



Bossini International Holdings Limited
堡獅龍國際集團有限公司



Interim Report 中期報告

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Global distribution network 全球分銷網絡

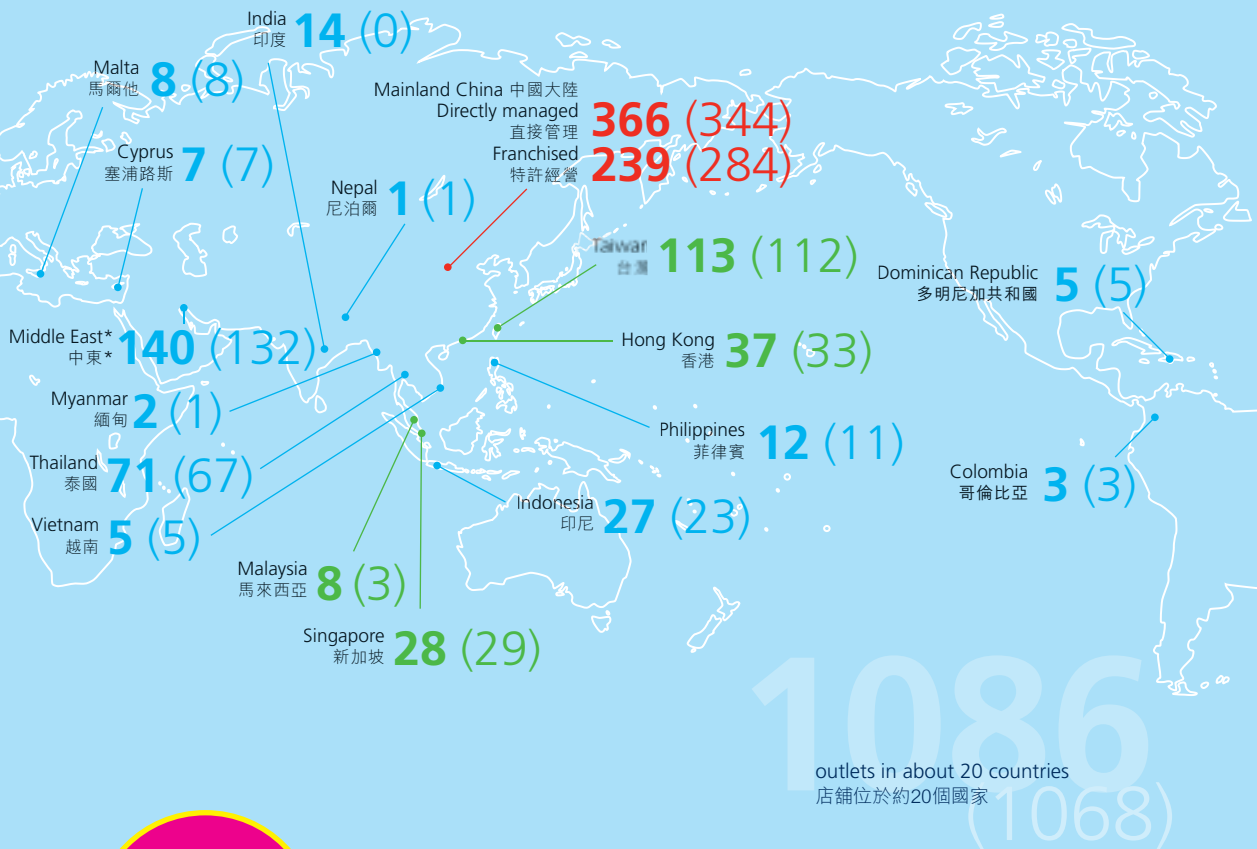
At 30 September 2006
於二零零六年九月三十日

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

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

() Figures at 31 March 2006 are shown in brackets

於二零零六年三月三十一日之數字以括號表示



605
(628)

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

295
(263)

export franchised outlets
出口特許經營店舖

186
(177)

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

Financial and operational highlights 財務及營運摘要

Financial performance 財務表現

	In HK\$mn 港幣百萬元 2006 二零零六年	In HK\$mn 港幣百萬元 2005 二零零五年	Change 轉變
Six months ended 30 September 截至九月三十日止六個月			
Revenue 收益	970	997	-3%
Gross profit 毛利	464	479	-3%
Profit from operating activities 營運業務溢利	19	61	-70%
Profit for the period attributable to equity holders 權益持有人應佔期內溢利	6	45	-86%
Basic EPS (in HK cents) 每股基本盈利 (港仙)	0.41	2.88	-86%
Interim dividend per share (in HK cents) 每股中期股息 (港仙)	-	1.8	-100%
Payout ratio (%) 派息比率 (%)	0%	62%	-62% pts 個百分點
Gross margin (%) 毛利率 (%)	48%	48%	0% pt 個百分點
Operating margin (%) 營運溢利率 (%)	2%	6%	-4% pts 個百分點
Net margin (%) 淨溢利率 (%)	1%	5%	-4% pts 個百分點
EBITDA 未計利息、稅項、折舊 及攤銷前盈利	46	85	-46%
EBITDA margin (%) 未計利息、稅項、折舊 及攤銷前盈利率 (%)	5%	9%	-4% pts 個百分點

Key financial indicators 主要財務指標

	At 30 September 2006 於二零零六年 九月三十日	At 31 March 2006 於二零零六年 三月三十一日	Change 轉變	At 30 September 2005 於二零零五年 九月三十日	Change 轉變
Inventory turnover* (days) 存貨周轉期* (天)	66	42	+24 days 天	72	-6 days 天
Inventory level (in HK\$mn) 存貨水平 (港幣百萬元)	348	254	+37%	395	-12%
Current ratio (times) 流動比率 (倍)	1.99	2.35	-15%	2.09	-5%
Time deposits, cash and bank balances (in HK\$mn) 定期存款和現金 及銀行結餘 (港幣百萬元)	172	244	-30%	167	+3%
Net cash [†] (in HK\$mn) 現金淨額 [†] (港幣百萬元)	133	244	-45%	167	-20%
Total liabilities to equity ratio (%) 總負債對股東權益 比率 (%)	60%	46%	+14% pts 個百分點	62%	-2% pts 個百分點
Capital expenditure (in HK\$mn) 資本開支 (港幣百萬元)	35	81	-57%	43	-19%

* Inventory held at 30 September 2006 divided by annualized revenue times 365 days
於二零零六年九月三十日所持有之存貨除以年度化收益乘365天

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

Global distribution network 全球分銷網絡

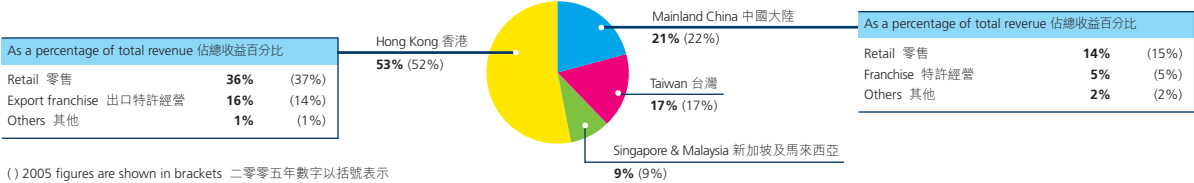
	At 30 September 2006 於二零零六年九月三十日	At 31 March 2006 於二零零六年三月三十一日	Change 轉變	At 30 September 2005 於二零零五年九月三十日	Change 轉變
Hong Kong 香港					
Directly managed outlets 直接管理店鋪	37	33	+4	33	+4
Mainland China 中國大陸					
Directly managed outlets 直接管理店鋪	366	344	+22	332	+34
Franchised outlets 特許經營店鋪	239	284	-45	234	+5
Sub-total 小計	605	628	-23	566	+39
Taiwan 台灣					
Directly managed outlets 直接管理店鋪	113	112	+1	99	+14
Singapore 新加坡					
Directly managed outlets 直接管理店鋪	28	29	-1	28	0
Malaysia 馬來西亞					
Directly managed outlets 直接管理店鋪	8	3	+5	1	+7
Other countries 其他國家					
Export franchised outlets 出口特許經營店鋪	295	263	+32	232	+63
Total 合共					
Directly managed outlets 直接管理店鋪	552	521	+31	493	+59
Franchised outlets 特許經營店鋪	534	547	-13	466	+68
	1,086	1,068	+18	959	+127

Regional performance analyses 按地區表現之分析

	Sales (in HK\$mn) 銷售額 (港幣百萬元)			Profit/(loss) from operating activities (in HK\$mn) 營運業務溢利/(虧損) (港幣百萬元)			Operating margin (%) 營運溢利率 (%)		
Six months ended 30 September 截至九月三十日止六個月	2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變
Retail 零售									
Hong Kong 香港	342	371	-8%	8	29	-72%	2%	8%	-6% pts 個百分點
Mainland China 中國大陸	139	147	-5%	(19)	(10)	-90%	-14%	-7%	-7% pts 個百分點
Taiwan 台灣	167	166	+1%	(20)	(6)	-233%	-12%	-4%	-8% pts 個百分點
Singapore 新加坡	86	92	-7%	(2)	7	-129%	-2%	8%	-10% pts 個百分點
Malaysia 馬來西亞	4	-	N/A 不適用	(1)	-	N/A 不適用	-25%	N/A 不適用	N/A 不適用
Total 合共	738	776	-5%	(34)	20	-270%	-5%	3%	-8% pts 個百分點
Franchise 特許經營									
Hong Kong Export 香港出口	158	142	+11%	47	42	+12%	30%	30%	0% pt 個百分點
Mainland China 中國大陸	47	52	-10%	5	11	-55%	11%	21%	-10% pts 個百分點
Total 合共	205	194	+6%	52	53	-2%	25%	27%	-2% pts 個百分點
Regional Total 區域總計									
Hong Kong 香港	511	524	-2%	54	59	-8%	11%	11%	0% pt 個百分點
Mainland China 中國大陸	202	215	-6%	(12)	1	-1,300%	-6%	0%	-6% pts 個百分點
Taiwan 台灣	167	166	+1%	(20)	(6)	-233%	-12%	-4%	-8% pts 個百分點
Singapore 新加坡	86	92	-7%	(2)	7	-129%	-2%	8%	-10% pts 個百分點
Malaysia 馬來西亞	4	-	N/A 不適用	(1)	-	N/A 不適用	-25%	N/A 不適用	N/A 不適用
Consolidated 綜合	970	997	-3%	19	61	-70%	2%	6%	-4% pts 個百分點

Revenue by geographical market 按區域分類之收益

Six months ended 30 September 2006 截至二零零六年九月三十日止六個月



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

	Same store sales growth (%)* 同店銷售額增長 (%)*			Floor area (sq. ft.) 樓面面積 (平方呎)	
Six months ended 30 September 截至九月三十日止六個月	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	Change 轉變
Hong Kong 香港	-6%	-3%	131,600	112,300	+17%
Mainland China 中國大陸	-9%	+3%	309,500	312,400	-1%
Taiwan 台灣	-15%	-6%	173,600	156,600	+11%
Singapore 新加坡	-12%	+8%	30,200	31,400	-4%
Malaysia 馬來西亞	N/A 不適用	N/A 不適用	9,000	1,100	+718%
Consolidated 綜合	-9%	0%	653,900	613,800	+7%

* Same store sales growth is the comparison of sales of the same stores having full month operations in comparable periods 同店銷售額增長為相同店舖於比較期內完整月份之銷售額比較

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MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The board of directors (the “Board”) of **Bossini International Holdings Limited** (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group” or “Bossini”) for the six months ended 30 September 2006.

During the period under review, the market competition continued to intensify. An increased number of new entrants and a vast variety of choices for casual wear products undermined the Group's competitive edge in both Hong Kong and other core markets.

Notwithstanding this, the Group's value-for-money products were well received in the export markets. The export franchising business recorded satisfactory growth during the period under review.

The Group's consolidated revenue in the period under review declined by 3% to approximately HK\$970.0 million when compared to the same period last year (2005: HK\$997.1 million). Gross profit of the Group decreased by 3%, amounting to HK\$464.2 million (2005: HK\$478.5 million). The Group maintained the gross margin at 48%, similar to the level of the same period for last year (2005: 48%). Operating profit amounted to HK\$18.6 million, down by 70% as compared with that of the same period for last year (2005: HK\$61.3 million). Operating margin was 2%, representing a decrease of 4 percentage points as compared with that of the same period for last year (2005: 6%). Profit for the period attributable to equity holders recorded a negative growth of 86% at approximately HK\$6.4 million (2005: HK\$45.2 million).

管理層討論及分析

財務表現

堡獅龍國際集團有限公司(「本公司」)之董事局(「董事局」)謹此宣佈本公司及其附屬公司(「本集團」或「堡獅龍」)截至二零零六年九月三十日止六個月未經審核之綜合業績。

於回顧期內，零售業的競爭持續激烈，新加入的競爭者數量日益增多，而且休閒服裝產品選擇繁多，削弱了本集團在香港及其他核心市場的競爭優勢。

儘管如此，本集團物有所值的產品，在出口市場上廣受歡迎。期內，出口特許經營業務錄得令人滿意的增長。

於回顧期內，本集團之綜合收入下降3%，至約港幣970.0百萬元(二零零五年：港幣997.1百萬元)，毛利下降3%至約港幣464.2百萬元(二零零五年：港幣478.5百萬元)。毛利率維持於48%，與去年同期之水平相等(二零零五年：48%)。營運溢利為港幣18.6百萬元，較去年同期下降70%(二零零五年：港幣61.3百萬元)，營運溢利率為2%，較去年同期降低4個百分點(二零零五年：6%)。權益持有人應佔溢利錄得86%的負增長至約港幣6.4百萬元(二零零五年：港幣45.2百萬元)。

FINANCIAL PERFORMANCE

Operating Efficiencies

Affected by the highly competitive retailing environment, same store sales declined by 9% (2005: flat growth) during the six months ended 30 September 2006. Net retail sales per sq. ft. reduced by 11% year-on-year to HK\$2,400 (2005: HK\$2,700).

The Group's operating expenses for the six months ended 30 September 2006 increased by 7% to HK\$451 million (2005: HK\$423 million), which accounted for 46% of the total revenue of the Group (2005: 42%). The rise in operating expenses was mainly due to the increase in rental and staff cost.

The Group has been diverting resources to strengthen its internal IT infrastructure, and the implementation of various systems is in progress. The Group anticipates that it will start realizing the benefits from these new systems and improved workflow in the next fiscal year.

財務表現

營運效益

受到零售業經營環境日趨激烈的影響下，本集團截至二零零六年九月三十日止六個月同店銷售額下降9%（二零零五年：增長持平），而每平方呎淨零售銷售額較去年同期下降11%至港幣2,400元（二零零五年：港幣2,700元）。

截至二零零六年九月三十日止六個月，本集團的營運成本上升7%，至港幣4.51億元（二零零五年：港幣4.23億元），佔本集團總收入的46%（二零零五年：42%）。營運成本增加主要是由於租金開支及僱員成本上升所致。

本集團已投放資源強化內部資訊基建，多項系統安裝的工程亦在進行中，預期新系統及改善工作流程後所帶來的成效將於下一個財政年度顯現。

FINANCIAL PERFORMANCE**Operating Cost Analysis**

For the six months ended 30 September

財務表現**營運成本分析**

截至九月三十日止的六個月

	2006 二零零六年		2005 二零零五年		
	HK\$ million 港幣 百萬元	% of revenue 佔收益 百分比	HK\$ million 港幣 百萬元	% of revenue 佔收益 百分比	Change 轉變
Revenue					
收益	970	100%	997	100%	-3%
Selling and distribution costs 銷售及分銷成本	328	34%	306	30%	+7%
Administrative expenses 行政開支	106	11%	99	10%	+7%
Other operating expenses 其他營運成本	17	1%	18	2%	-5%
Total operating expenses					
總營運開支	451	46%	423	42%	+7%

Change of Inventory Provision Policy

The Group revised its inventory provision policy during the period under review. If the old inventory provision policy were applied for the current period, profit for the period attributable to equity holders would be HK\$5.7 million less. The Group anticipates that this revision of inventory provision policy will facilitate better inventory and margin management.

存貨撥備政策轉變

本集團於期內更改其存貨撥備政策，若按原有的存貨撥備政策，權益持有人應佔期內溢利將會減少約港幣5.7百萬元。本集團預期更新後的存貨撥備政策將有助取得最佳的存貨及利潤管理。

BUSINESS REVIEW

Network Expansion

During the six months ended 30 September 2006, the Group opened a total of 18 new outlets, and the total number of outlets worldwide covering more than 20 countries reached 1,086 as at 30 September 2006 (2005: 959). Of these, 552 were directly managed outlets (2005: 493), while 534 were franchised outlets (2005: 466).

Geographically, the Group had 366 directly managed and 239 franchised outlets in Mainland China, 113 directly managed outlets in Taiwan, 8 directly managed outlets in Malaysia, 28 directly managed outlets in Singapore, 37 directly managed outlets in Hong Kong and 295 franchised outlets in 19 other countries, mainly in the Middle East and Southeast Asia. The Group also established a footprint in India. The total retail floor space of the Group increased by 7% to 653,900 sq. ft. as at 30 September 2006 (2005: 613,800 sq. ft.).

Brand Development

During the six months ended 30 September 2006, the Group appointed a renowned international designer to lead a comprehensive brand revamp program by injecting revolutionary shop décor concept to provide more enjoyable shopping experience. The Group also continued to carry out a variety of marketing activities and promotions such as the “Little Models Contest” and the Sesame Street in-store events, which received good market responses and effectively helped promote the brand image and market awareness of the Group.

業務回顧

網絡擴充

截至二零零六年九月三十日止六個月期內，本集團合共增設了18間店鋪。於二零零六年九月三十日，全球店鋪總數達1,086間（二零零五年：959間），覆蓋超過20個國家，其中包括552間（二零零五年：493間）直接管理店鋪及534間（二零零五年：466間）特許經營店鋪。

按地區分佈而言，本集團於中國大陸經營366間直接管理店鋪及239間特許經營店鋪；於台灣設有113間直接管理店鋪、馬來西亞8間直接管理店鋪；新加坡28間直接管理店鋪；香港37間直接管理店鋪；及295間特許經營店鋪分佈於其他19個國家，以中東及東南亞為主；本集團於回顧期內亦成功開拓印度市場。於二零零六年九月三十日，本集團的總零售樓面面積增加7%至653,900平方呎（二零零五年：613,800平方呎）。

品牌拓展

截至二零零六年九月三十日止六個月期內，本集團委任了一位國際著名的設計師領導品牌革新計劃，包括引入具革命性的店鋪設計概念，為顧客提供更舒適的購物體驗。本集團亦繼續推行多項市場推廣及宣傳活動，如「我要做個小Model」及於店鋪內舉辦芝麻街為主題之活動等，均廣受市場歡迎，有助提高集團的品牌形像及增加知名度。

BUSINESS REVIEW

Regional performance analyses

業務回顧

按地區表現之分析

For the six months ended 30 September
截至九月三十日止六個月

		Hong Kong 香港			Mainland China 中國大陸		
		2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變
Retail	零售						
Net retail sales (in HK\$ million)	零售淨銷售額 (港幣百萬元)	342	371	-8%	139	147	-5%
Operating profit/(loss) (in HK\$ million)	營運溢利/(虧損) (港幣百萬元)	8	29	-72%	(19)	(10)	-90%
Operating margin (%)	營運溢利率(%)	2%	8%	-6%pts 個百分點	-14%	-7%	-7%pts 個百分點
Retail floor area (sq. ft.) ^(a)	零售樓面面積 (平方呎) ^(a)	131,600	112,300	+17%	309,500	312,400	-1%
Net sales per sq. ft. (in HK\$) ^(b)	每平方呎淨銷售額 (港幣) ^(b)	5,700	6,700	-15%	900	1,000	-10%
Same store sales growth ^(c)	同店銷售額增長 ^(c)	-6%	-3%	-3%pts 個百分點	-9%	+3%	-12%pts 個百分點
No. of outlets	店鋪數目	37	33	+4	366	332	+34
Franchise	特許經營						
Sales (in HK\$ million)	銷售額 (港幣百萬元)	158	142	+11%	47	52	-10%
Operating profit (in HK\$ million)	營運溢利 (港幣百萬元)	47	42	+12%	5	11	-55%
Operating margin (%)	營運溢利率(%)	30%	30%	0%pt 個百分點	11%	21%	-10%pts 個百分點
No. of outlets	店鋪數目	295	232	+63	239	234	+5
Regional total	區域總計						
Sales (in HK\$ million)	銷售額 (港幣百萬元)	511	524	-2%	202	215	-6%
Operating profit/(loss) (in HK\$ million)	營運溢利/(虧損) (港幣百萬元)	54	59	-8%	(12)	1	-1,300%
Operating margin (%)	營運溢利率(%)	11%	11%	0%pt 個百分點	-6%	0%	-6%pts 個百分點
No. of outlets	店鋪數目	37 ^(d)	33 ^(d)	+4	605	566	+39

Notes:

- (a) As at 30 September
(b) On weighted average basis

附註：

- (a) 於九月三十日
(b) 加權平均基準

Taiwan 台灣			Singapore 新加坡			Malaysia 馬來西亞			Total 合共		
2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變
167 (20)	166 (6)	+1% -233%	86 (2)	92 7	-7% -129%	4 (1)	- -	n/a不適用 n/a不適用	738 (34)	776 20	-5% -270%
-12%	-4%	-8%pts 個百分點	-2%	8%	-10%pts 個百分點	-25%	n/a不適用	n/a不適用	-5%	3%	-8%pts 個百分點
173,600 1,900	156,600 2,400	+11% -21%	30,200 5,700	31,400 6,100	-4% -7%	9,000 1,200	1,100 n/a不適用	718% n/a不適用	653,900 2,400	613,800 2,700	+7% -11%
-15%	-6%	-9%pts 個百分點	-12%	+8%	-20%pts 個百分點	n/a不適用	n/a不適用	n/a不適用	-9%	0%	-9%pts 個百分點
113	99	+14	28	28	0	8	1	+7	552	493	+59
n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	205	194	+6%
n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	52	53	-2%
n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	25%	27%	-2%pts 個百分點
n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	n/a不適用	534	466	+68
Consolidated綜合											
167 (20)	166 (6)	+1% -233%	86 (2)	92 7	-7% -129%	4 (1)	- -	n/a不適用 n/a不適用	970 19	997 61	-3% -70%
-12%	-4%	-8%pts 個百分點	-2%	8%	-10%pts 個百分點	-25%	n/a不適用	n/a不適用	2%	6%	-4%pts 個百分點
113	99	+14	28	28	0	8	1	+7	1,086	959	+127

(c) Same store sales growth is the comparison of sales of the same stores having full month operations in comparable periods

(d) No. of export franchised outlets is not included

(c) 同店銷售額增長為相同店鋪於比較期內完整月份之銷售額比較

(d) 不包括出口特許經營店鋪

BUSINESS REVIEW

Key Operations Breakdown and Analyses

The Group operates on a global platform, with core markets located in Hong Kong, Mainland China, Taiwan and Singapore. During the period under review, Hong Kong remained the major source of income for the Group, representing 53% of its consolidated revenue, followed by Mainland China, Taiwan and Singapore, which accounted for 21%, 17% and 9%, respectively, of the Group's consolidated revenue.

Hong Kong

For the six months ended 30 September 2006, total revenue generated from Hong Kong amounted to HK\$511 million (2005: HK\$524 million), representing a decrease of 2% when compared with that of the same period last year. The retail and export franchising businesses were the major sources of revenue, and accounted for 36% and 16%, respectively (2005: 37% and 14%), of the Group's total revenue. The overall operating profit in Hong Kong decreased by 8% to HK\$54 million (2005: HK\$59 million), while operating margin was maintained at 11% (2005: 11%).

Market competition in the retail industry, especially in the apparel sector, continued to be keen in the period under review. The operating environment was marked by an increase in the number of competitors and a surge in supply of similar apparel and casual wear products, thereby reducing the Group's product competitiveness. Additional operational challenges relating to rising rental and staff costs also imposed pressure on the profitability of the Group.

業務回顧

主要業務細分及分析

本集團擁有一個全球性的業務平台，以香港、中國大陸、台灣及新加坡為核心市場。回顧期內，香港仍然是本集團的主要收入來源，佔總銷售額的53%，其次為中國大陸、台灣及新加坡，分別佔本集團總銷售額的21%、17%及9%。

香港

截至二零零六年九月三十日止六個月，香港總收入為港幣5.11億元（二零零五年：港幣5.24億元），較去年同期下降2%。零售業務及出口特許經營業務繼續成為主要收入來源，分別佔本集團總收入的36%及16%（二零零五年：分別為37%及14%）。香港整體營運溢利下跌8%至港幣5.4千萬元（二零零五年：港幣5.9千萬元），營運溢利率維持於11%（二零零五年：11%）。

期內，零售業競爭依然激烈，尤以服裝業為甚，經營環境中競爭者顯著增多，同類型的服裝及休閒服產品供應激增，削弱了本集團的產品競爭力。而租金及員工開支上漲等額外營運挑戰亦為本集團的盈利能力帶來壓力。

BUSINESS REVIEW

Hong Kong (continued)

In light of the difficulties faced in the retail operating environment, the Group adopted a pragmatic expansion approach. It added 4 directly managed outlets in Hong Kong in the six months under review, bringing the total number of outlets to 37 as at 30 September 2006 (2005: 33) and the total retail floor area to 131,600 sq. ft. (2005: 112,300 sq. ft.), representing a 17% year-on-year increase. Retail sales decreased by 8% to HK\$342 million (2005: HK\$371 million), while same store sales decreased by 6% (2005: 3% negative growth) during the review period. Operating profit of the Hong Kong retail market declined 72% to HK\$8 million (2005: HK\$29 million) with an operating margin of 2% (2005: 8%).

Despite the lackluster performance of the retail business in Hong Kong, the export franchising business maintained satisfactory growth. The Group opened 32 additional franchised outlets during the six months ended 30 September 2006, bringing the total number to 295 (2005: 232). Revenue for export franchising rose by 11% year-on-year to HK\$158 million (2005: HK\$142 million). Operating profit increased by 12% to HK\$47 million (2005: HK\$42 million), while the operating margin of 30% was maintained at last year's level (2005: 30%). The Middle East market continued to be the major source of export franchising sales with the addition of 8 outlets during the past six months. The Group commenced export franchising business and established 14 outlets in 11 cities in India during the period under review.

業務回顧

香港(續)

有見零售經營環境所面對之困難，本集團採取務實的擴展策略。在回顧期之六個月內，本集團於香港增設了4間直接管理店鋪，使店鋪數目於二零零六年九月三十日增加至37間(二零零五年：33間)。總零售樓面面積按年上升17%至131,600平方呎(二零零五年：112,300平方呎)。零售銷售額下跌8%至港幣3.42億元(二零零五年：港幣3.71億元)。而期內之同店銷售額則下降6%(二零零五年：3%負增長)。香港零售業務的營運溢利下降72%至港幣8百萬元(二零零五年：港幣2.9千萬元)，營運溢利率為2%(二零零五年：8%)。

儘管香港零售業務表現遜色，但出口特許經營業務於期內維持理想銷售增長。本集團截至二零零六年九月三十日止六個月期內增加了32間特許經營店鋪，令數目達至總數295間(二零零五年：232間)。出口特許經營業務總收入按年上升11%，至港幣1.58億元(二零零五年：港幣1.42億元)，營運溢利增長12%，至港幣4.7千萬元(二零零五年：港幣4.2千萬元)，營運溢利率維持去年同期30%之水平(二零零五年：30%)。於過去六個月期內，中東市場繼續成為最主要的特許經營銷售收入來源，並新增了8間店鋪。本集團亦於回顧期內在印度開展了特許經營業務，於當地11個城市開設了14間店鋪。

BUSINESS REVIEW

Mainland China

The Mainland China market, which is the second largest contributor to the Group's revenue, was less than promising in terms of profitability in the six months under review. The Group's directly managed outlets cover nine first-tier cities and its franchisees now sell "**bossini**" and "**sparkle**" brands in more than 100 second- and third-tier cities. The Group has offered a higher-end "**bossini style**" product line to capture the opportunities in the mid to upper market segment in Mainland China and the response has been encouraging.

The Group's Mainland China operation encountered a down-turn in sales and profitability in the first half of 2006/07 and thus deliberately slowed down the pace of its network expansion. The total number of directly managed outlets and franchised outlets increased modestly to 366 (2005: 332) and 239 (2005: 234), respectively, bringing the total number to 605 (2005: 566). Total retail floor area decreased to 309,500 sq. ft. (2005: 312,400 sq. ft.).

For the directly managed network, 247 (2005: 212) were "**bossini**" outlets and 119 (2005: 120) were "**sparkle**" outlets. For the franchise network, 184 (2005: 184) were "**bossini**" outlets and 55 (2005: 50) were "**sparkle**" outlets.

業務回顧

中國大陸

作為本集團第二大收入來源之市場，中國大陸於過去六個月之盈利表現未如理想。本集團的直接管理店鋪覆蓋9個一線城市，而現時的特許經營商於超過100個二線及三線城市銷售"**bossini**"及"**sparkle**"品牌的產品。本集團推出較高檔次之"**bossini style**"系列，開拓中國大陸中上層市場，市場反應令人鼓舞。

二零零六／二零零七年度之上半年為中國大陸業務之銷售及盈利轉折點，因此本集團放緩了網絡擴張步伐。直接管理店鋪及特許經營店鋪分別增加至366間（二零零五年：332間）及239間（二零零五年：234間），令店鋪總數達605間（二零零五年：566間）。總零售樓面面積下降至309,500平方呎（二零零五年：312,400平方呎）。

於直接管理網絡中，247間（二零零五年：212間）為"**bossini**"店鋪，119間（二零零五年：120間）為"**sparkle**"店鋪。特許經營店鋪網絡方面，184間（二零零五年：184間）為"**bossini**"店鋪，55間（二零零五年：50間）為"**sparkle**"店鋪。

BUSINESS REVIEW

Mainland China (continued)

During the period under review, the market saw a substantial increase in apparel supply and a fast penetration of local players, which intensified competition in the mass casual wear sector. This, coupled with the decline in the Group's product competitiveness, has resulted in a weaker-than-expected performance of the Group's Mainland China operation for first half of the year, with a sales decrease of 6% year-on-year to HK\$202 million (2005: HK\$215 million).

Sales from directly managed outlets and franchised outlets dropped 5% and 10% to HK\$139 million (2005: HK\$147 million) and HK\$47 million (2005: HK\$52 million), respectively, and accounted for 14% (2005: 15%) and 5% (2005: 5%), respectively, of the Group's consolidated revenue for the period under review. Same store sales for the retail business in Mainland China recorded a negative growth of 9% (2005: 3% positive growth).

The Group recorded an operating loss of HK\$12 million for the six months ended 30 September 2006 (2005: HK\$1 million operating profit) in Mainland China. Operating margin was negative 6% (2005: 0%).

業務回顧

中國大陸(續)

回顧期內，中國大陸市場的服裝產品供應大幅上升，大批本地競爭者迅速湧入市場，令大眾化休閒服行業競爭更趨白熱化，加上本集團產品競爭力下降，因此本集團的中國大陸業務於上半年度表現較預期疲弱，銷售額較去年同期下降6%至港幣2.02億元（二零零五年：港幣2.15億元）。

當中，來自直接管理店鋪及特許經營店鋪的銷售額分別下降5%及10%，至港幣1.39億元（二零零五年：港幣1.47億元）及港幣4.7千萬元（二零零五年：港幣5.2千萬元）。直接管理店鋪及特許經營店鋪佔本集團總銷售額之百分比分別為14%（二零零五年：15%）及5%（二零零五年：5%）。中國大陸零售業務之同店銷售額錄得9%的負增長（二零零五年：3%正增長）。

因此，截至二零零六年九月三十日止的六個月，中國大陸之營運虧損為港幣1.2千萬元（二零零五年：港幣1百萬元營運溢利），營運溢利率為負6%（二零零五年：0%）。

BUSINESS REVIEW

Taiwan

Poor economic performance combined with the political instability continued to hamper consumers' purchasing power and confidence during the period under review, resulting in an extremely competitive market condition. The Group opened one directly managed outlet during the period under review, increasing the total number to 113 (2005: 99). Total retail floor area increased to 173,600 sq. ft. (2005: 156,600 sq. ft.).

Sales in Taiwan recorded a stable revenue of HK\$167 million (2005: HK\$166 million), but same store sales dropped by 15% (2005: drop of 6%). Operating loss amounted to HK\$20 million (2005: HK\$6 million).

Singapore

The Singapore market was highly competitive and saturated. The Group's performance in this market was also affected by the reduction in its product competitiveness. As at 30 September 2006, the total number of directly managed outlets was maintained at 28 (2005: 28), while the total retail floor area decreased by 4% to 30,200 sq. ft. (2005: 31,400 sq. ft.).

For the six months ended 30 September 2006, retail sales in Singapore declined 7% year-on-year to HK\$86 million (2005: HK\$92 million) while same store sales dropped 12% (2005: 8% growth). The Group recorded an operating loss of HK\$2 million for the period under review (2005: HK\$7 million operating profit) with negative operating margin of 2% (2005: 8% positive margin).

業務回顧

台灣

台灣經濟疲弱，加上政局不穩定，持續打擊消費能力及信心，導致市場環境困難。期內於當地僅增加了1間直接管理店鋪，令店鋪總數上升至113間（二零零五年：99間）。總零售樓面面積上升至173,600平方呎（二零零五年：156,600平方呎）。

台灣市場的銷售額保持穩定，約為港幣1.67億元（二零零五年：港幣1.66億元），但同店銷售則下降15%（二零零五年：6%的負增長）。營運虧損為港幣2.0千萬元（二零零五年：港幣6百萬元）。

新加坡

新加坡市場競爭激烈，而且已達飽和，本集團的業務表現受到產品競爭力下降而有所影響。於二零零六年九月三十日，在新加坡市場經營直接管理店鋪總數維持28間（二零零五年：28間），總零售樓面面積減少4%，至30,200平方呎（二零零五年：31,400平方呎）。

截至二零零六年九月三十日止的六個月，新加坡零售銷售額較去年同期下降7%至港幣8.6千萬元（二零零五年：港幣9.2千萬元），同店銷售額下滑約12%（二零零五年：8%增長）。回顧期內，本集團錄得營運虧損港幣2百萬元（二零零五年：港幣7百萬元營運溢利），營運溢利率則為負2%（二零零五年：8%）。

BUSINESS REVIEW

Malaysia

For the period under review, the Malaysia operation had a consistent and stable performance with 8 directly managed outlets (2005: 1) in operation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2006, the Group's cash and bank balances amounted to HK\$172 million (31 March 2006: HK\$244 million), after the payment of a final dividend of HK\$28.2 million in September 2006 for the last fiscal year. The Group's current ratio stood at a healthy level of 1.99 (31 March 2006: 2.35) and the total liabilities to equity ratio was 60% (31 March 2006: 46%). The Group had bank borrowings of HK\$40 million (31 March 2006: nil) payable within one year.

The Group managed its inventories at a stable level and had improved its inventory turnover[#] to 66 days for the period under review as compared with 72 days for the same period ended 30 September 2005 (31 March 2006: 42 days). Return on equity ratio decreased to 2% (31 March 2006: 18%).

[#] *Inventory held at 30 September 2006 divided by annualized revenue times 365 days*

CONTINGENT LIABILITIES

During the period under review, the Group had no material changes in contingent liabilities since 31 March 2006.

業務回顧

馬來西亞

回顧期內，馬來西亞業務表現平穩，現時共有8間直接管理店鋪（二零零五年：1間）。

流動資金及財政資源

於二零零六年九月派付上一財政年度之末期股息港幣2.82千萬元後，本集團於二零零六年九月三十日之現金及銀行結餘為港幣1.72億元（二零零六年三月三十一日：2.44億元）。本集團的流動比率維持於1.99倍之健康水平（二零零六年三月三十一日：2.35倍），總負債對股東權益比率為60%（二零零六年三月三十一日：46%）。集團需於一年內償還的銀行貸款為港幣4.0千萬元。（二零零六年三月三十一日：無）。

回顧期內，集團有效管理存貨於穩定水平，改善存貨周轉期[#]至66天，截至二零零五年九月三十日止去年同期則為72天（二零零六年三月三十一日：42天），股本回報率下降至2%（二零零六年三月三十一日：18%）。

[#] *於二零零六年九月三十日所持有之存貨除以年度化收益乘365天*

或然負債

於回顧期間，本集團自二零零六年三月三十一日起之或然負債並無重大變動。

HUMAN CAPITAL

As at 30 September 2006, the Group employed 4,300 full-time staff (2005: 4,300) or equivalent in Hong Kong, Macau, Mainland China, Taiwan, Singapore and Malaysia. It employs a performance-based remuneration system and offers benefits such as insurance, retirement schemes, share option scheme, as well as discretionary performance bonuses.

OUTLOOK

Going forward, with a number of measures in place to strengthen internal management, enrich product design and offering, enhance brand image and to provide a unique shopping experience, the Board is cautious yet optimistic about the Group's future development in the medium- to long-term. The Group will continue to maintain a pragmatic expansion strategy with a strong emphasis on profitability and efficiency. It targets to open 20 outlets net in the second half of this fiscal year, which include the addition of 3 retail outlets in Hong Kong, 25 franchised outlets for the export business, 2 retail outlets in Singapore and 2 retail outlets in Malaysia, and the reduction of 1 retail outlet and 3 franchised outlets in Mainland China as well as 8 retail outlets in Taiwan.

The outlook for the Hong Kong retail sector in the second half of this fiscal year looks mixed with both opportunities and challenges. Achieving sustainable growth for both top and bottom lines has always been a key objective of the Group. It will try its utmost to implement proactive strategies to strengthen its product competitiveness and enhance its brand image.

人力資源

於二零零六年九月三十日，本集團在香港、澳門、中國大陸、台灣、新加坡及馬來西亞共聘用4,300名（二零零五年：4,300名）全職員工。本集團引用以員工的工作表現釐定薪酬的系統，並為員工提供保險、退休計劃、購股權計劃以及按表現發放花紅等福利。

未來展望

本集團已經制定多項措施，加強內部管理、豐富產品設計及提升品牌形象，目的為顧客提供獨特的購物體驗。董事局對本集團中、長期發展前景仍謹慎樂觀。集團將繼續推行務實的拓展策略，著重加強盈利能力和營運效率，本集團的目標是於下半財政年度開設新店的淨額為20間，包括於香港新增3間零售店鋪、25間出口特許經營店鋪、2間新加坡零售店鋪及2間馬來西亞零售店鋪；另外亦計劃於中國大陸刪減1間零售店鋪及3間特許經營店鋪，以及於台灣刪減8間零售店鋪。

展望下半年的香港零售業機遇與挑戰交織並存。一直以來，本集團的長遠目標是取得收入及盈利的持續增長。本集團將竭盡所能推行積極的營運策略，提高產品競爭力及提升品牌形象。

OUTLOOK

The Group has been receiving good market response to its branding and promotional initiatives. It will continue to ride on this successful formula to further enhance the brand image and its market awareness through a variety of marketing activities, campaigns and events.

On the product front, the Group plans to allocate more resources by adding experienced designers to design and maintain the existing “basic” and “easy to carry” styles with an appropriate but not excessive touch of fashion, so as to pave the way for broader and deeper penetration into the mass market. To further enrich its product portfolio in order to fulfill its customers’ demand and diversify revenue streams, the Group will also extend and revitalize its product lines with new and innovative product designs and functional fabrics. In the next fiscal year, the Group will increase the frequency of product launches from 8 collections to 12 collections per annum, to stimulate consumption desire with new product launch every month.

Striving for excellence in maintaining its leading position in the chosen market segment, the Group will roll out a comprehensive brand revamp program, which comprises an injection of a revolutionary shop décor concept to provide a brand-new shopping environment and experience for customers. An outlet in Mong Kok will be expanded and re-constructed as a four-storey flagship store which is scheduled to be opened around end of this fiscal year. The new concept will be replicated subsequently and progressively in other regions to complement the new brand-building direction.

未來展望

本集團的品牌及其他宣傳活動一直廣受市場歡迎，秉承過去的成功經驗，本集團將繼續透過一系列市場推廣項目，如比賽及活動，進一步提升品牌形象及市場認知度。

產品方面，本集團計劃進一步投放資源於產品設計上，通過增聘更具經驗的設計師，致力設計及維持現有的「基本自然」與「易於穿著」的風格，並配以適當的時裝潮流元素，務求可以更深入更廣泛地滲透大眾化市場。同時，為了進一步豐富產品系列，以滿足消費者的需求及實現多元化的收入來源，本集團還會開拓具備創新設計和功能性用料之新產品線，並將於下一個財政年度內，增加產品推出的次數，從每年推出8組產品增加至每年12組，令每月均有新產品推出市場刺激消費。

為致力保持於擬定之市場中穩佔領先地位，本集團將推行一個全面的品牌革新計劃，包括加入具革命性的店鋪設計概念，為顧客提供全新的購物環境及體驗。旺角其中一間店鋪將會擴充成為佔地4層高的旗艦店，計劃約於本財政年度底開業。此嶄新的店鋪設計及品牌概念亦將逐步延伸至其他地區，以配合品牌革新方向。

OUTLOOK

With cost effectiveness and operating efficiencies set as its priorities, the Group is investing HK\$23 million in international information technology systems to keep in pace with worldwide development. These include the implementations of a world-class financial management system and a warehouse management system, and an upgrade of the point-of-sales system that will enhance internal operations and workflow, inventory management, merchandise planning, logistics controls and forecasting, laying a solid foundation for the Group's long-term growth. The Group will also shorten the production cycle by fostering closer collaboration with suppliers. Synergies from these integrated systems will enable the Group to respond quicker to market changes and demands, the benefits of which are expected to be realized in the next fiscal year.

The Group will continue to exercise caution in capturing any synergistic expansion opportunities in new markets. It plans to enter Korea and Syria in the next fiscal year. The export franchising business is expected to continue to be a stable earnings contributor, benefiting from the Group's culture and practices to develop win-win collaboration with its franchisees and business partners.

未來展望

本集團一向著重成本效益和營運效率，現正投放港幣2.3千萬元安裝及提升國際級資訊系統，以緊貼全球發展步伐，涵蓋財務管理系統及倉庫管理系統，及為銷售點管理系統升級，以加強內部營運及流程、存貨管理、採購計劃、物流控制及預測，為長期發展及改進打下堅實基礎。本集團通過與供應商建立更緊密的聯繫，縮短產品生產週期。本集團預期整合系統所帶來的協同效應將有助本身對市場的轉變需求作出更快的回應，成效將於下一個財政年度顯現。

本集團將繼續謹慎地把握任何具協同效應之擴充新市場機會，並計劃於下一財政年度進入韓國及敘利亞市場。出口特許經營業務仍將繼續成為穩定的收入來源，並受惠於本集團的文化及矢志實踐與特許經營商及商業夥伴取得雙贏局面之目標。

OUTLOOK

The Group plans to launch its first flagship store in the Mainland China to refresh its brand image in alignment with the brand revamp program in Hong Kong. Although the Mainland China market is vibrant, the Group will closely monitor the developments in the retail sector in Mainland China and adjust its pace of development. Improvement measures will be implemented for the “**bossini**” and “**sparkle**” brands to enhance their competitiveness with a view to restoring profitability to the Group. Products under “**bossini style**” introduced by a newly formed design team have received encouraging market response and are expected to bring a positive impact to the business in Mainland China in the near future. The Group is optimistic and believes that there will be an up-turning point for this market soon.

Taiwan’s retail market is expected to remain sluggish due to political instability. The Group will maintain its existing strategies and minimize outlet expansion in Taiwan in the second half of 2006/07. With appropriate consolidation of its existing network, the Group anticipates considerable improvements for its Taiwan operation in the near future.

The Group is optimistic about its steady growth in the Singapore market and will keep abreast of market trends by reviewing its business from time to time and making adjustments wherever necessary. The Group believes that it will achieve a turnaround in this market in the second half of 2006/07.

未來展望

為配合香港的品牌革新計劃，本集團將於中國大陸開設首家旗艦店，革新品牌形象。本集團將採取務實的擴展策略，加強於蓬勃但又瞬息萬變的中國大陸市場滲透率，並密切關注零售業的發展勢頭。本集團將會推行一連串改善措施，提高“**bossini**”品牌和“**sparkle**”品牌在中國大陸市場的競爭力，以爭取恢復盈利能力。由新組成的設計團隊推出的最新“**bossini style**”系列產品廣受市場歡迎，預期可於短期為中國大陸業務帶來正面成效。本集團對中國大陸市場持樂觀態度，並相信於不久便能重回升軌。

台灣經濟在短期仍將停滯不前，政治局面仍不穩定。二零零六／二零零七年度之下半年，本集團將保持現有的策略，放緩台灣市場的擴張步伐。在完成網絡整合後，本集團預計台灣市場表現可於未來逐步改善。

本集團對新加坡市場的平穩增長抱樂觀態度，並將不時檢討其業務，從而緊貼市場趨勢，在適當時候作出調整。集團有信心此市場可於二零零六年下半年扭虧為盈。

OUTLOOK

Going forward, the Group's growth momentum will be largely driven by organic growth, mainly through market expansion and productivity enhancements, with businesses in export franchising and Mainland China as its growth engines. The Group remains positive about the medium- to long-term growth potential.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend (2005: HK1.8 cents per ordinary share) for the period.

未來展望

邁向未來，本集團之增長動力將來自本身之業務增長，主要透過市場拓展及產能提升，其中出口特許經營業務及中國大陸市場將成為其增長點。在中、長期而言，本集團對增長前景充滿信心。

中期股息

董事局不建議於期內派發中期股息（二零零五年：每股普通股1.8港仙）。

SUPPLEMENTARY INFORMATION**DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES**

At 30 September 2006, the interests 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

補充資料**董事於股份及相關股份之權益**

於二零零六年九月三十日，董事於本公司或其相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股本及相關股份中，擁有本公司遵照證券及期貨條例第352條存置之登記冊所記錄之權益，或根據香港聯合交易所有限公司（「聯交所」）證券上市規則中有關上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

於本公司普通股之好倉：

Name of director 董事姓名	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
	Directly beneficially owned 直接實益擁有	Through controlled corporation 透過 受控法團擁有		
Mr. LAW Ka Sing 羅家聖先生	1,063,091,098	30,000,000	1,093,091,098	69.67

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

The interests of the directors in the share options of the Company are separately disclosed hereunder.

Save as disclosed above, at 30 September 2006, none of the directors had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN CONTRACTS

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

董事於股份及相關股份之權益

董事於本公司購股權之權益另行在下列披露。

除上文所披露者外，於二零零六年九月三十日，董事概無於本公司或其任何相聯法團之股份或相關股份中，擁有須遵照證券及期貨條例第352條予以記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

除於上述「董事於股份及相關股份之權益」及下述「購股權計劃」之披露事項所披露者外，本公司於期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

期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。

SHARE OPTION SCHEME

Share options were granted to the directors and employees under the Share Option Scheme (the "Scheme") adopted by the Company on 27 November 2003. There was no change in any terms of the Scheme during the six months ended 30 September 2006. The details of the Scheme were disclosed in the 2005/06 annual report.

Details of the share options of the Company granted and outstanding under the Scheme during the period are set out below.

購股權計劃

本公司根據於二零零三年十一月二十七日採納之購股權計劃（「計劃」）授出購股權予董事及員工。截至二零零六年九月三十日止之六個月內，此計劃之條款並無更改。此計劃詳情已於二零零五／零六年年報中披露。

根據計劃授出而於期內尚未行使之購股權詳情如下：

Name or category of participants 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 (note 1) (附註1)	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 (note 2) (附註2) HK\$ 港幣元
	At 1 April 2006 於二零零六年四月一日	Forfeited during the period 期內沒收	At 30 September 2006 於二零零六年九月三十日			
Directors 董事						
Ms. CHAN So Kuen 陳素娟女士	1,332	-	1,332	2 December 2003 二零零三年十二月二日	2 December 2004 to 1 December 2013 二零零四年十二月二日至二零零三年十二月一日	0.175
	3,333,334	-	3,333,334	2 December 2003 二零零三年十二月二日	2 December 2006 to 1 December 2013 二零零六年十二月二日至二零零三年十二月一日	0.175
	3,333,334	-	3,333,334	2 December 2003 二零零三年十二月二日	2 December 2008 to 1 December 2013 二零零八年十二月二日至二零零三年十二月一日	0.175
	6,668,000	-	6,668,000			

SHARE OPTION SCHEME

購股權計劃

Name or category of participants	Number of share options 購股權數目			Date of grant of share options	Exercise period of share options	Exercise price of share options
	At 1 April 2006 於二零零六年 四月一日	Forfeited during the period 期內沒收	At 30 September 2006 於二零零六年 九月三十日			
姓名或參與人士類別				授出購股權日期 (note 1) (附註1)	購股權行使期	購股權行使價 (note 2) (附註2) HK\$ 港幣元
Directors 董事						
Mr. Dickie FU Shing Kwan 傅成坤先生 (note 3) (附註3)	1,332	(1,332)	–	2 December 2003 二零零三年十二月二日	2 December 2004 to 1 December 2013 二零零四年十二月二日至 二零一三年十二月一日	0.175
	3,333,334	(3,333,334)	–	2 December 2003 二零零三年十二月二日	2 December 2006 to 1 December 2013 二零零六年十二月二日至 二零一三年十二月一日	0.175
	3,333,334	(3,333,334)	–	2 December 2003 二零零三年十二月二日	2 December 2008 to 1 December 2013 二零零八年十二月二日至 二零一三年十二月一日	0.175
	6,668,000	(6,668,000)	–			

SHARE OPTION SCHEME

購股權計劃

Name or category of participants	Number of share options 購股權數目			Date of grant of share options	Exercise period of share options	Exercise price of share options
	At 1 April 2006 於二零零六年 四月一日	Forfeited during the period 期內沒收	At 30 September 2006 於二零零六年 九月三十日			
姓名或參與人士類別				授出購股權日期 (note 1) (附註1)	購股權行使期	購股權行使價 (note 2) (附註2) HK\$ 港幣元
Other employees 其他僱員						
In aggregate 合共 (note 4) (附註4)	7,996	–	7,996	2 December 2003 二零零三年十二月二日	2 December 2004 to 1 December 2013 二零零四年十二月二日至 二零一三年十二月一日	0.175
	16,000,002	–	16,000,002	2 December 2003 二零零三年十二月二日	2 December 2006 to 1 December 2013 二零零六年十二月二日至 二零一三年十二月一日	0.175
	16,000,002	–	16,000,002	2 December 2003 二零零三年十二月二日	2 December 2008 to 1 December 2013 二零零八年十二月二日至 二零一三年十二月一日	0.175
	32,008,000	–	32,008,000			
	45,344,000	(6,668,000)	38,676,000			

SHARE OPTION SCHEME*Notes:*

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
2. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital, and was adjusted for the issue of bonus shares on 14 September 2004 from HK\$0.35 to HK\$0.175 each.
3. Mr. Dickie FU Shing Kwan resigned as a director of the Company on 26 June 2006. All unexercised share options held by him lapsed on 26 September 2006 in accordance with the Scheme.
4. Ms. Pansy CHAU Wai Man and Mr. Simon ORR Kuen Fung resigned as executive directors of the Company on 12 January 2006 but remain as senior management of the Group. Therefore, they are under the category of other employees.

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

No share options were granted, exercised or expired during the period.

At the balance sheet date, the Company had 38,676,000 share options outstanding under the Scheme, which represented approximately 2.5% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 38,676,000 additional ordinary shares of the Company and additional share capital of approximately HK\$3,868,000 and share premium of approximately HK\$2,901,000 (before issue expenses).

購股權計劃*附註：*

1. 購股權歸屬期間為自授出日期起計直至行使期間開始為止。
2. 購股權之行使價可根據供股或發行紅股、或本公司股本之其他類似變動而予以調整，並已於二零零四年九月十四日就發行紅股由每股港幣0.35元調整至港幣0.175元。
3. 傅成坤先生已於二零零六年六月二十六日辭任本公司董事，其所持有之所有未行使購股權已根據計劃於二零零六年九月二十六日失效。
4. 周慧雯女士及柯權峯先生已於二零零六年一月十二日辭任本公司執行董事，惟繼續留任本集團高級管理層。故此，彼等屬其他僱員類別。

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。

期內概無任何購股權獲授出，行使或屆滿。

於結算日，本公司於計劃項下之尚未行使之購股權有38,676,000份，相當於該日本公司已發行股份約2.5%。按本公司現有股本結構悉數行使購股權，將導致本公司發行約38,676,000股額外普通股股份，而股本及股份溢價將分別增加約港幣3,868,000元及約港幣2,901,000元(扣除發行開支前)。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2006, 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:

主要股東於股份及相關股份之權益

於二零零六年九月三十日，本公司遵照證券及期貨條例第336條存置之權益登記冊顯示，下列人士於本公司已發行股本及購股權中擁有5%或以上權益：

好倉：

Name of Substantial Shareholder	Capacity and nature of interest	Number of ordinary shares held	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
主要股東姓名	身份及權益性質	所持普通股數目	股本百分比	所持購股權數目
Mr. LAW Ka Sing 羅家聖先生	Directly beneficially owned 直接實益擁有	1,063,091,098	67.76	—
	Through controlled corporation 透過受控法團擁有	30,000,000	1.91	—
		<u>1,093,091,098</u>	<u>69.67</u>	<u>—</u>

Save as disclosed above, at 30 September 2006, no person, other than the directors of the Company, whose interests are also set out in the section "Directors' interests in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

除上文所披露者及上文「董事於股份及相關股份之權益」一節所載本公司董事之權益外，於二零零六年九月三十日，概無人士於本公司之股份或相關股份中，擁有須遵照證券及期貨條例第336條予以記錄之權益或淡倉。

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 period.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. It has formulated its written terms of reference in accordance with the provisions set out in Appendix 14 – Code on Corporate Governance Practices (the "CG Code") of the Listing Rules. The audit committee has reviewed the unaudited interim financial results for the six months ended 30 September 2006. The audit committee comprises four Independent Non-executive Directors of the Company, namely Ms. LEUNG Mei Han, Mr. Raymond LEE Man Chun, Mr. WONG Wai Kay and Prof. SIN Yat Ming.

CODE ON CORPORATE GOVERNANCE PRACTICES

Pursuant to the special resolution passed at the annual general meeting of the Company held on 28 August 2006 to amend the bye-laws of the Company to effect that, including but not limited to, every Director (other than any Director holding office as Chairman or Managing Director), including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於期內概無購買、出售或贖回本公司任何上市證券。

審核委員會

本公司設有審核委員會，該委員會乃遵照聯交所證券上市規則（「上市規則」）第3.21條之規定而成立，以審閱及監管本集團之財務匯報程序及內部監控。審核委員會已根據上市規則附錄十四－企業管治常規守則（「企業管治常規守則」）所載之條文制定書面職權範圍。審核委員會已審閱截至二零零六年九月三十日止六個月之未經審核中期財務業績。審核委員會包括本公司四名獨立非執行董事，分別為梁美嫻女士、李文俊先生、王維基先生及冼日明教授。

企業管治常規守則

根據本公司於二零零六年八月二十八日舉行之股東週年大會所通過之特別決議案以修訂本公司章程細則，使（包括但不限於）每位董事（擔任主席或董事總經理之董事除外）包括有指定任期之董事，須最少每三年輪值退任一次。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company was in compliance with the code provisions as set out in the CG Code during the six months ended 30 September 2006, except for the following deviations:

- a. The Company does not have a separate Chairman and Chief Executive Officer and Mr. LAW Ka Sing currently holds both positions. The Board considers that the present structure provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies. It also enables the Group to make and implement decisions promptly and efficiently to the best benefit of the Group and its shareholders.
- b. The Chairman and the Chief Executive Officer of the Company are not subject to retirement by rotation. The Board considers that the continuity of the Chairman and Chief Executive Officer of the Company and his leadership are crucial in maintaining the stability of the Group's business operations.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of the Company's Directors, the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the interim report.

By Order of the Board
LAW Ka Sing
Chairman

Hong Kong, 7 December 2006

企業管治常規守則

本公司於截至二零零六年九月三十日止六個月期間已遵守企業管治常規守則所載之守則條文，惟下列之偏離事項除外：

- a. 本公司並無分開設置主席與行政總裁之職務，羅家聖先生現時兼任兩個職位。董事局認為現時之架構為本集團提供穩固及貫徹之領導，且能夠更有效策劃及執行長遠業務策略，亦有助本集團可迅速及有效地作出及執行對本集團及其股東最有利之決策。
- b. 本公司之主席及行政總裁並不受輪值退任之規定所規限。董事局認為本公司主席兼行政總裁之持續性及其領導，乃維持本集團業務穩定性之關鍵要素。

進行證券交易之標準守則

本公司已採納標準守則作為本公司董事買賣證券之操守守則。根據本公司向董事作出具體查詢後，董事於中期報告所涵蓋之會計期間一直遵守標準守則所規定之標準。

承董事局命
 主席
羅家聖

香港，二零零六年十二月七日

FINANCIAL RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENT

財務業績

簡明綜合收益表

Six months ended

30 September

截至九月三十日止六個月

2006

2005

二零零六年

二零零五年

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

HK\$'000

HK\$'000

港幣千元

港幣千元

Notes
附註

Revenue	收益	2	969,982	997,055
Cost of sales	銷售成本		(505,801)	(518,507)
Gross profit	毛利		464,181	478,548
Other income and gains	其他收入及收益	3	5,271	5,559
Selling and distribution costs	銷售及分銷成本		(328,197)	(306,257)
Administrative expenses	行政開支		(106,277)	(99,203)
Other operating expenses	其他營運開支		(16,382)	(17,306)
Profit from operating activities	營運業務溢利		18,596	61,341
Finance costs	融資成本	4	–	(89)
Profit before tax	除稅前溢利	5	18,596	61,252
Tax	稅項	6	(12,184)	(16,042)
Profit for the period attributable to equity holders	權益持有人應佔期內溢利		6,412	45,210
Dividend per share	每股股息	7	–	HK1.80 cents港仙
Earnings per share attributable to ordinary equity holders	普通權益持有人應佔每股盈利	8		
Basic	基本		HK0.41 cent港仙	HK2.88 cents港仙
Diluted	攤薄		HK0.40 cent港仙	HK2.80 cents港仙

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

		At		At
		30 September 2006		31 March 2006
		於二零零六年		於二零零六年
		九月三十日		三月三十一日
		(Unaudited)		(Audited)
		(未經審核)		(經審核)
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	157,597	153,334
Trademark	商標		1,164	1,164
Deferred tax assets	遞延稅項資產		2,847	2,672
Deposits paid	已付按金		56,336	48,849
Bank deposits	銀行存款		15,600	15,600
Total non-current assets	非流動資產總值		233,544	221,619
Current assets	流動資產			
Inventories	存貨		348,238	253,591
Debtors	應收賬款	10	62,142	55,664
Bills receivable	應收票據		13,355	11,973
Deposits paid	已付按金		22,880	30,442
Prepayments and other receivables	預付款項及其他應收賬項		69,625	57,621
Derivative financial instruments	衍生金融工具		1,783	998
Tax recoverable	可收回稅款		36	35
Pledged bank deposits	有抵押銀行存款		774	787
Cash and cash equivalents	現金及現金等值項目		156,034	227,513
Total current assets	流動資產總值		674,867	638,624

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

		At 30 September 2006 於二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元		At 31 March 2006 於二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元	
	Notes 附註				
Current liabilities	流動負債				
Trade creditors and accruals	應付賬款及應計賬項	11	201,724	196,038	
Bills payable	應付票據		37,320	22,243	
Tax payable	應繳稅款		38,345	28,531	
Due to related companies	應付關連公司款項		22,127	23,573	
Derivative financial instruments	衍生金融工具		674	1,153	
Interest-bearing bank loans	計息銀行貸款	12	39,640	–	
Total current liabilities	流動負債總值		339,830	271,538	
Net current assets	流動資產淨值		335,037	367,086	
Total assets less current liabilities	除流動負債後資產總值		568,581	588,705	
Non-current liabilities	非流動負債				
Provisions	撥備		1,075	583	
Deferred tax liabilities	遞延稅項負債		717	701	
Total non-current liabilities	非流動負債總值		1,792	1,284	
Net assets	資產淨值		566,789	587,421	
Equity	權益				
Issued capital	已發行股本		156,891	156,891	
Reserves	儲備		409,898	402,290	
Proposed dividend	擬派股息		–	28,240	
Total equity	權益總值		566,789	587,421	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY

簡明綜合權益變動報表

		Issued share capital 已發行 股本 (Unaudited) (未經審核) HK\$'000 港幣千元	Share premium account 溢價賬 (Unaudited) (未經審核) HK\$'000 港幣千元	Share option reserve 購股權 儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Capital reserve 資本儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Contributed surplus 繳入盈餘 (Unaudited) (未經審核) HK\$'000 港幣千元	Asset revaluation reserve 資產 重估儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Exchange fluctuation reserve 外匯 波動儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Reserve funds 儲備基金 (Unaudited) (未經審核) HK\$'000 港幣千元	Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 港幣千元	Proposed dividend 擬派股息 (Unaudited) (未經審核) HK\$'000 港幣千元	Total equity 權益總值 (Unaudited) (未經審核) HK\$'000 港幣千元
At 1 April 2006	於二零零六年 四月一日	156,891	1,855	2,000	(4,987)	90,258	10,151	15,790	1,798	285,425	28,240	587,421
Final 2006 dividend declared	已宣派 二零零六年度 末期股息	—	—	—	—	—	—	—	—	—	(28,240)	(28,240)
Exchange realignment	匯兌調整	—	—	—	—	—	1,020	33	—	—	—	1,053
Equity-settled share option arrangements	權益結算 購股權安排	—	—	143	—	—	—	—	—	—	—	143
Profit for the period	期內溢利	—	—	—	—	—	—	—	—	6,412	—	6,412
At 30 September 2006	於二零零六年 九月三十日	156,891	1,855	2,143	(4,987)	90,258	10,151	16,810	1,831	291,837	—	566,789
At 1 April 2005	於二零零五年 四月一日	156,891	1,855	1,309	(4,987)	90,258	—	15,904	1,750	236,870	61,188	561,038
Final 2005 dividend declared	已宣派 二零零五年度 末期股息	—	—	—	—	—	—	—	—	—	(61,188)	(61,188)
Exchange realignment	匯兌調整	—	—	—	—	—	(3,656)	31	—	—	—	(3,625)
Equity-settled share option arrangements	權益結算 購股權安排	—	—	262	—	—	—	—	—	—	—	262
Profit for the period	期內溢利	—	—	—	—	—	—	—	—	45,210	—	45,210
Proposed interim dividend	擬派中期股息	—	—	—	—	—	—	—	—	(28,240)	28,240	—
At 30 September 2005	於二零零五年 九月三十日	156,891	1,855	1,571	(4,987)	90,258	—	12,248	1,781	253,840	28,240	541,697

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

		Six months ended 30 September 截至九月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元
Net cash outflow from operating activities	營運業務之現金流出淨額	(51,835)	(42,835)
Net cash outflow from investing activities	投資活動之現金流出淨額	(32,381)	(56,653)
Net cash inflow/(outflow) from financing activities	融資活動之現金流入／(流出)淨額	11,400	(76,188)
Net decrease in cash and cash equivalents	現金及現金等值項目之淨減少	(72,816)	(175,676)
Cash and cash equivalents at 1 April	於四月一日之現金及現金等值項目	227,513	325,895
Effect of foreign exchange rate changes, net	外匯兌換率變動之影響，淨額	1,337	54
Cash and cash equivalents at 30 September	於九月三十日之現金及現金等值項目	156,034	150,273
Analysis of balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結餘	156,034	130,686
Non-pledged bank time deposits with original maturity of less than three months when acquired	取得時原定到期日少於三個月之無抵押銀行定期存款	-	19,587
		156,034	150,273

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

These condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 March 2006, except in relation to the following revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period’s financial statements:

HKAS 21 Amendment	Net Investment in Foreign Operation
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HK(IFRIC) – Int 4	Determining whether an Arrangement contains a Lease

簡明綜合財務報表附註

1. 編製基準及會計政策變動

此簡明綜合中期財務報表乃按照香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」及聯交所證券上市規則附錄16之披露規定編製。

除了以下會影響本集團並於本期間之財務報表中首次採用之經修訂香港財務匯報準則（「香港財務匯報準則」，亦包括香港會計準則及詮釋）外，編製此本中期財務報表所採用之會計政策及編製基準，與編製截至二零零六年三月三十一日止年度之年度財務報表所採用者一致：

香港會計準則第21號 （經修訂）	海外業務之投資 淨額
香港會計準則第39號 （經修訂）	期權之公平價值
香港會計準則第39號及 香港財務匯報準則 第4號（經修訂）	財務擔保合約
香港（國際財務匯報 詮釋委員會） －詮釋第4號	釐定安排 是否包括 租賃

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)

The adoption of the above revised HKFRSs has no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated financial statements.

Inventories

With proven sales track record of the products and the recovery of economic conditions in general for the regions in which the Group has operations over the past few years, the Group has revised its estimates relating to inventory provision policy during the period under review. If the old inventory provision policy were used for the current period, an additional provision of approximately HK\$6.1 million would have been made to write-down the carrying amounts of inventories.

2. SEGMENT INFORMATION

An analysis of the Group's revenue and profit/(loss) by business segment is not presented as the Group's revenue and results are predominantly derived from retailing and distribution of garments.

1. 編製基準及會計政策變動 (續)

採納以上經修訂香港財務匯報準則對本集團之會計政策及本集團簡明綜合財務報表內之計算方法均無重大影響。

存貨

由於產品以往之銷售成績理想，加上過去數年集團有經營業務的區域之經濟情況普遍好轉，本集團已於回顧期間修訂存貨撥備政策之有關估計。倘本集團於本期間沿用以往的存貨撥備政策，則本集團須為撇減存貨之賬面值而作出額外撥備約港幣6,100,000元。

2. 分類資料

鑑於本集團之收益及業績主要源自成衣零售及分銷業務，故並無提呈本集團按業務分類之收益及溢利／（虧損）分析。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

2. SEGMENT INFORMATION (continued)

An analysis of the Group's revenue and profit/(loss) by geographical segment for the six months ended 30 September 2006, together with the comparative figures for the corresponding period in 2005, is as follows:

2. 分類資料(續)

截至二零零六年九月三十日止六個月內，本集團按地域分類之收益及溢利／(虧損)分析，連同二零零五年同期之比較數字如下：

		Hong Kong 香港		Mainland China 中國大陸		Taiwan 台灣		Singapore & Malaysia 新加坡及馬來西亞		Consolidated 綜合	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元
Segment revenue	分類收益										
Sales to external customers	銷售予外間顧客	511,685	524,196	201,629	214,720	167,054	165,962	89,614	92,177	969,982	997,055
Other income and gains	其他收入及收益	1,417	633	315	530	1,081	1,634	33	11	2,846	2,808
Total	總計	513,102	524,829	201,944	215,250	168,135	167,596	89,647	92,188	972,828	999,863
Segment results	分類業績	52,269	57,617	(12,617)	253	(20,899)	(6,025)	(2,582)	6,745	16,171	58,590
Interest income	利息收入									2,425	2,751
Profit from operating activities	營運業務溢利									18,596	61,341
Finance costs	融資成本									—	(89)
Profit before tax	除稅前溢利									18,596	61,252
Tax	稅項									(12,184)	(16,042)
Profit for the period	期內溢利									6,412	45,210

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

3. OTHER INCOME AND GAINS

3. 其他收入及收益

		Six months ended 30 September 截至九月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元
Interest income	利息收入	2,425	2,751
Royalty income	專利費收入	19	62
Gross rental income	租金收入毛額	989	1,190
Others	其他	1,838	1,556
		<u>5,271</u>	<u>5,559</u>

4. FINANCE COSTS

4. 融資成本

		Six months ended 30 September 截至九月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元
Interest on bank loans and overdrafts wholly repayable within five years	須於五年內悉數償還之銀行貸款及透支之利息	—	89

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

5. PROFIT BEFORE TAX

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

5. 除稅前溢利

本集團之除稅前溢利已扣除／（計入）下列項目：

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Inventory provision	存貨撥備	15,029	20,162
Depreciation	折舊	28,290	25,570
Fair value gains of derivative instruments	衍生工具之公平值收益		
– transactions not qualifying as hedges, net	– 不符合作為對沖活動的交易，淨額	(1,216)	(4,394)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 September 2006. 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.

簡明綜合財務報表附註

6. 稅項

香港利得稅已按截至二零零六年九月三十日止六個月內於香港賺取之估計應課稅溢利以稅率17.5%(二零零五年: 17.5%)提撥準備。在其他地區所得應課稅溢利之稅項, 乃根據本集團業務經營所在國家之現有法律、詮釋及常規, 按其現行稅率計算。

		Six months ended 30 September 截至九月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元
Current – Hong Kong	本期間 – 香港		
Charge for the period	期內支出	9,269	11,398
Current – Elsewhere	本期間 – 其他地區		
Charge for the period	期內支出	3,090	5,372
Overprovision in prior periods	過往期間超額撥備	—	(29)
Deferred	遞延	(175)	(699)
Total tax charge for the period	期內稅項支出總額	12,184	16,042

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

7. DIVIDENDS

7. 股息

		Six months ended 30 September 截至九月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 港幣千元
Interim dividend – Nil (2005: HK1.8 cents per ordinary share)	中期股息—無 (二零零五年： 每股普通股1.8港仙)	—	28,240

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders for the six months ended 30 September 2006 of HK\$6,412,000 (2005: HK\$45,210,000) and 1,568,911,394 (2005: 1,568,911,394) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity holders for the six months ended 30 September 2006 of HK\$6,412,000 (2005: HK\$45,210,000). The number of ordinary shares used in the calculation is the 1,568,911,394 (2005: 1,568,911,394) ordinary shares in issue during the period, as used in the basic earnings per share calculation and the weighted average number of 32,047,785 (2005: 46,569,788) ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

8. 普通權益持有人應佔每股盈利

每股基本盈利乃根據截至二零零六年九月三十日止六個月內普通權益持有人應佔溢利港幣6,412,000元(二零零五年：港幣45,210,000元)及期內已發行普通股1,568,911,394股(二零零五年：1,568,911,394股)計算。

每股攤薄盈利乃根據截至二零零六年九月三十日止六個月內普通權益持有人應佔溢利港幣6,412,000元(二零零五年：港幣45,210,000元)計算。計算所用之普通股股數(亦用於計算每股基本盈利)為期內已發行普通股1,568,911,394股(二零零五年：1,568,911,394股)，及假設被視作悉數行使或轉換所有具攤薄潛力普通股為普通股而按零代價發行之普通股加權平均數32,047,785股(二零零五年：46,569,788股)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

9. PROPERTY, PLANT AND EQUIPMENT

9. 物業、廠房及設備

		At 30 September 2006 於二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 於二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Opening net carrying amount	期初賬面淨值	153,334	115,409
Additions	添置	35,120	79,397
Disposals	出售	(2,993)	(2,760)
Depreciation provided during the period	期內折舊撥備	(28,290)	(54,983)
Reversal of impairment during the period	期內減值撥回	—	15,551
Exchange realignment	匯兌調整	426	720
Closing net carrying amount	期末賬面淨值	157,597	153,334

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. 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 the invoice date, is as follows:

簡明綜合財務報表附註

10. 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於結算日之賬齡分析：

		At 30 September 2006 於二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 於二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
0 to 30 days	0至30天	41,127	45,364
31 to 60 days	31至60天	13,322	8,097
61 to 90 days	61至90天	5,597	1,250
Over 90 days	逾90天	2,096	953
		<u>62,142</u>	<u>55,664</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. TRADE CREDITORS AND ACCRUALS

Included in trade creditors and accruals is a trade creditors balance of HK\$80,392,000 (31 March 2006: HK\$61,402,000).

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

簡明綜合財務報表附註

11. 應付賬款及應計賬項

在應付賬款及應計賬項內，已包括應付貿易賬款結餘港幣80,392,000元（二零零六年三月三十一日：港幣61,402,000元）。

以下為按發票日計應付貿易賬款於結算日之賬齡分析：

		At 30 September 2006 於二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 於二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
0 to 30 days	0至30天	63,575	52,800
31 to 60 days	31至60天	8,476	6,223
61 to 90 days	61至90天	3,150	1,969
Over 90 days	逾90天	5,191	410
		<u>80,392</u>	<u>61,402</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. INTEREST-BEARING BANK LOANS

Bank loans repayable within
one year

須於一年內
償還銀行貸款

39,640

The bank loans were secured by the Company's corporate guarantee and bore interest at 1-1.75% per annum over the Hong Kong Interbank Offered Rate.

13. SHARE OPTION SCHEME

Share options are granted to certain directors and employees. 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 five trading days immediately preceding the date of the grant; and (iii) the nominal value of the Company's shares.

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. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The expense recognised in the condensed consolidated income statement for employee services received during the period is HK\$143,000 (2005: HK\$262,000).

簡明綜合財務報表附註

12. 計息銀行貸款

At 30 September 2006 於二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 於二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
39,640	—

銀行貸款以本公司之公司擔保作為抵押，並按香港銀行同業拆息年利率加1至1.75厘計息。

13. 購股權計劃

購股權乃授予若干董事及僱員。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)本公司股份於購股權授出日期在聯交所之收市價；(ii)本公司股份於緊接授出日期前5個交易日在聯交所之平均收市價；及(iii)本公司股份面值。

已授出購股權之行使期由董事局釐訂，並自若干歸屬期間開始及於購股權授出日期起計10年內屆滿。本集團並無法律或推定責任以現金購回或結算購股權。

於簡明綜合收益表內就僱員於期內所提供服務所確認之開支為港幣143,000元(二零零五年：港幣262,000元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in the financial statement, the Group had the following material transactions with related parties during the period:

簡明綜合財務報表附註

14. 關連人士交易

- (a) 除財務報表所詳述之交易及結餘外，本集團於期內與關連人士進行之重大交易如下：

		Six months ended 30 September 截至九月三十日止六個月	
		2006 二零零六年 (Unaudited) (未經審核)	2005 二零零五年 (Unaudited) (未經審核)
		HK\$'000 港幣千元	HK\$'000 港幣千元
		Notes 附註	
Rental paid for warehouse premises	貨倉租金	(i)	620 578
Rental paid for office premises	辦公室租金	(ii)	2,910 2,612
Purchase of garments	購買成衣	(iii)	111,124 150,847
Sales of equipment	售出設備	(iv)	594 -

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. RELATED PARTY TRANSACTIONS (continued)

Notes:

- (i) The rental of HK\$620,000 was paid to Bright City International Limited ("Bright City"). During the six months ended 30 September 2005, the rental was paid to Laws International Group Limited ("Laws International") for the period from 1 April 2005 to 31 August 2005, and to Bright City for the period from 1 September 2005 to 30 September 2005 as Laws International had transferred its ownership of the warehouse to Bright City on 18 August 2005. Certain directors of Laws International and Bright City, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing, a director of the Company and Mr. Simon ORR Kuen Fung, a former director of the Company. The rental was determined by reference to open market rents at the inception of the tenancy agreement. As the rental is settled monthly, the Group had no outstanding rental payable to Bright City as at 30 September 2006 (31 March 2006: Nil).
- (ii) The rental was paid to Bright City and was determined by reference to open market rents at the inception of the tenancy agreement. As the rental is settled monthly, the Group had no outstanding rental payable to Bright City as at 30 September 2006 (31 March 2006: Nil).
- (iii) During the period, garments totalling HK\$111,124,000 (2005: HK\$150,847,000) were purchased from certain wholly-owned subsidiaries of Laws International. The purchases were determined by reference to the prevailing market prices. The balance owing to these suppliers as at 30 September 2006 was HK\$22,127,000 (31 March 2006: HK\$23,573,000).
- (iv) During the period, certain equipment was sold to certain wholly-owned subsidiaries of Laws International totalling HK\$594,000 (2005: Nil). The sales consideration were determined at the net carrying amount of the equipment sold. The Group had no outstanding sales proceeds receivable from these purchasers as at 30 September 2006 (31 March 2006: Nil).

簡明綜合財務報表附註

14. 關連人士交易 (續)

附註：

- (i) 租金港幣620,000元乃繳付予澤城國際有限公司(「澤城」)。截至二零零五年九月三十日止六個月內，於二零零五年四月一日至二零零五年八月三十一日止期間，租金乃繳付予羅氏國際集團有限公司(「羅氏國際」)。由於羅氏國際已於二零零五年八月十八日將貨倉之擁有權轉讓予澤城，因此於二零零五年九月一日至二零零五年九月三十日止期間，租金乃繳付予澤城。羅氏國際及澤城之若干擁有實益股本權益之董事乃本公司董事羅家聖先生及本公司之前董事柯權峯先生之親屬。租金乃參照租約生效時之公開市值租金而釐定。由於租金乃每月繳付，本集團於二零零六年九月三十日並無應付澤城之未支付租金(二零零六年三月三十一日：無)。
- (ii) 租金乃繳付予澤城，並參照租約生效時之公開市值租金而釐定。由於租金乃每月繳付，本集團於二零零六年九月三十日並無應付澤城之未支付租金(二零零六年三月三十一日：無)。
- (iii) 期內，本公司向若干羅氏國際全資附屬公司購買合共港幣111,124,000元(二零零五年：港幣150,847,000元)之成衣。採購乃參照當時之市價釐定。於二零零六年九月三十日尚欠該等供應商之餘額為港幣22,127,000元(二零零六年三月三十一日：港幣23,573,000元)。
- (iv) 期內，本集團分別向若干羅氏國際全資附屬公司售出若干設備，合共港幣594,000元(二零零五年：無)。出售價格乃以該等設備之賬面淨值釐定。於二零零六年九月三十日，本集團並無應向該等購買商收取售出設備款項(二零零六年三月三十一日：無)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

14. RELATED PARTY TRANSACTIONS (continued)

14. 關連人士交易 (續)

- (b) Compensation of key management personnel of the Group

- (b) 本集團之主要管理人員之補償

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Short term employee benefits	短期僱員福利	10,164	8,087
Post-employment benefits	離職後福利	117	690
Share-based payments	以股份支付之款項	143	262
Total compensation paid to key management personnel	支付予主要管理人員之補償總額	10,424	9,039

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

15. COMMITMENTS

15. 承擔

		At 30 September 2006 於二零零六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	At 31 March 2006 於二零零六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
(a) Capital commitments	(a) 資本承擔		
Contracted, but not provided for	已訂約但未撥備		
Leasehold improvements	租賃物業裝修	1,699	1,011
Furnitures, fixture and office equipment	傢俬、裝置及辦公室設備	154	321
Computer software	電腦軟件	6,355	4,738
Motor vehicles	汽車	130	—
Capital injection in a subsidiary	注資於一間附屬公司	4,929	—
		13,267	6,070
Authorised, but not contracted for	已批准但未訂約		
Shop renovation	店舖裝修	44,000	—
IT investments	資訊科技投資	11,000	—
Leasehold improvements and others	租賃物業裝修及其他	11,000	—
		66,000	—
		79,267	6,070
(b) Others	(b) 其他		
Professional fees	專業費	3,038	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**16. CONTINGENT LIABILITIES**

During the period under review, the Group had no material changes in contingent liabilities since 31 March 2006.

17. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 7 December 2006.

簡明綜合財務報表附註**16. 或然負債**

於回顧期間，本集團自二零零六年三月三十一日起之或然負債並無重大變動。

17. 中期財務報表之批准

董事局已於二零零六年十二月七日批准及授權發佈本簡明綜合中期財務報表。



Bossini International Holdings Limited
堡獅龍國際集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 592)

www.bossini.com