154	232,493	3,346	100,423	4,334	422,750	
Accumulated depreciation and impairment							累積折舊及減值
At 1 April 2003	43,090	177,675	3,434	73,170	3,967	301,336	於二零零三年四月一日
Depreciation provided during the year	2,365	34,007	432	11,736	457	48,997	年內折舊撥備
Disposals	–	(26,136)	(2,026)	(8,900)	(728)	(37,790)	出售
Exchange realignment	–	1,780	(4)	593	63	2,432	滙兌調整
At 31 March 2004	45,455	187,326	1,836	76,599	3,759	314,975	於二零零四年三月三十一日
Net book value							賬面淨值
At 31 March 2004	36,699	45,167	1,510	23,824	575	107,775	於二零零四年三月三十一日
At 31 March 2003	39,064	55,343	2,304	29,909	1,089	127,709	於二零零三年三月三十一日

#### 14. Fixed assets (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	港幣千元
Hong Kong	21,654	40,000	61,654	香港
Elsewhere	20,500	–	20,500	其他地方
	<u>42,154</u>	<u>40,000</u>	<u>82,154</u>	

Certain leasehold land and buildings were valued on 31 July 1993 by Chesterton Petty Limited, independent professionally qualified valuers, on an open market, existing use basis.

At 31 March 2004, 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\$12,589,000 (2003: HK\$13,795,000).

The Group adopted the transitional provision of SSAP 17 "Property, plant and equipment" of not making further regular revaluations of its leasehold land and buildings which had previously been revalued.

#### 15. Interests in subsidiaries

in HK\$ thousand	Company 公司		港幣千元
	2004	2003	
Unlisted shares, at cost	<b>193,962</b>	193,962	非上市股份，按成本值
Due from subsidiaries	<b>243,223</b>	131,994	應收附屬公司款項
	<b>437,185</b>	325,956	
Provision for impairment	<b>(77,541)</b>	(77,541)	減值撥備
	<b>359,644</b>	248,415	

The amounts due from subsidiaries included in the Company's current assets are unsecured, interest-free and have no fixed terms of repayment.

#### 14. 固定資產 (續)

本集團之土地及樓宇均以中期租約持有並位於：

若干租約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。

於二零零四年三月三十一日，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12,589,000元(二零零三年：港幣13,795,000元)。

本集團已採納會計準則第17條「物業、廠房及設備」之過渡性條款，不會對先前已重估之租約土地及樓宇再作定期重估。

#### 15. 附屬公司權益

於本公司流動資產計入之應收附屬公司款項均無抵押、免息及無固定還款期。

**15. 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 c) 弘譽有限公司(附註c)	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 Advertising Agency Limited 堡獅龍廣告代理有限公司	Hong Kong 香港	HK\$ 港幣2元	–	100	Advertising and promotion 廣告及宣傳
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
Guangzhou Bossini Enterprises Company Limited (notes a and c) 廣州市堡獅龍實業有限公司(附註a及c)	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. Limited	Singapore 新加坡	S\$ 2,000,000新加坡元	–	100	Retailing and wholesaling of garments 成衣零售及批發
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

**15. 附屬公司權益** (續)

主要附屬公司之詳情如下：

## 15. Interests in subsidiaries (continued)

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	
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	Manufacturing and sub-contracting of garments 成衣製造及分包
Langzhi Fashion (Shenzhen) Company Limited (notes b and c) 朗志時裝(深圳)有限公司(附註b及c)	PRC/Mainland China 中國/中國大陸	HK\$ 港幣6,600,000元	–	100	Manufacturing and sub-contracting of garments 成衣製造及分包
Lead Commence Limited 立啟興業有限公司	Hong Kong 香港	HK\$ 港幣2元	–	100	Retailing and wholesaling of garments 成衣零售及批發
Onmay International Limited 上美國際有限公司	Hong Kong 香港	HK\$ 港幣2元	–	100	Retailing and wholesaling of garments 成衣零售及批發
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 year 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.

### Notes:

- Guangzhou Bossini Enterprises Company Limited is a limited liability enterprise established in the PRC which obtained its business registration certificate on 14 July 1993.
- Langzhi Fashion (Shenzhen) Company Limited 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.
- These subsidiaries were not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

## 15. 附屬公司權益 (續)

上表僅列出董事認為對本集團年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。

### 附註：

- 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。
- 朗志時裝(深圳)有限公司為一間於中國成立，由外資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。
- 此等附屬公司之賬目，並非由安永會計師事務所(香港)或安永會計師事務所之其他國際成員公司審核。

**16. Inventories**

in HK\$ thousand	Group 集團	
	2004	2003
Raw materials	<b>3,726</b>	4,176
Finished goods	<b>178,175</b>	225,874
	<b>181,901</b>	230,050

**16. 存貨**

港幣千元

原料  
製成品**17. Debtors**

Other than cash and credit card sales, the Group normally grants credit periods of up to 60 days to its trade customers.

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

in HK\$ thousand	Group 集團	
	2004	2003
0 to 30 days	<b>25,770</b>	39,899
31 to 60 days	<b>11,129</b>	9,255
61 to 90 days	<b>937</b>	26
Over 90 days	<b>93</b>	120
	<b>37,929</b>	49,300

**17. 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。

以下為按發票日計應收賬款之賬齡分析：

港幣千元

0至30天  
31至60天  
61至90天  
逾90天**18. Cash and cash equivalents**

in HK\$ thousand	Group 集團		Company 公司	
	2004	2003	2004	2003
Cash and bank balances	<b>183,135</b>	51,934	<b>126</b>	128
Time deposits	<b>42,357</b>	24,200	-	-
Cash and cash equivalents	<b>225,492</b>	76,134	<b>126</b>	128

**18. 現金及現金等值項目**

港幣千元

現金及銀行結餘  
定期存款  
現金及現金等值項目



## 18. Cash and cash equivalents (continued)

At the balance sheet date, the cash and cash equivalents of the Group denominated in Renminbi (“RMB”) amounted to HK\$69,045,000 (2003: HK\$34,423,000). 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.

## 19. Creditors and accruals

in HK\$ thousand	Group 集團		Company 公司	
	2004	2003	2004	2003
Trade creditors	<b>40,601</b>	75,975	–	–
Accruals	<b>87,663</b>	75,082	<b>943</b>	333
	<b>128,264</b>	151,057	<b>943</b>	333

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

in HK\$ thousand	Group 集團	
	2004	2003
0 to 30 days	<b>27,325</b>	68,856
31 to 60 days	<b>11,092</b>	3,403
61 to 90 days	<b>1,890</b>	847
Over 90 days	<b>294</b>	2,869
	<b>40,601</b>	75,975

## 20. Due to related companies

The amounts due to related companies are unsecured, interest-free, and repayable within 30 days.

## 18. 現金及現金等值項目 (續)

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69,045,000元（二零零三年：港幣34,423,000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規定及結匯、售及付管理規定，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。

## 19. 應付賬款及應計賬項

港幣千元

應付賬款  
應計賬項

以下為按發票日計應付賬款之賬齡分析：

港幣千元

0 至30 天  
31 至60 天  
61 至90 天  
逾90 天

## 20. 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30日內償還。

**21. Interest-bearing bank loans**

in HK\$ thousand	Group 集團	
	2004	2003
Trust receipt loans repayable within one year or on demand	–	49,098
Bank loans repayable		
Within one year or on demand	20,000	45,478
In the second year	15,000	20,000
In the third to fifth years, inclusive	–	15,000
	<b>35,000</b>	80,478
	<b>35,000</b>	129,576
Portion classified as current liabilities	<b>(20,000)</b>	(94,576)
Long term portion	<b>15,000</b>	35,000

**21. 計息銀行貸款**

港幣千元
須於一年內或應要求償還之信託收據貸款
須償還銀行貸款
於一年內或應要求
於第二年
於第三至第五年，包括首尾兩年
列作流動負債部份
長期部份

**22. Provisions**

in HK\$ thousand	Long service payments 長期服務金	
<b>Group</b>		
At 1 April 2003	–	
Additional provision	1,038	
At 31 March 2004	1,038	
Portion classified as current liabilities	–	
Long term portion	1,038	

**22. 撥備**

港幣千元
<b>集團</b>
於二零零三年四月一日
額外撥備
於二零零四年三月三十一日
列作流動負債部份
長期部份

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 3 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 to the balance sheet date.

本集團根據香港僱傭條例就預期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3「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。

## 23. Deferred tax

The movements in deferred tax liabilities and assets during the year were as follows:

### Deferred tax liabilities – 2004

in HK\$ thousand	Accelerated tax depreciation 加速稅項折舊
<b>Group</b>	
At 1 April 2003	176
Deferred tax charged to the profit and loss account during the year (note 10)	(186)
Exchange realignment	10
Gross deferred tax liabilities at 31 March 2004	–

### Deferred tax assets – 2004

in HK\$ thousand	Decelerated tax depreciation 減速稅項折舊	Losses available for offset against future taxable profit 可用作抵銷日後應課稅溢利之虧損	Others 其他	Total 總值
<b>Group</b>				
At 1 April 2003	–	–	–	–
As previously reported	–	–	–	–
Prior year adjustment: SSAP 12 – restatement of deferred tax	2,805	13,546	649	17,000
As restated	2,805	13,546	649	17,000
Deferred tax credited/(charged) to the profit and loss account during the year (note 10)	(1,373)	(10,319)	52	(11,640)
Gross deferred tax assets at 31 March 2004	1,432	3,227	701	5,360

in HK\$ thousand	Total 總值
<b>Net deferred tax assets at 31 March 2004</b>	<b>5,360</b>

## 23. 遞延稅項

年內之遞延稅項負債及資產變動如下：

### 遞延稅項負債 – 2004

in HK\$ thousand
<b>集團</b>
於二零零三年四月一日
年內在損益表扣除之遞延稅項 (附註10)
滙兌調整
於二零零四年三月三十一日之遞延稅項負債毛額

### 遞延稅項資產 – 2004

in HK\$ thousand
<b>集團</b>
於二零零三年四月一日
過往呈報
以前年度調整：
會計準則第12條 – 遞延稅項重新列賬
重新列賬
年內在損益表計入/(扣除)之遞延稅項 (附註10)
於二零零四年三月三十一日之遞延稅項資產毛額

in HK\$ thousand	Total 總值
<b>Net deferred tax assets at 31 March 2004</b>	<b>5,360</b>

**23. Deferred tax** (continued)**Deferred tax liabilities – 2003**

in HK\$ thousand	Accelerated tax depreciation 加速稅項折舊
<b>Group</b>	
At 1 April 2002	658
Deferred tax charged to the profit and loss account during the year (note 10)	(513)
Exchange realignment	31
Gross deferred tax liabilities at 31 March 2003	<u>176</u>

**23. 遞延稅項** (續)**遞延稅項負債 – 2003**

in HK\$ thousand
<b>集團</b>
於二零零二年四月一日
年內在損益表扣除之遞延稅項 (附註10)
滙兌調整
於二零零三年三月三十一日之遞延稅項負債毛額

**Deferred tax assets – 2003**

in HK\$ thousand	Decelerated tax depreciation 減速稅項折舊	Losses available for offset against future taxable profit 可用作抵銷日後應課稅溢利之虧損	Others 其他	Total 總值
<b>Group</b>				
At 1 April 2002	–	–	–	–
As previously reported				
Prior year adjustment: SSAP 12 – restatement of deferred tax	4,586	11,727	687	17,000
As restated	4,586	11,727	687	17,000
Deferred tax credited/(charged) to the profit and loss account during the year (note 10)	(1,781)	1,819	(38)	–
Gross deferred tax assets at 31 March 2003	<u>2,805</u>	<u>13,546</u>	<u>649</u>	<u>17,000</u>

**遞延稅項資產 – 2003**

in HK\$ thousand
<b>集團</b>
於二零零二年四月一日
過往呈報
以前年度調整：
會計準則第12條 – 遞延稅項重新列賬
重新列賬
年內在損益表計入/(扣除)之遞延稅項 (附註10)
於二零零三年三月三十一日之遞延稅項資產毛額

in HK\$ thousand	Total 總值
<b>Net deferred tax assets at 31 March 2003</b>	<u><b>16,824</b></u>

於二零零三年三月三十一日之遞延稅項資產淨額

### 23. Deferred tax (continued)

The Group has tax losses of HK\$12,017,000 (2003: HK\$2,780,000) and deductible temporary differences of HK\$1,503,000 (2003: HK\$1,416,000) arising in Hong Kong, and has tax losses of HK\$2,365,000 (2003: HK\$2,480,000) and no deductible temporary differences (2003: HK\$4,260,000) arising in Singapore, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK\$4,713,000 (2003: HK\$12,468,000) and in Taiwan of HK\$37,276,000 (2003: HK\$49,997,000) that can be used to offset against future taxable profits of the companies in which the losses arose for a maximum of 5 years. Deferred tax assets have not been recognised in respect of these losses as it is uncertain whether sufficient future taxable profits will be generated against which the tax losses can be utilised.

At 31 March 2004, there is no significant unrecognised deferred tax liability (2003: 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.

SSAP 12 (revised) was adopted during the year, as further explained in note 2 to the financial statements. This change in accounting policy has resulted in an increase in the Group's deferred tax assets as at 31 March 2004 by HK\$5,360,000 and 2003 by HK\$17,000,000. As a consequence, the consolidated net profit from ordinary activities attributable to shareholders for the year ended 31 March 2004 has been decreased by HK\$11,640,000 and the consolidated retained profits at 1 April 2003 and 2002 have been increased by HK\$17,000,000, as detailed in the consolidated statement of changes in equity.

### 23. 遞延稅項 (續)

本集團於香港產生之稅項虧損為港幣12,017,000元(二零零三年：港幣2,780,000元)及可扣減暫時性差額為港幣1,503,000元(二零零三年：港幣1,416,000元)，以及於新加坡產生稅項虧損為港幣2,365,000元(二零零三年：港幣2,480,000元)及並無可扣減之暫時性差額(二零零三年：港幣4,260,000元)，有關所產生的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稅項虧損分別為港幣4,713,000元(二零零三年：港幣12,468,000元)及港幣37,276,000元(二零零三年：港幣49,997,000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。

於二零零四年三月三十一日，稅項中並無因本集團附屬公司之不可滙寄盈利引致之重大未確認遞延稅項負債(二零零三年：零)。

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。

年內已採納會計準則第12條(經修訂)，並於財務報表附註2作進一步闡述。會計政策之變動導致本集團於二零零四年及二零零三年三月三十一日之遞延稅項資產分別增加港幣5,360,000元及港幣17,000,000元。因此，於截至二零零四年三月三十一日止年度之股東應佔日常業務綜合淨溢利減少港幣11,640,000元，而於二零零三年及二零零二年四月一日之綜合保留溢利則增加港幣17,000,000元，詳情載列於綜合權益變動報表。



**24. Share capital**

in HK\$ thousand	Company 公司	
	2004	2003
Authorised: 2,000,000,000 (2003: 2,000,000,000) ordinary shares of HK\$0.10 each	<b>200,000</b>	200,000
Issued and fully paid: 771,461,697 (2003: 514,307,798) ordinary shares of HK\$0.10 each	<b>77,146</b>	51,431

A rights issue on the basis of one rights share for every two existing shares held by shareholders on the register of members on 15 April 2003 was made, at an issue price of HK\$0.22 per rights share, resulting in the issue of 257,153,899 shares of HK\$0.10 each for a total cash consideration, before share issue expenses, of approximately HK\$56,574,000.

A summary of the movements of the Company's issued share capital during the year is as follows:

	Number of shares in issue 已發行股數	Issued capital HK\$'000 已發行股本 港幣千元	Share premium account HK\$'000 股份溢價賬 港幣千元	Total HK\$'000 總值 港幣千元
At 1 April 2002	411,446,239	41,145	48,495	89,640
Issue of bonus shares	102,861,559	10,286	(10,286)	–
At 31 March 2003 and 1 April 2003	514,307,798	51,431	38,209	89,640
Issue of rights shares	257,153,899	25,715	30,859	56,574
Share issue expenses	–	–	(839)	(839)
At 31 March 2004	771,461,697	77,146	68,229	145,375

**Share options**

Details of the Company's share option scheme and the share options issued under the scheme are included in note 25 to the financial statements.

**24. 股本**

港幣千元
法定股本： 2,000,000,000股(二零零三年：2,000,000,000股) 每股面值港幣0.10元之普通股
已發行及繳足股本： 771,461,697股(二零零三年：514,307,798股) 每股面值港幣0.10元之普通股

本公司按每持有兩股現有股份可獲發一股供股股份之基準，向於二零零三年四月十五日名列股東名冊之股東，以每股供股股份作價港幣0.22元進行供股，因而發行257,153,899股每股面值港幣0.10元之股份，籌集總現金代價約港幣56,574,000元(未扣除發行股份開支)。

年內本公司已發行股本變動撮要如下：

於二零零二年四月一日
發行紅股
於二零零三年三月三十一日及二零零三年四月一日
發行供股股份
發行股份開支
於二零零四年三月三十一日

**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25。

## 25. Share option scheme

The Company operates a share option scheme (the “Scheme”) for the purpose of motivating and providing incentives to 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 entity in which the Group holds equity interest (“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 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 the adoption date, 27 November 2003, unless the Company seeks the approval of the shareholders of the Company in general meeting for refreshing the 10% limit under the Scheme. 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 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.

## 25. 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)，不得超過採納日期二零零三年十一月二十七日之已發行股份總數10%，除非本公司於股東大會徵求本公司股東批准更新計劃上限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。

## 25. 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 the 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 the 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 the grant of the share options. Options granted during the duration of this 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 this Scheme.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the grant of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the 5 trading days immediately preceding the date of the grant; and (iii) the nominal value of a share.

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

## 25. 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在聯交所之收市價；(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)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。

## 25. Share option scheme (continued)

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

Name or category of participant 姓名或參與人士類別	Number of share options 購股權數目			Date of grant of share options * 授出購股權日期 *	Exercise period of share options 購股權行使期	Exercise price of share options * 購股權行使價 * HK\$ 港幣元	Company's shares at grant date of options + 授出購股權日期 之公司股價 + HK\$ 港幣元
	At 1 April 2003 於二零零三年 四月一日	Granted during the year 年內授出	At 31 March 2004 於二零零四年 三月三十一日				
<b>Executive directors 執行董事</b>							
Ms. Pansy CHAU Wai Man 周慧雯女士	-	1,666,666	1,666,666	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	5,000,000	5,000,000				
Mr. Simon ORR Kuen Fung 柯權峯先生	-	1,666,666	1,666,666	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	5,000,000	5,000,000				

## 25. 購股權計劃 (續)

年內計劃項下尚未行使之購股權如下：

## 25. Share option scheme (continued)

## 25. 購股權計劃 (續)

Name or category of participant 姓名或參與人士類別	Number of share options 購股權數目			Date of grant of share options * 授出購股權日期 *	Exercise period of share options 購股權行使期	Exercise price of share options # 購股權行使價 # HK\$ 港幣元	Company's shares at grant date of options † 授出購股權日期 之公司股價 † HK\$ 港幣元
	At 1 April 2003 於二零零三年 四月一日	Granted during the year 年內授出	At 31 March 2004 於二零零四年 三月三十一日				
<b>Executive directors 執行董事</b>							
Mr. FUNG Ping Chuen 馮炳全先生	-	1,666,666	1,666,666	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	5,000,000	5,000,000				
Mr. Dickie FU Shing Kwan 傅成坤先生	-	1,666,666	1,666,666	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	5,000,000	5,000,000				

## 25. Share option scheme (continued)

## 25. 購股權計劃 (續)

Name or category of participant 姓名或參與人士類別	Number of share options 購股權數目			Date of grant of share options * 授出購股權日期 *	Exercise period of share options 購股權行使期	Exercise price of share options # 購股權行使價 # HK\$港幣元	Company's shares at grant date of options † 授出購股權日期 之公司股價 † HK\$港幣元
	At 1 April 2003 於二零零三年 四月一日	Granted during the year 年內授出	At 31 March 2004 於二零零四年 三月三十一日				
<b>Executive directors 執行董事</b>							
Ms. CHAN So Kuen 陳素娟女士	-	1,666,666	1,666,666	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	1,666,667	1,666,667	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	0.35	0.345
	-	5,000,000	5,000,000				
<b>Other employees 其他僱員</b>							
In aggregate 合共	-	4,666,666	4,666,666	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	0.35	0.345
	-	4,666,667	4,666,667	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	0.35	0.345
	-	4,666,667	4,666,667	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	0.35	0.345
	-	14,000,000	14,000,000				
	-	39,000,000	39,000,000				



## 25. Share option scheme (continued)

- \* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- # 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.
- † The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.

No share options were exercised, lapsed or cancelled during the year.

At the balance sheet date, the Company had 39,000,000 share options outstanding under the Scheme, which represented approximately 5.1% of the Company's shares in issue as at that date. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 39,000,000 additional ordinary shares of the Company and additional share capital of HK\$3,900,000 and share premium of HK\$9,750,000 (before issue expenses).

## 25. 購股權計劃 (續)

- \* 購股權歸屬期間為自授出日期起計直至行使期間開始。
- # 倘屬供股或發行紅股或本公司股本有其他類似變動，購股權行使價須作出調整。
- † 於購股權授出日期披露之本公司股份價格為緊接授出購股權日期前交易日之聯交所收市價。

年內概無任何購股權獲行使、失效或註銷。

於結算日，本公司計劃項下之尚未行使之購股權有39,000,000份，相當於該日本公司已發行股份約5.1%。按本公司現有股本結構悉數行使購股權，將導致本公司發行39,000,000股額外普通股股份，而股本及股份溢價將分別增加港幣3,900,000元及港幣9,750,000元（扣除發行開支前）。

## 26. Reserves

### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 69 and 70 of the financial statements.

The amounts of goodwill and negative goodwill arising on the acquisition of subsidiaries in prior years remaining in consolidated reserves, are as follows:

in HK\$ thousand	Group 集團		港幣千元
	Goodwill eliminated against capital reserve and retained profits 與資本儲備及保留溢利對銷之商譽	Negative goodwill included in capital reserve 計入資本儲備內之負商譽	
<b>Cost</b>			<b>成本</b>
At 1 April 2003	(28,174)	7,932	於二零零三年四月一日
Recognised as income upon liquidation of a subsidiary	—	(5,199)	確認一附屬公司清盤時之收入
At 31 March 2004	(28,174)	2,733	於二零零四年三月三十一日
<b>Accumulated impairment</b>			<b>累積減值</b>
At 1 April 2003 and at 31 March 2004	2,205	(664)	二零零三年四月一日及於二零零四年三月三十一日
<b>Net amount</b>			<b>淨額</b>
At 31 March 2004	(25,969)	2,069	於二零零四年三月三十一日
At 31 March 2003	(25,969)	7,268	於二零零三年三月三十一日

## 26. 儲備

### (a) 集團

本年度及前年度本集團儲備及其中變動之數額呈列於財務報表第69及70頁之綜合權益變動報表內。

前年度因收購附屬公司而產生，且仍存於綜合儲備內之商譽及負商譽金額如下：

Notes to financial statements 財務報表附註

31 March 2004 二零零四年三月三十一日

26. Reserves (continued)

(b) Company

in HK\$ thousand	Note 附註	Share premium account 股份溢價賬	Contributed surplus 繳入盈餘	Retained profits/ (accumulated losses) 保留溢利/ (累積虧損)	Total 總值
At 1 April 2002		48,495	166,533	68,599	283,627
Issue of bonus shares		(10,286)	–	–	(10,286)
Net loss for the year		–	–	(76,480)	(76,480)
At 31 March 2003 and at 1 April 2003		38,209	166,533	(7,881)	196,861
Issue of rights shares	24	30,859	–	–	30,859
Share issue expenses		(839)	–	–	(839)
Net profit for the year		–	–	55,125	55,125
Proposed final dividend		–	–	(46,288)	(46,288)
At 31 March 2004		68,229	166,533	956	235,718

The contributed surplus of the Company represents 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.

26. 儲備 (續)

(b) 公司

港幣千元
於二零零二年四月一日
發行紅股股份
年內淨虧損
於二零零三年三月三十一日及二零零三年四月一日
發行供股股份
發行股份開支
年內淨溢利
擬派末期股息
於二零零四年三月三十一日

本公司之繳入盈餘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。

## 27. Operating lease arrangements

### (a) As lessor

The Group sub-leases certain of its retail properties under operating lease arrangements, with the leases negotiated for terms ranging from two to five years. The terms of the leases also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 March 2004, the Group had total future minimum lease receivables under non-cancellable operating leases with their tenants falling due as follows:

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
Within one year	<b>2,362</b>	2,350	於一年內
In the second to fifth years, inclusive	<b>4,144</b>	6,180	於第二年至第五年，包括首尾兩年
	<b>6,506</b>	8,530	

### (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 ten years.

At 31 March 2004, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
Within one year	<b>203,249</b>	207,282	於一年內
In the second to fifth years, inclusive	<b>238,377</b>	270,047	於第二年至第五年，包括首尾兩年
After five years	<b>10,966</b>	49	五年後
	<b>452,592</b>	477,378	

## 27. 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，議定之租期為二至五年不等。該租約之條款亦規定租客須繳付保證按金，並訂明可根據當時之市況定期作出租金調整。

於二零零四年三月三十一日，本集團在與租戶簽訂之不可撤銷之經營租賃，日後最低租賃應收款項總額於到期日如下：

### (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年不等。

於二零零四年三月三十一日，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：

**27. Operating lease arrangements** (continued)

## (b) As lessee (continued)

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.

**28. Commitments**

In addition to the operating lease commitments detailed in note 27(b) above, the Group had the following commitments at the balance sheet date:

## (a) Capital commitments

in HK\$ thousand	Group 集團	
	2004	2003
Contracted, but not provided for: Leasehold improvements	<b>393</b>	–

## (b) Commitments under forward foreign exchange contracts

in HK\$ thousand	Group 集團	
	2004	2003
Forward foreign exchange contracts	<b>60,191</b>	31,113

At the balance sheet date, the Company did not have any significant commitments.

**27. 經營租賃之安排** (續)

## (b) 作為承租人 (續)

若干零售店舖之經營租賃租金純粹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之租金承擔。

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。

**28. 承擔**

除於上文附註27(b)詳述之經營租賃承擔外，本集團於結算日之承擔如下：

## (a) 資本承擔

港幣千元  
已訂約但未撥備：  
租賃物業裝修

## (b) 遠期外匯合約之承擔

港幣千元  
遠期外匯合約

於結算日，本公司並無任何重大承擔。

## 29. Contingent liabilities

in HK\$ thousand	Group 集團		港幣千元
	2004	2003	
Bank guarantees given in lieu of utility and property rental deposits	36	2,520	代替水電及租用物業按金之銀行擔保

The Company has given guarantees in favour of banks to the extent of HK\$404,000,000 (2003: HK\$427,000,000) in respect of banking facilities granted to certain subsidiaries. These were utilised to the extent of HK\$51,988,000 as at 31 March 2004 (2003: HK\$175,197,000).

## 30. 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 action and has 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 WDC claim is unlikely to succeed on the merits of the case and therefore, the directors consider that no material liability is likely to result therefrom.
- (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.

## 29. 或然負債

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404,000,000元(二零零三年：港幣427,000,000元)之擔保。於二零零四年三月三十一日已動用之信貸額為港幣51,988,000元(二零零三年：港幣175,197,000元)。

## 30. 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」)違反租用作貨倉之物業租約(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。於此報告日期，董事相信要估計堡獅龍貿易可能須就該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WDC之勝訴機會不大，故堡獅龍貿易不會因而須承擔重大責任。
- (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作貨倉之物業租約，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。於此報告日，堡獅龍貿易尚未繳付該等款項。



### 30. Litigation (continued)

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 the 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 rank 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.

### 31. Post balance sheet event

Subsequent to the balance sheet date, on 29 June 2004, the directors recommended a bonus issue of new shares to be distributed to shareholders of the Company whose names appear on the register of members of the Company on 30 August 2004 in the proportion of one new share for every one existing share held by them (the "Bonus Issue"). Based on 771,461,697 ordinary shares in issue as at 31 March 2004, a maximum of 771,461,697 new ordinary shares (the "Bonus shares") will be issued. This recommendation has not been incorporated in the financial statements because the Bonus Issue is conditional upon the approval by shareholders at the forthcoming annual general meeting and the granting by the Stock Exchange of the listing of and permission to deal in the Bonus Shares to be issued. Upon approval by both parties, the Bonus Shares will be issued, credited as fully paid, by capitalising the sum of up to HK\$77,146,000 standing to the credit of the share premium account of HK\$68,229,000 and the contributed surplus account of HK\$8,917,000 of the Company and will rank pari passu in all respects with the existing issued shares.

### 30. 訴訟 (續)

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。

### 31. 結算日後事項

於結算日後，董事局於二零零四年六月二十九日建議按每持有一股現有股份可獲發一股新股份之比例，向於二零零四年八月三十日名列本公司股東名冊之股東，派發紅利新股份（「發行紅股」）。按於二零零四年三月三十一日已發行771,461,697股普通股計算，本公司將發行為數最多771,461,697股新普通股（「紅股」）。由於發行紅股須於即將舉行之股東週年大會上獲股東批准及須待聯交所批准將予發行之紅股上市及買賣後方可作實，因此有關建議並無載入財務報表。待雙方批准後，藉將本公司之股份溢價賬為港幣68,229,000元及繳入盈餘賬為港幣8,917,000元計入之進賬合共最多為港幣77,146,000元撥充資本，予以發行入賬列作繳足股款之紅股，而有關紅股於各方面均與現有已發行股份享有同等權利。

### 32. Related party transactions

The Group had the following material transactions with related parties during the year:

in HK\$ thousand	Notes 附註	Group 集團	
		2004	2003
Rental paid for warehouse premises	a	992	1,240
Rental paid for office premises	b	4,227	4,543
Purchase of garments	c	157,275	–

Notes:

- (a) The rental was paid to Laws International Group Limited (“Laws International”). Certain directors of Laws International, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing and Mr. Simon ORR Kuen Fung, directors of the Company. The rental was determined by reference to open market rentals at the inception of the tenancy agreement.
- (b) The rental was paid to Bright City International Limited (“Bright City”). Certain directors of Bright City, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing and Mr. Simon ORR Kuen Fung, directors of the Company. The rental was determined by reference to open market rentals at the inception of the tenancy agreement.
- (c) During the year, garments totalling HK\$157,275,000 were purchased from certain wholly-owned subsidiaries of Laws International. Certain directors of these companies, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing and Mr. Simon ORR Kuen Fung, directors of the Company. The purchases were determined by reference to the prevailing market prices. Details of the Group’s trade balances with these suppliers as at the balance sheet date are included in note 20 to the financial statements.

### 32. 關連人士交易

本集團於年內與關連人士進行之重大交易如下：

in HK\$ thousand	Notes 附註	Group 集團		港幣千元
		2004	2003	
Rental paid for warehouse premises	a	992	1,240	貨倉租金
Rental paid for office premises	b	4,227	4,543	辦公室租金
Purchase of garments	c	157,275	–	購買成衣

附註：

- (a) 租金乃繳付予羅氏國際集團有限公司(「羅氏國際」)。於羅氏國際擁有實益股本權益之若干董事乃本公司董事羅家聖先生及柯權峯先生之親屬。租金乃參照租約生效時之公開市值租金釐定。
- (b) 租金乃繳付予澤城國際有限公司(「澤城國際」)。於澤城國際擁有實益股本權益之若干董事乃本公司董事羅家聖先生及柯權峯先生之親屬。租金乃參照租約生效時之公開市值租金釐定。
- (c) 年內，本公司分別向若干羅氏國際集團全資附屬公司購買港幣157,275,000元之成衣。於該等公司擁有實益股本權益之若干董事乃本公司董事羅家聖先生及柯權峯先生之親屬。採購乃參照當時之市價釐訂。於結算日，本集團與該等供應商之貿易結餘詳情載列於財務報表附註20。

### 33. Comparative amounts

As further explained in note 2 to the financial statements, due to the adoption of the revised SSAP 12 "Income taxes" during the current year, the accounting treatment and presentation of certain items in the financial statements have been revised to comply with the new requirements. Accordingly, a prior year adjustment has been made and certain comparative amounts have been restated to conform with the current year's presentation.

### 34. Approval of the financial statements

The financial statements were approved and authorised for issue by the board of directors on 29 June 2004.

### 33. 比較數字

誠如財務報表附註2所作之進一步闡釋，由於本年度採納經修訂之會計準則第12條「所得稅」，財務報表內若干項目之會計處理及呈報方式已重新修訂以符合新的規定。因此已作出若干以前年度調整，而若干比較數字已重列以符合本年度之呈報方式。

### 34. 財務報表之批准

董事局已於二零零四年六月二十九日批准及授權發佈本財務報表。

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