

Sasa

making life beautiful

莎莎國際控股有限公司
Sa Sa International Holdings Limited

Stock Code 股份代號: 178

making

Life

beautiful



Annual Report 年報
2005 / 2006

making
life
beautiful

As the largest cosmetics retail chain in Asia with a network of premium fitness and beauty clubs, Sa Sa offers a broad variety of beauty products and services to make life beautiful for its customers throughout the region. Leveraging on the professionalism of its customer service, Sa Sa ensures that its customers' beauty and health needs are well cared for: from rising in the morning to maintaining looks and fitness during the day to adding that special glamour for the evening. Everything that Sa Sa does is aimed at making its customers' lives beautiful.

美麗人生

作為亞洲化粧品專門店翹楚，以及其時尚高雅的健美及美容中心網絡，莎莎於區內為顧客提供包羅萬有、豐富多樣的美容服務，為生活增添姿彩。憑藉專業的美容顧問服務及竭誠的待客之道，莎莎確保每位顧客的美容及健康需要都照顧周到：從清早潔淨至帶出日間亮麗粧容、保持體態健美、以至於晚上仍明艷照人，散發閃爍神采，莎莎均無微不至，悉心呵護，務求令顧客時刻綻放動人風采，帶出美麗人生。

Contents

目錄

02	Corporate Profile 公司簡介	60	Corporate Governance Report 企業管治報告
04	Corporate Information 公司資料	95	Report of the Directors 董事會報告
06	Financial and Operations Highlights 財務及業務摘要	121	Auditors' Report 核數師報告
10	Awards and Recognition 獎項	123	Consolidated Income Statement 綜合收益表
14	Milestones 大事年表	124	Consolidated Balance Sheet 綜合資產負債表
18	Chairman's Statement 主席獻辭	126	Balance Sheet 資產負債表
24	Management Discussion and Analysis 管理層討論及分析	127	Consolidated Cash Flow Statement 綜合現金流量表
40	Social Responsibility 關懷社群	128	Consolidated Statement of Changes in Equity 綜合權益變動表
42	People Development 員工發展	129	Notes to the Financial Statements 財務報表附註
46	Financial Review 財務概況	193	Notice of Annual General Meeting 股東週年大會通告
50	Biographical Details of Directors and Senior Management 董事及高級管理人員簡介		

Corporate Profile

公司簡介

Sa Sa International Holdings Limited ("Sa Sa" or "the Group/Company") is a leading cosmetic retailing and beauty services group in Asia. Listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") in 1997 (Stock Code: 178), the Sa Sa Group employs over 2,500 staff in seven markets across the region, covering Hong Kong, Macau, Mainland China, Singapore, Malaysia, Taiwan and Thailand. Its vision is to become the dominant cosmetics retailing and beauty services group in Asia.

Established in 1978, Sa Sa has grown from a 40 sq. ft. retail space to become a regional "beauty" enterprise in Asia. It is now one of the largest cosmetics retail chains in Asia, according to the "Retail Asia-Pacific Top 500" rankings of KPMG and Retail Asia magazine in 2005. Its renowned brand strength in Asia is built on innovative cosmetics retailing at best value in one-stop stores filled with top international brands. The strength of the Sa Sa brand is reflected in the increasing number of awards the Group has gained both in Hong Kong and internationally.

莎莎國際控股有限公司（「莎莎」或「集團/公司」）為亞洲區內具領導地位的化粧品零售及美容服務集團。莎莎於一九九七年在香港聯合交易所有限公司（「聯交所」）上市（股份代號：178），在亞洲區內七個主要市場包括香港、澳門、中國大陸、新加坡、馬來西亞、台灣及泰國僱用逾二千五百名員工。集團的目標是成為亞洲化粧品零售及美容服務業的翹楚。

莎莎於一九七八年成立，從最初面積僅四十平方呎的零售櫃位，發展成為現時業務遍及亞洲各地的美容產品零售及服務企業。根據畢馬威會計師事務所及「Retail Asia」雜誌二零零五年「亞太區首五百家零售商」，莎莎現為亞洲最大的化粧品連鎖店之一。莎莎品牌在亞洲享負盛名，乃基於其掌握創新的化粧品零售技巧，通過一站式分店銷售種類繁多的國際名牌產品，為顧客提供最物超所值的服務。集團近年在香港及海外屢獲殊榮，足證莎莎聲譽日隆。



Sa Sa has differentiated itself through the creation of an integrated “beauty” platform that covers three distinct business areas:

Retail – The Group sells over 400 brands, covering 15,000 skin care, fragrance, make-up, hair care products, bath and body care products and health supplements including private labels and exclusive products. Its retail network currently comprises an extensive regional network of over 85 Sa Sa Cosmetics stores (including two 8,000 sq. ft. mega stores in Hong Kong), as well as a La Colline specialty store, an Elizabeth Arden counter and a Suisse Programme counter. Over eight million transactions are made in its stores annually. Our e-commerce platform, Sasa.com, offers round-the-clock on-line shopping services along with comprehensive product and corporate information. It now serves customers from over 50 countries.

Brand Management – In addition to selling its private-label products, the Group also operates as the sole agent for many international cosmetic brands in Asia. Sa Sa has been appointed by a leading global prestige brand, Elizabeth Arden, as its sole agent in Hong Kong and Macau since October 2002. The Group currently handles over 50 exclusive major brands with services that include brand-management, promotion and distribution. This business accounts for over 30 per cent of Sa Sa’s total retail turnover.

Beauty Services – The Group operates a regional network of nine Phillip Wain health and beauty ladies’ clubs in Hong Kong, Malaysia, Singapore and Thailand and a men’s salon, Inspire, in Hong Kong for select premium customers. The two Sasa Beauty+ beauty and slimming centres in Hong Kong now offer comprehensive, quality and value-for-money beauty services for Sa Sa’s loyal customers.

莎莎透過旗下三項主要業務，全面向以「美」為主的業務方向發展，並奠定了其獨特的市場地位：

零售業務 – 集團銷售逾四百個品牌，包括超過一萬五千種護膚品、香水、化粧品、頭髮護理、沐浴及身體護理產品和美顏修身保健食品，以及集團專有品牌和獨家代理產品。集團亞洲區零售網絡包括超過八十間莎莎化粧品專門店(其中兩間位於香港的大型店舖面積約八千平方呎)、La Colline專門店，以及伊莉莎伯雅頓和瑞士葆麗美專櫃。每年的交易宗數超過八百萬宗。集團電子商貿平台Sasa.com為全球超過五十個國家的顧客提供全日二十四小時網上零售服務，及豐富的產品和集團資訊。

品牌管理業務 – 除銷售專有品牌產品外，集團亦為多個國際化粧品品牌的亞洲區獨家代理商。莎莎自二零零二年十月起獲國際知名化粧品品牌伊莉莎伯雅頓委任為香港及澳門區的獨家代理。集團現獨家代理逾五十個主要品牌，負責其品牌管理、推廣及分銷工作。此項業務佔莎莎總零售營業額逾百分之三十。

美容服務 – 集團在香港、馬來西亞、新加坡及泰國共經營九間菲力偉女子健美中心及香港一間男士纖體及美容護理中心Inspire，為尊貴會員提供卓越服務。香港兩間Sasa Beauty+美容及纖體中心現為莎莎的忠實顧客提供優質超值的美容服務。



Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. KWOK, Siu Ming, Simon (Chairman and Chief Executive Officer)

Mrs. KWOK LAW, Kwai Chun, Eleanor (Vice-Chairman)

Mr. LOOK, Guy (Chief Financial Officer)

Non-executive Director

Mrs. LEE LOOK, Ngan Kwan, Christina

Independent Non-executive Directors

Professor CHAN, Yuk Shee, J.P.

Dr. LEUNG, Kwok Fai, Thomas, J.P.

Ms. TAM, Wai Chu, Maria, GBS, J.P.

Qualified Accountant

Mr. LOOK, Guy

Company Secretary

Ms. HO, Sze Nga, Maggie

Head Office

14th Floor, Block B, MP Industrial Centre

18 Ka Yip Street

Chai Wan, Hong Kong

Registered Office

P.O. Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

Auditors

PricewaterhouseCoopers

Certified Public Accountants

董事會成員

執行董事

郭少明先生(主席及行政總裁)

郭羅桂珍女士(副主席)

陸楷先生(首席財務總監)

非執行董事

利陸雁群女士

獨立非執行董事

陳玉樹教授 · 太平紳士

梁國輝博士 · 太平紳士

譚惠珠小姐 · 金紫荊星章 · 太平紳士

合資格會計師

陸楷先生

公司秘書

何詩雅小姐

總辦事處

香港柴灣

嘉業街18號

明報工業中心B座14樓

註冊辦事處

P.O. Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

核數師

羅兵咸永道會計師事務所

執業會計師

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Cayman) Limited
P. O. Box 705
Butterfield House
68, Fort Street
George Town
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Abacus Share Registrars Limited
26/F., Tesbury Centre
28 Queen's Road East
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
Citibank, N.A.
Credit Suisse
DBS Bank Limited, Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
Sumitomo Mitsui Banking Corporation, Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

Listing Information

Listing : The Stock Exchange of Hong Kong Limited
Stock code : 178

Ticker Symbol

Bloomberg : 178HK
Reuters : 178.HK
Board lot size : 2,000 shares

Investor Relations

E-mail address: ir@sasa.com

Website

www.sasa.com

主要股份過戶及登記處

Butterfield Fund Services (Cayman) Limited
P. O. Box 705
Butterfield House
68, Fort Street
George Town
Grand Cayman
Cayman Islands

香港股份過戶及登記處

雅柏勤證券登記有限公司
香港皇后大道東28號
金鐘匯中心26樓

主要往來銀行

中國銀行(香港)有限公司
花旗銀行
Credit Suisse
星展銀行香港分行
渣打銀行(香港)有限公司
三井住友銀行香港支店
香港上海匯豐銀行有限公司

上市資料

上市 : 香港聯合交易所有限公司
股份代號 : 178
股票代號
彭博資訊 : 178HK
路透社 : 178.HK
每手買賣股數 : 2,000 股

投資者關係

電郵地址 : ir@sasa.com

網站

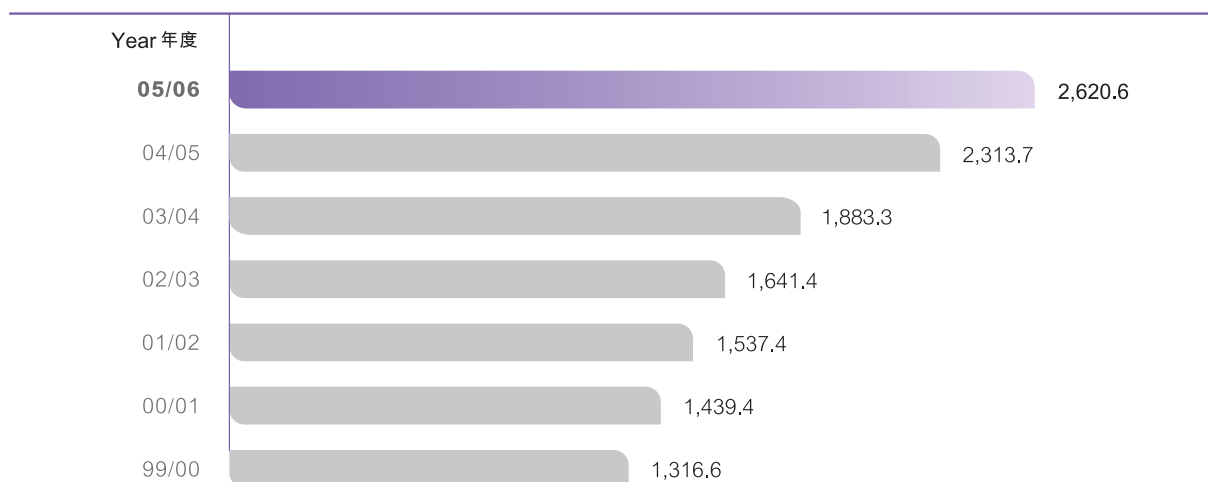
www.sasa.com

Financial and Operations Highlights

財務及業務摘要

Turnover 營業額

HK\$ million 百萬港元



Turnover by Business 營業額按業務分佈

Turnover by Region 營業額按地域分佈

92.5%

Cosmetics Retailing and Wholesaling
化粧品零售及批發

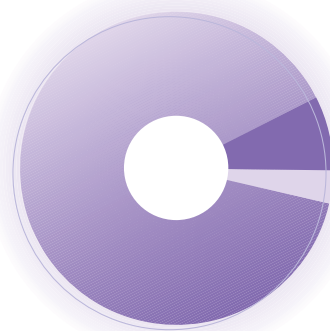


7.5%

Beauty Services
美容服務

88.9%

Mainland China (Includes Hong Kong and Macau)
中國大陸 (包括香港及澳門)



7.7%

South Asia (Singapore, Malaysia & Thailand)
南亞地區 (新加坡、馬來西亞及泰國)

3.4%

Taiwan
台灣地區

Total 合共: HK\$2,620.6 million 百萬港元

Financial Calendar 財務日誌

2005/06 Interim Results Announcement 公佈二零零五/零六年度中期業績	30th November 2005 二零零五年十一月三十日
Payment of 2005/06 Interim and Special Dividends 派發二零零五/零六年度中期及特別股息	29th December 2005 二零零五年十二月二十九日
2005/06 Annual Results Announcement 公佈二零零五/零六年度全年業績	29th June 2006 二零零六年六月二十九日
Closure of Register of Shareholders (both days inclusive) 暫停辦理股份過戶登記日期 (包括首尾兩天)	21st-24th August 2006 二零零六年八月二十一至二十四日
Annual General Meeting 股東週年大會	24th August 2006 二零零六年八月二十四日
Proposed Payment of 2005/06 Final and Special Dividends 暫定派發二零零五/零六年度末期及特別股息日期	29th August 2006 二零零六年八月二十九日

Financial Summary 財務撮要

2005/2006

2004/2005
(Restated 重新列示)

Turnover (HK\$ million) 營業額 (百萬港元)	2,620.6	2,313.7
Operating profit (HK\$ million) 經營溢利 (百萬港元)	222.6	245.6
Profit attributable to equity holders of the Company (HK\$ million) 本公司權益持有人應佔溢利 (百萬港元)	185.2	202.1
Total annual dividend per share (HK cents) 全年每股股息 (港仙)	17.0*	17.0**
Earnings per share - Basic (HK cents) 每股盈利 - 基本 (港仙)	13.9	15.5
Net cash & bank balances (HK\$ million) 淨現金及銀行結餘 (百萬港元)	695.7	743.1
Inventory turnover (days) 存貨周期 (天)	89	101

*Included 9.0 HK cents special dividend
包括特別股息9.0港仙

**Included 9.0 HK cents special dividend
包括特別股息9.0港仙

Sa Sa International Group's Business Network in Asia 莎莎國際集團亞洲業務網絡



No. of Retail Outlets 零售點數目	Sa Sa Stores 莎莎 化粧品店	Image Store / Counter 形象店 / 專櫃
Hong Kong & Macau 香港及澳門	51	2
Shanghai 上海	2	-
Taiwan 台灣地區	8	-
Singapore 新加坡	10	-
Malaysia 馬來西亞	10	-
Total 合共	81	2
No. of Beauty Services Facilities 美容中心 / 會所數目	Clubs 會所	Centres 中心
Hong Kong & Macau 香港及澳門	4	2
Singapore 新加坡	2	-
Malaysia 馬來西亞	2	-
Thailand 泰國	2	-
Total 合共	10	2

As at 31st March 2006
於 2006 年 3 月 31 日





CYBER COLORS
Water Glossy
Foundation

CYBER COLORS
SKIN REVITALIZING
FOUNDATION
SPF 15PA++

CYBER COLORS
Water Glossy
Foundation

CYBER COLORS

CYBER COLORS

CYBER COLORS

CYBER COLORS
CYBER COLORS

CYBER COLORS

Awards and Recognition

獎項

Service

服務

Sa Sa was one of the ten winners of the **Hong Kong Top Service Brand Awards** organised by the Hong Kong Brand Development Council and The Chinese Manufacturer's Association of Hong Kong in 2006.

莎莎於二零零六年獲香港品牌發展局及香港中華廠商聯合會頒發十大香港服務名牌。



Service Category Leader 最佳服務零售商



La Colline shop was the **Service Category Leader** in the **Beauty Products/Cosmetics category** of the Mystery Shoppers Programme organised by Hong Kong Retail Management Association in 2005.

La Colline專門店在香港零售管理協會的二零零五年度神秘顧客計劃成為化粧品店組別的最佳服務零售商。

All of the six colleagues who represented Sa Sa in the **Distinguished Salesperson Award** organised by Hong Kong Management Association received the award in 2006.

六位代表莎莎集團的同事參加香港管理專業協會於二零零六年舉辦之傑出推銷員獎選舉，全部均取得獎項。



A Sa Sa beauty consultant won **Quality Service Star Award** in The Retail & Service Energetic Star Awards 2005 organised by Easy Finder magazine in Hong Kong.

莎莎的美容顧問在壹本便利-青雲路舉辦之零售及服務業活力之星大賞二零零五中奪得優質服務大獎。

Brand Recognition

品牌榮譽

Outstanding Chain Store

傑出連鎖店

Sa Sa was presented with the **Outstanding Chain Store** award by Hong Kong Business magazine for the second year in 2005.

莎莎於二零零五年連續第二年獲Hong Kong Business雜誌選為傑出連鎖店。



Retail Category Award
零售品牌組別大獎

Sa Sa won the **Category Award** in the **Retail Category for Superbrands** 2005/06 in Hong Kong. Sa Sa was also awarded the Superbrands title in Hong Kong, Singapore and Malaysia and Phillip Wain won the same honour too.

莎莎榮獲二零零五/零六年度香港超級品牌之零售組別品牌組別大獎。莎莎於香港、新加坡及馬來西亞，以及菲力偉均獲得超級品牌榮譽。

Brand Recognition 品牌榮譽

Corporate Brand Management Excellence

Sa Sa received the **Corporate Brand Management Excellence Award** (category award) and **The Best Brand Enterprise Award** in The Best Brand Enterprise Award 2005-2006 organised by Hong Kong Productivity Council.

莎莎於香港生產力促進局舉辦的最佳創建品牌企業獎2005-2006 評選活動中，榮獲組別大獎優秀品牌管理及發展獎及最佳創建品牌企業獎。



2006
THE BEST BRAND ENTERPRISE AWARD
最佳創建品牌企業獎

優秀品牌管理及發展



Sa Sa won the **Most Favourable Brands of the Nation award** and both Sa Sa and Sasa Beauty+ were presented with **PRC Consumers' Most Favourable Hong Kong Brands – Gold Prize** in The PRC Consumers' Most Favourable Hong Kong Brands voting campaign organised by the Hong Kong Association of Chinese Travel Organisers, Sohu.com and a number of media and professional bodies in 2006. Sa Sa received the highest votes among Hong Kong brands.

莎莎在2006中國消費者最喜愛香港名牌評選中，取得2006全國最喜愛品牌大獎，而莎莎及 Sasa Beauty+ 則同獲2006中國消費者最喜愛香港名牌金獎。莎莎更在眾多香港品牌中以最高票數獲獎。該評選由香港中國旅遊協會、中國搜狐網及其他媒體及商會合辦。

Top Ten Favourite Brands in Hong Kong

我至喜愛香港十大品牌

Sa Sa was named as one of the **Top Ten Favourite Brands in Hong Kong** in 2004/05 & 2005/06 by readers of Guangzhou Daily, one of the most popular dailies in the PRC. Sa Sa also received **The Hong Kong Merchants of Integrity Award** in the cosmetics category for the third successive year in 2005/06.

莎莎於二零零四/零五年及二零零五/零六年連續兩年獲中國最暢銷報章之一廣州日報選為我至喜愛香港十大品牌。而且於二零零五/零六年度連續第三年於化粧品組別獲選為香港優質誠信商號。



廣州日報
Guangzhou Daily



Sa Sa was accredited the **Hong Kong Q-Mark** by the Hong Kong Q-Mark Council under the auspices of the Federation of Hong Kong Industries. The Q-Mark is a sign of quality excellence.

莎莎榮獲由香港工業總會轄下的香港優質標誌局頒發Q嘜認證，作為優質服務的認可及肯定。

Awards and Recognition

獎項

Brand Recognition

品牌榮譽

Sa Sa is the only cosmetic specialty store among the **Top 10 Retail Groups in Hong Kong**, as ranked by KPMG and Retail Asia magazine in their Retail Asia-Pacific Top 500 in 2005.

在畢馬威會計師事務所及Retail Asia雜誌於2005年聯合編制的「亞太區首五百家零售商」中，莎莎再度成為**香港十大零售集團**，亦是唯一入選的化粧品專門店。



Top 10 Retail Groups in Hong Kong 香港十大零售集團



Sa Sa and Phillip Wain were named among **Hong Kong's 100 Most Influential Brands** by World Brand Laboratory, a brand value evaluation organisation, in 2005.

莎莎及菲力偉獲品牌價值評估機構世界品牌實驗室選為二零零五年香港100 最具影響力品牌。

Sasa.com was awarded **Standard of Excellence** in the **WebAward 2005** organised by Web Marketing Association, in which 2,100 websites participated worldwide. Only two cosmetics shopping sites, Sasa.com and Biotherm (US), received such an award.

Sasa.com 於Web Marketing Association舉辦的2005年**WebAward**全球網站選舉中，獲得**Standard of Excellence** 大獎，其他的參賽者有來自世界各地二千一百個網站，而獲獎的美容產品購物網站僅Sasa.com及Biotherm碧兒泉(美國網站)。



World-renowned internet company Yahoo! gave Sasa Beauty+ its **Yahoo! Emotive Brand Award 2005-2006** in the Beauty Salon/Fitness Centers category.

全球知名的互聯網公司雅虎Yahoo向Sasa Beauty+頒授**Yahoo! 感情品牌2005-2006獎項**（美容院/健身中心組別）。



Retailers of National Excellence

國家級優秀示範商戶

Sa Sa was named as one of the seven **Retailers of National Excellence** for Hong Kong district by China Unionpay in 2005.

莎莎於二零零五年獲中國銀聯挑選為香港區七家**國家級優秀示範商戶**之一。



Sa Sa was awarded the **Fair Price Shop Awards 2005-2006** by the Ministry of Domestic Trade and Consumer Affairs in Malaysia in recognition of Sa Sa's outstanding performance as a retail chain that offers excellent services and value-for-money.

莎莎榮獲馬來西亞政府頒發**Fair Price Shop Awards 2005-2006**，表揚莎莎提供優質及物有所值的服務。



Sa Sa won **Grand Prix for Best Overall Investor Relations – Small/Mid-Cap Company** in the IR Magazine Hong Kong & Taiwan Awards 2005, in recognition of Sa Sa's excellence in investor relations. In addition, Mr. Guy Look, Chief Financial Officer and Executive Director of the Group, was one of the two executives **Highly Commended in the Best Investor Relations Officer – Small/Mid-Cap Company** award.

集團於二零零五年度IR(投資者關係)雜誌香港及台灣獎項中，贏得最佳整體投資者關係大獎-中/小型公司。另外，集團首席財務總監及執行董事陸楷先生亦在最佳投資者關係專員-中/小型公司獎項中獲選為兩位獲「高度評價」之專員之一。

Grand Prix for Best Overall 最佳整體投資者關係大獎 Investor Relations

Sa Sa was in the **top quartile for corporate governance standards** among large-cap and blue-chip companies, according to an annual survey by CLSA and the Asian Corporate Governance Association in 2005.

據CLSA及亞洲企業管治協會於二零零五年進行的年度調查顯示，莎莎的企業管治水平與多間大型及藍籌公司並列於最佳的首百分之二十五獲評選的公司之內。



Chairman & CEO, Mr. Simon Kwok, received **Distinguished Contribution Award for Beauty Industry 2005** (Cosmetic & Retail) by International CICA Association of Esthetics, CIDESCO Section China.

主席及行政總裁郭少明先生獲國際斯佳美容協會聖迪斯哥中國分會頒發2005香港美容業傑出貢獻大獎(化粧品及零售)。

香港美容業 傑出貢獻大獎

Distinguished Contribution Award for Beauty Industry

Chairman and CEO, Mr. Simon Kwok, was named as **Best Beauty Entrepreneur in Town** in the Best Beauty Creation Award organised by COVERMARK, a renowned beauty brand.

主席及行政總裁郭少明先生在著名化粧品品牌COVERMARK美的展現獎項中獲選為最完美的美容皇國創辦人。



Chairman and CEO, Mr. Simon Kwok, was named as the **Chinese Business Person of The Year 2005** in the cosmetics retailing category by the World Executive Weekly. 主席及行政總裁郭少明先生獲世界經理人周刊選為化粧品零售界別之2005中國經濟年度風雲人物。

Sa Sa was invited by Hong Kong Management Association to become a **Charter Member**.

莎莎獲香港管理專業協會邀請成為其特級會員。

Milestones

大事年表

1978

- Eleanor Kwok, founder of the Group, and her husband, Simon Kwok, began their cosmetics retailing business from a 40-square-feet "Sa Sa" counter in Hong Kong.

創辦人郭羅桂珍女士及其丈夫郭少明先生二人在香港一個四十平方呎的「莎莎」化粧品櫃位開展化粧品零售業務。



1990

- Opening of the first Sa Sa Cosmetics store in Causeway Bay, Hong Kong.

於香港銅鑼灣開設首間莎莎化粧品店。

1992

- Opening of the first branch store in Tsim Sha Tsui, Kowloon, Hong Kong.

於香港九龍尖沙咀區增設首間分店。

1997

- Opening of the first store in Taiwan. 台灣首間店舖開業。
- Total number of shops increases to 11 in Hong Kong. 莎莎香港店舖數目增至十一間。

- Sa Sa listed on the Stock Exchange of Hong Kong in June with an over-subscription rate of more than 500 times.

莎莎於六月在香港聯合交易所有限公司上市，股份獲超額認購逾五百倍。

- Opening of the first store in Singapore. 新加坡首間店舖開業。
- Opening of the first store in Macau. 澳門首間店舖開業。

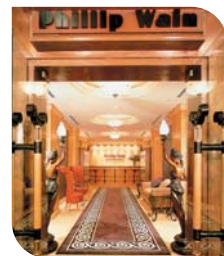


2000

- Opening of La Colline specialty store offers customers premium beauty products and services, and demonstrating the Group's diverse brand-management capabilities. 開設La Colline專門店，為顧客提供尊貴的美容產品及服務，展示集團超卓的品牌管理實力。

- Acquires a major stake in Phillip Wain, a leader in premium ladies' beauty and health clubs in Asia. This marks the Group's first step into the Beauty Services arena.

莎莎成為菲力偉女子健美中心的最大股東，正式開展集團的美容業務。菲力偉為亞洲區居領導地位的尊貴女子美容及健美會所。



- Opening of the Group's 50th retailing outlet in Asia.

開設亞洲地區第五十間店舖。

- Launch of Sasa.com offers customers round-the-clock on-line shopping of beauty products.

Sasa.com網站啟用，讓顧客可隨時在網上選購美容產品。



2001

- Launch of Korean language site at Sasa.com strengthens the Group's penetration of the Korean market, one of the biggest e-commerce markets in Asia.

推出Sasa.com韓文版網站，進一步開拓亞洲最大電子商貿市場之一的南韓市場。

1998

- Opening of the first store in Malaysia. 馬來西亞首間店舖開業。

2002

- Appointed as sole agent for Elizabeth Arden in Hong Kong and Macau.

莎莎獲委任為伊莉莎伯雅頓香港及澳門市場的獨家代理商。

- Opening of Sasa Beauty+ in Hong Kong offering one-stop cosmetics, beauty and slimming services to Sa Sa's loyal customers, thereby enhancing Sa Sa's brand image.

Sasa Beauty+美容中心在香港成立，為莎莎的忠實顧客提供「一站式」化粧品、美容及纖體服務，提升莎莎的品牌形象。



2005

- Opening of the first and second stores in Shanghai, China. 中國首兩間店舖於上海開業。
- Opening of two largest Sa Sa stores in Asia (each covering 8,000 sq.ft.) in Tsim Sha Tsui and Mongkok, Hong Kong. 兩間全亞洲最大的莎莎店舖於香港旺角及尖沙咀開業（各約8,000平方呎）。



2003

- 25th anniversary of the Sa Sa International Group.

莎莎國際集團二十五週年銀禧誌慶。

- Becomes a 100% stakeholder in Phillip Wain. 成為菲力偉的全資股東。



2004

- Official launch of a new image store featuring a contemporary and upbeat design, which provides a pleasant shopping environment and strengthens its "Cosmetics Retail Specialist" image. The new store format is part of our continuous efforts and commitment to providing an enjoyable shopping experience for customers. 莎莎化粧品店正式推出全新店舖形象，新設計時尚簡約，不單提供寬敞舒適的購物環境，更加強莎莎的「化粧品零售專家」形象。新設計使顧客獲得更佳購物享受，體現了莎莎一貫「以客為尊」的經營理念。



- Opening of Inspire For Men by Phillip Wain, broadening our service offerings to male customers.

菲力偉開設Inspire For Men by Phillip Wain，將服務拓展至男士層面。



2006

- Opening of the first Suisse Programme beauty counter in Chengdu, China.

於中國成都開設首個Suisse Programme 專櫃。





sasa
body care

FRESHmint
exhilarating & soothing
sensation

FRESHmint
exhilarating & soothing
sensation

bath &
shower gel



Sasa
body care

FRESHmint

exhilarating & soothing
sensation

hand cream



Sasa
body care

FRESHmint

exhilarating & soothing
sensation

body scrub



We are laying the strategic foundations for our next stage of growth.

集團正為另一階段的增長奠定策略性基礎。



Chairman & CEO, **Simon Kwok**
主席及行政總裁**郭少明**

The fiscal year 2005/06 marked solid progress for the Sa Sa Group. The rise in tourist arrivals continued during the year, albeit slowly in the first half. The addition of four new cities in China to the Individual Visit Scheme in November 2005, along with a noticeable improvement in consumer sentiment and spending in Hong Kong contributed to a quickening in turnover growth in the latter half of the year. We continued with the expansion of our retail network in preparation for the further development of tourism in the region, and there was an improvement in sales growth overseas and in the performance of Sasa.com. Group turnover rose 13.3% to HK\$2,620.6 million, while Group profit decreased 8.4% to HK\$185.2 million mainly due to escalating rental costs and initial expansion costs.

In addition to the interim dividend of 3.0 HK cents and a special dividend of 3.0 HK cents per share, the Board of Directors proposed a final dividend of 5.0 HK cents per share and a special dividend 6.0 HK cents per share, payable on 29th August 2006 to those persons registered as shareholders as of 24th August 2006, making a total dividend of 17.0 HK cents per share for the fiscal year.

Against this background of sales growth, we maintained our focus on building for the future on the foundations that Sa Sa has already laid in terms of attracting both local and overseas customers, developing new and existing markets overseas, enhancing customer loyalty, and strengthening product development.

During the year, the Group devoted considerable resources and efforts to further leveraging on the accumulated goodwill and reputation of the 'Sa Sa' brand. These efforts received widespread recognition. Sa Sa was one of the ten winners at the Hong Kong Top Service Brand Awards, and received the highest votes in The PRC Consumers' Most Favourable Hong Kong Brands voting campaign in 2006. In addition, Sa Sa won the Category Award in the Retail Category for Superbrands 2005/06, Corporate Brand Management Excellence Award (Category Award) in The Best Brand Enterprise Award 2005-2006. The steady accumulation of specific brand awards testifies to the success of our brand building strategy and our leadership in cosmetics retailing in the region.

莎莎集團於二零零五/零六財政年度取得穩健進展。內地及海外訪港旅客持續增長，雖然在上半年的增長略為放緩。內地四個城市於二零零五年十一月獲納入個人遊計劃，加上本港消費意欲及消費顯著改善，都促使財政年度的下半年營業額有較高增長。集團繼續拓展店舖網絡，為區內旅遊業持續增長作出準備，海外市場銷售額增長及Sasa.com網上購物表現亦見提升。集團營業額增加百分之十三點三至二十六億二千零六十萬港元，而集團溢利則下降百分之八點四至一億八千五百二十萬港元，主要由於租金開支上升及發展新市場初期的開支。

除已派發中期股息每股三港仙及特別股息每股三港仙，董事會建議向於二零零六年八月二十四日名列於股東名冊的股東派發末期股息每股五港仙及特別股息每股六港仙，是項股息將於二零零六年八月二十九日派付，全年合共派息每股十七港仙。

在銷售額增長的形勢下，集團繼續在吸引本港及海外顧客、在海外拓展新市場及現有市場、加強客戶忠誠度以及加強產品開發及組合方面已奠定的基礎上開創未來。

年內集團投入大量資源以進一步借助「莎莎」品牌日積月累的商譽和名聲而拓展業務，此等努力廣受認同。莎莎躋身「香港服務名牌」十名得獎者之列，更於二零零六年以最高票數獲「中國消費者最喜愛香港名牌金獎」。此外，莎莎更榮膺二零零五/零六年度「超級品牌 – 零售組別大獎」、「最佳創建品牌企業獎 2005-2006」中榮獲「優秀品牌管理及發展獎」組別大獎。集團不斷榮獲各個品牌獎項，實在是集團的品牌策略成績斐然及集團在區內化粧品零售業首執牛耳的明證。

Chairman's Statement

主席獻辭

In terms of products, we continued to develop our portfolio of private-label and exclusively distributed products and in the second half of the year we launched our own 'Sasa' branded products throughout the region, offering a range of quality and value products that aim to provide total solutions to our customers' beauty needs. We will continue to strengthen both our exclusive brand and own brand portfolios in order to develop more customer loyalty, drive growth and provide solid contributions to our future profits.

The Group remains committed to providing its customers with highly professional and top quality service as well as total beauty solutions. The year saw further integration of our beauty services with our retail business in order to enhance their synergy and provide more comprehensive services to customers. Sasa Beauty⁺ began to offer treatments in dedicated treatment rooms in our new stores in Hong Kong, while Phillip Wain provided treatments at the new flagship store in Singapore. Customer service training and product training were strengthened in all our overseas operations.

Excellent customer service is strongly dependent on efficient operational and IT systems. During the year, we began a significant upgrading of our IT infrastructure in order to increase our business process capability, and inventory and sales management. At the heart of this lay the adoption of the globally recognised SAP's R3 Enterprise Resource Planning ("ERP") system.

貨品方面，集團繼續拓展專有品牌及獨家經銷貨品組合，並於下半年在區內推出「Sasa」品牌貨品，提供一系列優質超值產品，因應顧客的美容需要而提供全面美容解決方案。集團將繼續加強專有及獨家經銷品牌組合，從而提升顧客忠誠度、促進業務增長，並為集團未來溢利提供穩定貢獻。

集團在提供全面美容解決方案的同時，致力提供專業和優質的服務。年內集團進一步整合旗下的零售業務與美容服務，務求加強協同優勢，並向顧客提供更全面的服務。Sasa Beauty⁺開始在香港設有美容護理房間的新店提供護理服務，菲力偉則為設於新加坡的新旗艦店舖提供護理療程。旗下各海外業務亦加強顧客服務與產品方面的培訓。

超卓客戶服務絕對有賴有效率的營運及資訊科技系統。年內集團著手大幅加強資訊科技系統性能，務求提升營運系統功能，以及存貨及銷售管理。當中最主要者乃採用世界知名的SAP企業資源規劃（「ERP」）系統。



The SAP system not only improves productivity and customer relationship management, but it also increases managerial control through the imposing of best business practices and processes. It also supports our ongoing drive to achieve international standards of corporate governance, risk management and transparency. According to an annual survey by CLSA and the Asian Corporate Governance Association, Sa Sa was in the top quartile for corporate governance standards among large-cap and blue-chip companies in 2005.

All these initiatives reflect our determination to strengthen our competitive advantages, efficiency and management effectiveness in the highly competitive cosmetics, health and beauty market of Asia. Fiscal year 2005/06 saw us established on a strategic direction that will allow us to realise our full growth potential, not only in all existing markets but also in new ones.

Against a background of growing tourism and local spending, we will continue to leverage on our competitiveness to realise further growth in Hong Kong and Macau. At the same time, we aim to expand our retail network to operate more than 240 stores in the Asia region by 2011, and to support this expansion through enhanced core functions and organisational structure in Hong Kong. In the long term, Mainland China, which has tremendous growth potential, will provide us with further growth opportunities.

I would like to take this opportunity to thank all our employees for the commitment, drive and resourcefulness they have devoted to making Sa Sa one of the most well known and respected brands in Asia. I would also like to thank all our shareholders for their continuing support and for participating in our vision and strategy for the future. It is our firm belief in the Sa Sa Group that we will be able to repay the confidence of both our employees and shareholders with increased shareholder value in the years to come.



Simon Kwok
郭少明

Chairman and Chief Executive Officer
主席及行政總裁

Hong Kong, 29th June 2006
香港，二零零六年六月二十九日

SAP系統不單可改善工作效率和客戶關係管理，並可以最理想經營守則和管理程序加強管理。此外，該系統提供充分支援予集團，在企業管治、風險管理和透明度各方面達至國際標準。據里昂證券及亞洲企業管治協會於二零零五年進行的年度調查顯示，莎莎的企業管治水平與多間大型及藍籌公司並列於最佳的首百分之二十五獲評選的公司之內。

上述各項措施都反映集團銳意加強在亞洲競爭激烈的化粧品及健美市場上的競爭優勢、效率和管理效益。集團於二零零五/零六年度確定策略發展方向，令其得以在現有市場和新開拓市場上都充分發揮其增長潛力。

隨著旅遊業和本港消費日益興旺，集團將借助雄厚的競爭優勢，使港澳地區的增長更為蓬勃。與此同時，集團將進一步拓展零售網絡，目標是於二零一一年在亞洲地區設有超過二百四十間店舖，並透過加強香港方面的核心職能與組織架構，以作為是項拓展的後盾。長遠而言，增長潛力雄厚的中國內地市場將會為集團提供進一步增長的商機。

本人謹此感謝各位員工全心全意、努力不懈的工作以及其卓越貢獻，令莎莎成為亞洲廣受推崇的知名品牌。本人並感謝各位股東年內對集團的鼎力支持，認同集團對未來發展的抱負和策略。莎莎集團上下定必繼續全力以赴，提升股東回報，以答謝員工和股東對集團的信任，並為莎莎開創更光輝未來。



SUISSE
PROGRAMME

DAILY FACIAL
CLEANSING G

GEL NETTOYANT
JOTIDIEN VIS

FOR ME



SUISSE
PROGRAMME

MOISTURIZING
EYE GEL

HYDRATATION
CONTOUR DES YEUX
FOR MEN



SUISSE
PROGRAMME

ANTI-AGING
EMULSION

EMULSION
ANTI-AGE

FOR MEN



SUISSE
PROGRAMME

PURIFYING MASK
MASQUE PURIFIANT

FOR MEN

Management Discussion and Analysis

管理層討論及分析

For the year ended 31st March 2006, the Group's consolidated turnover amounted to HK\$2,620.6 million, representing an increase of 13.3% from HK\$2,313.7 million in the previous fiscal year. The Group's consolidated profit attributable to equity holders of the Company was HK\$185.2 million, a decrease of 8.4% from the HK\$202.1 million, as restated, recorded last fiscal year. The basic earnings per share amounted to 13.9 HK cents.

A number of factors affected the Group's performance. Higher rentals and operational costs, particularly in Hong Kong, partially offset the improved turnover growth and gross profit. The expansion of the Group's retail network led to increased initial costs while sales growth, although showing marked improvement in the second half, was lower than expected. There were start-up losses incurred for entry into the Mainland China market and a one-off adjustment in revenue recognition for exercise memberships in the beauty services business. Purchase of Euro forward contracts and Euro holdings resulted in exchange losses due to fluctuation of the currency. These losses were partially offset by property revaluation and a one-off compensation payment for early termination of a lease.

Retail & Wholesale Business

During the fiscal year 2005/06, the Group's retail and wholesale business saw growth in turnover of 14.3%, reaching HK\$2,425.3 million. The overall gross profit margin grew due to our enhanced product mix.

截至二零零六年三月三十一日止年度，集團的綜合營業額為二十六億二千零六十萬港元，較上一財政年度的二十三億一千三百七十萬港元上升百分之十三點三。集團的股東應佔綜合溢利則為一億八千五百二十萬港元，較上一財政年度經重新列示之股東應佔溢利二億零二百一十萬港元下降百分之八點四。每股基本盈利為十三點九港仙。

數項因素影響集團表現。營業額增長及毛利率提升的利好作用因租金與經營成本上升（香港尤甚）而未能完全反映出來。集團年內積極擴展零售網絡意味著初期開支有所增加，而下半年銷售額增長相當顯著，但仍遜於預期。中國內地市場業務成立初期帶來虧損。而美容業務運動會籍收入的入賬亦須作出一次性調整。由於歐元幣值波動，集團持有之遠期歐元合約及歐元導致匯兌虧損，但由物業重估及一項租約提前終止所獲支付的一次過賠償已抵銷部份匯兌虧損。

零售及批發業務

於二零零五/零六財政年度，集團的零售及批發業務營業額達二十四億二千五百三十萬港元，增長百分之十四點三。整體毛利率因加強銷售貨品組合而獲提升。





2006 年度香港小姐競選
大會指定專用化粧品專門店
大會指定專用美容護膚服務



Our inventory turnover days were 89 days for the year ended 31st March 2006, as opposed to 101 days for the previous fiscal year. The Group continued to expand its store network in view of expected tourism growth, driven by various tourism projects in the region in coming years. In view of escalating rentals, the Group started to negotiate for first floor and basement floor areas in order to lower rental costs.

New value-added features were added to our retail services, such as complimentary facial treatment in our stores, and we continued to strengthen brand-building efforts for “Sa Sa” and the “beauty specialist” image of Sa Sa in the region. These initiatives included sponsorship of the Miss Hong Kong Pageant 2005 and the Federation Internationale De Volleyball World Grand Prix 2005, as well as the first title sponsorship of the Hong Kong Jockey Club’s Sa Sa Ladies’ Purse Day in October 2005, one of the most popular racing days in Hong Kong. The race day sponsorship, including outdoor, TV and print adverts, and a series of public relations and joint promotion activities, generated considerable publicity for Sa Sa, its exclusive brands and beauty centres. Overseas markets saw an improvement in sales growth while the sales of Sasa.com also rose significantly.

Hong Kong and Macau

Increased spending by tourists, both from Mainland China and other parts of the world, as well as a pick up in local spending contributed to an increase in turnover of 11.2% in Hong Kong and Macau to HK\$2,131.3 million. The year-on-year monthly retail sales growth increased from 8.2% in October 2005, being the lowest point of the year, to 16.5% in March 2006. Monthly same store growth also increased from -14.3% in October 2005 to 5.2% in March 2006. Full year same store sales saw a decline of 4.0%. The overall improvement in the second half of the fiscal year was mainly due to the addition of four new cities in China to the central government’s Individual Visit Scheme in November 2005, which led to an increase in the sales contribution from PRC tourists from 33.0% in October to 38.0% in December 2005. This confirmed the management’s view of the likely impact of the Individual Visit Scheme to the Group.

集團於截至二零零六年三月三十一日止年度的存貨週轉期由上一財政年度的一百零一天縮短至八十九天。集團繼續拓展店舖網絡，為區內旅遊業持續增長作出準備，而旅遊業增長乃受到未來數年間多個旅遊項目所推動。面對租金壓力加劇，集團已開始物色樓上及地庫店面以降低平均租金開支。

集團零售服務更增添新特色，例如在店內提供免費面部護理療程等增值服務。集團並繼續加強「莎莎」品牌的知名度及作為區內「化粧品及美容專家」的形象。此等措施包括贊助二零零五年香港小姐選舉及二零零五年世界女排大獎賽—香港站賽事，並於二零零五年十月份成為首家冠名贊助香港賽馬會最受歡迎賽馬日之一《莎莎婦女銀袋日》的企業。賽馬日贊助計劃包括戶外、電視和平面廣告，以及一系列公關及聯合推廣活動，令莎莎、其獨家代理品牌及美容中心的知名度均大幅提升。海外市場銷售額增長提升，Sasa.com網上銷售亦大幅增加。

香港及澳門

中國內地及其他地區訪港旅客整體消費上升，加上本港消費市道復甦，年內港澳地區營業額遂增至二十一億三千一百三十萬港元，上升百分之十一點二。每月銷售額按年增長由二零零五年十月的全年低位百分之八點二增加至二零零六年三月的百分之十六點五。每月相同店舖營業額增長亦由二零零五年十月的負百分之十四點三回升至二零零六年三月的百分之五點二，因此全年相同店舖營業額下降百分之四。下半年整體業務改善主要由於四個內地城市於二零零五年十一月獲中央政府納入個人遊計劃，令內地旅客所佔銷售額的比例由二零零五年十月的百分之三十三提高至十二月的百分之三十八，印證了管理層有關個人遊計劃對集團造成影響的看法。

Management Discussion and Analysis

管理層討論及分析

The average value per transaction and the total number of transactions increased by 7.1% and 5.0% respectively. During the fiscal year, there was a net increase of eight new stores including two mega stores in Tsim Sha Tsui and Mongkok, each with 8,000 square feet. As at 31st March 2006, the total net retail area had increased by 36.7% as compared to last fiscal year. In total, there were 51 Sa Sa stores, one La Colline specialty store and one Elizabeth Arden counter as at 31st March 2006.

Mainland China

The second Sa Sa store in the People's Republic of China ("PRC") was opened in November 2005 on Nanjing West Road, Shanghai. As at 31st March 2006, there were two Sa Sa stores in Shanghai, providing first hand knowledge of the local cosmetics market and helping facilitate our planning for future development of the Mainland market in areas such as branding, product and network strategy. Exclusive brands launched included Suisse Programme and "Sasa" (make-up, skin care, body care and hair care lines). Suisse Programme and "Sasa" branded products have been well received by the market. In regard to the product registration process of exclusive products, around 500 stock keeping units ("SKUs") were completed and approximately 250 SKUs are in progress.

Singapore and Malaysia

Turnover for the Singapore and Malaysian markets grew 25.2% to reach HK\$141.1 million. Same store growth rose 11.8% in Singapore, and 16.2% in Malaysia. Overall, there was an improvement in the contribution of Singapore and Malaysia to the Group's results.

In Singapore, performance was affected by the changeover of the country's General Manager. However continuous improvement measures in terms of approach and organisation provide a solid platform for future expansion. The company achieved higher sales with an enhanced product portfolio and increased sales in exclusive products on the back of more focused training. One new store was added, making a total number of 10 stores as at 31st March 2006. In Malaysia, sales of exclusive products grew while training was enhanced. One store closed during the year, making the number of stores 10 at the end of the fiscal year.

每宗交易平均金額及總交易次數分別錄得百分之七點一及百分之五增長。年內莎莎增設八間店舖，包括位於尖沙咀與旺角的大型店舖，面積各約八千平方呎。於二零零六年三月三十一日，集團的零售店舖總面積淨額較上一財政年度增加百分之三十六點七；集團共有五十一間莎莎化粧品店舖，另有一間 La Colline 專門店及一個伊莉莎伯雅頓「Elizabeth Arden」專櫃。

中國大陸

莎莎在中華人民共和國（「中國」）的第二間店舖已於二零零五年十一月開業，位於上海市南京西路。截至二零零六年三月三十一日止，莎莎已在上海開設兩間店舖，令集團取得有關當地化粧品市場的第一手資料，有助集團規劃內地市場的未來發展，涵蓋品牌、產品發展和網絡拓展策略。集團推出的獨家品牌包括Suisse Programme、「Sasa」（化粧品、護膚、身體護理與護髮系列）。Suisse Programme及「Sasa」品牌產品都深受市場歡迎。有關獨家產品的衛檢進度，集團已完成的產品有約五百種，並正在為另外約二百五十種產品處理申請。

新加坡及馬來西亞

年內星馬市場營業額增加百分之二十五點二，達一億四千一百一十萬港元。新加坡相同店舖營業額增長百分之十一點八，馬來西亞相同店舖營業額則增長百分之十六點二。整體而言，星馬市場對集團的貢獻有所提升。

年內新加坡方面的表現受到當地總經理交替影響。但集團在改進營運方針與架構方面採取的措施為未來拓展奠定基礎。集團銷售額因改進貨品組合而錄得增長，獨家經銷貨品銷售額亦因加強員工培訓而上升。期內增設一間新店，令集團於二零零六年三月三十一日的店舖總數增至十間。馬來西亞方面，加強員工培訓後，獨家經銷貨品銷售額亦見上升。期內有一間店舖結業，集團於財政年度年結日在馬來西亞共有十間店舖。



Taiwan

Turnover in the Group's Taiwan business increased by 42.0% during the year to HK\$89.0 million, with same store growth reaching 10.4%. An increase in contributions to the Group was recorded. However, the local banks' tightening of credit control in the fourth quarter and the consequent dampening of consumer spending affected the performance in the fourth quarter of this fiscal year.

Sales of exclusive products grew and productivity improved on the back of strengthened training, but the fast pace of expansion made it challenging to provide enough experienced beauty consultants. Four new stores were added, bringing the total store number to eight as at 31st March 2006.

E-commerce – Sasa.com

Turnover for Sasa.com amounted to HK\$52.6 million, representing an increase of 72.8% over the previous fiscal year. The profit margin continued to improve.

台灣

年內台灣市場營業額達八千九百萬港元，增加百分之四十二，相同店舖增長達百分之十點四，對集團的貢獻亦提高。但由於年內第四季台灣的銀行收緊信貸令消費市道受壓，使業務表現受到影響。

集團加強培訓後，獨家經銷貨品銷售額錄得增長，員工的銷售表現亦改善，但拓展步伐迅速卻對提供足夠的資深美容顧問帶來考驗。年內增設四間新店舖後，於二零零六年三月三十一日的台灣店舖總數遂增至八間。

電子商貿 – Sasa.com

Sasa.com於本財政年度的營業額為五千二百六十萬港元，較上一財政年度增加百分之七十二點八，邊際利潤也繼續提升。

Q&A

What are Sa Sa's main strengths? 莎莎的優勢在哪裡？

We have built a great brand that everyone knows, and we have an unmatched range of products for our huge, loyal and region-wide customer base. Our relationship with our vendors is excellent, our sales professionals give quality service, and we have a long-established network of more than 80 retail outlets in prime Asian locations, along with an attractive on-line presence.

In addition, we have extensive industry experience and a clear business focus on beauty, supported by well thought-out corporate strategies, a robust balance sheet and a strong management team.

莎莎品牌家喻戶曉，產品種類繁多，更有區內龐大而忠實的顧客基礎作支持。我們與各地供應商享有良好的合作關係，專業售貨員服務出色；我們並擁有龐大的亞洲區銷售網絡，在亞洲各主要地區設有超過八十間零售店，以及卓越的電子商務網站。

此外，我們還具有豐富的業內經驗，明確的業務方向，周全的企業策略，穩健的財務表現及經驗豐富的管理層。

Management Discussion and Analysis

管理層討論及分析

Leveraging on the new platform launched last year, an improved marketing strategy and an expanded product range, increased sales were achieved. Pageview reached 11.7 million per month and unique visitors reached 442,000 per month, an increase of 46.0% and 98.0%, respectively, over the previous fiscal year. Total VIP sales including all countries increased from 17.0% to 24.0% of total sales. This demonstrated Sasa.com's success in increasing customer loyalty.

In the WebAward 2005 organised by the Web Marketing Association of the USA, Sasa.com received the "Standard of Excellence" under the Shopping category, alongside other global brands such as Nike, Godiva, Biotherm and Maidenform. Only two beauty sites, Sasa.com and Biotherm (USA), were included in the list of awardees. The award recognises the excellence of Sasa.com in design, ease of use, content, innovation, copywriting, interactivity and use of technology. Following the invitation to promote its cards at Sasa.com, VISA proved to be one of our more important on-line partners.

Brand Management

Sales of private-label and exclusively distributed products increased by 18.5% and contributed 30.1% to the Group's total retail and wholesale sales for the year ended 31st March 2006. The Group launched "Sasa" branded products throughout the region in the second half of the year, including colour cosmetics, accessories, skin care, hair care and body care products. The "Sasa" brand offers a range of quality and value products that provides total solutions for the beauty needs of our customers. These products were well received by the market. During the year, Sa Sa launched an exclusive Swiss skin care brand, Méthode Swiss, strengthening the medium-priced product portfolio. New brands secured for Sa Sa's exclusive distributorship included Bergman, Organic Elements, fragrance of Paris Hilton, Ferre, Hummer, Guess, Gas, French Connection and Lulu Guinness, among others.

去年啟用的全新操作平台、經加強的市場推廣策略、再加上貨品種類增加，均有助提升銷售額。每月瀏覽頁面多達一千一百七十萬頁，非重覆瀏覽人次更多達四十四萬二千，分別較上一財政年度大幅增加百分之四十六及百分之九十八。來自所有地區尊貴客戶的銷售額佔總銷售額比例由百分之十七提高至百分之二十四，顯示Sasa.com已成功提升客戶忠誠度。

在美國Web Marketing Association舉辦的「WebAward 2005」大獎中，Sasa.com與Nike、Godiva、Biotherm及Maidenform等其他全球品牌並駕齊驅，獲評選為「WebAward 2005」中購物類別的「Standard of Excellence」。獲得此項殊榮的美容產品網站只有Sasa.com及美國的Biotherm網站。該獎項表揚Sasa.com在設計、使用方便程度、內容、創新、撰稿、互動及科技運用各方面皆達致超卓水平。Sasa.com獲VISA邀請推廣其信用卡後，VISA亦成為其網上業務的重要夥伴之一。

品牌管理

截至二零零六年三月三十一日止年度，莎莎的專有品牌及獨家經銷貨品銷售額增加百分之十八點五，並佔集團零售及批發總營業額百分之三十點一。集團於下半年在區內推出「Sasa」品牌貨品，包括彩粧、化粧工具、護膚、護髮及身體護理產品。「Sasa」品牌提供一系列優質超值產品，因應顧客需要而提供全面美容解決方案，並深受市場歡迎。期內莎莎推出獨家的瑞士Méthode Swiss品牌，加強中檔護膚品系列的選擇。年內，集團取得獨家經銷權的新品牌包括Bergman及Organic Elements，香水包括Paris Hilton、Ferre、Hummer、Guess、Gas、French Connection及Lulu Guinness等。





Reflecting the cosmeceutical trends in the global beauty industry, Sa Sa launched its first Australian cosmeceutical brand, Skin Doctors, in October 2004. In August 2005, Sa Sa added Bergman, a top brand in this category from the Netherlands, to Asia. Since organic skin care products are now playing a more important role in the global beauty market, Sa Sa introduced a famous Italian skin care brand, Organic Elements, to Asia. Efforts were also made to further broaden the product range and to enhance the product mix. On average, over 550 new products were added each month.

During the year, we continued to strengthen our marketing activities, increasing the advertising and promotion budget and launching more products and road shows. We undertook a comprehensive marketing campaign for Suisse Programme, including appointment of a celebrity as image girl, a TV advert, and a series of print adverts and public relations activities, in order to boost the brand image and to launch the new product lines. The market response was overwhelming. Not only was the brand image much enhanced, but sales also increased substantially. Other successful products launched included Elizabeth Arden After Five and Paris Hilton fragrance, of which around 11,800 and 5,500 bottles respectively were sold within three months.

鑑於全球美容業以醫學護膚品為時尚，莎莎繼二零零四年十月推出首個澳洲醫學護膚品牌Skin Doctors後，再於二零零五年八月將荷蘭頂級醫學護膚品牌Bergman引入亞洲。隨著有機護膚產品在現時全球美容市場上的角色越趨重要，莎莎已將意大利著名護膚品牌Organic Elements引入亞洲。年內集團積極拓展貨品系列及提升貨品組合，平均每月有逾五百五十款新貨品。

年內，集團繼續加強市場推廣活動，增加投放在宣傳及推廣的資源，並進行更多新產品推介活動及巡迴展銷。集團為Suisse Programme進行大型市場推廣活動，包括委任知名人士為形象大使、推出電視廣告以及一連串平面廣告及公關活動，藉以提升品牌形象及推介新產品系列。市場反應熱烈。品牌形象不單大為提升，銷售額亦大大增加。其他受歡迎產品包括伊莉莎伯雅頓的After Five及Paris Hilton香水，三個月銷量分別約一萬一千八百瓶及約五千五百瓶。

Management Discussion and Analysis

管理層討論及分析

Beauty Services

Turnover for beauty services was HK\$195.3 million, representing an increase of 2.0% over the previous fiscal year. The performance was affected by a one-off adjustment in revenue recognition for exercise memberships in the beauty services business and increased cost pressure at Sasa Beauty⁺. The year saw further integration of our beauty services with our retail business. Phillip Wain provided beauty treatments at the new flagship store in Singapore and Sasa Beauty⁺ offered beauty services in the new stores in Hong Kong, where treatment rooms are now available. New treatments introduced in Phillip Wain and Sasa Beauty⁺ included Drum Stimulating Reflexology, Herbal Heat Massage, Radio Frequency Fat Burning Treatment and Light Emitted Diode Supreme Treatment.

Phillip Wain

Phillip Wain offers premium beauty and ladies' health clubs that cater for the discerning customers. Turnover increased by 1.0% to HK\$170.2 million. There was a small loss mainly due to a one-off adjustment in revenue recognition for exercise memberships.

The year saw an increase of 6.3% in treatments undertaken. Sales of products also grew and there was a marked improvement in marketing efforts. New exercise classes including Drum Alive and Latin Rhythm were introduced.

美容服務

年內美容服務營業額達一億九千五百三十萬港元，較上一財政年度增加百分之二。菲力偉運動會籍收入的入賬方法作出一次性調整，以及 Sasa Beauty⁺ 成本壓力上升，都令美容服務表現受到影響。年內集團進一步將美容服務與零售業務整合；菲力偉為位於新加坡的莎莎新旗艦店提供面部美容護理療程，而 Sasa Beauty⁺ 亦於香港設有美容護理房間的新店提供美容護理服務。年內，菲力偉及 Sasa Beauty⁺ 新引進的療程包括腳底敲擊按摩、草本定位療法、電頻消脂療程及光療纖體療程。

菲力偉

菲力偉為品味高尚的顧客提供尊貴女士美容及健身會所服務。於截至二零零六年三月三十一日止年度的營業額達一億七千零二十萬港元，增加百分之一。有關業務因運動會籍收入的入賬方法作出一次性調整而錄得輕微虧損。

年內美容療程總額增加百分之六點三。美容產品銷售錄得增長，而市場推廣的力度也大大加強。新引進的運動課程包括 Drum Alive 及 Latin Rhythm。

Q&A

How does Sa Sa manage to sell quality products at such competitive prices?

莎莎為什麼能以這樣相宜的價錢，出售如此優質的產品？

Sa Sa applies its global sourcing and purchasing capabilities to obtaining the best value products, buying in bulk to increase its bargaining power. A further factor is our excellent long-term relationships with vendors. While we pride ourselves on our ability to offer generous discounts, we also take exceptional care to ensure that everything we sell is genuine and in tip-top condition.

莎莎憑藉環球採購專長，得以精選最物有所值的產品，並透過大量購貨而提高議價能力；而我們與供應商保持長期良好關係也是箇中關鍵。我們的優勢不僅是為顧客提供豐厚的折扣優惠，更竭盡所能確保所售的商品皆是正貨，品質上乘。



Q&A

How can Sa Sa achieve such a high standard of customer service?

為什麼莎莎能提供優質的客戶服務？



• By Creating a Strong Training Team

Our training team is specialised in different training programs. These include product knowledge (with different trainers specialized in skin care, fragrance, make-up products and beauty treatments); skin analysis; make-up training; Mandarin speaking; selling skills; supervisory skills; customer service skills; and general management skills.

• Intensive Training

A new beauty consultant receives more than 150 training hours before she becomes a qualified beauty consultant ("BC"). We also provide continuous training to existing BCs to update their skills and knowledge in all the above categories. Good training is vital for cosmetics retailing because it improves sales and service, enhances the corporate image, the professionalism of our staff, and the sense of belonging of our employees.

• Knowledge of the Market and Customer

The cosmetic retailing industry changes very rapidly, always catching up with new trends and the evolving needs of customers. Therefore, our staff must be updated frequently. In addition, our sales staff act as personal consultants to customers for their beauty needs. They require an in-depth knowledge of both products and customer requirements in order to provide tailor-made beauty advice.

• Building Loyalty

We aim at providing a service to customers, not only at selling products. Our mission is to convert more and more buyers of our products and services into loyal customers. We therefore monitor our services very closely and strengthen our service-oriented culture through various internal programmes and through participation in external monitoring schemes such as mystery shoppers programmes.

• Gaining Recognition

Sa Sa stores as well as La Colline specialty store have repeatedly received accolades for their quality services and have been awarded the Quality Tourism Services certificate by the Hong Kong Tourism Board. This scheme honours tourism service providers that have achieved excellent quality in the areas of environment, products, processes, people and systems.

• 建立優秀的培訓隊伍

莎莎的培訓隊伍涵蓋專才，負責各方面的培訓課程：包括產品知識（護膚品、香水、化粧品及美容護理等均由不同專業培訓人員負責）；皮膚分析、化粧品技巧、普通話會話、銷售技巧、管理下屬技巧、客戶服務、以及一般管理知識等等。

• 培訓嚴謹

在莎莎剛入職的銷售員工，必須接受一百五十小時以上的培訓才可成為正式的美容顧問。而在職的美容顧問也須經常接受培訓，以提升她們各方面的技巧及知識。良好的培訓對化粧品零售業尤為重要，不僅有助改善銷售及服務表現，更可提升企業形象，提高員工專業水平及培養員工對公司的歸屬感。

• 了解市場及顧客的需要

化粧品零售業瞬息萬變，除了要緊貼潮流外，亦要迎合顧客各式各樣的需要。因此集團的員工必須擁有最新有關的知識及才能。莎莎旗下的專業售貨員都是顧客的私人美容顧問，因此對每樣貨品都必須非常熟悉，明瞭顧客的需要，從而提供最切合個人需要的美容建議。

• 建立穩健客戶基礎

我們致力為顧客提供完善的服務，不會單以售賣貨品為目的。莎莎的經營理念是令更多使用莎莎產品及服務的客人成為我們的忠實顧客。因此，我們一直密切監察我們的服務水平，並通過各種內部培訓及參與外間的服務監察計劃，例如「神秘顧客」計劃等，積極鞏固以服務為本的企業文化。

• 贏取業界認同

莎莎化粧品及La Colline專門店榮獲多項優質服務獎項，足證服務水準超卓，並獲香港旅遊發展局頒發「優質旅遊服務」認證，標誌著我們作為旅遊服務業的成員，在環境、產品、工作流程、人才及系統方面皆表現卓越。

Management Discussion and Analysis

管理層討論及分析



Sasa Beauty⁺

The establishment of Sasa Beauty⁺ complements our retail business development, providing all-round cosmetics and beauty services to Sa Sa customers. During the year, turnover increased by 9.5% to HK\$25.1 million. A small loss was recorded, mainly because the increase in turnover could not offset escalating rental costs. The number of members rose by 20.2%.

Strengthening IT Infrastructure and Operational Systems

In order to build up a common platform with the capability to manage, collaborate and exchange real-time sales and inventory information with all our business partners and to respond to ever-increasing customer demand and market competition, the Group is upgrading its IT infrastructure and adopting the SAP's R3 Enterprise Resource Planning ("ERP") system.

With this globally proven and fully integrated system, we aim to increase our business process efficiency and managerial control through best business practices and management processes. The SAP system also allows us to standardise and increase our transparency of information flow and improve our business decision process by providing detailed, timely and reliable financial, sales and inventory information, as well as enhance our supply chain and customer relationship management capabilities.

Sasa Beauty⁺

Sasa Beauty⁺為莎莎化粧品店顧客提供全面的化粧及美容服務，與集團零售業務的發展相輔相成。年內，Sasa Beauty⁺的營業額達二千五百一十萬港元，增加百分之九點五。有關業務錄得輕微虧損，主要由於營業額的增長未能抵銷租金成本增加所致。年內美容中心會員人數增加百分之二十點二。

加強資訊科技及營運系統

為了建立共用平台以便管理、協調並與所有業務夥伴交換即時銷售及存貨數據，並應付不斷提高的顧客要求及市場競爭，集團正加強其資訊科技系統，並採用SAP所開發的R3企業資源規劃（「ERP」）系統。

憑藉此項全球成效有目共睹兼全面整合的系統，集團旨在以最理想經營守則和管理程序以加強營運效率和管理。SAP系統為集團提供詳盡、及時兼可靠的財務、銷售及存貨資料，使集團可藉以規範資訊流程及加強其透明度，同時改善供應鏈及客戶關係管理效率。

These capabilities will give us more understanding of our customer's buying behaviour and purchase patterns, general market trends and potential. They will also help us to improve procurement, inventory management, sales promotion, productivity of sales staff and customer service.

Outlook

We are crafting a sustainable development strategy through a thorough study of prospects that includes a risk management project (details of which can be found in the Corporate Governance section of this Report). In view of the maturing Hong Kong and Macau market, and of the need to adapt and integrate our systems for overseas markets, we are laying the following strategic foundations for our next stage of growth:

- We are strengthening the brand equity of "Sa Sa".
- We are reviewing and strengthening our core functions in order to build a stronger base to support future expansion and development. This includes improving the organisational structure of our headquarters in Hong Kong to provide stronger support for the operation of overseas markets.
- In order to provide a solid foothold for expansion into existing and prospective overseas markets as well as Mainland China, we are placing increasing emphasis on product development, marketing and securing exclusive distribution rights for international brands to build a stronger brand and product portfolio for the Group.
- We are adopting SAP's R3 ERP system, as outlined above. In the second half of 2006 we will begin upgrading our IT infrastructure, which will improve the efficiency and effectiveness of our operations, marketing and inventory management.

We aim to expand our retail network in the next four years to operate more than 240 stores in the Asia region by 2011. While consolidating continuous growth in our core retail base in Hong Kong and Macau, Sa Sa will increase its penetration in the existing overseas markets of Taiwan, Singapore and Malaysia. This in turn will drive growth for the Group in the medium to long term. Mainland China, a developing market with huge potential, and other new overseas markets will provide growth opportunities for the Group in the long run.

此等措施將使集團更瞭解客戶的購物模式、市場趨勢及潛力，亦有助集團提升採購、存貨管理、促銷、銷售人員工作效率和客戶服務。

展望

集團正透過全面的前景研究，以制訂可持續發展策略，其中包括風險管理項目（詳情載於本報告的企業管治部份）。面對港澳市場日益成熟，並須為海外市場發展就各營運系統作出調整及融合，集團正為另一階段的增長奠定以下策略性基礎：

- 加強「莎莎」品牌價值。
- 集團正檢討及加強核心職能，務求建立更強大的基礎以支持未來發展。有關措施包括加強香港總部的組織架構，為海外市場業務提供更有力的支援。
- 為了提供穩固業務基礎，以拓展現有及未來海外市場以及中國內地業務，集團正重點發展產品開發及市場推廣的功能，及積極爭取國際品牌的獨家經銷權，為集團建立更強大的品牌與貨品組合。
- 集團會在二零零六年下半年開始採用上文所述SAP所開發的R3企業資源規劃系統，提升整體資訊科技系統，因而將改進集團營運、市場推廣及存貨管理的效率和效益。

集團的目標是於二零一一年將零售網絡拓展至在亞洲地區設有超過二百四十間店舖。在加強港澳核心零售業務基地的持續增長的同時，莎莎亦會加強其在台灣及星馬等現有海外市場的滲透率，從而推動集團的中長線增長。至於中國內地此一潛力雄厚的發展中市場以及其他未來將拓展的海外市場，將會為集團提供長遠增長的商機。

Management Discussion and Analysis

管理層討論及分析

Our strategic initiatives for the future are:

1. Further Growth in the Hong Kong and Macau Market

- **Hong Kong and Macau are set to continue their development as a major tourist destination in the pan-Asian region.** The further relaxation of the Individual Visit Scheme means that an increasing number of regular visitors from the PRC will continue to drive the base line growth of the cosmetics market in Hong Kong and Macau. These regular visitors are attracted to Hong Kong as a shopping paradise that provides good value, high quality and excellent services. Figures from the Hong Kong Tourism Board reveal that double-digit growth of PRC tourists was recorded from January to April 2006.
- **There are a number of Government initiatives that are helping to boost tourism.** 2006 is "Discover Hong Kong Year", during which the Hong Kong Tourism Board is devoting substantial resources to attracting visitors. A number of significant tourism projects are lined up, including casino and hotel projects in Macau, tourist attraction projects such as the ASEAN Games in Hong Kong (2009), and the Olympic Games in Beijing (2008). Moreover, the PRC cities of Nanning, Haikou, Kuming, Guiyang, Changsha and Nanchang were added in May 2006 to the Individual Visit Scheme, bringing the total number of cities within the scheme to 44. More cities are expected to join the scheme in coming years.
- **A recovery in the local economy is improving local consumer sentiment.** GDP in Hong Kong rose by 8.2% in the first quarter of 2006, following an already robust 7.5% growth in the preceding quarter. Because of the work that Sa Sa has done to increase its attractiveness to local customers and to enhance their loyalty, this growth momentum will undoubtedly benefit Sa Sa. The Group is stepping up its measures to capture both local and tourist spendings. These include: marketing programmes targeting tourists from the PRC and other marketing efforts to attract local customers; strengthening staff training and customer service; and continuing to increase competitiveness through building brand awareness, strengthening the product mix and promotion efforts. By March 2007, Sa Sa aims to add four or five new stores in both tourist areas and non-tourist areas of Hong Kong and Macau.

集團將採取的策略性措施如下：

1. 持續發展港澳市場

- **港澳正加強發展成為亞洲區旅遊目的地。**中國進一步放寬個人遊計劃，意味著訪港內地旅客人次不斷增加，可繼續推動港澳化粧品市場的增長。此等旅客經常訪港，乃受到香港擁有購物天堂美譽，其物有所值、及優質超卓服務的特點所吸引。按香港旅遊發展局數據顯示，二零零六年一至四月期間中國內地訪港旅客人次錄得雙位數字百分比增長。
- **政府推出多項措施以刺激旅遊業。**香港旅遊發展局已將二零零六年定為「香港旅遊年」，有關方面正投入大量人力物力促進香港旅遊業。港澳地區將會興建和舉辦多個旅遊相關項目和盛事，包括澳門的大型賭場和酒店項目、香港二零零九年舉行的東亞運動會，以及北京於二零零八年舉行的奧運會。再者，多個內地城市（南寧、海口、昆明、貴陽、長沙及南昌）已於二零零六年五月獲納入個人遊計劃，令有關城市增至四十四個，預料未來數年會有更多城市獲納入計劃。
- **香港經濟復甦推動消費意欲回升。**本地生產總值繼二零零五年第四季錄得顯著的百分之七點五增長後，二零零六年第一季亦較去年同期上升百分之八點二。有賴莎莎過往一直有提升對本港顧客的吸引力及顧客忠誠度的措施，本地市場的增長動力無疑對莎莎有利。集團現正加強措施以吸引本港顧客及旅客消費，其中包括分別針對內地旅客及吸引本地顧客的市場推廣計劃、加強員工培訓和客戶服務，並繼續透過提升品牌知名度、改進貨品組合和促銷活動以加強競爭力。莎莎的目標是在二零零六/零七年度內在香港及澳門的遊客區及非遊客區增設四至五間新店舖。

- **Applying strategic and disciplined management to an adverse operating environment.** Against a background of rental increases that have exerted pressure on the operating margin of all cosmetic retailers, Sa Sa increased retail space by approximately one-third this financial year. The Group will assess the total retail space, the associated costs and store network in Hong Kong, to match business opportunities with the costs of expansion. Precisely because of its extensive retail network, Sa Sa can bring flexibility and bargaining power to the issue of lease renewal and to the negotiation of new leases. Considering these factors and its leading position in the industry, Sa Sa expects to gain further market share from other market players.

2. Strengthening Overseas Market Growth

Leveraging on our Hong Kong expertise and experience, Sa Sa's business model is being rapidly scaled up for application to overseas markets. These markets are making good progress in the growth of turnover and market share. With a strong platform being built to facilitate further expansion, we are confident this growth momentum will continue.

Ongoing efforts will be devoted to strengthening marketing, product portfolio and staff training. In addition, we will cautiously monitor the overseas operating and market environments and adjust our expansion plan accordingly to achieve optimum results.

- **實施嚴謹的策略管理，以應付具挑戰性的經營環境。**在租金上升令化粧品零售商利潤受壓的形勢下，莎莎在本財政年度內將銷售面積增加約三分之一。集團將會就香港的店舖總面積、相關開支及店舖網絡進行評估，令營商機會與拓展開支互相配合。莎莎擁有廣泛的零售網絡，在續訂租約和磋商新租約方面具備靈活性和議價能力。憑藉此等優勢與行內的領導地位，莎莎預計可從市場上其他同業處進一步爭取更大的市場佔有率。

2. 加強海外市場增長

憑藉香港方面的豐富專業知識和經驗，莎莎正迅速將其經營模式於海外市場擴展。此等市場在營業額增長及擴大市場佔有率方面均有進步。憑藉有利於進一步拓展的穩固平台，集團深信增長動力將可持續。

莎莎將繼續投入更多資源以加強市場推廣、貨品組合及員工培訓。此外，集團會審慎監控海外市場的經營環境及市況，並因應而調整擴展計劃，務求達致理想的成績。



Management Discussion and Analysis

管理層討論及分析

3. Building a Strong Foothold in the PRC Market

Sa Sa has achieved market acceptance in the PRC as a one-stop cosmetics specialty store offering a broad range of quality and professional beauty products and providing professional and value-added service. Good progress has been made and we will continue to strive for operational improvement while preparing for a wider market presence in the future. Initiatives include conducting product registration for more exclusive products. We believe that by offering more exclusive products, we will have a stronger base for growth. The Group's strategic plan is to open five to seven more stores by March 2007, and to open more than 100 stores across the PRC by 2011.

4. Improving Synergy Between Our Beauty Services and Core Retail Business

Beauty services enhance Sa Sa's overall image as a "beauty specialist" and strengthen customer loyalty. As such, they are complementary to our core cosmetics retail business. Amid keen competition and a challenging operating environment, Sa Sa will focus on adding innovative treatments and equipment, as well as strengthening the synergy with our core retail business through more joint promotions and cross-selling to increase sales and improve profitability. We are already providing convenience to our retail customers and enhancing their loyalty through in-store treatment rooms that offer facial treatment, manicure and pedicure. We will continue to explore opportunities to expand the scope of these services.

3. 在中國內地市場建立穩固基礎

「莎莎」已廣受內地市場認同為一站式化粧品專門店，可提供種類繁多的優質及專業美容產品，以及專業的增值服務。集團在內地已取得良好進展，並會繼續致力提升營運效率，同時為日後業務拓展而作出準備。採取的措施包括為更多獨家經銷貨品進行衛檢。集團相信，提供更多獨家經銷貨品可奠定更強大的增長基礎。集團的策略計劃是在二零零六/零七年度增設五至七間店舖，並於二零一一年在中國內地設立超過一百間店舖。

4. 提升美容服務與核心零售業務之間的協同效應

美容服務可提升莎莎作為「化粧品及美容專家」的整體形象及加強客戶忠誠度。因此，有關業務可與集團的核心化粧品零售業務相輔相成。面對激烈競爭及具挑戰性的經營環境，莎莎將著眼於引進創新療程及設備，此外並會推出更多聯合推廣和促銷措施，加強美容服務與核心零售業務的協同優勢，藉此增加銷售及改進盈利能力。集團已透過店舖內的美容護理房間提供面部護理療程及修甲服務，以方便顧客及加強顧客忠誠度。集團並將繼續探討拓展美容業務的範圍。





Q&A

What is so special about Sa Sa's operation in Mainland China?

莎莎在國內經營有何特色？

- Sa Sa's one-stop cosmetics specialty stores offer a wide selection of professional and quality brands, both international and domestic, covering a broad price range targeted at a diversified customer base. Consumers can choose from more than 150 brands. The store provides an alternative distribution channel for beauty products to the department stores.
- **Product selections tailored to Chinese**
 - Sa Sa has more than 28 years of experience in cosmetic retailing in Asia and today 95% of its customers are Chinese, and 40% among them are from the Mainland.
 - Sa Sa utilises its understanding of the skincare and beauty needs of Asians, in particular, Chinese, in the product selection for its store in Mainland China.
- **Focus on professional and quality international brands**
 - Asia's well-known Phillip Wain and Sasa Beauty⁺ beauty centres provide a solid foundation for Sa Sa in the field of professional skincare and beauty treatments.
 - Sa Sa selects professional skincare and beauty products that are suitable to Asians, in particular Chinese, from around the world.
- **Value-added services offered at Sa Sa**
 - Professionally-trained beauty consultants provide personalised advice to customers and introduce relevant quality products across different brands.
 - A wide variety of promotions
 - Quality assurance for products
 - Free make-up service and professional beauty treatments with dedicated treatment rooms in store
 - Free skin analysis
 - Free samples
- **A brand new shopping experience**
 - Trendy and comfortable shopping environment and open shelves allow Mainland consumers to try and choose products of different brands at ease, offering them a brand new shopping experience.
- 莎莎為「一站式化粧品專門店」，彙集多種國際以至國內專業優質的品牌和不同價位的產品，超過一百五十多個化粧品品牌供廣泛的客戶選購，為顧客提供百貨公司以外購買美容產品的渠道。
- **根據中國人的需要精選貨品組合**
 - 莎莎在亞洲擁有逾二十八年的化粧品零售經驗，顧客中百分之九十五是中國人，其中內地顧客佔約百分之四十。
 - 莎莎對亞洲人，特別是中國人的護膚及美容有透徹的了解，並以此為國內莎莎店精選最適合的產品。
- **提供專業和有特色的護膚及化粧品品牌**
 - 亞洲著名的菲力偉及Sasa Beauty⁺美容中心是莎莎在專業護膚美容領域的強大後盾。
 - 莎莎在世界各地精挑細選適合亞洲人，特別是中國人的優質專業護膚及美容產品。
- **提供增值服務**
 - 經過嚴格培訓的專業美容顧問因應每位顧客的狀況及需求，提供針對性的建議，並為他們從不同品牌中挑選最合適的優質產品。
 - 各式各樣的推廣優惠
 - 莎莎對店內銷售的產品提供產品質量保證
 - 在店內特設的美容室內提供免費化粧品和專業皮膚護理示範
 - 免費專業皮膚測試
 - 贈送產品試用裝
- **嶄新時尚的購物經驗**
 - 店內時尚舒適的環境和開放式貨架，讓消費者可以自由自在地試用及選購不同品牌的產品，為國內消費者提供嶄新時尚的購物經驗。

Méthode
BEAUTÉ

REFIN
MOISTUR
MASQUE HYDR

 **Méthode SWISS**
BEAUTY CARE

BALANCING
SKIN TONER
TONIQUE EQUILIBRANT

 **Méthode SWISS**
BEAUTY CARE
AQUA HYDRATING DAY CREAM
AQUA-CREME HYDRATANTE JOUR





de SWISS
Y CARE

ING
E MASK
RO-LISSANT



Methode SWISS
BEAUTY CARE

HYDRATING
CLEANSING MILK
LAIT DEMAQUILLANT
HYDRATANT



Methode SWISS
BEAUTY CARE

PURIFYING FRESH
LOTION
LOTION FRAICHE
PURIFIANTE



Social Responsibility

關懷社群

As a well-recognised and expanding company in the Asia Pacific region with an excellent brand name and profile, Sa Sa is fully aware of its responsibilities as a good corporate citizen. We believe that a reputation for integrity and social awareness is one of the most important assets that a company can possess.

Building Ties with Society

In line with our corporate mission to “make life beautiful”, we offer more than cosmetic retailing and beauty services to our customers. We aim to make their life more rewarding and the society in which they live more harmonious and healthy by contributing to community programmes, sponsorships and donations; in particular those targeted at women, young people and children. In addition to donations in kind and the devotion of our staff’s resources and energy, last year’s total cash contribution amounted to HK\$1.2 million.

Supporting Education and Youth Development

During the year, we sponsored and made donations to various local institutional programmes in order to support education in both Hong Kong and Mainland China, such as those of University of Hong Kong, the Chinese University of Hong Kong, the Polytechnic University and Sheen Hok Charitable Foundation. Sa Sa also sponsored “The Long March for Education”, a fund-raising event for the Sowers Action, which is dedicated to improving basic education in China. We also set up a counter to provide complimentary make-up consultation at the “Hong Kong & Macau Skill Contest for Youths” organised by the Labour Affairs Bureau of Macau SAR.

Care for the Community

Sa Sa has long participated in the activities of the Community Chest of Hong Kong. During the year, Sa Sa was the sole sponsor of the “Mark Lui & Friends Charity Concert” at the Hong Kong Coliseum. The event raised over HK\$2 million for the Community Chest. More than 12 artists including Leon Lai and Kelly Chan participated in the charity show. Sa Sa also participated in “The World’s Biggest Donation Box” programme to sell mini donation boxes to raise funds for the Community Chest’s child and youth services.

In addition to being a full-year sponsor of the Po Leung Kuk in Hong Kong, we continued to support the organisation’s various fund-raising activities. Other beneficiaries included Caritas-Hong Kong, the Hong Kong Girl Guides Association, the Rotary Club of Hong Kong and the Playright Children’s Play Association.

憑藉卓越品牌及形象，莎莎在亞太區廣受認同，擴展迅速，同時亦深明擔當良好企業公民的責任。集團相信，剛正不阿的營商態度及對社群的關懷乃公司最重要資產之一。

連繫社會

為了達成「美麗人生」的集團使命，除向顧客提供化粧品零售和美容服務外，集團更向公益活動捐款、提供贊助及捐贈物品（特別是以婦女、青少年及兒童為對象者），使人生更富意義，所處社會更和諧健康。除捐贈物品和動員員工投入參與外，集團年內的現金捐贈達一百二十萬港元。

支援教育及青少年發展

年內，集團曾贊助多個本地教育機構活動及作出捐贈，以支持香港和內地的教育，受惠機構包括香港大學、香港中文大學、香港理工大學和善學慈善基金。莎莎並贊助苗圃行動「助學長征」籌款活動；該組織致力改善中國基本教育。莎莎更在澳門勞工事務局所舉辦的「港澳青年技能大賽」中設立攤位，提供免費化粧品指導。

熱心公益

莎莎參與香港公益金活動已有悠久歷史。年內，莎莎擔任在香港體育館舉行的「雷頌德公益金音樂會」的獨家贊助商。活動為公益金籌得逾二百萬港元的善款，參與藝人超過十二位，包括黎明及陳慧琳等。莎莎更參與「舉世最大公益箱-愛心小錢罌」義賣計劃，為公益金的兒童及青年服務籌款。

除了擔任香港保良局的全年贊助機構外，莎莎繼續支持保良局的其他籌款活動。其他受惠機構包括香港明愛、香港女童軍總會、香港扶輪社及智樂兒童遊樂協會。

Encourage Employee Participation

Sa Sa's commitment to making a positive difference to society involves everyone in the Company. We encourage senior management's participation in both community service and the development of the industry, while mobilising staff participation in charity and community activities. During the year, our Chairman and CEO, Mr. Simon Kwok shared his experiences with students of the City University of Hong Kong and took a pro-active role in contributing to industry associations, local institutions and charity organisations. Mr. Kwok was Co-chairman, 2005-2006 Community for the Chest Organising Committee. Our Vice-Chairman, Mrs. Eleanor Kwok, was appointed a Director of the Board of Directors 2006-07 of Po Leung Kuk.

A team of staff and their families participated in the Walk for Millions to raise funds for the Community Chest and the Heart Health Carnival and Walkathon in Hong Kong by the World Heart Federation. Other caring initiatives included the 'Heart to Heart Project' of the Hong Kong Federation of Youth Groups, whereby a group of Sa Sa staff joined a team of students to organise and participate in voluntary work in 2006.

Sa Sa colleagues in Hong Kong showed their kindness and compassion by participating in the Lunar New Year Gift Collection Programme organised by the People's Food Bank for gift donation to families and children in poverty. Sa Sa also sponsored the charitable sales by Miss Hong Kong in Hong Kong, with all donations being made to UNICEF.

Supporting Social Development in China

Sa Sa's support for the community and society as a whole extends beyond the confines of Hong Kong to the motherland as a whole. During the year, Sa Sa acted as the title sponsor for a major fund raising activity of the China AIDS Initiative to support its HIV/AIDS projects in the Mainland. Sa Sa also sponsored various fund-raising activities of Lifeline Express to support its cataract operations in remote parts of China.

鼓勵僱員參與

莎莎致力回饋社會，並鼓勵公司員工參與。集團亦支持管理層參與公益服務及行業發展，同時亦動員旗下員工參與各種慈善活動。年內，集團主席及行政總裁郭少明與香港城市大學學生分享經驗，更從多方面積極支持行業商會、本地教育機構與慈善組織。郭先生乃二零零五/零六年度「萬眾同心公益金」籌劃委員會聯席主席。集團副主席郭羅桂珍女士則獲委任為保良局二零零六/零七年度總理。

莎莎員工及家庭成員組隊參加公益金百萬行及世界心臟聯合會在香港舉辦的心臟健康嘉年華及馬拉松步行活動。其他活動包括二零零六年香港青年協會「心連心計劃」，莎莎員工在活動中與一組學生攜手合作組織及參與義務工作。

香港莎莎同事積極參與「眾膳坊」所舉辦的農曆新年禮物收集計劃，捐贈禮物予貧困家庭及兒童。莎莎並贊助香港小姐義賣活動，所得捐款均送交聯合國兒童基金會。

支持國內發展

莎莎對社群的支持並不局限於香港，亦將範圍伸延至祖國。年內，莎莎擔任中國愛滋病防治行動大型籌款活動冠名贊助商，支持在中國內地的愛滋病防治項目。莎莎亦贊助健康快車多項籌款活動，支持該組織在中國偏遠地區提供白內障切除手術。



People Development

員工發展

Human capital is the most valuable asset of Sa Sa, contributing significantly to our success. As such, we place utmost emphasis on people development and training. We assess our strength and needs now and in future, and foster an environment that helps people to realise their full potential.

As at 31st March 2006, the Group had a total of 2,531 employees. Staff costs for the year under review were HK\$433.4 million. To ensure that the Group is able to attract and retain staff with good performance, remuneration packages are reviewed on a regular basis, and performance bonus and share options are offered to qualified employees. A performance-based element is included in the annual discretionary bonus for all staff and in share options for supervisory and managerial staff. During the year, we continued initiatives to attract, retain, motivate and develop the best people. Various staff development initiatives were implemented through in-house and external training programmes, as well as the provision of financial subsidies for staff's further studies.

Attracting People

We know that our success tomorrow depends on the people that we recruit today. We plan and coordinate recruitment activities to ensure that our business development is well supported by a motivated workforce. During the year, in order to further strengthen our brand and to attract and retain talented employees, a Human Resources Task Force composed of selected members of the senior management was formed. Its aim is to create a proactive and practical manpower resourcing strategy. This includes enhancing our human resources management practices, as well as implementing professional training and development initiatives for business growth.

人力資源為莎莎最重要的資產，對集團的成就貢獻良多。因此，集團極重視員工培訓和發展，並評估目前與未來的實力和需要，營造更有利環境，務求充分發揮員工的潛能。

於二零零六年三月三十一日，集團共聘有二千五百三十一名員工，年內的員工成本為四億三千三百四十萬港元。為確保集團能夠吸引及保存表現優秀的員工，集團定期檢討員工薪酬及福利，並向所有合資格員工授出表現花紅及購股權。集團在酌情向全體員工發放全年花紅、以及向主管級及管理人員授出購股權時，均會考慮有關人員的表現。年內集團不斷推行措施以招攬、保存、激勵最優秀人員及加強有關人員的發展。期內集團更推行各種員工發展計劃，包括舉辦內部培訓課程及提供外間培訓課程，並為員工繼續進修而提供資助。

吸納人才

莎莎深知集團未來的成績端視今天招聘的人才。集團積極策劃和統籌各種招聘活動，確保集團有積極的員工配合業務發展。年內，為求進一步加強集團品牌，並羅致及保存優秀的員工，集團已成立一個由有關管理層組成的人力資源專責小組。小組目的在於制訂積極務實的人力資源策略，包括加強人力資源管理，推行專業培訓與人才發展措施以促進業務增長。





Retaining People

To ensure that the Group is able to retain people with good performance, emphasis is placed on performance management, differentiated rewards, succession planning, learning and development. The Group has restructured the performance management system to ensure effective communication between supervisors and subordinates. This initiative is intended to improve not only individual performance, but also the performance of the Group as a whole.

We know that differentiated rewards are key to recognising talented people. Our remuneration packages are reviewed on a regular basis and performance bonus and share options are offered to qualified employees. To maintain our competitiveness and ensure that future people requirements will be met, Sa Sa has launched a Management Trainee Programme to develop potential leaders of the Group throughout the region. This Programme includes formal classroom training as well as a series of job assignments in our retail shops and back office.

保存人才

為吸引表現良好的員工繼續留任，集團十分重視表現管理、獎勵分明、繼任計劃、持續學習與人才發展。集團已重整表現管理制度，確保主管與下屬之間有更有效的溝通。此項措施不單可改進個別員工表現，亦可提升集團整體表現。

集團明白獎勵分明對表揚表現傑出的員工尤為重要。集團定期檢討員工薪酬及福利，並向所有合資格員工授出表現花紅及購股權。為了保持競爭力和配合未來的人力資源需要，莎莎已設立大學畢業生實習計劃，為集團在整個亞洲區域發展培養未來領袖。此項計劃包括課堂培訓，並於店舖及後勤辦事處出任不同職位。

People Development

員工發展

Motivating and Enhancing People

Sa Sa acknowledges and rewards achievers and promotes from within. Through careful career planning, coaching and counselling, we identify people who are ready to take on bigger challenges. The Group has launched an “Education Aid Plan” to encourage our people to continue learning for self-improvement and career development.

Sa Sa is very much a “team building” company. Our success relies on blending our individual talents through team building, mutual trust and respect. We are also an open and caring company. Consistent and transparent communications are high on our list of core values. During the year, we launched a new theme “Get Together & Share Ideas” for the Staff Relations Programme. A series of staff activities such as a boat cruise and staff gatherings were organised to provide our people with opportunities to interact outside work.

激勵與提升員工實力

莎莎嘉許並獎勵表現傑出的員工，並提供內部晉升機會。集團透過仔細的事業規劃、指導及輔導，從中發掘有潛質接受更大挑戰的員工。本集團設立「進修補助計劃」，以鼓勵員工為自我提升及工作發展而繼續進修。

莎莎非常重視「群策群力」的精神。集團的成就有賴透過建立團隊、互相信任和尊重，融合個人才華。莎莎亦提倡開放及關懷的態度，持之以恆而且開放的溝通正是集團重視的核心價值。年內集團以「攜手並肩，共享意念」為員工關係計劃的新主題，更舉辦一連串員工活動，例如海上暢遊及員工聚會，讓員工有機會在工作以外交流溝通。



Training and Development

Excellence of training and career development lie at the heart of the high quality of products and service that Sa Sa offers. During the year, the Group provided a total of 5,700 man-days of training. We continued with our 150-hour Junior Beauty Trainee training programme for new staff, provided more field coaching for staff in order to assist the transfer of knowledge, and arranged attitude training for frontline staff to motivate them to be more positive and pro-active. Other initiatives included breakfast meetings, whose purpose was to strengthen teamwork at Sa Sa shops, to enhance communication between management and shops, and to nourish the caring culture of the Company through senior management participation. Product Knowledge Level Assessment was also introduced to ensure that the level of product knowledge of shop staff is consistent.

Sa Sa continued to participate in various industry competitions with the aim of enhancing overall service quality and to develop staff to industry-recognised standards within the Company: for example, the Hong Kong Retail Management Association's Service and Courtesy Award (three staff members entered the final interview), the Mystery Shopper Programme 2005 (La Colline Shop won the Service Category Leader Award in the Beauty Products/Cosmetics category) and the Hong Kong Management Association's Distinguished Salesperson Award 2006 (all six staff members won the award).

In terms of staff development, we launched Leadership Skills training for shop supervisors, strengthened the Mentor Programme for the increasing number of new staff at Sa Sa shops, and established a Train-the-Trainer programme for coaching new leaders at shops. As part of our overall IT infrastructure upgrading, which includes the crucial adoption of the SAP system, training was provided to all users in the Company.

培訓與發展

莎莎提供的貨品與服務質素優良，有賴集團在員工培訓與事業發展上追求卓越的精神。年內集團合共提供五千七百工作天的培訓。集團繼續為新員工提供合共一百五十小時的初級見習美容顧問培訓課程，並為員工提供更多實地指導，使其學以致用，另外更為前線員工安排工作坊，激勵員工建立更為正面和積極主動的工作態度。其他措施包括早餐會議，旨在加強莎莎店舖的團隊精神，促進管理層與店舖之間的溝通，並透過管理層參與，培養互相關懷的文化。集團更引進產品知識水平評估，確保前線員工的產品知識水平一致。

莎莎不斷參與各項業內比賽，務求提升整體服務質素，令員工水平提升至行內公認標準：例如參加香港零售管理協會舉辦的「傑出服務獎」（三名員工進入最後遴選階段）、2005神秘顧客計劃（La Colline專門店榮獲最佳服務零售商－化粧品店組別），以及香港管理專業協會的「二零零六年傑出推銷員獎」（六位參賽員工全部獲獎）。

在員工發展方面，集團為店舖主管推行「領導才能培訓」，加強為不斷增加的新入職前線員工而設的「導師計劃」、並為店舖新主管推行導師培訓「Train-the-Trainer」計劃。為了提升集團整體資訊科技，集團將採用SAP系統，並已向集團所有相關人員提供培訓。

Financial Review

財務概況

Capital Resources and Liquidity

As at 31st March 2006, the Group's total equity funds were HK\$913.8 million including reserves of HK\$779.1 million. The Group continued to maintain a strong financial position with cash and bank balances of HK\$695.7 million. The Group's working capital was HK\$692.0 million. Based on the Group's steady cash inflow from operations and coupled with its existing cash and bank facilities, the Group has adequate financial resources to fund its future expansion.

During the year, the majority of the Group's cash and bank balances were in Hong Kong or U.S. dollars and deposited in leading banks with maturity dates falling within one year. This is in line with the Group's policy to maintain liquidity of its funds and in response to the increase of deposit rates. The funds will continue to contribute a stable yield to the Group.

Financial Position

Total funds employed (representing total equity) as at 31st March 2006 were HK\$913.8 million, which represented a 0.4% increase over the total funds employed of HK\$910.0 million, restated, as at 31st March 2005.

The gearing ratio, defined as the ratio of total loans less cash and bank balances to total assets, was nil as at 31st March 2006 and 31st March 2005.

Treasury Policies

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management with no significant borrowing during the year. Most of the assets, receipts and payments of the Group are denominated either in Hong Kong or U.S. dollars. However, the Group will monitor its foreign exchange position and, when appropriate, the Group will hedge its non U.S. dollar foreign exchange exposure by way of forward foreign exchange contracts.

資本及流動資金

截至二零零六年三月三十一日止，集團股東權益為九億一千三百八十萬港元，其中包括七億七千九百一十萬港元之儲備金。集團繼續維持穩健財務狀況，現金及銀行結存累積達六億九千五百七十萬港元，集團營運資金為六億九千二百萬港元。基於集團有穩定的經營業務現金注入，加上現時手持之現金及銀行信貸，集團掌握充裕財務資源以應付未來發展。

於年內，集團大部分現金及銀行結存均為港元或美元，並以一年內到期之存款存放於數間大銀行。此與本集團維持其資金之流動性及提高存款息率之回應的政策相符，該資金將繼續對本集團帶來穩定的收益。

財務狀況

二零零六年三月三十一日之運用資金總額（等同股東權益）為九億一千三百八十萬港元，較二零零五年三月三十一日（重新列示）之九億一千萬港元運用資金總額增加百分之零點四。

集團於二零零六年三月三十一日及二零零五年三月三十一日之槓桿比率均為零。槓桿比率為總負債減去現金及存款後與總資產之比例。

庫務政策

集團的理財政策是不參與高風險之投資或投機性的衍生工具。年內，集團於財務風險管理方面繼續維持審慎態度，並無重大借貸。集團大部分資產、收款及付款均為港元或美元。然而，集團會審視其外幣狀況，並於適當時候，以遠期外匯合約對沖其非美元外幣風險。

As at 31st March 2006, the Group had HK\$8,000,000 outstanding forward foreign exchange contracts and, subject to certain conditions, was committed to purchase Euro 819,000 at an average exchange rate to U.S. dollars of 1.2588 in the coming year. The exchange rate for one Euro to U.S. dollar as at 31st March 2006 was 1.2109. All the above mentioned foreign exchange contracts were fully materialised subsequent to year-end.

Effective from 1st April 2006, facing the volatility of foreign exchange market and the potential downside exposure arisen from the forward foreign exchange contracts, the Group minimises its non U.S. dollar foreign exchange exposure by way of hedging against order at spot and maintain no long position. The hedging policies are reviewed by the Group regularly.

Charge on Group Asset

As at 31st March 2006, no Group asset was under charge to a financial institution.

Contingent Liabilities

The Group had no significant contingent liability as at 31st March 2006.

Capital Commitment

As at 31st March 2006, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK\$89.4 million.

於二零零六年三月三十一日，本集團有未行使之外匯遠期合約總餘額為八百萬港元，以某些條件為準，承諾於來年以平均美元兌歐元匯率1.2588購買八十一萬九千歐元。於二零零六年三月三十一日，美元兌一歐元匯率為1.2109。所有上述外匯遠期合約已於年結日後全數變現。

自二零零六年四月一日起，面對著外匯市場之波幅及遠期外匯合約潛在損失之風險，本集團以即時對沖方式減低其非美元外幣風險，且不維持長倉。本集團會定期檢討對沖政策。

集團資產之抵押

於二零零六年三月三十一日，集團並無資產於財務機構作抵押。

或然負債

集團於二零零六年三月三十一日並無重大或然負債。

資本承擔

於二零零六年三月三十一日，本集團於購買物業、機器及設備有資本承擔合共八千九百四十萬港元。







Biographical Details of Directors and Senior Management 董事及高級管理人員簡介

Human capital is the most valuable asset of Sa Sa, contributing significantly to our success. As such, we place utmost emphasis on people development and training.

人力資源為莎莎最重要的資產，對集團的成就貢獻良多。
因此，集團非常重視員工培訓和發展。



Vice-Chairman, **Eleanor Kwok**
副主席郭羅桂珍

CFO & Executive Director, **Guy Look**
首席財務總監及執行董事陸楷

Chairman & CEO, **Simon Kwok**
主席及行政總裁郭少明

EXECUTIVE DIRECTORS

Mr. KWOK, Siu Ming, Simon ·

Chairman and Chief Executive Officer

Aged 53. Mr. Kwok together with his wife, Mrs. Kwok Law Kwai Chun, Eleanor, has run Sa Sa's operations since the early days and successfully listed the company on the Stock Exchange in June 1997 with the share offering more than 500 times oversubscribed. Over the past 28 years, Mr. Kwok transformed the company from one outlet in 1978 to a regional network of operations with over 80 retail outlets and 12 beauty centres in seven major Asian markets today. Mr. Kwok is currently the Honorary President of the Cosmetic & Perfumery Association of Hong Kong and Federation of Beauty Industry (HK), the Founding Honorary Chairman of the Professional Validation Centre of Hong Kong Business Sector, Governing Council Member (Retailer Category) of the Quality Tourism Services Association, and the Life President of the Hong Kong Brands Protection Alliance. He is also the Trustee of New Asia College, The Chinese University of Hong Kong, a voting member of The University of Hong Kong Foundation and a member of the University Court of Hong Kong University of Science and Technology. Mr. Kwok was named "Man of the Year 2004" by Hong Kong Business magazine and received the "Hong Kong Business Mastermind" award from East Week magazine in 2004. He also received "Distinguished Contribution Award for Beauty Industry 2005 (Cosmetic & Retail)" by International CICA Association of Esthetics, CIDESCO Section China and was named as the Chinese Business Person of The Year 2005 in the cosmetics retailing category by the World Executive Weekly.

Mr. Kwok is also an active member in charities. He is the Co-Chairman of 2006 Fund-Raising Initiative of The Hong Kong Committee for the China AIDS Initiative, a member of Hong Kong AIDS Foundation, the Co-Chairman of 2006/07 Community for the Chest Organising Committee and a member of 2006/07 Community for the Chest Campaign Committee.

Mr. Kwok is the Chairman of the Executive Committee for the Group and the brother-in-law of Mr. Law Kin Ming, Peter. He is also a director of Sunrise Height Incorporated and Green Ravine Limited, the corporate substantial shareholders of the Company, both of which are owned as to 50% each by Mr. Kwok and Mrs. Kwok. He is also a director of certain subsidiaries of the Group.

* A member of the Audit Committee

§ A member of the Compensation Committee

· A member of the Executive Committee

A member of the Nomination Committee

執行董事

郭少明先生 ·

主席及行政總裁

五十三歲。郭氏於集團創立初期與太太羅桂珍共同經營莎莎，並於一九九七年六月成功將集團在香港聯交所上市，股份認購率逾五百倍。過去二十八年，莎莎在郭氏的領導下，由一九七八年的一個化粧品零售櫃位，發展至今天的亞洲零售網絡，於七個主要亞洲市場設有超過八十間零售店及十二間美容中心。郭氏現任香港化粧品同業協會榮譽主席、香港美容業總會榮譽會長、香港商業專業評審中心創會名譽會長、優質旅遊協會執行委員會委員(零售界)、並為香港工商品牌保護陣線永遠名譽會長。郭氏為香港中文大學新亞書院校董、香港大學基金遴選會員及香港科技大學顧問委員會委員。郭氏獲《Hong Kong Business》雜誌選為二零零四年度「風雲人物」(Man of the Year) 及於二零零四年獲東周刊頒發「香港商業奇才」大獎。郭氏並於二零零五年度獲國際斯佳美容協會聖迪斯哥中國分會頒發「2005香港美容業傑出貢獻獎(化粧品及零售)」及獲世界經理人周刊選為化粧品零售界別之「2005中國經濟年度風雲人物」。

郭氏亦熱心公益事務，並為中國愛滋病防治行動香港委員會2006年度籌備委員會聯席主席、香港愛滋病基金委員、香港公益金「2006/07萬眾同心公益金」籌劃委員會聯席主席及香港公益金2006/07年度籌募委員會委員。

郭氏為本公司董事會行政委員會的主席和羅建明先生的姐夫。彼亦為本公司法團大股東Sunrise Height Incorporated 和 Green Ravine Limited 的董事(郭氏夫婦各佔此兩間公司百份之五十股權)。郭氏亦同時擔任本集團部份子公司之董事。

* 審核委員會成員

§ 薪酬委員會成員

· 行政委員會成員

提名委員會成員

Biographical Details of Directors and Senior Management

董事及高級管理人員簡介

Mrs. KWOK, Law Kwai Chun, Eleanor S.#

Vice-Chairman

Aged 52. A founder of the Group. Mrs. Kwok has more than 30 years' experience in the sales and marketing of beauty products. With extensive professional knowledge and many years of experience in cosmetics retailing, she pioneered the unique operational concept of open-shelf display of products, making shopping a more enjoyable experience. Mrs. Kwok plays a leading role in the marketing, operations, human resources and staff training functions of the Group as well as the development of the beauty services business. Mrs. Kwok is actively involved in charity activities. She is currently the Honorary President of The Hong Kong Federation of Women ("HKFW") and a member of The HKFW Entrepreneurs Committee. She is also a director in the Board of Directors 2006-07 for Po Leung Kuk. She received "World Outstanding Chinese" award from the World Outstanding Chinese Association and World Chinese Business Investment Foundation in 2005. She was conferred Honorary Doctorate of Management by Morrison University, USA.

Mrs. Kwok is the wife of Mr. Kwok Siu Ming, Simon and the sister of Mr. Law Kin Ming, Peter. She is a director of Sunrise Height Incorporated and Green Ravine Limited, the corporate substantial shareholders of the Company, both of which are owned as to 50% each by Mr. Kwok and Mrs. Kwok. Mrs. Kwok is also a director of certain subsidiaries of the Group.

郭羅桂珍女士 S.#

副主席

五十二歲。集團創辦人。郭太累積逾三十年營銷及推廣化粧品的經驗，資歷深厚。憑著廣泛的專業知識及多年化粧品零售經驗，郭太首創開放式產品陳列概念，為顧客締造更寫意的購物體驗。郭太主導集團市場推廣、營運管理、人力資源及員工培訓，並領導集團美容業務的發展。郭太更積極參與公益事務，回饋社會，現為香港各界婦女聯合協進會（「香港婦協」）名譽會長及香港婦協女企業家委員會委員，並為保良局丙戌年董事會總理。郭太於二零零五年獲世界傑出華人會聯同世界華商投資基金會頒授「世界傑出華人獎」，及獲美國摩利臣大學頒授榮譽管理學博士學位。

郭太為郭少明先生之妻和羅建明先生之姊。彼亦為本公司法團大股東Sunrise Height Incorporated 和 Green Ravine Limited 的董事(郭氏夫婦各佔此兩間公司百份之五十股權)。郭太亦為本集團部分子公司之董事。

Mr. LOOK, Guy

Chief Financial Officer and Executive Director

Aged 49. Joined Sa Sa as Chief Financial Officer (“CFO”) in March 2002 and was appointed Executive Director in September 2002. Mr. Look is also the qualified accountant of the Company and a director of certain subsidiaries of the Group. He is currently an independent Non-Executive Director of Topsearch International (Holdings) Limited, a listed company in Hong Kong. Prior to joining Sa Sa, Mr. Look was the CFO and an Executive Director of Tom.com Limited (renamed TOM Group Limited). Mr. Look has over 24 years of experience in local and overseas financial and general management, and was a Deputy Managing Director of ONFEM Holdings Limited; a Director and the Chief Executive Officer of Tung Wing Steel Holdings Limited (renamed Shougang Concord International Enterprises Co Ltd) and a Director of Santai Manufacturing Limited (renamed Shougang Concord Technology Holdings Ltd); all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

He holds a Bachelor's degree in Commerce from the University of Birmingham, England and is an associate member of the Institute of Chartered Accountants in England and Wales. He is a committee member of the Continuing Professional Development Committee and Professional Accountants in Business Committee in the Hong Kong Institute of Certified Public Accountants. Mr. Look is the nephew of Mrs. Lee Look Ngan Kwan, Christina.

NON-EXECUTIVE DIRECTORS

Professor CHAN, Yuk Shee^{*}, J.P.

Independent Non-Executive Director

Aged 52. Appointed as an Independent Non-Executive Director and Chairman of the Audit Committee of the Group since November 1999. Professor Chan is currently the Vice President for Academic Affairs as well as Chair Professor of Finance at the Hong Kong University of Science and Technology (“HKUST”). Previously, he was the Founding Dean of the HKUST Business School from 1993 to 2000 and the Justin Dart Professor of Finance at the University of Southern California from 1990 to 1993. He obtained a Ph.D. in Finance, as well as an MBA and MA in Economics from the University of California at Berkeley. He is a member of the Hong Kong Securities Institute.

陸楷先生

首席財務總監及執行董事

四十九歲。二零零二年三月起出任莎莎之首席財務總監，並於二零零二年九月獲委任為執行董事。陸先生亦為本集團之合資格會計師及部份子公司之董事。現時，陸氏為至卓國際(控股)有限公司之獨立非執行董事，該公司為香港聯交所上市公司。在出任現職之前，陸氏為Tom.com有限公司(已改名為TOM集團有限公司)之財務總監兼執行董事。他擁有逾二十四年於本港及海外之財務及管理工作經驗，亦曾擔任東方有色集團有限公司副董事總經理、東榮鋼鐵集團有限公司(已改名為首長國際企業有限公司)之董事兼行政總裁及三泰製造有限公司(已改名為首長科技集團有限公司)之董事，全部均在聯交所主板上市。

陸氏持有英國伯明翰大學頒發之商科學士學位，並為英國及威爾斯特許會計師公會會員，及香港會計師公會之持續專業發展委員會及商界專業會計師委員會委員。陸先生為利陸雁群女士之姪。

非執行董事

陳玉樹教授^{*}，太平紳士

獨立非執行董事

五十二歲。一九九九年十一月起出任集團獨立非執行董事兼審核委員會主席，現為香港科技大學(「科大」)學術副校長及財務系講座教授。在出任現職之前，陳教授曾於一九九三年至二零零零年間擔任科大商學院第一任院長及於一九九零至一九九三年間擔任美國南加州大學達爾財務學講座教授。陳教授於加州柏克萊大學取得財務學哲學博士、工商管理碩士及經濟學碩士學位，亦是香港證券學院之會員。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡介

Mrs. LEE, Look Ngan Kwan, Christina

Non-Executive Director

Aged 82. Appointed as an Independent Non-Executive Director of the Group in May 1997 and re-designated as Non-Executive Director in June 2004. Mrs. Lee is the widow of the founder of Television Broadcasts Limited, Mr. Lee Hsiao-Wo. Mrs. Lee has been a director of Television Broadcasts Limited since 1981 and is actively involved in Caritas – Hong Kong, a local charitable organisation. Mrs. Lee is the aunt of Mr. Guy Look.

Dr. LEUNG, Kwok Fai, Thomas ^{*S#}, J.P.

Independent Non-Executive Director

Aged 57. Appointed as an Independent Non-Executive Director of the Group in January 2000 and is the Chairman of the Compensation Committee for the Group. Dr. Leung has over 23 years' experience in management consultancy and is an expert in organisation and human resources development. Dr. Leung holds a Ph.D. in Business Administration from the University of Illinois. He has been appointed to significant positions in many public organisations and committees by the Government and was formerly Chief Executive - Asia for Hay Group, one of the world's leading management consulting firms.

Ms. TAM, Wai Chu, Maria ^{*S#}, GSB, J.P.

Independent Non-Executive Director

Aged 60. Appointed as an Independent Non-Executive Director of the Group in June 2004 and the Chairman of the Nomination Committee for the Group in March 2005. Ms. Tam was educated at London University. She qualified as a barrister-at-law at Gray's Inn, London, and practised in Hong Kong. She was a member of the Preparatory Committee for the Hong Kong Special Administrative Region (P.R.C.) and Hong Kong Affairs Advisor (P.R.C.). She is a board member of the Urban Renewal Authority, a member of the Commission on Strategic Development and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. She is a deputy to the National People's Congress of The People's Republic of China and a member of the Hong Kong Basic Law Committee. She is also a member of various community services organisations.

利陸雁群女士

非執行董事

八十二歲。一九九七年五月起出任本集團獨立非執行董事，於二零零四年六月起調任為非執行董事。利夫人是電視廣播有限公司創辦人利孝和先生之遺孀，一九八一年起出任電視廣播有限公司董事。利夫人積極參與本地慈善團體香港明愛舉辦之慈善活動。利夫人為陸楷先生之姑姐。

梁國輝博士 ^{*S#}，太平紳士

獨立非執行董事

五十七歲。二零零零年一月起獲委任為本集團獨立非執行董事，現為集團的薪酬委員會主席。梁博士擁有逾二十三年管理顧問工作經驗，是著名組織與人力資源管理方面的專家。梁博士於美國伊利諾大學取得工商管理博士學位。他亦獲特區政府委任於多間公營機構擔當多項重要公職，並曾任世界著名管理顧問公司Hay Group亞洲區行政總裁。

譚惠珠小姐 ^{*S#}，金紫荊星章，太平紳士

獨立非執行董事

六十歲。於二零零四年六月獲委任為本集團獨立非執行董事，並於二零零五年三月獲委任為集團提名委員會主席。譚氏畢業於倫敦大學，於倫敦 Gray's Inn 獲得大律師資格，並曾於香港執業。譚氏曾為中國香港特別行政區籌備委員會委員及中國香港事務顧問。現為香港市區重建局董事會成員、策略發展委員會委員、廉政公署貪污問題諮詢委員會委員、中華人民共和國全國人民代表大會代表及香港特別行政區基本法委員會委員。譚氏亦為多個社會服務團體之委員。

SENIOR MANAGEMENT

Ms. LI, Ping Yee, Louisa

Senior Vice President, Beauty Services

Aged 49. Appointed as Senior Vice President of Beauty Services for the Group in July 2002. Ms. Li is responsible for the management and development of the Group's Beauty Services business throughout the region, including Phillip Wain and Sasa Beauty⁺. She is also a director of certain subsidiaries of the Group. Ms. Li has over 22 years of experience in beauty, slimming and hair care services, including three years managing cosmetic brands at L'Oréal Group, and five years as Operations Director for an international chain of beauty and slimming centres in Asia before joining Sa Sa. Ms. Li graduated in business studies from York University, Canada.

Ms. LU, Szu-Jen

Senior Vice President, Information Technology

Aged 49. Joined Sa Sa as Senior Vice President of Information Technology in December 2004. Ms. Lu has over 23 years' experience in information technology consultancy services, project management, operations and system support. Before joining Sa Sa, she was the Business Manager of EDS Hong Kong, one of the world's leading information technology services providers and management consultancies. Prior to that, she was the Chief Technology Officer of Softbank Investment International (Strategic) Limited. Ms. Lu holds a Master of Science in Computer Science from The Johns Hopkins University, Maryland, USA.

Ms. HO, Sze Nga, Maggie

Legal Counsel and Company Secretary

Aged 32. Joined Sa Sa as Legal Counsel and Company Secretary in January 2004. She is also the company secretary of a subsidiary of the Group. Ms. Ho is responsible for providing legal advice and support to the Group's business and commercial activities. Prior to joining Sa Sa, Ms. Ho was the legal counsel for a group of listed companies and the company secretary of Dong Fang Gas Holdings Limited (renamed Pacific Century Premium Developments Limited), whose shares are also listed on the Main Board of The Stock Exchange of Hong Kong Limited. She is experienced in handling a wide range of corporate and commercial transactions and related company secretarial matters. Ms. Ho was admitted as a solicitor of the High Court of Hong Kong and Supreme Court of England and Wales.

高級管理人員

李冰儀小姐

美容業務高級副總裁

四十九歲。二零零二年七月起出任集團美容業務的高級副總裁，負責集團美容業務，包括菲力偉及 Sasa Beauty⁺的營運和發展。她同時擔任集團部份子公司之董事。李氏擁有逾二十二年豐富的美容、纖體及頭髮護理服務工作經驗，其中三年曾於歐萊雅集團管理旗下的化妝品牌。加盟莎莎前，李氏於一家國際連鎖經營的美容及纖體中心任職亞洲區營運總監達五年。李氏畢業於加拿大約克大學，主修商科。

呂思真小姐

資訊科技高級副總裁

四十九歲。二零零四年十二月起加入莎莎，出任資訊科技高級副總裁。呂小姐在資訊科技顧問服務、項目管理、營運及系統支援方面擁有超過二十三年經驗。加入莎莎前，呂氏為香港EDS的業務經理，該公司為全球最大的資訊科技服務供應商及管理顧問公司之一。呂氏亦曾為軟庫發展有限公司的資訊總監。呂氏持有美國約翰霍普金斯大學的資訊科技碩士學位。

何詩雅小姐

法律顧問及公司秘書

三十二歲。二零零四年一月起出任集團之法律顧問及公司秘書。何小姐亦為集團其中一間附屬公司的公司秘書。何小姐主要為集團的業務及商業活動提供法律意見及支援。在加入莎莎以前，何小姐為東方燃氣集團有限公司(已改名為盈科大衍地產發展有限公司)之公司秘書及其有關上市公司之法律顧問。何小姐在處理本港及海外不同企業及商業交易以至公司秘書事務均擁有豐富經驗。何小姐取得香港高等法院及英格蘭及威爾斯最高法院之律師資格。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡介

Ms. HUANG, Yueh Pao, Sheena

Vice President / General Manager of Taiwan

Aged 44. Joined Sa Sa in October 2003 as Financial Controller / Acting General Manager of Taiwan and was appointed as Vice President / General Manager of Taiwan in October 2005, overseeing the entire Sa Sa operation in Taiwan. Ms. Huang has over 16 years of management experience with focus in finance and accounting. Ms. Huang was formerly the Financial Controller of Esprit Retail (Taiwan) Ltd/Red Earth (Taiwan) Ltd for 10 years, overseeing accounting, finance, office administration and IT functions. She obtained a Bachelor's degree of Business Administration in Accounting from Fu Jen Catholic University in Taiwan.

Ms. HUI, Kwok Kwan, Carmen

Group Financial Controller / Vice President, Finance & Accounting

Aged 39. Joined Sa Sa as Group Financial Controller / Vice President, Finance & Accounting in July 2004. Ms. Hui is responsible for the finance and accounting functions of the Group and its subsidiaries. She has over 17 years of extensive experience in finance and accounting field. Before joining the Group, Ms. Hui was the General Manager of Finance of TOM Group Ltd. Ms. Hui is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants.

Ms. LAM, Pik To, Betty

Vice President, Sa Sa dot Com

Aged 34. Joined Sa Sa dot Com as Director in August 2002 and was appointed Vice President in May 2004. Ms. Lam has over ten years of experience in business and strategic planning as well as in e-business project implementation, marketing and advertising. Prior to joining Sa Sa, Ms. Lam was the director of corporate development for a B2B trade information provider; a project manager at an international internet consultancy; and a senior consultant at a multinational business consulting firm. Ms. Lam holds an MBA degree from the University of Oxford and a Bachelor's degree in Business Administration from the Chinese University of Hong Kong.

黃月寶小姐

副總裁 / 台灣區總經理

四十四歲。於二零零三年十月加盟莎莎出任台灣區財務總監 / 代總經理，並於二零零五年十月獲委任為副總裁 / 台灣區總經理，負責台灣整體業務。黃氏擁有逾十六年管理經驗，主要在財務及會計方面，其中十年曾任職Esprit Retail (Taiwan) Ltd / Red Earth (Taiwan) Ltd之財務總監，並主管會計、財務、辦公室行政及資訊科技部門。黃氏持有台灣天主教輔仁大學工商管理學士學位，主修會計學。

許樞筠小姐

集團財務總監 / 財務及會計副總裁

三十九歲。二零零四年七月起加入莎莎，獲委任為集團財務總監 / 財務及會計副總裁。許氏主管集團及旗下公司的財務及會計部工作。許氏在財務及會計方面擁有逾十七年專業經驗，加盟莎莎前為TOM集團有限公司之財務總經理。許氏為英國特許公認會計師公會資深會員及香港會計師公會會員。

林碧桃小姐

Sa Sa dot Com 副總裁

三十四歲。二零零二年八月起加盟莎莎，出任Sa Sa dot Com總監，其後於二零零四年五月獲委任為副總裁。林氏擁有超過十年商業策略計劃、電子商務項目管理，以及市場推廣及廣告經驗。林氏加盟莎莎以前曾任商業貿易資訊供應商之企業發展總監、國際性互聯網顧問公司之項目經理，亦曾任跨國企業諮詢公司之資深顧問。林氏持有香港中文大學工商管理學士及英國牛津大學工商管理碩士學位。

Mr. LAW, Kin Ming, Peter

Vice President, Category Management & Product Development

Aged 50. Joined the Group in January 1996. Mr. Law has more than 24 years' experience in the field of sales and marketing, 15 of which were in senior management positions. He is also a director of a subsidiary of the Group. Mr. Law oversees the Group's category management and product development function. He is also responsible for the Group's acquisition of exclusive distribution rights of international brands and the development of private-label products. He holds a Bachelor's degree in Arts majoring in Communications Studies from the University of Windsor, Ontario, Canada and pursued a Bachelor's degree in Commerce later. Mr. Law is a brother of Mrs. Kwok Law Kwai Chun, Eleanor.

Mrs. LEUNG, Barbara

Vice President / General Manager - Eastern China

Aged 51. Joined Sa Sa as Vice President of Marketing in September 2003 and appointed as Vice President / General Manager – Eastern China in January 2006. Mrs. Leung is responsible for the overall management of the retail business in Mainland China. Before joining the Group, she was the Managing Director of ActMedia Hong Kong Ltd., which is Hong Kong's largest provider of in-store mass media products and services. Prior to that, she was the Executive Partner of Euro RSCG Partnership, an advertising agency in Hong Kong, serving key regional and local clients. Mrs. Leung holds a Bachelor of Arts degree from the University of Toronto.

Ms. LIM Gek Hong, Rosalind

Vice President / General Manager of Singapore

Aged 39. Joined Sa Sa as Vice President / General Manager of Singapore in 2005, taking charge of Sa Sa's retail operation in Singapore. She is also the director of a subsidiary of the Group. Ms. Lim has over 15 years' extensive experience in sales and marketing in various industries including fast-moving consumer goods, media, e-commerce to beauty services and spa operation. Prior to joining Sa Sa, Ms Lim was the General Manager of Ina Gail Pte Ltd., and held various senior marketing positions at Hutchison-Priceline (Travel) Limited, Channel News Asia, Fraser & Neave and Asia Pacific Breweries. Ms. Lim holds a Bachelor of Arts degree and an MBA from the San Francisco State University, USA.

羅建明先生

品牌管理及產品發展副總裁

五十歲。一九九六年一月加入集團。羅氏擁有逾二十四年銷售及市場推廣工作經驗，其中十五年歷任高級管理層職位。羅先生同時擔任集團某子公司之董事。羅氏現負責集團品牌管理及產品發展工作，並負責為集團爭取國際品牌獨家經銷權及開發專有品牌產品。羅氏畢業於加拿大安大略省University of Windsor，獲傳理系學士學位。其後繼續深造，修讀商業學士學位。羅先生乃郭羅桂珍女士之弟。

梁姚嘉寶女士

副總裁 / 中國華東區總經理

五十一歲。二零零三年九月加入集團出任市場推廣副總裁，並於二零零六年一月起獲委任為副總裁 / 中國華東區總經理，負責華東區整體零售業務。在出任現職以前，梁氏為全港最大的店內媒體產品與服務供應商ActMedia Hong Kong Ltd的董事總經理。此外亦曾任香港Euro RSCG Partnership廣告公司執行合夥人，專責服務亞洲區及本港主要客戶。梁氏持有多倫多大學文學士學位。

林玉鳳小姐

副總裁 / 新加坡總經理

三十九歲。於二零零五年加入莎莎，出任副總裁 / 新加坡總經理，負責新加坡整體零售業務。她同時亦擔任集團某子公司之董事。林氏擁有逾十五年於多個行業包括快流消費品、傳媒、電子商貿、美容服務及水療中心之銷售及市場推廣經驗。在加盟莎莎前，林氏為Ina Gail Pte Ltd的總經理，並曾出任Hutchison-Priceline (Travel) Limited、Channel News Asia、Fraser & Neave及Asia Pacific Breweries的市場推廣之管理職位。林氏持有美國San Francisco State University文學士及工商管理碩士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡介

Ms. LOI, Wei Sin, Corina

Vice President / General Manager of Malaysia

Aged 46. Joined Sa Sa in October 1997 and was appointed Vice President / General Manager of Malaysia in January 2001. She is also a director of a subsidiary of the Group. Ms. Loi was a crucial member of the start-up team for Malaysian operation. Ms. Loi has over 23 years of marketing and retail experience ranging from health food products to high fashion. Prior to joining Sa Sa, she was with Dickson Trading (Malaysia).

Ms. NG, Foong Yeng, Celine

Vice President, Operations - Hong Kong

Aged 39. Joined the Group as Vice President, Operations – Hong Kong in June 2006. Ms. Ng is responsible for overseeing the sales operation of retail business in Hong Kong and Macau. Ms. Ng has over 16 years of experience in retail management in North Asia, mainly Taiwan, Korea, Hong Kong and Singapore. Prior to joining Sa Sa, she was the Regional Retail Manager of Fossil International (Asia Pacific) HK Pte Ltd., Regional Retail Manager (N. Asia) of The Body Shop International (Asia Pacific) Pte Ltd. based in Singapore and Regional Sales and Operation Manager of Cozzi International Ltd., a subsidiary of Fairton Group. Ms. Ng holds a Diploma in Strategic Marketing from the University of Hull and a Diploma in Retail Management from the University of Stirling.

Ms. TAM, Mi Kin, Tammy

Vice President, Operations - Eastern China

Aged 55. Joined Sa Sa in July 2004. She is now responsible for overseeing the sales operations in Eastern China. Ms. Tam has over 18 years of solid experience in retail business. Prior to joining the Group, she was the Sales Manager – Chain Stores of SUNDAY Communications Company Limited and the General Manager, China Trade of Dickson Concepts International Ltd and Sales Manager of Giordano Limited.

雷慧馨小姐

副總裁 / 馬來西亞總經理

四十六歲。一九九七年十月加入莎莎，並於二零零一年一月獲委任為副總裁 / 馬來西亞總經理。雷氏同時擔任集團某子公司之董事。雷氏為集團開發馬來西亞市場的主要成員。她在健康食品以至高級時裝的市務及零售工作擁有逾二十三年經驗。加入莎莎前，她曾於迪生貿易（馬來西亞）工作。

伍鳳英小姐

香港營運部副總裁

三十九歲。於二零零六年六月獲委任為香港營運部副總裁，專責香港及澳門市場零售業務的營運事務。伍氏於北亞地區，主要包括台灣、韓國、香港及新加坡擁有逾十六年零售管理經驗。在加盟莎莎之前，她先後為Fossil International (Asia Pacific) HK Pte Ltd及The Body Shop International (Asia Pacific) Pte Ltd(新加坡)之區域銷售經理及Fairton集團之子公司Cozzi International Ltd的區域銷售及營運經理等。伍氏持有英國University of Hull的策略行銷文憑及University of Stirling的零售管理文憑。

譚美健小姐

中國華東區營運部副總裁

五十五歲。二零零四年七月加盟莎莎，現時負責國內華東地區的營運事務。譚氏擁有逾十八年零售管理經驗，在加入莎莎前曾任 SUNDAY Communications Company Limited 連鎖店業務經理，迪生創建（國際）有限公司中國貿易部總經理及佐丹奴國際有限公司之業務經理。

Ms. WONG, Sau Han, Carmen
Vice President, Human Resources

Aged 46. Joined Sa Sa in December 2001 as Vice President, Human Resources. Ms. Wong has over 23 years of professional experience in human resources management, of which the past 14 years were in the retail industry. Prior to joining Sa Sa, Ms. Wong was the Human Resources Director for Hong Kong and PRC operations for Le Saunda Holdings Limited, a listed shoes retailer and manufacturer, for nearly ten years. She obtained her Master's degree in Human Resources Management from Salford University in the UK.

Mr. WONG, Tai Chung, Kenneth
Vice President, Internal Audit and Management Services

Aged 43. Joined Sa Sa as Vice President, Finance & Accounting in June 2001 and was appointed as Vice President, Internal Audit and Management Services in July 2004. Mr. Wong is a fellow member of Chartered Institute of Management Accountants and an associate member of Hong Kong Institute of Certified Public Accountants. Prior to joining Sa Sa, he held various senior positions in BAA Group, OneResource Group, Dairy Farm Group and A.S. Watson Group. He has over 20 years' solid finance and accounting experience in various industries, and extensive experience and knowledge in mergers and acquisition, divestment, shared service management, supply chain management and setting up joint ventures in Asia, Australasia and Europe. Mr. Wong received his MBA from the University of Hull, UK.

黃秀嫻小姐
人力資源副總裁

四十六歲。二零零一年十二月起加入莎莎，出任集團人力資源副總裁。黃氏在人力資源管理方面擁有超過二十三年之專業經驗，其中十四年任職零售行業。在加入莎莎以前，她曾擔任經營鞋類製造及零售的上市公司利信達集團有限公司人力資源總監，負責香港及中國業務的人力資源管理工作達十年。黃氏持有英國Salford University人力資源管理碩士學位。

黃大聰先生
內部審計及管理服務副總裁

四十三歲。於二零零一年六月出任財務及會計副總裁，其後於二零零四年七月獲委任為內部審計及管理服務副總裁。黃氏為特許管理會計師公會資深會員及香港會計師公會會員。加入莎莎以前，他曾於聚英匯、宏智、牛奶公司及屈臣氏出任財務要職，積累了逾二十年會計及財務經驗，對合併收購、分拆業務、共享服務管理及供應鏈管理方面具備豐富經驗和知識；亦曾協助企業在亞洲、澳大利亞及歐洲創建合資和投資公司。黃氏持有英國University of Hull的工商管理碩士學位。

Corporate Governance Report

企業管治報告

The quality of corporate governance of a company mirrors its commitment in accountability, transparency and responsibility to its stockholders.

公司的企業管治質素反映了其對股東的承諾：問責、透明度及承擔。



Commitment in corporate governance

The Company is committed to good corporate governance principles and practice and its board of directors (“Board”) recognizes that it is essential to safeguard the interests of stockholders, customers and employees and uphold accountability, transparency and responsibility of the Company. The Company has complied with the code provisions (“Code Provisions”) in the Code on Corporate Governance Practices (“CG Code”) set out in Appendix 14 of the rules (“Listing Rules”) governing the listing of securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) throughout the year ended 31st March 2006 except for deviations from the A.2.1, A.4.2 and A.5.4 of the Code Provisions in the CG Code, particulars of which are set out below and were previously disclosed in the Company’s latest interim report for the six months ended 30th September 2005. With a view to monitor and continuously improve its performance, the Company reviews its corporate governance practices from time to time and always aims to enhance its corporate governance practices in line with local and international practices.

企業管治承諾

本公司致力維持良好企業管治原則及常規，本公司董事會（「董事會」）深信保障股東、客戶與僱員之權益，並提升公司問責、透明度及責任感尤為重要。截至二零零六年三月三十一日止年度，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「管治守則」）之守則條文（「守則條文」），惟偏離管治守則守則條文第A.2.1、A.4.2及A.5.4條者則除外，有關詳情載於下文，亦已於本公司截至二零零五年九月三十日止六個月之最近期中期報告披露。為了監察及持續改善表現，本公司不時檢討其企業管治常規，並不斷致力提升本公司之企業管治常規達到本地及國際常規之水平。

The Company is honoured to have received the “Grand Prix for Best Overall Investor Relations – Small/Mid-cap Company” and its chief financial officer (“CFO”) and executive director, Mr. LOOK, Guy, was one of the two “Highly Commended” in the “Best Investor Relations Officer – Small/Mid-cap Company” in the “Investor Relations Magazine Hong Kong and Taiwan Awards 2005” organized by a leading trade magazine, Investor Relations Magazine in United Kingdom. The Company was in the top quartile for corporate governance standards among large-cap and blue-chip companies, according to an annual survey by CLSA and the Asian Corporate Governance Association in 2005. The Company’s continuous efforts and commitment to high standards in corporate governance practices have earned recognition from shareholders and the investment community including analysts, bankers and institutional investors.

本公司於英國著名商貿雜誌投資者關係(Investor Relations Magazine)舉辦之二零零五年度《IR雜誌香港及台灣獎項》中·獲得「最佳整體投資者關係大獎」(中／小型公司組別)·而首席財務總監(「首席財務總監」)及執行董事陸楷先生在「最佳投資者關係專員」(中／小型公司組別)選舉中獲選為兩位獲「高度評價」之專員之一。據里昂證券及亞洲企業管治協會於二零零五年進行的年度調查顯示·本公司的企業管治水平與多間大型及藍籌公司並列於最佳的首百分之二十五獲評選的公司之內。本公司致力維持高水平企業管治常規之努力及承諾·備受股東以及分析員·銀行家及機構投資者等投資界人士高度評價。

Composition of the Board and various Board Committees

董事會及各董事委員會之組成



A.1 The Board

Principle

An issuer should be headed by an effective board which should assume responsibility for leadership and control of the issuer and be collectively responsible for promoting the success of the issuer by directing and supervising the issuer's affairs. Directors should take decisions objectively in the interests of the issuer.

A.1 董事會

原則

發行人應以一個行之有效的董事會為首；董事會應負有領導及監控發行人的責任，並應集體負責統管並監督發行人事務以促使發行人成功。董事應該客觀行事，所作決策須符合發行人利益。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.1.1	Board meetings should be held at least 4 time a year at approximately quarterly intervals. 董事會會議應每年召開至少4次，大約每季一次。	Yes 有	The Board meets physically and regularly. Eight Board meetings were held during the year ended 31st March 2006 and at least once quarterly. The CEO and CFO were invited to attend certain Board committee meetings, and other senior management may from time to time be invited to attend Board meetings to make presentations or answer the Board's enquiries. 董事會實際及定期召開會議，於截至二零零六年三月三十一日止年度，董事會共舉行了8次會議，最少每季舉行一次。行政總裁及首席財務總監曾獲邀出席若干董事委員會會議，而其他高級管理人員亦會不時獲邀出席董事會會議，並向董事會匯報或向董事會解釋提問。
A.1.2	All directors should be given opportunity to include matters in the agenda for regular board meetings. 全體董事應有機會於定期董事會會議議程內提出議題。	Yes 有	Agenda for Board and Board Committee meetings are sent to all directors in advance and they are given opportunities with reasonable time to include relevant matters for discussion in the Board meetings. 本公司於董事會及董事委員會會議舉行前向全體董事分發董事會會議議程，並於合理時間內讓董事可以提呈於董事會會議內討論的事項。
A.1.3	At least 14 days notice should be given for regular board meetings. 於定期之董事會會議前應發出至少14天通知。	Yes 有	Timetable for regular Board meetings are scheduled well in advance to facilitate and maximize the attendance and participation of directors whilst reasonable notices are given for all other Board meetings. 本公司會預先製定期之董事會會議時間表，方便董事安排出席，以確保有最高的出席率，而就所有其他董事會會議，本公司亦會發出合理時間之通知。
A.1.4	Directors should have access to company secretary's advice. 董事應可取得公司秘書之意見。	Yes 有	Directors have access to the advice and services of the company secretary of the Company ("Company Secretary") to ensure that Board procedures, and all applicable rules and regulations, are followed. 董事可取得本公司之公司秘書（「公司秘書」）提供意見及服務，確保董事會程序及所有適用規則及規例均獲得遵守。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.1.5	Board minutes and committee minutes should be kept by company secretary and open for inspection. 公司秘書應負責備存董事會會議記錄及委員會會議記錄，以供查閱。	Yes 有	Minutes of the Board meetings and Board committees meetings are kept by the Company Secretary and they are open for inspection at reasonable time upon reasonable notice by any director. 董事會會議及董事委員會會議記錄由公司秘書備存，任何董事可發出合理通知，要求於合理時段查閱。
A.1.6	Minutes should record sufficient detail, concerns raised and dissenting views and draft and final versions should be sent to directors for comments and record. 會議記錄應作足夠詳細的記錄，包括提出的疑慮或表達的反對意見，而初稿與最終定稿應發送予董事以供表達意見及存檔。	Yes 有	Minutes of the Board and Board committees recorded in sufficient detail the matters considered by the Board and the Board committees and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of the Board and Board Committee were sent to all the relevant directors for their comment and records respectively, in both cases within a reasonable time after the Board and Board committee meetings were held. 董事會及董事委員會之會議記錄已作足夠詳細的記錄，包括董事會及董事委員會曾考慮之事宜及所作決定，包括董事提出之關注事項及所發表之反對意見。董事會及董事委員會會議記錄初稿及最終定稿均於董事及董事委員會會議後合理時間內送呈所有相關董事，以供表達意見及存檔。
A.1.7	Upon reasonable request, there should be procedure agreed by the board to enable directors to seek independent professional advice at the Company's expenses. 董事會應該商定程序，讓董事按合理要求，可尋求獨立專業意見，有關費用由本公司承擔。	Yes 有	The Company established a guideline for directors to obtain independent professional advice ("Independent Advice Guideline") to enable the directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense. The Board shall resolve to provide separate independent professional advice to directors to assist the relevant director or directors to discharge his/ their duties to the Company pursuant to the Independent Advice Guideline. 本公司已制定指引供董事按合理要求，在適當情況下尋求獨立專業意見（「獨立意見指引」），有關費用由本公司承擔。董事會將根據獨立意見指引議決向董事提供獨立專業意見，以助有關董事履行彼或彼等對本公司的責任。
A.1.8	If substantial shareholder/director has conflict of interest in a material matter, the matter should be dealt with by board meeting with independent non-executive directors with no material interest present. 倘大股東／董事於重大事項中出現利益衝突，該事項應透過並無重大利益之獨立非執行董事召開之董事會會議解決。	Yes 有	If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a committee (except an appropriate Board committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a Board meeting shall be held, during which such director must abstain from voting. INEDs who, and whose associates, have no material interest in the transaction shall be present at such Board meeting. 倘董事會認為大股東或董事於某一事項中出現利益衝突，而董事會決定該事項為重大，則該事項不會以傳閱文件或委員會方式處理（根據董事會會議通過之決議案就該事項成立之適當董事委員會除外），而會舉行一次董事會會議商討有關事項，該董事屆時於會議上必須放棄投票。於事件中本身及其聯繫人均沒有重大利益的獨立非執行董事將可出席該董事會會議。

Corporate Governance Report

企業管治報告

The business and affairs of the Company and its subsidiaries (“Group”) shall be under the direction of and vest with the Board pursuant to the articles of association of the Company (“Articles of Association”). The Board is elected by the shareholders and is the ultimate decision making body of the Group except in respect of matters reserved for shareholders. The Board accepts that it is ultimately accountable and responsible for the performance and affairs of the Group. However, while the Board retains oversight responsibility, certain of that authority is necessarily delegated by the Board to the management in order to enable the management to develop and implement the Company’s strategic plans and annual operating plans, and to conduct the Company’s day-to-day activities. The Board diligently monitors the management’s performance in that regard but responsibility for conducting the Company’s day-to-day operations rests with the management.

The Board appointed four Board committees, namely executive committee, audit committee, compensation committee and nomination committee to oversee particular aspects of the Group’s affairs. Compositions and responsibilities of these Board committees are set out in latter part of this report. The Company shall review the said delegation arrangements on a periodic basis to ensure that they remain appropriate to its needs. The Board and the Board committee work under well established corporate governance practices and its terms of reference which reinforces the responsibilities of directors in accordance with the requirements of the Listing Rules and other relevant statutory requirements.

本公司及其附屬公司（「本集團」）之業務及事務乃根據本公司組織章程細則（「章程細則」）由董事會領導及授權。董事會乃由股東選出，且為本集團最終決策單位，惟須由股東處理之事宜則除外。董事會須就本集團之表現及事務最終問責及負責。儘管董事會保留監察責任，其若干權力仍須下放予管理層，使管理層可以發展和推行本公司的策略性計劃和年度營運方案與及進行本公司日常之活動。董事會盡心監察管理層之表現，惟本公司日常運作則留待管理層處理。

董事會已委任四個董事委員會，分別為行政委員會、審核委員會、薪酬委員會及提名委員會，以監察集團事務的各特定範疇。此等董事委員會之組成及責任載於本報告其後部分。本公司會定期檢討上述委派權力之安排，以確保其切合所需。董事會及董事委員會按照良好的企業管治常規及其職權範圍運作，此等常規及職權範圍乃根據上市規則及其他有關法定要求規定，旨在加強董事之責承。

The directors' attendance at the Board and Board committee meetings of the Company during the year ended 31st March 2006 are set out in the following table ("Meeting Schedule"):

Meeting attendance

Name of directors 董事姓名	Board meeting 董事會會議	Executive committee meeting 行政委員會會議	Audit committee meeting 審核委員會會議	Compensation committee meeting 薪酬委員會會議	Nomination committee meeting 提名委員會會議
Executive directors 執行董事					
Mr. KWOK, Siu Ming, Simon 郭少明先生	8	11	4 (Note 1) (附註1)	2 (Note 2) (附註2)	1 (Note 3) (附註3)
Mrs. KWOK LAW, Kwai Chun, Eleanor 郭羅桂珍女士	8	9	n/a 不適用	2	1
Mr. LOOK, Guy 陸楷先生	8	11	4 (Note 1) (附註1)	n/a 不適用	n/a 不適用
Non-executive director 非執行董事					
Mrs. LEE LOOK, Ngan Kwan, Christina 利陸雁群女士	8	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用
INEDs 獨立非執行董事					
Professor CHAN, Yuk Shee 陳玉樹教授	8	n/a 不適用	6	n/a 不適用	n/a 不適用
Dr. LEUNG, Kwok Fai, Thomas 梁國輝博士	8	n/a 不適用	6	2	1
Ms. TAM, Wai Chu, Maria 譚惠珠小姐	7	n/a 不適用	4	2	1
Total Meetings Held 會議總數	8	11	6	2	1

Notes:

- (1) Mr. KWOK, Siu Ming, Simon and Mr. LOOK, Guy attended four audit committee meetings as invitees.
- (2) Mr. KWOK, Siu Ming, Simon attended two compensation committee meetings as an invitee.
- (3) Mr. KWOK, Siu Ming, Simon attended the nomination committee meeting as an invitee.

截至二零零六年三月三十一日止年度，董事出席本公司董事會及董事委員會會議之記錄載於下表（「會議時間表」）：

會議出席記錄

附註：

- (1) 郭少明先生與陸楷先生以受邀者身分出席四次審核委員會會議。
- (2) 郭少明先生以受邀者身分出席兩次薪酬委員會會議。
- (3) 郭少明先生以受邀者身分出席提名委員會會議。

A.2 Chairman and chief executive officer

Principle

There are two key aspects of the management of every issuer – the management of the board and the day-to-day management of the issuer's business. There should be a clear division of these responsibilities at the board level to ensure a balance of power and authority, so that power is not concentrated in any one individual.

A.2 主席及行政總裁

原則

每家發行人在經營管理上皆有兩大方面 – 董事會的經營管理和發行人業務的日常管理。在董事會層面，這兩者之間必須清楚區分，以確保權力和授權分布均衡，不致權力僅集中於一位人士。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.2.1	<p>Roles of chairman and CEO should be separate, clearly established and set out in writing.</p> <p>主席與行政總裁之角色應有區分、清楚界定並以書面列載。</p>	<p>Please refer to the remarks</p> <p>請參閱備註</p>	<p><i>Considered reasons for deviation:-</i></p> <p>Mr. KWOK, Siu Ming, Simon has been both the chairman and CEO of the Company whose responsibilities were clearly set out in writing and approved by the Board effective on 1st April 2005. Given the Group's current stage of development, the Board considers that vesting the roles of chairman and CEO in the same person facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation. The Board shall nevertheless review the structure from time to time and it will consider the appropriate move to take should suitable circumstance arise.</p> <p><i>經考慮偏離之理由：</i></p> <p>郭少明先生一直身兼本公司主席及行政總裁兩職，其職責已清楚界定並以書面列載，並獲董事會通過，於二零零五年四月一日起生效。按本集團目前之發展情形，董事會認為由同一人身兼主席及行政總裁，有利執行本集團之商業策略和發揮集團之最高營運效益，惟董事會會不時檢討有關架構，當情況合適時，會考慮作出適當的安排。</p>
A.2.2	<p>Chairman should ensure directors are briefed on issues arising at board meetings.</p> <p>主席應確保於董事會會議上董事均知悉當前的事項。</p>	<p>Yes</p> <p>有</p>	<p>Pursuant to its terms of reference effective on 1st April 2005, the chairman shall ensure the Board address the major issues of the Company, and that these issues are presented in a manner which facilitates thorough discussion and the appropriate resolution and all directors are properly briefed on issues arising at the Board meetings. He shall also ensure that directors receive adequate information, which must be complete and reliable, in a timely manner.</p> <p>根據於二零零五年四月一日起生效之主席職權範圍，主席須確保董事會獲悉本公司主要事項，該等事項提呈董事會之形式亦必須有助討論及適當議決，而全體董事亦應就提呈董事會會議之事項獲恰當簡報。主席亦須確保董事獲取足夠、完整、可靠且適時的資料。</p>
A.2.3	<p>Chairman should ensure directors receive timely and adequate information.</p> <p>主席應確保董事獲取適時且足夠資料。</p>	<p>Yes</p> <p>有</p>	

A.3 Board composition

Principle

The board should have a balance of skills and experience appropriate for the requirements of the business of the issuer. The board should ensure that changes to its composition can be managed without undue disruption. The board should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the board, which can effectively exercise independent judgment. Non-executive directors should be of sufficient calibre and number for their views to carry weight.

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.3.1	Independent non-executive directors should be expressly identified as such in all communications disclosing its names. 於所有載有董事姓名的公司通訊刊物中，應清楚列明獨立非執行董事之身分。	Yes 有	The INEDs are expressly identified in all corporate communications that disclose the names of the directors of the Company. 獨立非執行董事之身分均於所有載有董事姓名的公司通訊刊物中清楚列明。

The Board currently comprises three executive directors, namely Mr. KWOK, Siu Ming, Simon, Mrs. KWOK LAW, Kwai Chun, Eleanor and Mr. LOOK, Guy, and four non-executive directors in which three of them are INEDs, representing more than one-third of the Board. The INEDs are Professor CHAN, Yuk Shee, Dr. LEUNG, Kwok Fai, Thomas and Ms. TAM, Wai Chu, Maria who offer diversified expertise and serve to advise the Board and management on strategy development and provide checks and balances for safeguarding the interest of the shareholders and the Group as a whole. The Company has received annual written confirmation from each of the INEDs that they have met all the independent guidelines set out in Rule 3.13 of the Listing Rules. Biographies with relevant relationships among members of the Board, if any, are shown on page 50 under the section "Biographical Details of Directors and Senior Management." Terms of appointment of non-executive directors are shown on page 114 of the Report of the Directors.

A.3 董事會組成

原則

董事會應根據發行人業務而具備適當所需技巧和經驗。董事會應確保其組成人員的變動不會帶來不適當的干擾。董事會中執行董事與非執行董事（包括獨立非執行董事）的組合應該保持均衡，以使董事會上有強大的獨立元素，能夠有效地作出獨立判斷。非執行董事應有足夠才幹和人數，以使其意見具有影響力。

董事會現包括三名執行董事，分別為郭少明先生、郭羅桂珍女士與陸楷先生，以及四名非執行董事，其中三人為獨立非執行董事，佔董事會人數超過三分之一。獨立非執行董事為陳玉樹教授、梁國輝博士與譚惠珠小姐，彼等提供不同之專業知識及向董事會和管理層提供策略發展之意見，並為保障股東及本集團整體利益擔當審核及協調工作。本公司已收到各獨立非執行董事之年度書面確認，證明彼等符合上市規則第3.13條所載之所有獨立指引。彼等之履歷以及與董事會成員間之關係（如有）載於第50頁之「董事及高級管理人員簡介」一節。非執行董事之任期載於第114頁之「董事會報告」。

A.4 Appointments, re-election and removal

Principle

There should be a formal, considered and transparent procedure for the appointment of new directors to the board. There should be plans in place for orderly succession for appointments to the board. All directors should be subject to re-election at regular intervals. An issuer must explain the reasons for the resignation or removal of any director.

A.4 委任、重選和罷免

原則

董事會應制定正式、經審慎考慮並具透明度的新董事委任程序，並應設定有秩序的董事接任計劃。所有董事均應每隔若干時距即重新選舉。發行人必須就任何董事辭任或遭罷免解釋原因。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.4.1	<p>Non-executive directors should be appointed for specific term, subject to re-election.</p> <p>非執行董事的委任應有指定任期並須接受重新選舉。</p>	<p>Yes</p> <p>有</p>	<p>All the non-executive directors were appointed for a specific term, subject to re-election pursuant to the Articles of Association.</p> <p>根據章程細則，全體非執行董事的委任均有指定任期，且須重選。</p>
A.4.2	<p>All directors appointed to fill casual vacancy subject to election by shareholders at the first general meeting; every director subject to retirement by rotation at least once every 3 years.</p> <p>所有獲委任填補臨時空缺之董事須於首次股東大會上接受股東選舉；每名董事應輪流退任，至少每三年一次。</p>	<p>Please refer to the remarks</p> <p>請參閱備註</p>	<p>According to the Articles of Association effective before 25th August 2005, at each annual general meeting, one-third of the directors (other than the managing director or joint managing director) for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one third, shall retire from office by rotation. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.</p> <p>To ensure full compliance with the Code Provision A. 4.2, relevant amendments to the Articles of Association were proposed and approved by shareholders of the Company at the 2005 annual general meeting ("AGM") held on 25th August 2005 ("AGM 2005").</p> <p>Pursuant to the Articles of Association, Mrs. KWOK LAW, Kwai Chun, Eleanor, Mr. LOOK, Guy and Ms. TAM, Wai Chu, Maria, shall be subject to retirement by rotation and re-election at the AGM to be held on 24th August 2006 ("AGM 2006").</p> <p>根據二零零五年八月二十五日生效之章程細則，於每屆股東週年大會上，當三分之一之在任董事（董事總經理或聯名董事總經理除外），或倘其人數並非三或三之倍數，則最接近但不多於三分之一的董事人數，須輪值告退，而每年須告退之董事為自上次當選後任期最長之董事，但若有多位董事乃於同一日當選，則以抽籤決定須告退之董事（除非該等董事另有協定者則作別論）。行將告退之董事的任期須於大會結束時屆滿，並應合資格膺選連任。</p> <p>為確保全面符合守則條文第A.4.2條，董事會已建議修訂有關之章程細則，修訂亦於二零零五年八月二十五日舉行之二零零五年股東週年大會（「股東週年大會」）（「二零零五年股東週年大會」）上獲本公司股東通過。</p> <p>根據章程細則，郭羅桂珍女士、陸楷先生及譚惠珠小姐將於二零零六年八月二十四日舉行之股東週年大會（「二零零六年股東週年大會」）輪值告退並願膺選連任。</p>

The Board had established a nomination committee on 31st March 2005, whose members are Ms. TAM, Wai Chu, Maria, being the chairman, Mrs. KWOK LAW, Kwai Chun, Eleanor and Dr. LEUNG, Kwok Fai, Thomas.

The terms of reference of the nomination committee adopted on 31st March 2005, which is made available on the website of the Group, has set out details of its role and functions, nomination procedures and the process and criteria adopted for selection and recommendation of candidates for directorship of the Company, summary of which is set out below.

The Nomination Committee is responsible for, inter alia:-

- (i) determining the policy for the nomination of directors;
- (ii) reviewing the structure, size and composition (including the skills, knowledge and expertise) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes;
- (iii) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorship;
- (iv) assessing the independence of INEDs; and
- (v) making recommendations to the Board on the relevant matters relating to the appointment or re-appointment of directors.

When selecting and recommending candidates for directorship for the Board's consideration, the nomination committee shall review a potential candidate and consider various factors including but without limitation to:-

- (i) the skills, experience, expertise and personal qualities that will best complement the Board's effectiveness;
- (ii) the capability of the candidate to devote the necessary time and commitment to the role and this involves a consideration of matters such as other Board or executive appointments and succession planning for directors in particular the chairman and the CEO; and

董事會於二零零五年三月三十一日成立提名委員會，成員為譚惠珠小姐（主席）、郭羅桂珍女士及梁國輝博士。

本集團網站登載於二零零五年三月三十一日採納之提名委員會職權範圍，載有該委員會角色和職能、以及挑選及建議合適人選加入本公司董事會之提名程序、過程及準則概述如下。

提名委員會負責，其中包括：

- (i) 釐定提名董事之政策；
- (ii) 定期檢討董事會之架構、人數及組成（包括技能、知識及經驗方面），並就任何擬作出之變動向董事會作出建議；
- (iii) 物色具備合適資格可擔任董事會成員之人士，並挑選提名有關人士出任董事或就此向董事會作出建議；
- (iv) 評核獨立非執行董事之獨立性；及
- (v) 就董事委任或重新委任向董事會作出建議。

當挑選董事人選並作出建議供董事會考慮時，提名委員會須審閱有機會的候選人及考慮（包括但不限於）以下各項因素：

- (i) 其技能、經驗、專業知識及個人質素以符合董事會最大效益；
- (ii) 候選人可就出任董事一職付出之時間及承擔，包括考慮其他董事會或行政任命、及董事接任之計劃，尤其是主席及行政總裁等；及

Corporate Governance Report

企業管治報告

(iii) the potential conflicts of interest and independence.

During the year ended 31st March 2006, the nomination committee considered and recommended re-appointment of directors Professor CHAN, Yuk Shee and Dr. LEUNG, Kwok Fai, Thomas and made recommendations to the Board on relevant matters relating to appointment or re-appointment of directors of the Company. The nomination committee had held a meeting on 31st March 2006 in which all nomination committee members attended, particulars of the said meeting was set out in the Meeting Schedule.

A.5 Responsibilities of directors

Principle

Every director is required to keep abreast of his responsibilities as a director of an issuer and of the conduct, business activities and development of that issuer. Given the essential unitary nature of the board, non-executive directors have the same duties of care and skill and fiduciary duties as executive directors.

(iii) 潛在之利益衝突及獨立身分。

截至二零零六年三月三十一日止年度，提名委員會考慮並建議重新委任董事陳玉樹教授及梁國輝博士，並就有關委任或重新委任本公司董事之事宜向董事會作出建議。提名委員會於二零零六年三月三十一日舉行會議，所有提名委員會成員均有出席，上述會議詳情載於會議時間表。

A.5 董事責任

原則

每名董事須不時瞭解其作為發行人董事的職責，以及發行人的經營方式、業務活動及發展。由於董事會本質上是一個一體組織，非執行董事應有與執行董事相同的受信責任以及以應有謹慎態度和技能行事的責任。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.5.1	Every newly appointed director should receive a comprehensive, formal induction, and subsequent briefing and development as is necessary. 每名新委任的董事均應獲得全面、正式之就任須知，其後亦應獲得所需之簡介及專業發展。	Yes 有	The Company has adopted policy on the induction for newly appointed directors ("Induction Policy"). A comprehensive, formal and tailored induction shall be provided by the senior management to familiarize the newly appointed director with the Company's operations, business environment and plans, financial positions, his/her responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements and business and governance policies respectively. Subsequent briefing and professional development shall be provided to the newly appointed director as and when necessary. 本公司已為新委任董事之就任須知採納政策（「就任須知政策」）。高級管理層將提供全面、正式兼特為其而設之就任須知以供新委任董事了解本公司之運作、營商環境及計劃、財務狀況，以及其根據法規及普通法、上市規則、適用法律規定及其他監管規定以及業務及管治政策下各自之職責。 倘有需要，其後亦會向新委任董事提供所需之簡介及專業發展。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.5.2	<p>Functions of non-executive directors should include A.5.2 of the Code Provision in the CG Code.</p> <p>非執行董事之職能應包括管治守則中之守則條文A.5.2條。</p>	<p>Yes</p> <p>有</p>	<p>Strategic planning and monitoring the Company's performance are, among others, the major functions of the directors. The Board shall be accountable and responsible for the performance and affairs of the Company.</p> <p>董事主要職能為(其中包括)策略計劃及監察本公司之表現。董事會會就本公司表現及事務問責及負責。</p>
A.5.3	<p>Directors should give sufficient time and attention to company's affairs.</p> <p>董事應付出足夠時間及精神以處理公司的事務。</p>	<p>Yes</p> <p>有</p>	<p>Directors are aware that they shall give sufficient time and attention to the affairs of the Company.</p> <p>董事知悉彼應付出足夠時間及精神以處理公司的事務。</p>
A.5.4	<p>Directors must comply with model code for securities transaction by directors of listed issuers ("Model Code") in Appendix 10 of the Listing Rules, and the board should establish written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in company's shares.</p> <p>董事應遵守上市規則附錄十之上市發行人董事進行證券交易的標準守則(「標準守則」),而董事會亦應就有關僱員買賣公司股份制訂條款不比標準守則寬鬆之書面指引。</p>	<p>Please refer to remarks</p> <p>請參閱備註</p>	<p>The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code ("Company's Code"). Having made specific enquiry of all directors, all directors confirmed that they had complied with the required standard set out in the Model Code and the Company's Code.</p> <p>The Board also established a policy, which was approved and adopted by the Board effective on 1st May 2005, with no less exacting terms than the Model Code for the relevant employees in respect of their dealings in the securities of the Company.</p> <p>本公司已就董事進行的證券交易,採納一套不低於標準守則所訂標準的守則(「本公司守則」)。經向全體董事作出特定查詢,全體董事均確認已遵守標準守則及本公司守則規定之標準。</p> <p>董事會亦就有關僱員買賣本公司證券設定書面指引,指引的內容不比標準守則寬鬆,該指引獲董事會通過和採納,由二零零五年五月一日起生效。</p>

A.6 Supply of and access to information

Principle

Directors should be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as directors of an issuer.

A.6 資料提供及使用

原則

董事應獲提供適當的適時資料，其形式及素質須使董事能夠在掌握有關資料的情況下作出決定，並能履行其作為發行人董事的職責及責任。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
A.6.1	<p>Agenda and board papers should be sent to directors at least 3 days before regular board meeting or committee meeting.</p> <p>議程及董事會文件應於定期董事會會議或委員會會議日期最少三天前發出予董事。</p>	<p>Yes</p> <p>有</p>	<p>In respect of regular Board meetings, and so far as practicable in all other cases, Board papers are dispatched to Board and Board Committee members not less than 3 days or such other agreed period before Board or Board committee meetings.</p> <p>董事會之定期會議，及董事會其他所有會議在切實可行的情況下，董事會會議文件均於董事會及董事委員會會議日期不少於三天或經協定之時間前發出予董事會或董事委員會成員。</p>
A.6.2	<p>Management should supply board and its committees with adequate information in timely manner. Each director should have separate and independent access to the issuer's senior management.</p> <p>管理層應適時向董事會及委員會提供充足資料，而每名董事應有自行接觸發行人高級管理人員的獨立途徑。</p>	<p>Yes</p> <p>有</p>	<p>Each director is given contact details of the senior management and is accessible to them to obtain information and for enquiries when required.</p> <p>各董事均獲高級管理人員之聯絡資料，有需要時可加以聯絡索取資料及查詢。</p>
A.6.3	<p>Directors are entitled to have access to Board papers and related materials.</p> <p>董事均有權查閱董事會文件及相關資料。</p>	<p>Yes</p> <p>有</p>	<p>Board papers and minutes are made available for inspection by the directors and Board committee members. Where queries are raised by directors, the Company shall respond as promptly and fully as possible.</p> <p>董事會文件及會議記錄可供董事及董事委員會成員查閱。倘董事遇有疑問，本公司將盡快作出全面的回應。</p>

B. Remuneration of directors and senior management

B.1 The level and make-up of remuneration and disclosure

Principle

An issuer should disclose information relating to its directors' remuneration policy and other remuneration related matters. There should be a formal and transparent procedure for setting policy on executive directors' remuneration and for fixing the remuneration packages for all directors. Levels of remuneration should be sufficient to attract and retain the directors needed to run the company successfully, but companies should avoid paying more than is necessary for this purpose. No director should be involved in deciding his own remuneration.

B. 董事及高級管理人員薪酬

B.1 薪酬及披露的水平及組成

原則

發行人應披露其董事酬金政策及其他薪酬相關事宜的資料；應設有正規而具透明度的程序，以制訂有關執行董事酬金的政策及釐訂各董事的薪酬待遇。所定薪酬的水平應足以吸引及挽留公司成功營運所需的一眾董事，但公司應避免為此支付過多的酬金。任何董事不得參與訂定本身的酬金。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
B.1.1	Issuers should establish remuneration committee, majority of which shall be independent non-executive directors. 發行人應成立薪酬委員會，其大部分成員應為獨立非執行董事。	Yes 有	Please refer to the section below. 請參閱下文。
B.1.2	Remuneration committee should consult chairman and/or CEO about proposals relating to remuneration of other executive directors. 薪酬委員會應就其他執行董事的薪酬之建議諮詢主席及／或行政總裁。	Yes 有	
B.1.3	Terms of reference of the remuneration committee should include B.1.3 of the Code Provision in the CG Code. 薪酬委員會之職權範圍應包括管治守則中之守則條文第B.1.3條。	Yes 有	
B.1.4	Remuneration committee should make available its terms of reference explaining its role and the authority delegated to it by the board. 薪酬委員會應公開其職權範圍，解釋其角色及董事會轉授予其的權力。	Yes 有	
B.1.5	Remuneration committee should be provided with sufficient resources to discharge its duties. 薪酬委員會應獲供充足資源以履行其職責。	Yes 有	

Corporate Governance Report

企業管治報告

A compensation committee had been first formed in December 1999 and was then formally established in March 2000. There are three compensation committee members currently, namely Dr. LEUNG, Kwok Fai, Thomas, who presides as the chairman, Mrs. KWOK LAW, Kwai Chun, Eleanor and Ms. TAM, Wai Chu, Maria, the majority of which are INEDs.

The role and authorities of the compensation committee, including those set out in B.1.3 of the Code Provision in the CG Code, were clearly set out in its terms of reference which are available at the Company's website and on request. Pursuant to its terms of reference, the compensation committee should be provided with sufficient resources to discharge its duties, including obtaining independent professional advice in appropriate circumstances as and when deemed necessary and fit pursuant to the Independent Advice Guideline adopted by the Company from time to time.

During the year ended 31st March 2006, there were two compensation committee meetings held in which all compensation committee members attended, particulars of the meetings were set out in the Meeting Schedule. The compensation committee had, among others, reviewed the remuneration of the executive and non-executive directors of the Company and approved performance-based remuneration by reference to corporate goals and objectives resolved by the Board and/or the management from time to time. The chairman and CEO was invited to attend the compensation committee meeting for consultation about proposals relating to the remuneration of other executive directors.

Emolument policy and long-term incentive plan

The Group provides competitive remuneration packages which consist of base compensation, incentives and fringe benefits, for recruiting, retaining and motivating the experienced or potential personnel.

Generally base compensation forms a significant element of the remuneration packages. The Group paid a competitive base compensation with reference to the prevailing market conditions and the respective duties and responsibility of the relevant employee(s).

薪酬委員會最初於一九九九年十二月成立，其後於二零零零年三月正式組成。現有的三名薪酬委員會成員包括梁國輝博士（主席）、郭羅桂珍女士及譚惠珠小姐，其大部分成員均為獨立非執行董事。

薪酬委員會之角色及權力，包括管治守則中之守則條文第B.1.3條所載者，清楚載列於其職權範圍內，有關文件已於本公司網站登載，並可於作出要求時供查閱。按有關職權範圍，薪酬委員會應獲提供充足資源，包括根據本公司不時採納之獨立意見指引，以及被視為有需要及適當時於適當情況獲取獨立專業意見，以履行其責任。

截至二零零六年三月三十一日止年度，曾舉行兩次薪酬委員會會議，全體薪酬委員會成員均有出席，而出席記錄載於會議時間表。薪酬委員會已（其中包括）檢討本公司執行與非執行董事之薪酬，委員會亦參照董事會及／或管理層不時制訂之公司目標，批准按表現發放花紅。主席及行政總裁獲邀出席薪酬委員會會議，就有關其他執行董事之薪酬作出諮詢。

袍金政策及長期獎勵計劃

本集團提供具競爭力之薪酬組合，包括底薪、獎金及其他福利，以招聘、挽留及激勵富經驗或有潛質之人才。

一般而言，底薪為構成薪酬計劃之主要元素。本集團參照當時市況及有關僱員之相關職務及責任，提供具競爭力之底薪。

Incentives are given in form of various kinds of bonus and an opportunity to participate in the Group's long-term success through its share option schemes adopted on 22nd May 1997 and 29th August 2002 respectively ("Share Option Schemes"). Details of the Share Option Schemes are set out in page 97 of this annual report.

Fringe benefits like provident fund benefits, medical insurance, life and personal accident insurance, employee compensation and business travel insurance are also offered to the Group's employees.

With reference to the directors' expertise and experience, duties and responsibility, the industry standards, prevailing market conditions and the Group's performance, the directors' emolument is recommended by the compensation committee and approved and determined by the Board. The emolument of directors mainly consists of base compensation and share options, particulars of which are set out in the note 7 to the financial statements in this annual report.

本公司的獎勵計劃乃透過不同形式之花紅發放以及讓同事有機會按分別於一九九七年五月二十二日及二零零二年八月二十九日採納之購股權計劃（「購股權計劃」）分享本集團長遠的成就。購股權計劃詳情載於本年報第97頁。

本集團員工亦享有其他福利包括公積金、醫療保險、人壽及個人意外保險、員工補償及公幹旅遊保險。

薪酬委員會參照董事之專業知識及經驗、職務及責任、行業準則、當時市況及本集團之表現，就董事袍金作出建議，並由董事會批准及釐定。董事袍金主要包括底薪及購股權，有關詳情載於本年報財務報表附註7。

Corporate Governance Report

企業管治報告

C. Accountability and audit

C.1 Financial Reporting

Principle

The board should present a balanced, clear and comprehensible assessment of the company's performance, position and prospects.

C. 問責及核數

C.1 財務匯報

原則

董事會應平衡、清晰及全面地評核公司的表現、情況及前景。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
C.1.1	<p>Management should provide information to the board to enable the board to make informed assessment of financial situation.</p> <p>管理層應向董事會提供資料，確保董事會能作出有根據的財務狀況評審。</p>	<p>Yes</p> <p>有</p>	<p>Please refer to the section below. 請參閱下文。</p>
C.1.2	<p>Directors should acknowledge responsibility for preparing accounts, on a going concern basis and there should be a statement by auditors about their reporting responsibilities in the auditors' report on the financial statements. The corporate governance report should contain sufficient information to enable investors to understand severity and significance of matters at hand.</p> <p>董事應承認他們有按持續經營基礎而編製賬目之責任；核數師亦應在財務報表之核數師報告中就他們之申報責任作出聲明；企業管治報告應載有足夠資料，確保投資者明白事件之嚴重性及重大意義。</p>	<p>Yes</p> <p>有</p>	
C.1.3	<p>Board should present a balanced, clear and understandable assessment including in the reports to regulators and to information required to be disclosed pursuant to statutory requirements.</p> <p>董事會應向監管者呈交平衡、清晰及易明之評估包括報告，以及根據法例規定要求披露資料。</p>	<p>Yes</p> <p>有</p>	

Management shall provide explanation and information to the Board so as to will enable the Board to make an informed assessment of the financial and other information put before the Board for approval. The Auditors' Report on pages 121 to 122 of this annual report has set out the reporting responsibilities of PricewaterhouseCoopers ("PwC"), the auditors of the Company.

The directors of the Company acknowledged their responsibility for preparation of financial statements which give a true and fair view of the Group's state of affairs of the results and cashflow for the year. In preparing the financial statements for the year ended 31st March 2006, the directors have:

- (i) approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants;
- (ii) selected and applied consistently appropriate accounting policies;
- (iii) made judgments and estimates that are prudent and reasonable; and
- (iv) prepared the financial statements on the going concern basis.

The Board recognizes the importance of good corporate governance and transparency and its accountability to shareholders, it shall present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures of the Group as required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. The Company has announced its annual and interim results well before the prescribed period of four months after the financial year and three months after the end of first six months of the financial year respectively as required by the Listing Rules.

管理層須向董事會提供解釋及資料，令董事會能就財務及其他資料作出有根據的評估以呈交董事會批准。本年報第121至122頁核數師報告已列載本公司核數師羅兵咸永道會計師事務所（「羅兵咸永道」）之申報責任。

本公司董事承認彼等有編製真實且公平之財務報表的責任，以呈示本集團年內的業績狀況及現金流量。就編製截至二零零六年三月三十一日止年度之財務報表，董事已：

- (i) 批准採納香港會計師公會頒佈之所有適用香港財務報告準則；
- (ii) 挑選及貫徹應用適當之會計政策；
- (iii) 作出審慎且合理之判斷及估計；及
- (iv) 以持續經營基準編製財務報表。

董事會清楚良好企業管治及透明度之重要性，以及其對股東之問責，其於本集團之年報及中期報告、其他股價敏感公佈及其他根據上市規則要求須予披露之財務資料，以及向監管者提交之報告以至根據法例規定須予披露之資料，均已進行持平、清晰而容易理解的評估。本公司公佈其年度及中期業績的日期遠早於上市規則規定須要於財政年度後四個月內及財政年度首六個月結束後三個月內分別公佈年度及中期業績的要求。

Corporate Governance Report

企業管治報告

C.2 Internal controls

Principle

The board should ensure that the issuer maintains sound and effective internal controls to safeguard the shareholders' investment and the issuer's assets.

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
C.2.1	Directors should at least annually review effectiveness of internal control by the Group and state so in corporate governance report. 董事應最少每年檢討本集團內部監控之有效性，並於企業管治報告中匯報。	Yes 有	Please refer to the section below. 請參閱下文。

Internal control and risk management

Recognising that a well-designed system of internal control is crucial to safeguard the assets of the Company and to ensure the reliability of financial reporting as well as compliance with laws and regulations, the Company is committed to set up and maintain a good system of internal control which is devised to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives. The Board also acknowledges that it has overall responsibility for the Company's internal control, financial control and risk management system and shall monitor its effectiveness from time to time.

The internal audit and management services department ("IA Department") is responsible for internal audit function of the Company and monitors the internal control procedures and systems and reports its findings and recommendations, if any, to the audit committee on a quarterly basis.

Based on the assessment of risk exposure, the IA Department formulates an audit plan annually, which ensures the annual audit programs cover all high-risk areas, for the approval of the audit committee. The scopes and frequencies of audit reviews shall be determined according to risk assessment. Special reviews may also be performed on areas of concern identified by management or the audit committee from time to time.

C.2 內部監控

原則

董事會應確保發行人的內部監控系統穩健妥善而且有效，以保障股東的投資及發行人的資產。

內部監控及風險管理

設計完善之內部監控制度對保障本公司財產、確保財務報告可靠性以及遵守法例及規則甚為重要，所以本公司致力設立並維持一個良好的內部監控系統，以提供合理，惟非絕對之保證，以防出現嚴重誤報或損失的情況，並管理，而非杜絕運作系統及達致集團目標出現失誤之風險。董事會亦明白其對本公司內部監控、財務控制及風險管理制度之整體責任，並不時監察其效能。

內部審核及管理服務部（「內審部」）負責本公司內部審核及監督內部監控程序及系統，並按季度向審核委員會匯報其發現及建議（如有）。

內審部會根據面對風險之評估從而每年制訂審核計劃，以確保年度審核工作涵蓋所有高風險範圍，審核計劃須呈交審核委員會批准。審核檢討之範圍及次數乃按風險評估而決定，亦會因應管理層或審核委員會所關注之事項不時進行特別檢討。

Control processes

The Board establishes and maintains a sound internal control system through the following major processes:

- (i) systems and procedures are in place to identify and measure risks on an ongoing basis. Senior management shall review and define the annual risk assessment process and monitor the progress of risk mitigation plans;
- (ii) an organization structure with defined lines of responsibility and delegation of authority is devised;
- (iii) the Board shall review its strategic plans and objectives on an annual basis. The annual strategic plans shall lay down the basis for resources and financial budgeting;
- (iv) financial performance will be analysed against budget quarterly with variances being accounted for and appropriate actions will be taken to rectify deficiencies; and
- (v) the IA Department shall independently evaluate the adequacy and effectiveness of major controls over principal operations. Major findings and recommendations, if any, shall be reported to the audit committee on a quarterly basis.

Risk assessment

The Company is committed to conduct a quality and comprehensive review of the effectiveness of the internal control systems. A team comprising professionals within the Company as well as experts from an independent risk consulting firm was established to perform a risk management assessment exercise in December 2005, in which the Company involved its entire management team to evaluate and assume overall responsibilities of the effectiveness of the Company's internal control systems.

Risk assessment, being the first step of the review, is the process of identifying, sourcing and evaluating individual risks and the interrelationships between risks. This provides a systematic approach to determine the key areas to which high priorities as well as resources should be given.

監控程序

董事會透過以下主要程序設立及維持良好的內部監控系統：

- (i) 設有系統及程序以持續識別及量度風險。高級管理層須將檢討及訂定年度風險評估程序以及監督減輕風險計劃之進度；
- (ii) 訂明職責及權限之組織架構；
- (iii) 董事會須每年檢討其策略計劃及目標，此計劃須列明資源及財政預算之基準；
- (iv) 每季按預算分析財務表現，並就有關之差異採取適當的行動以調整預算不足額；及
- (v) 內審部獨立評估主要業務的主要監控之完備性及效能，每季向審核委員會匯報主要結果及建議（如有）。

風險評估

本公司致力就內部監控系統之效能進行高質素及全面的檢討。於二零零五年十二月，集團成立一支由本公司專業人才及來自一家獨立風險顧問公司專家組成的隊伍，進行風險管理評估。據此，本公司每位管理層人員須評估及承擔本公司內部監控系統效能之整體責任。

風險評估是為識別、尋找及評估個別風險及風險間關係的第一個檢討程序，此乃提供一個有系統的方法以釐定優先處理及調撥資源之事項。

Corporate Governance Report

企業管治報告

In conducting the risk assessment, management embraces a “top-down” approach as recommended by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”). Management defined the objectives of the Company and the related risk categories impacting those objectives.

For the purpose of risk assessment, management adopted a risk model, which categorized the various risks impacting the Company into the following three major risk areas:

1. environmental risks – uncertainties affecting the viability of the business model;
2. process risks – uncertainties affecting the execution of the business model; and
3. information for decision-making risks – uncertainties over the relevance and reliability of information.

By utilising an outsourced facilitating function, interviews with each member of management team were arranged so as to discuss, identify and customize the objectives and risks encountered by the Company.

All members of management team were invited to participate in a workshop to discuss the results of the interviews. Through discussion and anonymous voting mechanism, the key risks had been ranked in terms of significance and likelihood. Response strategies and mitigation plans with respect to each key risk identified were planned and put into action.

A regular progress update protocol to the Board and the audit committee was established to enhance the accountability and quality of the risk management process.

管理人員採用Committee of Sponsoring Organisations of the Treadway Commission (「COSO」) 建議的「由上而下」的方法進行風險評估。管理人員界定本公司目標及影響該等目標的有關風險種類。

管理人員就風險評估採納一項風險模式，就各項會影響本公司之風險分為以下三大主要風險類別：

1. 環境風險—影響經營模式可行性的不明朗因素；
2. 過程風險—影響實行經營模型的不明朗因素；及
3. 決策資訊風險—資訊相關度及可靠性的不明朗因素。

透過外判組織，促成了管理層各成員之會面，從而商討、識別及制定本公司之目標及須面對的風險。

管理層各成員均獲邀參與工作坊以商討會面結果。透過討論及不記名投票機制，按重要程度及可能性排列主要風險，並就各項已識別的主要風險制定及採取回應策略及減輕風險計劃。

設立定期向董事會及審核委員會提交最新進展報告書之機制，以提升風險管理過程的問責性及質素。

Annual internal control assessment

During the year ended 31st March 2006, the IA Department adopted a risk-based approach focusing on processes and controls that were material. Material or significant control weaknesses were reported quarterly to the audit committee. The Board, through the audit committee, had reviewed the effectiveness of the system of internal control of the Group which covered all material controls, including financial, operational and compliance controls and risk management functions and was satisfied that the Group in 2005 fully complied with the Code Provision on internal controls as set forth in the CG Code.

C.3 Audit committee

Principle

The Board should establish formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the company's auditors. The audit committee established by an issuer pursuant to the Listing Rules should have clear terms of reference.

年度內部監控評估

截至二零零六年三月三十一日止年度，內審部採納了專注於主要流程及監控的風險基準方法，並每季向審核委員會匯報重大或顯著的監控弱點。董事會透過審核委員會檢討本集團內部監控系統之效能，內部監控系統涵蓋所有重大監控事項，包括財務、營運及遵守法規事宜以及風險管理功能，並且確信本集團於二零零五年已全面遵守上文管治守則所載有關內部監控之條文。

C.3 審核委員會

原則

董事會應就如何應用財務匯報及內部監控原則及如何維持與公司核數師適當的關係作出正規及具透明度的安排。發行人根據《上市規則》成立的審核委員會須具有清晰的職權範圍。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
C.3.1	Minutes of audit committee should be kept and sent to all members for comment and records within reasonable time. 應存置及於合理時間內將審核委員會之會議記錄送交全體成員，供表達意見及作其記錄之用。	Yes 有	Pursuant to its terms of reference, minutes of audit committee were kept and sent to all its committee members within reasonable time. 已根據審核委員會之職權範圍，存置及於合理時間內將委員會之會議記錄送交全體成員。
C.3.2	A former partner of the issuer's audit firm should not act as a member of the audit committee. 發行人外聘之審核公司的前合夥人不應成為審核委員會成員。	Yes 有	The current audit committee members are not former partner of the Company's existing auditing firm. 現時的審核委員會成員並非本公司現時外聘之審核公司之前合夥人。
C.3.3	The terms of reference of audit committee should include terms set out pursuant to C.3.3 of the Code Provision in the CG Code. 審核委員會之職權範圍應包括管治守則中之守則條文第C.3.3條所載之條款。	Yes 有	The terms of reference of the audit committee, which have included the role and authority delegated to it by the Board together with C.3.3 of the Code Provision, are available at the Group's website and on request. 審核委員會之職權範圍已包括其角色及董事會授予其之權限以及守則條文第C.3.3條，此等資料已於本集團網站登載及按要求供查閱。

Corporate Governance Report

企業管治報告

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
C.3.4	Audit committee should make available its terms of reference. 審核委員會應公開其職權範圍。	Yes 有	Please refer to the section above. 請參閱上文。
C.3.5	Disclosure of any disagreement between board and audit committee on selection, appointment, resignation or dismissal of external auditors. The issuer should state recommendation and reasons for difference in view in corporate governance report. 披露董事會與審核委員會就外聘核數師的甄選、委任、辭任或罷免所持的不同意見。發行人應在企業管治報告內闡述其建議及持不同意見之理由。	Yes 有	The audit committee recommended and the Board agreed that the Company shall re-appoint PwC to be the Company's auditors and the recommendation will be put forward for the approval of shareholders at the AGM 2006. 審核委員會建議，而董事會同意本公司續聘羅兵咸永道為本公司核數師，推薦建議將於二零零六年股東週年大會上提呈股東通過。
C.3.6	Sufficient resources should be provided to the audit committee to discharge its duties. 應向審核委員會提供充足資源以讓其履行職責。	Yes 有	Pursuant to its terms of reference, the audit committee should be provided with sufficient resources, including advice of professional firms, to discharge its duties, if necessary. 根據審核委員會的職權範圍，該委員會應獲提供充足資源，包括專業公司之意見（如有需要），以讓其履行職責。

The Company established an audit committee with written terms of reference on 13th October 1999. The current audit committee members are Professor CHAN, Yuk Shee who presides as chairman, Dr. LEUNG, Kwok Fai, Thomas and Ms. TAM, Wai Chu, Maria, all of which are INEDs and at least one of whom possess the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The audit committee is responsible for, inter alia, reviewing and monitoring the relationship between the Company and its auditors, reviewing of the financial information of the Company and overseeing the Company's financial controls, internal control and risk management systems. The audit committee members have met with external and internal auditors and discussed the general scope of the audit works and reviewed the audit reports and the interim and annual accounts of the Group. During the year, the audit committee met privately with the external auditors, without the presence of the executive directors of the Company, to discuss matters or issues arising from the audit and any other matters the external auditor may wish to raise.

本公司於一九九九年十月十三日成立審核委員會，並訂明其職權範圍。審核委員會現有成員為陳玉樹教授（主席）、梁國輝博士及譚惠珠小姐，彼等均為獨立非執行董事，彼等中最少一人擁有上市規則第3.10(2)條要求的適當專業資格或會計或相關財務管理專業知識。

審核委員會須負責（其中包括）檢討及監察本公司與其核數師之關係、審閱本公司財務資料、監管本公司財務監控、內部監控及風險管理制度。審核委員會成員須與外聘及內部核數師會面，商討審核工作一般範疇及審閱本集團審核報告、中期及全年賬目。年內，審核委員會曾單獨與外聘核數師會面，商討審核出現的事宜或事項以及外聘核數師可能提出的任何其他事宜，而本公司執行董事並無出席有關會議。

There were six audit committee meetings during the year ended 31st March 2006 and the chairman and CEO, the CFO, other members of the senior management team and the external auditors of the Company shall be invited, as and when necessary, to join the discussion of the audit committee meetings. Particulars of the Board committee members' individual attendance and other details of the meetings were set out in the Meeting Schedule. The following is a summary of works performed by the audit committee during the year:

- (i) review of the Group's final and interim results statements and the related result announcements and documents prior to Board approval;
- (ii) review of the development in accounting standards and its effects on the Group;
- (iii) review of external auditor's audit plan and its nature and scope, the external auditors' reports and the letter of representation by the Company and other matters or issues raised by the external auditors;
- (iv) review of the risk management assessment report by the external consultants and their recommendations;
- (v) review of, and with recommendation to the Board, the adoption of the policy on provision of audit and non-audit services by external auditors and the semi-annual summary of audit and non-audit services by external auditors;
- (vi) review and approval of the contingency plan for avian flu and pandemic influenza;
- (vii) review of the independence of the external auditors and approval of its engagement letters and audit fee;
- (viii) review of, and with recommendation to the Board, the foreign currency and treasury policy of the Group; and
- (ix) review of quarterly internal audit reports by the IA Department in respect of the Group's internal control system and procedures, its effectiveness and the regular updates on key risk areas of financial control.

截至二零零六年三月三十一日止年度，曾舉行六次審核委員會會議。當有需要時，本公司主席及行政總裁、首席財務總監、其他高級管理人員及外聘核數師亦會獲邀參與審核委員會會議之討論。董事委員會成員的出席率及會議其他詳情已載於會議時間表內。下列為審核委員會於年內所進行的工作摘要：

- (i) 於提呈董事會批准前，審閱本集團年度及中期業績報表以及相關業績公佈及文件；
- (ii) 檢討會計準則之發展及其對本集團之影響；
- (iii) 檢討外聘核數師之審核計劃、性質及範疇、外聘核數師報告及本公司發出之聲明函件以及外聘核數師提出的任何其他事宜或事項；
- (iv) 審閱外聘顧問進行之風險管理評估報告及其建議；
- (v) 檢討就外聘核數師提供審核及非審核服務所採納之政策，並就此向董事會提出建議，以及審閱外聘核數師提供之審核及非審核服務之半年摘要；
- (vi) 審閱及批准有關禽流感及流行性感冒之應變計劃；
- (vii) 檢討外聘核數師之獨立性及批准有關之應聘書及審核費用；
- (viii) 檢討本集團之外幣及庫存政策，並就此向董事會提出建議；及
- (ix) 審閱內審部提呈之季度內部審核報告，該報告涵蓋內部監控制度和程序、其效能以及定期更新之財務監控主要風險範疇。

Corporate Governance Report

企業管治報告

All issues raised by the audit committee were addressed and/or dealt with by the senior management of the Company and the work, findings and recommendations of the audit committee were reported to the Board from time to time. During the year ended 31st March 2006, no issues brought to the attention of senior management and the Board was of sufficient importance to require disclosure in the annual report under the Listing Rules.

During the year ended 31st March 2006, the fees paid to the Company's external auditors amounted to approximately HK\$1,960,400, comprising the audit fees of HK\$1,643,200 and non-audit fees of HK\$317,200 respectively. The non-audit services consist mainly of tax advisory services and interim review.

由審核委員會提出的所有事宜已獲本公司高級管理人員知悉及／或處理，而審核委員會的工作、結果及推薦建議亦已不時向董事會匯報。截至二零零六年三月三十一日止年度，高級管理人員及董事會並無得悉任何事項須要根據上市規則於年報內披露。

截至二零零六年三月三十一日止年度，支付予本公司外聘核數師的費用約為1,960,400港元。審核及非審核服務之有關費用分別約為1,643,200港元及317,200港元。非審核服務主要包括稅務顧問服務及中期審閱。

D. Delegation by the board

D.1 Management functions

Principle

An issuer should have a formal schedule of matters specifically reserved to the board for its decision. The board should give clear directions to management as to the matters that must be approved by the board before decisions are made on behalf of the issuer.

D. 董事會權力的轉授

D.1 管理功能

原則

發行人應有一個正式的預定計劃表，列載特別要董事會作決定的事項。董事會在代表發行人作出決定前，亦應明確指示管理層哪些事項須由董事會批准。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
D.1.1	Board must give clear directions as to powers of management, particularly on delegation to management and matters required prior approval from the board. 董事會須就管理層之權力，特別是向管理層作出之授權及須預先取得董事會批准之事項，給予清晰的指引。	Yes 有	<i>Please refer to the section below. 請參閱下文。</i>
D.1.2	Company should formalize functions reserved to the board and functions delegated to management. 本公司須正式規定只限董事會執行和管理層獲授權執行的職能。	Yes 有	

Pursuant to the terms of reference of the Board and management, the types of decision to be taken by the Board include those relating to:-

- (i) set the objectives of the Board;
- (ii) establish the strategic direction of the Company;
- (iii) set the objectives of the management;
- (iv) monitor the performance of the management;
- (v) oversee the management of the Company's relationships with stockholders, such as customers, the community, interest groups and others who have a legitimate interest in the responsible conduct of the Group's business;
- (vi) ensure that a framework of prudent and effective controls is in place and to assess and manage risks of the Group;
- (vii) set the Company's values and standards;
- (viii) determine any matters involving a conflict of interest for a substantial shareholder or a director;
- (ix) determine material acquisitions and disposals of assets, investments, capitals projects, authority levels, major treasury policies, risk management policies and key human resources issues;
- (x) ensure the Company maintains sound and effective internal controls to safeguard the shareholders' investment and the Company's assets. Directors should at least annually conduct review of the effectiveness of the system of internal control of the Group and report to shareholders on the relevant findings in corporate governance report of the Company. The review shall cover all material controls, including financial, operational and compliance controls and risk management functions;

根據董事會及管理層之職權範圍，董事會作出的決策類別包括以下各項：

- (i) 訂立董事會之目標；
- (ii) 制定本公司策略方針；
- (iii) 訂立管理層目標；
- (iv) 監察管理層表現；
- (v) 監管本公司管理層與各界人士之關係，例如客戶、社群、有利益關係團體及對本集團以負責任態度營運業務有着法理上利益的其他人士；
- (vi) 確保推行審慎及有效的監控體制，以評估及管理本集團的風險；
- (vii) 訂立公司的價值觀和標準；
- (viii) 就大股東或董事利益衝突之任何事項作出決定；
- (ix) 決定重大收購及出售資產、投資、資本項目、權力水平、主要庫務政策、風險管理政策及主要人力資源事項；
- (x) 確保本公司保持良好及有效的內部監控，以保障股東之投資及本公司之資產。董事應最少每年檢討本集團之內部監控系統是否有效，並於本公司企業管治報告內向股東匯報有關結果。有關檢討應涵蓋所有重要的監控，包括財務、營運及合規監控以及風險管理功能；

Corporate Governance Report

企業管治報告

- (xi) consider and determine issues which are the responsibility of the Board pursuant to the Company's memorandum and Articles of Association and relevant laws and regulations in force from time to time which the Group is governed; and
- (xii) delegate its power and authority to the relevant committee(s) of the Board in respect of the management and operation of the Company as and when appropriate.

The management, consisting of CEO, the executive committee of the Board along with other senior executives, shall be responsible for the implementation of the strategy and direction as determined by the Board from time to time. In doing so, they must apply business principles and ethics which are consistent with those expected by the Board and shareholders of the Company.

The Board delegates management and administrative functions to the management for their conduct of the day-to-day operations of the Company, effectively, legally and ethically. This requires that they are aware of the material risks and issues faced by the Company and that they carefully supervise the Company's financial reporting systems and processes.

Responsibilities of the management including those relating to:-

- (i) provide a comprehensive, formal and tailored induction upon the appointment of directors, and subsequently such briefing and professional development as is necessary, to ensure that the directors have a proper understanding of the operations and business of the Company;
- (ii) develop business and execution proposals in line with the objectives of, and with risks acceptable to, the Company for approval by the executive committee on behalf of the Board;

- (xi) 考慮及決定按本公司之公司組織章程大綱及細則以及本集團受規管之不時生效的有關法例及規例屬於董事會負責任之各事項；及
- (xii) 在適當的情況下，向有關董事委員會轉授其有關本公司管理及營運的權力。

由行政總裁、董事會轄下之行政委員會會同其他高層人員所組成的管理層，須負責執行董事會不時釐定之策略及方向。在執行的過程中，彼等必須秉持與董事會及本公司股東預期相符之商業原則及道德標準。

董事會授予管理層管理和行政職能，以有效、合法及負責任的態度進行本公司日常運作，因此要求管理層意識到本公司所面對的重大風險及問題，以及審慎監督本公司的財務申報制度及程序。

管理層之責任包括以下各項：

- (i) 於委任董事後，向彼等提供全面、正式及特訂的就職指引，其後於有需要時提供有關簡報及專業發展，以確保董事對本公司的營運及業務有恰當了解；
- (ii) 在本公司可承受之風險下發展與本公司目標一致的業務及行政建議，並提呈行政委員會代表董事會批准；

(iii)	prepare annual budget, mid-term and long-term budgets, development strategies for approval by the executive committee on behalf of the Board;	(iii)	編撰年度預算、中期及長期預算以及發展策略，並提呈行政委員會代表董事會批准；
(iv)	provide in a timely manner with appropriate information in such form and of such quality as will enable the directors to monitor the performance of the Company and make informed decisions;	(iv)	適時提供合適的資料，而其形式及內容應能令董事監察本公司表現及作出有根據的決定；
(v)	develop and implement internal control procedures;	(v)	發展及執行內部監控程序；
(vi)	develop the Group's staff policy;	(vi)	發展本集團僱員政策；
(vii)	prepare materials and papers and draft resolutions on matters to be considered by the general meeting of shareholders or Board and present materials to the committees of the Board;	(vii)	就股東大會或董事會將予考慮之事項編製材料及文件以及草擬決議案，並將有關材料提交予董事委員會；
(viii)	manage risk in accordance with the direction of the Board from time to time;	(viii)	根據董事會不時制定之方向管理風險；
(ix)	provide organizational and technical support of the activities of the Group;	(ix)	就本集團之活動提供組織及技術支援；
(x)	determine the technical, financial, economic and pricing policies of the Group;	(x)	釐定本集團之技術、財務、經濟及定價政策；
(xi)	determine policy and supervise improvements to accounting and administrative methods and adopt international accounting standards for the Group and its branch offices;	(xi)	釐定政策、監察及改善會計及行政措施以及本集團及其分區辦事處採納之國際會計準則之修訂；
(xii)	determine the methods for planning, budgeting and financial control for the Group and its overseas offices;	(xii)	釐定本集團及其海外辦事處之規劃、預算及財務監控措施；
(xiii)	determine security policies for the Group and its branch offices;	(xiii)	釐定本集團及其分區辦事處之保安政策；
(xiv)	determine the procedure for allocating assets to Group companies and withdrawal of allocated assets from Group companies;	(xiv)	釐定將資產分配予集團屬下公司及自集團屬下公司撤回已分配資產之有關程序；

Corporate Governance Report

企業管治報告

- | | |
|--|---|
| (xv) determine the number of members of the collective executive bodies of overseas offices, appoint them, terminate their authority early and approve the regulations on overseas offices' collective executive bodies; | (xv) 決定海外辦事處行政架構之整體成員人數、委任、提早終止其授權及通過有關海外辦事處架構之規例； |
| (xvi) preliminarily approve candidates for the position of heads, deputy heads and chief accountants of overseas and representative offices and relieve them of their duty; | (xvi) 初步通過海外及代表辦事處主管、副主管及首席會計師之候選人及減輕其職責； |
| (xvii) approve overseas offices' budgets and amend such documents; | (xvii) 批准海外辦事處之預算及修訂有關文件； |
| (xviii) analyze the results of performance of the Group's structural subdivisions, including separate structural subdivisions, and develop binding instructions for improvement of their work; | (xviii) 分析本集團結構分部（包括獨立結構分部）之表現業績，並就改善其工作表現而制訂具約束性之指引； |
| (xix) approve internal documents regulating matters within the authority of the management; and | (xix) 批准管理層權限以內所規管的事項的有關內部文件；及 |
| (xx) handle such other matters that are delegated by the Board from time to time. | (xx) 處理董事會不時授權之該等其他事項。 |

Executive committee

Being part of the management team, the executive committee held meetings on a regular basis. The members of the executive committee are Mr. KWOK, Siu Ming, Simon, who presides as the chairman, Mrs. KWOK LAW, Kwai Chun, Eleanor and Mr. LOOK, Guy. Particulars of the executive committee members' individual attendance and other details of the meetings were set out in the Meeting Schedule.

Management meetings

Executive committee and the management team meet together regularly to review, discuss and make decisions on financial and operational matters. During the year ended 31st March 2006, fourteen management meetings were held and chaired by the chairman and CEO of the Company which enhanced and strengthened departmental communications and co-operation within the Group.

行政委員會

行政委員會作為管理團隊之一部分，會定期舉行會議。行政委員會成員為郭少明先生（主席）、郭羅桂珍女士及陸楷先生。個別行政委員會成員的會議出席率及會議其他詳情已載於會議時間表內。

管理層會議

行政委員會及管理層團隊定期會面，檢討、商討及就財務及營運事項作出決策。截至二零零六年三月三十一日止年度內，曾舉行十四次管理層會議，由本公司主席及行政總裁主持，以提高及鞏固集團部門間之溝通及合作。

D.2 Board committees

Principle

Board committees should be formed with specific written terms of reference which deal clearly with the Board committees' authority and duties.

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
D.2.1	Board committees should have clear terms of reference to enable such committees to discharge their functions properly. 董事委員會應清楚訂明職權範圍，以讓該等委員會適當地履行其職責。	Yes 有	Please refer to terms of reference of the audit committee, compensation committee and nomination committee of the Company. 請參閱本公司審核委員會、薪酬委員會及提名委員會之職權範圍。
D.2.2	Terms of reference of board committees should require such committees to report their decisions to the board. 委員會的職權範圍應要求該等委員會向董事會匯報其決定。	Yes 有	

D.2 董事會轄下的委員會

原則

董事會轄下各委員會的成立應訂有書面的特定職權範圍，清楚列載董事委員會權力及職責。

E. Communication with shareholders

E.1 Effective communication

Principle

The board should endeavour to maintain an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation.

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
E.1.1	A separate resolution at a general meeting on each substantially separate issue should be proposed by the chairman of that meeting. 股東大會主席應就每項實際獨立的事宜個別提出決議案。	Yes 有	Separate resolutions are proposed at the AGM on each substantially separate issues, including election of individual directors. 於股東週年大會上，每項實際獨立的事宜已個別提出決議案，包括選舉個別董事。
E.1.2	Chairman of the board should attend AGM and arrange for chairmen of audit, remuneration and nomination committees to attend and be available to answer questions. 董事會主席應出席股東週年大會，並安排審核、薪酬及提名委員會主席出席以回答提問。	Yes 有	The chairman of the Board attended the AGM 2005 and the chairmen or another member of the relevant committee were available to answer question at the AGM 2005. 董事會主席出席了二零零五年股東週年大會，相關委員會主席或其他成員均有出席二零零五年股東週年大會以回答提問。

E. 與股東的溝通

E.1 有效溝通

原則

董事會應盡力與股東持續保持對話，尤其是藉股東週年大會或其他全體會議與股東溝通及鼓勵他們的參與。

Corporate Governance Report

企業管治報告

The last shareholders' meeting was the AGM 2005 which was held at the Ritz-Carlton in Hong Kong for approval of, among others major items, the general mandates to issue and purchase shares and amendments to the Articles of Association. The amendments to the Articles of Association, which were approved by the shareholders and adopted by the Company, were made pursuant to A.4.2 of the Code Provision in the CG Code. that (i) all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after their appointment; and (ii) every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. In order to bring the Articles of Association in line with the Listing Rules, articles 99 and 116 of the Articles of Association were amended with the shareholders' approval at the AGM 2005. Particulars of the amendments in the Articles of Association and major items discussed in the AGM 2005 were set out in the circular of the Company dated 13th July 2005 ("Circular 2005"). The proposed resolutions by ordinary resolutions and special resolution were passed by simple majority and more than three-fourths of the votes on show of hands in the AGM 2005.

Public float

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

本公司最近期舉行之股東大會為假座香港麗嘉酒店舉行之二零零五年股東週年大會，會上通過了各主要事項，包括批准發行及購回股份之一般授權以及修訂章程細則。股東通過及本公司採納之章程細則之修訂，乃基於管治守則中之守則條文第A.4.2條的規定，章程細則第99及116條因應作出修改，並獲股東於二零零五年股東週年大會通過。第A.4.2條指明(i)所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受股東選舉；(ii)每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。修訂章程細則以及於二零零五年股東週年大會討論主要事項之詳情乃載於本公司日期為二零零五年七月十三日之通函（「二零零五年通函」）。以普通決議案及特別決議案形式提呈之決議案已於二零零五年股東週年大會分別獲大多數及超過四分之三票數以舉手投票方式通過。

公眾人士持股量

根據本公司所得的公開資料及就董事所知，於本報告簽發日期，公眾人士持有本公司全部已發行股本總數不少於25%。

Investor relations

The Group is committed to fostering productive and long-term relationships with shareholders and investors through open and prompt communication. Various channels have been established to facilitate transparency. Key information on the Group, which is continuously updated (including a separate corporate governance section), annual reports and webcasts of results presentations are available on our corporate website (www.sasa.com). In addition to the AGM in which shareholders can put questions to directors about the Group's performance, press and analysts' conferences are held at least twice a year subsequent to the interim and final results announcements. At these conferences, the management team explains the Group's business performance and future direction. The Group also seeks opportunities to communicate its strategies to investors and the public through active participation at investors' conferences, regular meetings with fund managers and potential investors, as well as through press interviews and timely press releases. Other than individual meetings with analysts, institutional investors and fund managers, the Group also participated in various road shows and conferences during the year. These are summarised as follows:

投資者關係

集團致力與股東及投資者建立良好而長遠的關係，因此設立多種溝通渠道作迅速和坦誠的溝通，以增加透明度。集團網頁 (www.sasa.com) 載有集團之重要資訊 (包括獨立的「公司管治」章節)，而且不斷更新，亦載有年報及記者招待會上發佈的業績報告。除在週年股東大會上股東可向董事提出有關集團表現的意見外，集團亦於公佈中期及年度業績後每年最少舉行兩次記者招待會及分析員研討會 (於公佈中期及年度業績後)，由管理層講解集團的業績及未來發展方向。此外集團亦透過積極參與投資者會議，定期與基金經理及潛在投資者會面，接受報章訪問及發布新聞稿向投資者及公眾闡釋業務策略。年內，集團管理層除與分析員、機構投資者及基金經理會面外，亦曾參加以下巡迴推介及大型投資者會議：

Corporate Governance Report

企業管治報告

Date 日期	Event 活動	Organiser 主辦單位	Location 地點
March 2006 二零零六年三月	Asian Investment Conference 亞洲投資會議	CSFB 瑞士信貸第一波士頓	Hong Kong 香港
February 2006 二零零六年二月	Hong Kong Corporate Day 香港企業推介日	BNP Paribas Peregrine 法國巴黎百富勤	Hong Kong 香港
January 2006 二零零六年一月	Retail Corporate Day 零售業推介日	Macquarie Securities 麥格理證券	Singapore 新加坡
December 2005 二零零五年十二月	Road show 巡迴推介	JP Morgan 摩根大通	Singapore 新加坡
December 2005 二零零五年十二月	Road show 巡迴推介	Nomura 野村證券	Hong Kong 香港
December 2005 二零零五年十二月	Investors luncheon 投資者午餐會	JP Morgan 摩根大通	Hong Kong 香港
October 2005 二零零五年十月	Hong Kong Corporate Day 香港企業推介日	BNP Paribas Peregrine 法國巴黎百富勤	Hong Kong 香港
September 2005 二零零五年九月	Consumer & Tourism Corporate Day 消費及旅遊業推介日	Deutsche Bank 德意志銀行	Hong Kong 香港
September 2005 二零零五年九月	10th Annual Asia Pacific Equity Conference 第十屆亞太資本會議	JP Morgan 摩根大通	New York 紐約
September 2005 二零零五年九月	Road show 巡迴推介	Canadian Imperial Bank of Commerce 加拿大帝國商業銀行	Toronto 多倫多
September 2005 二零零五年九月	CLSA Investors' Forum 2005 2005年里昂證券投資者研討會	CLSA 里昂證券	Hong Kong 香港
September 2005 二零零五年九月	Nomura Asia Day III 野村證券第三屆亞洲企業推介日	Nomura 野村證券	Tokyo 東京
July 2005 二零零五年七月	Road show 巡迴推介	Deutsche Bank 德意志銀行	Singapore 新加坡
June 2005 二零零五年六月	Road show 巡迴推介	Deutsche Bank 德意志銀行	Hong Kong 香港

E.2 Voting by poll

Principle

The issuer should regularly inform shareholders of the procedure for voting by poll and ensure compliance with the requirements about voting by poll contained in the Listing Rules and the constitutional documents of the issuer.

E.2 以投票方式表決

原則

發行人應定期通知股東以投票方式表決的程序，並確保符合《上市規則》有關以投票方式表決的規定及發行人本身的組織章程文件。

Code no. 守則編號	Code provisions 守則條文	Alignment 有否遵守	Remarks 備註
E.2.1	Chairman of the meeting should disclose in circular procedures and rights to demand a poll.	Yes	The procedures for demanding a poll by the shareholders were incorporated in the Circular 2005.
	大會主席應於通函披露要求以投票方式表決的程序及權利。	有	股東要求以投票方式表決的程序已載列二零零五年通函內。
E.2.2	Chairman should count and indicate level of proxies lodged on each resolution, and the balance for and against the resolution.	Yes	The chairman of the Board had duly performed the E.2.2 and E.2.3 of the Code Provisions in the AGM 2005. Abacus Share Registrars Limited, the share registrar of the Company, was present to assist and ensure the votes were properly counted.
	主席應點算每項決議案的委任代表投票的票數及表明投票比例，以及贊成及反對該決議案之票數。	有	
E.2.3	Chairman should explain procedures for demanding and conducting a poll at the commencement of meeting.	Yes	董事會主席於二零零五年股東週年大會上已妥善執行守則條文第E.2.2及E.2.3條的規定。本公司股份過戶登記處雅柏勤證券登記有限公司出席大會並協助點票，確保票數準確無誤。
	主席應於大會開始時已解釋要求及進行以投票方式表決之程序。	有	

Corporate Governance Report

企業管治報告

Beyond the Code

With a view to continuously improve its corporate governance, transparency and accountability to its shareholders, the Group goes beyond the Code Provisions in the following aspects:–

- (i) the Company has arranged appropriate liability insurance cover, which is reviewed on an annual basis, for liabilities arising out of activities from being directors of the Group;
- (ii) the chairman of the Board has performed these duties and responsibilities set out in A.2.4 and A.2.5 of the recommended best practices in the CG Code, including to ensure the Board works effectively and discharges its responsibilities, all key and appropriate issues are discussed by the Board in a timely manner etc., which were incorporated into the terms of reference for chairman effective on 1st April 2005;
- (iii) the INEDs appointed represent more than one third of the Board;
- (iv) the Company established a nomination committee on 31st March 2005, in which two-third of its committee members are INEDs. The terms of reference of nomination committee adopted by the Board on 31st March 2005 dealt clearly with the Board committee's authority and duties and incorporated all the duties set out in A.4.5 (a) to (d) of the recommended best practices in the CG Code. The terms of reference of the nomination committee with its role and authority delegated by the Board is made available on the Company's website and on request. Pursuant to its terms of reference, the nomination committee should be provided with sufficient resources;
- (v) disclosure on significant changes in the Articles of Association during the year, details of the last shareholders' meeting and major items discussed, and particulars as to voting are set out in the section E. – Communication with shareholders of the corporate governance report; and
- (vi) disclosure on division of responsibility between the Board and management is set out in the section A. – Directors of the corporate governance report.

守則以外

為不斷改善企業管治和透明度，以及向股東問責，本集團在下列範疇內更超越了守則條文的要求：

- (i) 本集團已安排適當之責任保險，並按年檢討，保障以本公司董事身分進行活動時產生之責任；
- (ii) 董事會主席已履行載於管治守則中之建議最佳常規之A.2.4及A.2.5條的職務與責任，包括確保董事會有效工作及履行其職責，所有重要及適當事項適時提呈董事會討論，此等常規更被納入二零零五年四月一日起生效之主席職權範圍之內；
- (iii) 獲委任之獨立非執行董事人數超過董事會人數之三分之一；
- (iv) 本公司於二零零五年三月三十一日成立提名委員會，其中三分之二成員為獨立非執行董事。於二零零五年三月三十一日由董事會採納之提名委員會職權範圍，清楚列明董事委員會權力與職責，並收納管治守則中之建議最佳常規第A.4.5 (a)至(d)條所載列的責任。提名委員會職權範圍，包括其角色及董事會轉授之權力可於本公司網站登載及已按要求的查閱。根據其職權範圍，提名委員會應獲供充足資源；
- (v) 年內章程細則之重大變動、上屆股東大會詳情及經討論之主要事項以及投票詳情之披露乃載於企業管治報告之E部「與股東的溝通」項下；及
- (vi) 董事會與管理層責任分工之披露乃載於企業管治報告之A部「董事」項下。

Report of the Directors

董事會報告

The directors have pleasure in presenting their report together with the audited financial statements of the Company and its subsidiaries ("Group") for the year ended 31st March 2006.

Principal activities and segment analysis of operations

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the retailing and wholesaling of a wide range of brands of cosmetic products and the provision of beauty and health club services.

An analysis of the Group's turnover and results for the year by business segments and geographical areas of operation is set out in Note 5 to the financial statements.

Results and appropriations

The results for the year are set out in the consolidated income statement on page 123.

An interim dividend of 3.0 HK cents (2005: 3.0 HK cents) per share and a special dividend of 3.0 HK cents (2005: 3.0 HK cents) per share were paid on 29th December 2005. The directors recommend the payment of a final dividend of 5.0 HK cents (2005: 5.0 HK cents) per share and a special dividend of 6.0 HK cents (2005: 6.0 HK cents) per share. Total dividends paid and declared in respect of the year ended 31st March 2006 amounted to HK\$228,952,000.

董事會欣然提呈本公司及其附屬公司（「本集團」）截至二零零六年三月三十一日止年度之報告及經審核財務報表。

主要業務及營運分類分析

本公司主要業務為投資控股，其附屬公司主要從事多種名牌化粧品之零售和批發與及提供美容和健美中心服務。

本集團本年度按業務分類及地區營運劃分之營業額及業績之分析載於財務報表附註5。

業績及溢利分配

本集團本年度之業績載於第123頁綜合收益表內。

本公司已於二零零五年十二月二十九日派發中期股息每股3.0港仙（二零零五年：3.0港仙）及特別股息每股3.0港仙（二零零五年：3.0港仙）。董事會現建議派發末期股息每股5.0港仙（二零零五年：5.0港仙）及特別股息每股6.0港仙（二零零五年：6.0港仙）。截至二零零六年三月三十一日止年度已派及擬派股息合共228,952,000港元。

Report of the Directors

董事會報告

Financial summary

A summary of the results, assets and liabilities of the Group for the last five financial years is set out as follows:

財務摘要

本集團過去五個財政年度之業績、資產及負債摘要如下：

		2006	2005	2004	2003	2002
		HK\$'000	(Restated) HK\$'000	(Restated) HK\$'000	(Restated) HK\$'000	(Restated) HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額	2,620,586	2,313,706	1,883,334	1,641,385	1,537,411
Operating profit	經營溢利	222,610	245,616	179,946	93,024	(63,907)
Profit/(loss) before income tax	除所得稅前 溢利／(虧損)	222,610	245,616	179,944	92,787	(64,196)
Income tax expense	所得稅開支	(37,439)	(43,560)	(34,087)	(33,478)	(4,699)
Minority interest	少數股東權益	-	-	-	8,913	2,673
Profit/(loss) for the year, attributable to equity holders of the Company	本公司權益持有人 應佔年內 溢利／(虧損)	185,171	202,056	145,857	68,222	(66,222)
Total assets	資產總值	1,371,640	1,366,471	1,216,083	1,115,345	1,108,968
Total liabilities	負債總值	(457,813)	(456,425)	(367,712)	(356,282)	(297,232)
Minority interests	少數股東權益	-	-	-	-	(6,379)
Net assets	資產淨值	913,827	910,046	848,371	759,063	805,357
Return on equity	股本回報	20.26%	22.20%	17.19%	8.99%	(8.22%)
Working capital ratio	營運資金比率	2.61	2.63	3.03	2.70	3.25
Stock turnover days	存貨週期(日)	89	101	90	89	89

Major customers and suppliers

The aggregate percentage of sales and purchases attributable to the Group's five largest customers and suppliers respectively are less than 30% of the total sales and purchases for the year.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in Note 25 to the financial statements.

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group are set out in Note 13 to the financial statements.

Share capital

Details of the movements in share capital of the Company during the year are set out in Note 24 to the financial statements.

Share options

(I) Share option schemes

1997 Share Option Scheme

The Company adopted a share option scheme on 22nd May 1997 ("1997 Share Option Scheme"). In view of the changes of Chapter 17 of the rules ("Listing Rules") governing the listing of securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") which govern the operation of share option schemes, the Company adopted a new share option scheme on 29th August 2002 ("2002 Share Option Scheme") and the operation of the 1997 Share Option Scheme was terminated on the same day. A summary of the 1997 Share Option Scheme is set out below:—

(a) Purpose

The 1997 Share Option Scheme was adopted and became effective on 22nd May 1997 for the purpose of providing incentives to directors and eligible employees by the granting of share options.

主要客戶及供應商

本集團五大客戶及供應商年內之銷售總額及採購總額分別佔本集團銷售總額及採購總額少於30%。

儲備

本集團及本公司儲備於年內之變動詳情載列於財務報表附註25。

物業、機械及設備

本集團之物業、機械及設備於年內之變動詳情載列於財務報表附註13。

股本

本公司股本於年內之變動詳情載列於財務報表附註24。

購股權

(I) 購股權計劃

一九九七年購股權計劃

本公司於一九九七年五月二十二日採納一項購股權計劃（「一九九七年購股權計劃」），鑑於監管購股權計劃運作的香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第十七章有所修訂，本公司於二零零二年八月二十九日採納一項新購股權計劃（「二零零二年購股權計劃」），而一九九七年購股權計劃的運作則於同日終止。一九九七年購股權計劃摘要詳列如下：—

(a) 目的

一九九七年購股權計劃於一九九七年五月二十二日被採納並生效，以通過授出購股權之方式，獎勵董事及合資格僱員。

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

1997 Share Option Scheme (continued)

(b) Participants

Under the 1997 Share Option Scheme, options may be granted to any full time employee (including full time executive directors) of the Company or its subsidiaries.

(c) Total number of shares available for issue

(i) The maximum number of shares in respect of which options may be granted under the 1997 Share Option Scheme shall not (when aggregated with any securities subject to any other share option scheme(s) of the Company and/or its subsidiary) exceed 10% of the issued share capital of the Company from time to time (excluding the aggregate number of shares issued pursuant to the 1997 Share Option Scheme).

(ii) As at 29th June 2006, the total number of shares available for issue under the 1997 Share Option Scheme was 540,000 shares, which represented 0.04% of the total issued share capital of the Company at that date.

(d) Maximum entitlement of each Participant

The maximum entitlement of each participant (together with any shares issued in respect of options which have been exercised by that participant and any shares which would be issued upon the exercise of outstanding options granted to that participant) shall not exceed 25% of the aggregate number of shares in respect of the Company subject to the 1997 Share Option Scheme at the time it was proposed to grant the relevant option to such participant.

(e) Option Period

The period commencing on the date upon which such option is deemed to be granted and accepted in accordance with the 1997 Share Option Scheme and expiring on such date as may be determined by the board of directors ("Board") which shall not be later than 10th anniversary of the acceptance date of such option.

購股權 (續)

(I) 購股權計劃 (續)

一九九七年購股權計劃 (續)

(b) 參與者

根據一九九七年購股權計劃，本公司可向本公司或其附屬公司任何全職僱員（包括全職執行董事）授出購股權。

(c) 可予發行之股份總數

(i) 根據一九九七年購股權計劃所授購股權涉及之股份數目上限（在與本公司及／或其附屬公司之任何其他購股權計劃涉及之任何股份合併計算時），不得超過本公司不時發行之股本之10%（根據一九九七年購股權計劃發行之股份總數除外）。

(ii) 於二零零六年六月二十九日，根據一九九七年購股權計劃可予發行之股份總數為540,000股，佔本公司當時已發行股本0.04%。

(d) 各參與者之限額

根據一九九七年購股權計劃授予各參與者之限額（在與該名參與者因行使購股權而獲發之任何股份及因已授予該名參與者之購股權餘額獲行使而獲發之任何股份合併計算時），不得超過本公司不時發行之股份總數的25%。

(e) 購股權行使期限

有關期限由該等購股權按一九九七年購股權計劃被視作已授出及獲接納之日期起計，而董事會（「董事會」）可決定購股權之屆滿日期，惟該段期間之屆滿日期不得遲於購股權獲接納之日期起計屆滿十年當日。

Share options (continued)

(I) Share option schemes (continued)

1997 Share Option Scheme (continued)

- (f) Minimum period for which an option must be held before it can be exercised

The minimum period, if any, for which an option must be held before it can be exercised is determined by the Board from time to time.

- (g) Consideration on acceptance of the option

HK\$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer.

- (h) Basis of determining the exercise price

The exercise price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of the nominal value of the share and 80% of the average of the closing prices of the shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of offer of the option. Effective from 1st September 2001, the exercise price must be at least the higher of (i) the closing price of the shares on the date of option grant, which must be a business day, and (ii) the average closing price of the shares for the five business days immediately preceding the date of grant in accordance with Rule 17.03 of the Listing Rules.

購股權 (續)

(I) 購股權計劃 (續)

一九九七年購股權計劃 (續)

- (f) 行使購股權前必須持有之最低期限

董事會將不時決定行使購股權前必須持有之最低期限 (如有)。

- (g) 接納購股權之代價

承授人接納購股權要約時須向本公司支付1港元。

- (h) 購股價之釐定基準

購股權之行使價乃由董事會全權決定，惟不得低於股票之面值以及股份於緊接購股權授出日期前五個營業日之收市價平均數 (以聯交所每日成交報價表顯示之數據為準) 之80%兩項中之較高款額。由二零零一年九月一日起，購股權之行使價必須為以下兩項較高之款額：(i) 授出購股權當日股份收市之價格，當天必須為營業日；及(ii) 根據上市規則17.03條，股份於緊接購股權授出日期前五個營業日之收市價平均數。

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

1997 Share Option Scheme (continued)

(i) Remaining life of the 1997 Share Option Scheme

The operation of the 1997 Share Option Scheme was terminated on 29th August 2002 (such that no further options could be offered under the 1997 Share Option Scheme) but the provisions of the 1997 Share Option Scheme continued to govern options granted under that scheme up to and including 28th August 2002.

Details of the share options granted under the 1997 Share Option Scheme and their movements during the year are set out below:

購股權 (續)

(I) 購股權計劃 (續)

一九九七年購股權計劃 (續)

(i) 一九九七年購股權計劃之餘下年期

一九九七年購股權計劃的運作於二零零二年八月二十九日終止(故再無購股權可根據一九九七年購股權計劃予以授出)·惟一九九七年購股權計劃的條文繼續對截至並包括二零零二年八月二十八日已授出的購股權具有約束力。

一九九七年購股權計劃授出之購股權詳情及於年內之變動載列如下:

Name 姓名	Date of grant 授出日期	Subscription price per share 每股股份認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period (from the date of grant) 行使前持定期 (自授出日起計)	*Closing price of the shares immediately before the date on which the options were exercised *股份於緊接購股權行使日期前一天之收市價 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding as at 1st April 2005 於二零零五年四月一日未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內獲行使	[†] Lapsed during the year 於年內失效	Outstanding as at 31st March 2006 於二零零六年三月三十一日未獲行使
Director 董事										
Mr. LOCK, Guy 陸楷先生	24th April 2002 二零零二年四月二十四日	0.80	24th April 2004 to 23rd April 2012 二零零四年四月二十四日至 二零一二年四月二十三日	2 years 二年	3.80	2,000,000	-	(2,000,000)	-	-
	24th April 2002 二零零二年四月二十四日	0.80	24th April 2005 to 23rd April 2012 二零零五年四月二十四日至 二零一二年四月二十三日	3 years 三年	2.73 (AVG) (平均價)	4,116,285	-	(4,116,285)	-	-

Share options (continued)

(I) Share option schemes (continued)

1997 Share Option Scheme (continued)

購股權 (續)

(I) 購股權計劃 (續)

一九九七年購股權計劃 (續)

Name 姓名	Date of grant 授出日期	Subscription price per share 每股份認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period (from the date of grant) 行使前持有期 (自授出日起計)	*Closing price of the shares immediately before the date on which the options were exercised *股份於緊接購股權行使日期前一天之收市價 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding as at 1st April 2005 於二零零五年四月一日未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內獲行使	*Lapsed during the year *於年內失效	Outstanding as at 31st March 2006 於二零零六年三月三十一日未獲行使
Employees Under Continuous Employment Contract 連續性合約僱員	9th September 1997 一九九七年九月九日	2.01	9th September 1998 to 8th September 2007 一九九八年九月九日至二零零七年九月八日	1 year 一年	3.95	280,000	-	(280,000)	-	-
	9th September 1997 一九九七年九月九日	1.90	9th September 1998 to 8th September 2007 一九九八年九月九日至二零零七年九月八日	1 year 一年	4.08	614,000	-	(34,000)	-	580,000
	4th June 2001 二零零一年六月四日	0.68	4th June 2004 to 3rd June 2011 二零零四年六月四日至二零零一年六月三日	3 years 三年	3.83	138,235	-	(138,235)	-	-
	24th April 2002 二零零二年四月二十四日	0.8	24th April 2005 to 23rd April 2012 二零零五年四月二十四日至二零零二年四月二十三日	3 years 三年	3.28	675,000	-	(675,000)	-	-
						7,823,520	-	(7,243,520)	-	580,000

* The weighted average closing price ("AVG") is shown where appropriate.

There is no share option cancelled during the year.

* 加權平均收市價(「平均價」)已適當顯示。

年內並無購股權被註銷。

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme

A summary of the 2002 Share Option Scheme is set out below:

(a) Purpose

To provide Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

(b) Participants

Any directors (including executive, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board or a duly authorised committee thereof considers, in its sole discretion, have contributed to the Group.

(c) Total number of shares available for issue

(i) The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) exceed 126,830,117 being 10% of the issued share capital of the Company on 29th August 2002, the date on which the 2002 Share Option Scheme was adopted (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the 2002 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃

二零零二年購股權計劃摘要詳列如下:

(a) 目的

旨在為參與者(定義見下文)提供機會購入本公司之專有權益,及鼓勵參與者為本公司及其股東之整體利益致力提高本公司及其股份之價值。

(b) 參與者

本集團任何董事(包括執行董事、非執行董事及獨立非執行董事)及本集團之僱員,及董事會或獲其恰當授權的委員會酌情認為曾經為本集團作出貢獻之本集團任何成員之任何顧問、諮詢人員、分銷商、承包商、供應商、代理商、客戶、業務夥伴、合營夥伴、促銷人員及服務供應商等。

(c) 可予發行之股份總數

(i) 根據二零零二年購股權計劃所授購股權涉及之股份數目上限(在與本公司任何其他購股權計劃涉及之任何股份合併計算時)不得超過本公司採納購股權計劃之日期即二零零二年八月二十九日已發行股本之10%(「計劃授權限額」),即126,830,117股。在計算計劃授權限額時,根據二零零二年購股權計劃之條款失效之購股權將不予計算。

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

- (c) Total number of shares available for issue (continued)
- (ii) The Scheme Mandate Limit may be renewed at any time subject to prior shareholders' approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Options previously granted under the 2002 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.
- (iii) The maximum number of shares in respect of which options may be granted to grantees under the 2002 Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.
- (iv) As at 29th June 2006, the total number of shares available for issue under the 2002 Share Option Scheme was 219,874,904 shares, which represented 16.3% of the total issued share capital of the Company at that date.

- (d) Maximum entitlement of each Participant
- The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme to a specifically identified single grantee shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1% of the shares of the Company in issue ("Individual Limit").

The Company may grant options beyond the Individual Limit to a Participant if (i) the Company has first sent a circular to shareholders containing the identity of the Participant in question, the number and terms of the options granted and to be granted and other relevant information as required under the Listing Rules; and (ii) separate shareholder's approval has been obtained.

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

- (c) 可予發行之股份總數 (續)
- (ii) 計劃授權限額可在事先獲股東批准之情況下隨時予以更新，惟無論如何不得超過本公司於批准更新計劃授權限額當日已發行股本之10%。在計算更新後之計劃授權限額時，以往根據二零零二年購股權計劃或任何其他購股權計劃所授予之購股權（包括尚未行使、已註銷、根據有關條款經已失效或已行使之購股權）將不予計算。
- (iii) 根據二零零二年購股權計劃及本公司其他購股權計劃所授購股權涉及之股份數目上限不得超過本公司不時已發行股本之30%。
- (iv) 於二零零六年六月二十九日，根據二零零二年購股權計劃可予發行之股份總數為219,874,904股，佔本公司當時已發行股本16.3%。

- (d) 各參與者之限額
- 於任何12個月期間內根據二零零二年購股權計劃授予單一特定承授人之購股權所涉及之股份數目上限（在與本公司任何其他購股權計劃涉及之股份合併計算時），不得超過本公司不時發行之股份的1%（「個別限額」）。

本公司可在(i)本公司已先行向股東寄發一份通函，列載有關參與者之身份、即將授予及以往曾授予該參與者之購股權數目及條款，及上市規則所規定之其他有關資料；及(ii)已獲得股東另行批准的情況下，隨時向參與者授予超出個別限額之購股權。

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

(e) Option Period

The period within which the shares must be taken up under an option shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option.

(f) Minimum period for which an option must be held before it can be exercised

The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board in its absolute discretion. The 2002 Share Option Scheme itself does not specify any minimum holding period.

(g) Consideration on acceptance of the option

HK\$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer.

(h) Basis of determining the subscription price

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (i) the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a share.

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

(e) 購股權行使期限

購股權涉及的股份必須接納的期間由董事會在提呈要約時通知每位承授人，有關期限自授予日期起計不得超過10年。

(f) 行使購股權前必須持有之最低期限

行使購股權前必須持有之最低期限（如有）乃由董事會酌情決定，二零零二年購股權計劃本身並不設立任何最低持有期限。

(g) 接納購股權須付款項

承授人接納購股權要約時須向本公司支付1港元。

(h) 購股價之釐定基準

購股價乃由董事會酌情決定，惟不得低於以下各項中之較高款額：

- (i) 本公司股份於授予日期之收市價（以聯交所發出之每日成交報價表所載為準）；
- (ii) 股份於授予日期之前五個營業日之平均收市價（以聯交所發出之每日成交報價表所載為準）；及
- (iii) 股份之面值。

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

(i) Remaining life of the 2002 Share Option Scheme

The 2002 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption and will expire on 29th August 2012.

Details of the share options granted under the 2002 Share Option Scheme and their movements during the year are set out below:

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

(i) 二零零二年購股權計劃之餘下年期

二零零二年購股權計劃由採納日期起計十年內有效，並將於二零一二年八月二十九日失效。

二零零二年購股權計劃授出之購股權詳情及於年內之變動載列如下：

Name 姓名	Date of grant 授出日期	Subscription price per share 認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period (from the date of grant) 行使前持有期 (自授出日 起計)	*Closing price of the shares immediately before the date on which the options were exercised 股份於緊接 購股權行使 日期前一天 之收市價 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding as at 1st April 2005 於二零零五年 四月一日 未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內 獲行使	*Lapsed during the year 於年內 失效	Outstanding as at 31st March 2006 於二零零六年 三月三十一日 未獲行使
Director										
董事										
Ms. TAM, Wai Chu, Maria 譚惠珠小姐	29th June 2004 二零零四年六月二十九日	3.00	29th June 2005 to 28th June 2014 二零零五年六月二十九日至 二零零四年六月二十八日	1 year 一年	-	1,000,000	-	-	-	1,000,000
Employees Under Continuous Employment Contract	6th January 2003 二零零三年一月六日	0.77	6th January 2005 to 5th January 2013 二零零五年一月六日至 二零零三年一月五日	2 years 二年	3.80	500,000	-	(500,000)	-	-
連續性合約僱員	1st September 2003 二零零三年九月一日	1.81	note (1) 附註(1)	note (1) 附註(1)	3.63	133,333	-	(80,000)	(53,333)	-
	1st September 2003 二零零三年九月一日	1.81	note (1) 附註(1)	note (1) 附註(1)	-	133,333	-	-	-	133,333
	2nd October 2003 二零零三年十月二日	1.88	note (2) 附註(2)	note (2) 附註(2)	-	333,333	-	-	-	333,333
	2nd October 2003 二零零三年十月二日	1.88	note (2) 附註(2)	note (2) 附註(2)	-	333,333	-	-	-	333,333
	30th October 2003 二零零三年十月三十日	1.68	30th October 2004 to 29th October 2013 二零零四年十月三十日至 二零零三年十月二十九日	1 year 一年 note (3) 附註(3)	3.67 (AVG) (平均價)	1,300,050	-	(556,433)	(334)	743,283

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

Name 姓名	Date of grant 授出日期	Subscription price 每股股份 認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period (from the date of grant) 行使前持有期 (自授出日 起計)	*Closing price of the shares immediately before the date on which the options were exercised *股份於緊接 購股權行使 日期前一天 之收市價 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding as at 1st April 2005 於二零零五年 四月一日 未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內 獲行使	[†] Lapsed during the year 於年內 失效	Outstanding as at 31st March 2006 於二零零六年 三月三十一日 未獲行使
Employees Under Continuous Employment Contract	30th October 2003 二零零三年十月三十日	1.68	30th October 2005 to 29th October 2013	2 years 二年	2.81 (AVG)	12,665,648	-	(7,342,783)	(24,333)	5,298,532
連續性合約僱員	30th October 2003 二零零三年十月三十日	1.68	30th October 2006 to 29th October 2013	3 years 三年	-	12,665,562	-	-	(193,332)	12,472,230
	30th October 2003 二零零三年十月三十日	1.68	note (4) 附註(4)	note (4) 附註(4)	3.37 (AVG)	11,236,052	-	(5,085,636)	(4,191,052)	1,959,364
	30th October 2003 二零零三年十月三十日	1.68	note (4) 附註(4)	note (4) 附註(4)	(平均價)	11,236,044	-	-	(698,002)	10,538,042
	30th October 2003 二零零三年十月三十日	1.68	30th October 2006 to 29th October 2013	3 years 三年	-	11,235,904	-	-	(697,996)	10,537,908
	4th December 2003 二零零三年十二月四日	1.90	1st December 2005 to 3rd December 2013	2 years from date of employment	2.81 (AVG)	1,000,000	-	(1,000,000)	-	-
	4th December 2003 二零零三年十二月四日	1.90	1st December 2006 to 3rd December 2013	3 years from date of employment	-	1,000,000	-	-	-	1,000,000
	4th December 2003 二零零三年十二月四日	1.90	note (5) 附註(5)	note (5) 附註(5)	3.63	1,000,000	-	(650,000)	(350,000)	-
	4th December 2003 二零零三年十二月四日	1.90	note (5) 附註(5)	note (5) 附註(5)	-	1,000,000	-	-	-	1,000,000

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

Name 姓名	Date of grant 授出日期	Subscription price 每股股份 認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period (from the date of grant) 行使前持定期 (自授出日 起計)	*Closing price of the shares immediately before the date on which the options were exercised *股份於緊接 購股權行使 日期前一天 之收市價 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding as at 1st April 2005 於二零零五年 四月一日 未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內 獲行使	*Lapsed during the year 於年內 失效	Outstanding as at 31st March 2006 於二零零六年 三月三十一日 未獲行使
Employees Under Continuous Employment Contract 連續性合約僱員	2nd January 2004 二零零四一月二日	2.25	2nd January 2005 to 1st January 2014 二零零五年一月二日至 二零一四年一月一日	1 year 一年	3.80	500,000	-	(500,000)	-	-
	20th January 2004 二零零四一月二十日	2.80	20th January 2007 to 19th January 2014 二零零七年一月二十日至 二零一四年一月十九日	3 years 三年	-	66,666	-	-	-	66,666
	20th January 2004 二零零四一月二十日	2.80	note (6) 附註(6)	note (6) 附註(6)	-	66,667	-	-	(32,667)	34,000
	20th January 2004 二零零四一月二十日	2.80	note (6) 附註(6)	note (6) 附註(6)	-	66,667	-	-	-	66,667
	1st March 2004 二零零四三月一日	2.85	14th January 2007 to 28th February 2014 二零零七年一月十四日至 二零一四年二月二十八日	3 years from date of employment 僱用日期 起計三年	-	183,333	-	-	-	183,333
	1st March 2004 二零零四三月一日	2.85	note (7) 附註(7)	note (7) 附註(7)	-	183,333	-	-	-	183,333
	1st March 2004 二零零四三月一日	2.85	note (7) 附註(7)	note (7) 附註(7)	3.63	183,334	-	(166,000)	(17,334)	-
	3rd March 2004 二零零四三月三日	2.78	5th July 2007 to 2nd March 2014 二零零七年七月五日至 二零一四年三月二日	3 years from the date of employment 僱用日期 起計三年	-	333,333	-	-	-	333,333
	3rd March 2004 二零零四三月三日	2.78	note (8) 附註(8)	note (8) 附註(8)	-	333,333	-	-	-	333,333
	3rd March 2004 二零零四三月三日	2.78	note (8) 附註(8)	note (8) 附註(8)	-	333,334	-	-	(31,334)	302,000

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

Name 姓名	Date of grant 授出日期	Subscription price 每股股份 認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period (from the date of grant) 行使前持有期 (自授出日 起計)	*Closing price of the shares immediately before the date on which the options were exercised *股份於緊接 購股權行使 日期前一天 之收市價 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding as at 1st April 2005 於二零零五年 四月一日 未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內 獲行使	[†] Lapsed during the year 於年內 失效	Outstanding as at 31st March 2006 於二零零六年 三月三十一日 未獲行使
Employees Under Continuous Employment Contract 連續性合約僱員	2nd August 2004 二零零四年八月二日	3.12	28th July 2007 to 1st August 2014 二零零七年七月二十八日至 二零一四年八月一日	3 years from date of employment 僱用日期 起計三年	-	183,333	-	-	-	183,333
	2nd August 2004 二零零四年八月二日	3.12	note (9) 附註(9)	note (9) 附註(9)	-	183,333	-	-	-	183,333
	2nd August 2004 二零零四年八月二日	3.12	note (9) 附註(9)	note (9) 附註(9)	-	122,222	-	-	(24,222)	98,000
	30th November 2004 二零零四年十一月三十日	3.90	25th October 2007 to 29th November 2014 二零零七年十月二十五日至 二零一四年十一月二十九日	3 years from date of employment 僱用日期 起計三年	-	100,000	-	-	(100,000)	-
	30th November 2004 二零零四年十一月三十日	3.90	note (10) 附註(10)	note (10) 附註(10)	-	100,000	-	-	(100,000)	-
	30th November 2004 二零零四年十一月三十日	3.90	note (10) 附註(10)	note (10) 附註(10)	-	100,000	-	-	(100,000)	-
	1st December 2004 二零零四年十二月一日	3.85	13th September 2007 to 30th November 2014 二零零七年九月十三日至 二零一四年十一月三十日	3 years from date of employment 僱用日期 起計三年	-	116,667	-	-	-	116,667
	1st December 2004 二零零四年十二月一日	3.85	note (11) 附註(11)	note (11) 附註(11)	-	58,333	-	-	(32,333)	26,000
	1st December 2004 二零零四年十二月一日	3.85	note (11) 附註(11)	note (11) 附註(11)	-	116,667	-	-	-	116,667
	1st December 2004 二零零四年十二月一日	3.85	2nd December 2004 to 30th November 2014 二零零四年十二月二日至 二零一四年十一月三十日	-	-	278,666	-	-	-	278,666

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

購股權(續)

(I) 購股權計劃(續)

二零零二年購股權計劃(續)

Name 姓名	Date of grant 授出日期	Subscription price 每股股份 認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period (from the date of grant) 行使前持有期 (自授出日 起計)	*Closing price of the shares immediately before the date on which the options were exercised *股份於緊接 購股權行使 日期前一天 之收市價 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding as at 1st April 2005 於二零零五年 四月一日 未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內 獲行使	#Lapsed during the year 於年內 失效	Outstanding as at 31st March 2006 於二零零六年 三月三十一日 未獲行使
Employees Under Continuous Employment Contract 連續性合約僱員	1st December 2004 二零零四年十二月一日	3.85	30th October 2005 to 30th November 2014	2 years from 20th October 2003	-	278,667	-	-	-	278,667
			二零零五年十月三十日至 二零一四年十一月三十日	二零零三年 十月二十日 起計二年						
	1st December 2004 二零零四年十二月一日	3.85	30th October 2006 to 30th November 2014	3 years from 20th October 2003	-	278,667	-	-	-	278,667
			二零零六年十月三十日至 二零一四年十一月三十日	二零零三年 十月二十日 起計三年						
	1st December 2004 二零零四年十二月一日	3.85	1st October 2007 to 30th November 2014	3 years from 1st October 2004	-	66,666	-	-	-	66,666
			二零零七年十月一日至 二零一四年十一月三十日	二零零四年 十月一日 起計三年						
	1st December 2004 二零零四年十二月一日	3.85	note (12) 附註(12)	note (12) 附註(12)	-	33,333	-	-	(7,333)	26,000
	1st December 2004 二零零四年十二月一日	3.85	note (12) 附註(12)	note (12) 附註(12)	-	66,666	-	-	-	66,666
	22nd December 2004 二零零四年十二月二十二日	4.15	22nd December 2007 to 21st December 2014	3 years from date of employment	-	183,333	-	-	-	183,333
			二零零七年十二月二十二日至 二零一四年十二月三十一日	僱用日期 起計三年						
	22nd December 2004 二零零四年十二月二十二日	4.15	note (13) 附註(13)	note (13) 附註(13)	-	183,333	-	-	-	183,333
						71,472,478	-	(15,880,852)	(6,653,605)	48,938,021

* The weighted average closing price ("AVG") is shown where appropriate.

There is no share option cancelled during the year.

* 加權平均收市價(「平均價」)已適當顯示。

年內並無購股權被註銷。

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

Notes:

- (1) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 31st August 2013.
- (2) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 1st October 2013.
- (3) On 30th October 2003, the Company granted share options to employees who had completed a minimum of 5 years of employment with the Group as at 30th September 2003 to subscribe for shares at an exercise price of HK\$1.68 per share in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the business of the Group.
- (4) On 30th October 2003, the Company granted share options to employees of the Company who are of managerial level or above to subscribe for shares at an exercise price of HK\$1.68 per share in order to encourage and motivate them to continue to contribute to the success of the business of the Group. The exercise of the share options is subject to certain performance targets that must be achieved by the employees.
- (5) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 3rd December 2013.
- (6) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 19th January 2014.
- (7) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 28th February 2014.
- (8) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 2nd March 2014.
- (9) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 1st August 2014.

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

附註:

- (1) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一三年八月三十一日行使。
- (2) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一三年十月一日行使。
- (3) 本公司於二零零三年十月三十日授出購股權予於截至二零零三年九月三十日止服務本集團不少於五年僱員，以獎賞該等僱員對本集團業務長線發展作出貢獻和鼓勵及推動該等僱員對集團業務長線發展繼續作出貢獻，其行使價為每股1.68港元。
- (4) 本公司於二零零三年十月三十日授出購股權予經理級或以上之僱員，以鼓勵及推動該等僱員對集團業務長線發展繼續作出貢獻，其行使價為每股1.68港元。有關僱員必須達到若干表現指標才符合資格行使購股權。
- (5) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一三年十二月三日行使。
- (6) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年一月十九日行使。
- (7) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年二月二十八日行使。
- (8) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年三月二日行使。
- (9) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年八月一日行使。

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

Notes: (continued)

- (10) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 29th November 2014.
- (11) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 30th November 2014.
- (12) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 30th November 2014.
- (13) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 21st December 2014.

Fair values of share options, measured at the grant date of the options, are estimated using a binomial lattice methodology that is based on the underlying assumptions of one of the commonly used employee share option pricing models. No option was granted during the year ended 31st March 2006. The fair value of options granted during the year ended 31st March 2005 was HK\$3,134,000. The significant inputs into the share option pricing model were as follows:

Share price – 股價	HK\$0.76 to 4.15 0.76至4.15港元	Being the share price on the grant date ranging from 6th January 2003 to 22nd December 2004 即按授出購股權日期·即由二零零三年一月六日至二零零四年十二月二十二日期間 的股票價格
Exercise price – 行使價	HK\$0.77 to 4.15 0.77至4.15港元	Being the exercise price ranging from 6th January 2003 to 22nd December 2004 即按授出購股權日期·即由二零零三年一月六日至二零零四年十二月二十二日期間 的行使價格
Risk free rate – 無風險利率	3.59% to 4.70%	Being the approximate yields of 10-year exchange fund notes issued by the government 即按授出購股權之日期買賣十年期外匯基金票據的參考收益率
Expected volatility – 預期波幅	45%	Being the annualized volatility of historical share price of the Company from 1st April 2000 (approximately 3 years after the initial public offer) to 31st March 2005 即本公司過往由二零零零年四月一日(上市後約三年)至二零零五年三月三十一日 的股票每日收市價之年度波幅
Expected dividend yield – 預期股息率	4%	Being the prospective dividend yield of shares of the Company 即本公司股份之預期股息率

購股權(續)

(I) 購股權計劃(續)

二零零二年購股權計劃(續)

附註:(續)

- (10) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年十一月二十九日行使。
- (11) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年十一月三十日行使。
- (12) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年十一月三十日行使。
- (13) 該名僱員必須達到若干表現指標才符合資格行使購股權。該等購股權必須不遲於二零一四年十二月二十一日行使。

在購股權授出日期估計之購股權公平價值·採用的計算方法二項格子法乃按一個常用的僱員購股權估值模式的基本假設。截至二零零六年三月三十一日止年度並無授出購股權。於截至二零零五年三月三十一日止年度授出之購股權的公平價值為3,134,000港元。該購股權估值模式所用之主要數據如下:

Report of the Directors

董事會報告

Share options (continued)

(I) Share option schemes (continued)

2002 Share Option Scheme (continued)

The model is only one of the commonly used models to estimate the fair value of the employee share options. The value of an option varies with different assumptions. Any changes of the assumptions may affect the estimation.

(II) Share options under an ex-director's service agreement

The Company granted to Mr. KING, Roger ("Mr. KING"), an ex-director of the Company, share options in accordance with the terms set out in a service agreement entered between the Company and Mr. KING on 2nd August 1999 ("Service Agreement") which was approved by the shareholders of the Company at an extraordinary general meeting held on 14th September 1999. Details of share options granted under the Service Agreement and their movements during the year were set out below:

購股權 (續)

(I) 購股權計劃 (續)

二零零二年購股權計劃 (續)

該模式僅為估計僱員購股權估值的常用模式之一。購股權的價值會因不同的假設而有所不同。任何變動對購股權的估值都會構成影響。

(II) 前董事服務協議之購股權

本公司根據於一九九九年八月二日與前董事金樂琦先生(「金先生」)簽訂之服務協議(「服務協議」)的條款向金先生授予一批購股權。服務協議已於一九九九年九月十四日經本公司股東特別大會通過。根據服務協議授出之購股權詳情及於期內之變動載列如下:

Date of grant 授出日期	Subscription price 每股股份 認購價 (HK\$) (港元)	Exercisable period 行使期	Vesting period 行使前持有期	*Closing price of the shares immediately before the date on which the options were exercised *股份於緊接購股權行使日期前一天之收市價 (HK\$) (港元)	Number of Share Options 購股權計數目				
					Outstanding as at 1st April 2005 於二零零五年四月一日未獲行使	Granted during the year 於年內授出	Exercised during the year 於年內獲行使	*Lapsed during the year 於年內失效	Outstanding as at 31st March 2006 於二零零六年三月三十一日未獲行使
14th September 1999 to 9th May 2002 note (1) 一九九九年九月十四日至二零零二年五月九日附註(1)	0.928	14th September 1999 to 2nd February 2007 一九九九年九月十四日至二零零七年二月二日	-	3.80	5,513,587	-	(500,000)	-	5,013,587

* The weighted average closing price ("AVG") is shown where appropriate.

There is no share option cancelled during the year.

Note:

(1) The dates of grant were summarized due to various grants of options under the Service Agreement.

The accounting policy adopted for the share options is described in note 2(n)(iv) to the financial statements.

* 加權平均收市價(「平均價」)已適當顯示。

年內並無購股權被註銷。

附註:

(1) 由於根據服務協議每月授出的購股權為數眾多,授出日期均摘要列出。

就購股權採納的會計政策載列於財務報表附註2(n)(iv)。

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's articles of association ("Articles of Association") and there are no restrictions against such rights under the laws in the Cayman Islands.

Purchase, sale or redemption of shares

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Subsidiaries

Details of the Company's principal subsidiaries as at 31st March 2006 are set out in Note 29 to the financial statements.

Bank loans and overdrafts

As at 31st March 2006, the Group has no bank loan nor overdraft.

Capitalised interests

No interest was capitalised by the Group during the year.

Distributable reserves

As at 31st March 2006, the reserves of the Company available for distribution amounted to HK\$739,196,000.

Donations

The Group made donations during the year totaling HK\$1,200,000, details of which are set out in the "Social Responsibility" in page 40 of this annual report.

優先購買權

本公司組織章程細則（「章程細則」）並無有關優先購買權之任何規定，而開曼群島法例亦無有關該權利之任何限制。

購回、出售或贖回股份

本公司及其任何附屬公司於年內概無購回、出售或贖回本公司任何上市證券。

附屬公司

本公司於二零零六年三月三十一日之主要附屬公司詳情載於財務報表附註29。

銀行貸款及透支

於二零零六年三月三十一日，本集團並無銀行貸款及透支。

利息資本化

本集團於年內並無將利息資本化。

可分派儲備

於二零零六年三月三十一日，本公司可供分派之儲備達739,196,000港元。

捐款

本集團於年內作出的捐款共為1,200,000港元，詳情載於本年報第40頁之「關懷社群」項下。

Report of the Directors

董事會報告

Directors and service contracts

The directors who held office during the year and up to the date of this report were:

Executive directors

Mr. KWOK, Siu Ming, Simon (Chairman and chief executive officer)

Mrs. KWOK LAW, Kwai Chun, Eleanor (Vice-chairman)

Mr. LOOK, Guy (Chief financial officer and qualified accountant)

Non-executive director

Mrs. LEE LOOK, Ngan Kwan, Christina

- re-designated from an independent non-executive director to a non-executive director for a term of three years commencing 24th June 2004

Independent Non-executive directors

Professor CHAN, Yuk Shee, J.P.

- term of directorship extended for a further term of three years commencing 1st November 2005

Dr. LEUNG, Kwok Fai, Thomas, J.P.

- term of directorship extended for a further term of three years commencing 1st January 2006

Ms. TAM, Wai Chu, Maria, GBS, J.P.

- appointed for a term of three years commencing 24th June 2004

In accordance with Article 116 of the Company's Articles of Association, Mrs. KWOK LAW, Kwai Chun, Eleanor, Mr. LOOK, Guy and Ms. TAM, Wai Chu, Maria will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

None of the directors offering themselves for election or re-election at the forthcoming annual general meeting of the Company has entered into any service agreements with the Company which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

As required by the Listing Rules, the Company received a written confirmation from each independent non-executive director of his/her independence to the Company and considers all of them to be independent.

董事及服務合約

年內及截至本報告簽發日期止擔任董事職務之人士如下:

執行董事

郭少明先生 (主席及行政總裁)

郭羅桂珍女士 (副主席)

陸楷先生 (首席財務總監及合資格會計師)

非執行董事

利陸雁群女士

- 由獨立非執行董事調任為非執行董事, 任期三年, 自二零零四年六月二十四日起生效

獨立非執行董事

陳玉樹教授, 太平紳士

- 董事任期由二零零五年十一月一日起計延長三年

梁國輝博士, 太平紳士

- 董事任期由二零零六年一月一日起計延長三年

譚惠珠小姐, 金紫荊星章, 太平紳士

- 於二零零四年六月二十四日獲委任, 任期三年

根據本公司組織章程第116條之規定, 郭羅桂珍女士, 陸楷先生及譚惠珠小姐會於即將舉行之股東週年大會上輪值告退。郭羅桂珍女士, 陸楷先生及譚惠珠小姐有資格並願膺選連任。

除上文所披露者外, 擬於即將舉行之股東週年大會上膺選連任之董事, 並沒有尚未屆滿的服務協議, 該等協議乃指本公司在一年內不可在不予賠償 (法定賠償除外) 的情況下終止者。

根據上市規則的規定, 公司已獲得每名獨立非執行董事以書面確認其相對於公司的獨立性, 並認為所有獨立非執行董事均獨立於公司。

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at 31st March 2006, the interests or short positions of the directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were set out below:

(I) Long position in the shares, underlying shares and debentures of the Company

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零零六年三月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券條例」）第XV部）擁有根據證券條例第XV部第7及第8分部須知會本公司及聯交所的股份、相關股份及債券之權益或淡倉（包括彼等根據證券條例之該等條文被假設或視為擁有之權益或淡倉），或記載於本公司按證券條例第352條須置存之登記冊內的權益或淡倉，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

(I) 擁有公司股份、相關股份及債券之好倉

Name of director 董事姓名	Capacity 身份	Number of shares in the Company 本公司之股份數目				Total 總權益	Approximate percentage of shareholding 約佔持股 百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益		
Mr. KWOK, Siu Ming, Simon 郭少明先生	Interests of a controlled corporation (Note 1) 所控制法團的權益(附註1)	-	-	898,506,400	-	898,506,400	66.70%
	Beneficial Owner 實益擁有人	20,364,000	-	-	-	20,364,000	1.51%
Mrs. KWOK LAW, Kwai Chun, Eleanor 郭羅桂珍女士	Interests of a controlled corporation (Note 1) 所控制法團的權益(附註1)	-	-	898,506,400	-	898,506,400	66.70%
Mrs. LEE LOOK, Ngan Kwan, Christina 利陸雁群女士	Interests of a controlled corporation 所控制法團的權益	-	-	148,000	-	148,000	0.01%
	Beneficial Owner 實益擁有人	1,000,000	-	-	-	1,000,000	0.07%
Professor CHAN, Yuk Shee 陳玉樹教授	Beneficial Owner 實益擁有人	650,000	-	-	-	650,000	0.05%

Report of the Directors

董事會報告

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

(continued)

(I) Long position in the shares, underlying shares and debentures of the Company (continued)

Note:

- These shares are held as to 696,780,000 shares by Sunrise Height Incorporated and as to 201,726,400 shares by Green Ravine Limited. Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.

Details of the interests of directors and chief executive in the derivatives interests in the Company for the year ended 31st March 2006 were disclosed under the section headed "Share options".

(II) Long position in the shares, underlying shares and debentures of associated corporations

Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor are each taken to be interested in all the issued non-voting deferred shares ("Deferred Shares") of Base Sun Investment Limited, Matford Trading Limited, Sa Sa Cosmetic Company Limited and Sa Sa Investment Limited, all wholly-owned subsidiaries of the Company. Mrs. KWOK LAW, Kwai Chun, Eleanor is also taken to be interested in all the Deferred Shares of Vance Trading Limited, a wholly-owned subsidiary of the Company. Details of interests in the Deferred Shares were set out below:

Mr. KWOK, Siu Ming, Simon

董事及主要行政人員於股份、相關股份及債券之權益及淡倉 (續)

(I) 擁有公司股份、相關股份及債券之好倉 (續)

附註:

- 該等股份其中696,780,000股由Sunrise Height Incorporated持有而201,726,400股由Green Ravine Limited持有。郭少明先生及郭羅桂珍女士各持有Sunrise Height Incorporated及Green Ravine Limited 50%權益。

各董事及主要行政人員於截至二零零六年三月三十一日止年度擁有本公司衍生工具權益之詳情已於「購股權」項下披露。

(II) 擁有相聯法團股份、相關股份及債券之好倉

郭少明先生及郭羅桂珍女士分別被視為擁有鵬日投資有限公司、美福貿易有限公司、莎莎化粧品有限公司及莎莎投資有限公司之全部已發行無投票權遞延股份(「遞延股份」)之權益。前述公司均為本公司全資附屬公司。郭羅桂珍女士亦被視為擁有本公司全資附屬公司榮森貿易有限公司全部已發行遞延股份之權益。遞延股份之權益詳情載列如下:

郭少明先生

Name of associated corporation 相聯法團名稱	Capacity 身份	Number of Deferred Shares in the associated corporation 相聯法團之遞延股份數目					Total interests 總權益	Percentage of shareholding to all the Deferred Shares of associated corporation 佔相聯法團之所有遞延股份百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益			
Base Sun Investment Limited 鵬日投資有限公司	Interests of a controlled corporation (Note 1) 所控制法團的權益(附註1)	-	-	2	-	2	100%	
Matford Trading Limited 美福貿易有限公司	Beneficial owner (Note 2) 實益擁有人(附註2)	3	-	-	-	3	50%	
Sa Sa Cosmetic Company Limited 莎莎化粧品有限公司	Beneficial owner 實益擁有人	1	-	-	-	1	50%	
Sa Sa Investment Limited 莎莎投資有限公司	Beneficial owner 實益擁有人	1	-	-	-	1	50%	

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

(continued)

(II) Long position in the shares, underlying shares and debentures of associated corporations (continued)

Mrs. KWOK LAW, Kwai Chun, Eleanor

董事及主要行政人員於股份、相關股份及債券之權益及淡倉 (續)

(II) 擁有相聯法團股份、相關股份及債券之好倉 (續)

郭羅桂珍女士

Name of associated corporation 相聯法團名稱	Capacity 身份	Number of Deferred Shares in the associated corporation 相聯法團之遞延股份數目					Total interests 總權益	Percentage of shareholding to all the Deferred Shares of associated corporation 佔相聯法團之所有遞延股份百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益			
Base Sun Investment Limited 鵬日投資有限公司	Interest of a controlled corporation (Note 1) 所控制法團的權益(附註1)	-	-	2	-	2	100%	
Matford Trading Limited 美福貿易有限公司	Beneficial owner (Note 3) 實益擁有人(附註3)	3	-	-	-	3	50%	
Sa Sa Cosmetic Company Limited 莎莎化粧品有限公司	Beneficial owner 實益擁有人	1	-	-	-	1	50%	
Sa Sa Investment Limited 莎莎投資有限公司	Beneficial owner 實益擁有人	1	-	-	-	1	50%	
Vance Trading Limited 榮森貿易有限公司	Beneficial owner 實益擁有人	1,600,000	-	-	-	1,600,000	100%	

Notes:

- Mr. KWOK, Siu Ming, Simon holds 2 shares in Base Sun Investment Limited through Link Capital Investment Limited and Modern Capital Investment Limited. Link Capital Investment Limited and Modern Capital Investment Limited are companies owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.
- Mr. KWOK, Siu Ming, Simon holds 3 shares in Matford Trading Limited through Mr. YUNG, Leung Wai who acts as a nominee shareholder.
- Mrs. KWOK LAW, Kwai Chun, Eleanor holds 3 shares in Matford Trading Limited through Ms. KWOK, Lai Yee, Mable who acts as a nominee shareholder.

附註:

- 郭少明先生透過Link Capital Investment Limited及Modern Capital Investment Limited持有鵬日投資有限公司兩股股份。郭少明先生及郭羅桂珍女士各持有Link Capital Investment Limited及Modern Capital Investment Limited 50%權益。
- 郭少明先生透過容良偉先生(作為其代理人股東)持有美福貿易有限公司三股股份。
- 郭羅桂珍女士透過郭麗儀小姐(作為其代理人股東)持有美福貿易有限公司三股股份。

Report of the Directors

董事會報告

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

(continued)

(II) Long position in the shares, underlying shares and debentures of associated corporations (continued)

Save as disclosed above, no directors or chief executive have any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to be have under such provisions), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' benefits from rights to acquire shares or debentures

Save as disclosed under the section headed the "Share options", at no time during the year was the Company, its holding company or its subsidiaries or a subsidiary of the Company's holding company, a party to any arrangements which enabled the directors of the Company (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉 (續)

(II) 擁有相聯法團股份、相關股份及債券之好倉 (續)

除上文所披露者外，各董事及主要行政人員概無在本公司或其相聯法團（定義見證券條例第XV部）擁有根據證券條例第XV部第7及第8分部須知會本公司及聯交所的股份、相關股份及債券之權益或淡倉（包括彼等根據證券條例之該等條文被假設或視為擁有之權益或淡倉），或記載於本公司按證券條例第352條須置存之登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

董事購買股份或債券權利之利益

除於「購股權」項下所披露者外，本公司、其控股公司或其附屬公司於年內任何時間概無參與訂立任何協議，令本公司之董事（包括彼等之配偶或十八歲以下之子女）可藉收購本公司或任何其他法人團體之股份或債券而獲得利益。

Interests and short positions in shares and underlying shares of shareholders

So far as is known to any director or chief executive of the Company, as at 31st March 2006, shareholders, other than a director or chief executive, who had interests and short positions in the shares and underlying shares of the Company which would have to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions), or which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO were as follows:

(I) Long position of substantial shareholders in the shares of the Company

Name of company 公司名稱	Capacity 身份	No. of shares held 持股量	Approximate percentage of shareholding 約佔持股百分比
Sunrise Height Incorporated	Beneficial owner 實益擁有人	696,780,000 (Note) (附註)	51.72%
Green Ravine Limited	Beneficial owner 實益擁有人	201,726,400 (Note) (附註)	14.97%

Note: Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Mr. KWOK, Siu Ming, Simon and Mrs. KWOK LAW, Kwai Chun, Eleanor.

股東於股份及相關股份的權益及淡倉

就本公司董事或主要行政人員所知，於二零零六年三月三十一日，擁有根據證券條例第XV部第2及第3分部須向本公司及聯交所披露的股份或相關股份之權益或淡倉（包括彼等根據證券條例之該等條文被假設或視為擁有之權益或淡倉），或記載於本公司按證券條例第336條須置存之登記冊內的權益或淡倉之股東如下：

(I) 主要股東擁有本公司股份之好倉

附註：郭少明先生及郭羅桂珍女士各擁有Sunrise Height Incorporated 及Green Ravine Limited 50%股權。

(II) Long position of other persons in the shares of the Company

Name of company 公司名稱	Capacity 身份	No. of shares held 持股量	Approximate percentage of shareholding 約佔持股百分比
Matthews International Capital Management, LLC	Investment Manager 投資經理	94,844,000	7.04%

Save as disclosed above, the Company has not been notified by any person (other than the directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would have to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions), or which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

(II) 其他人士擁有本公司股份之好倉

除上文所披露者外，本公司並無知悉任何人士擁有根據證券條例第XV部第2及第3分部須向本公司及聯交所披露的股份或相關股份（除本公司董事或最高行政人員外）之權益或淡倉（包括彼等根據證券條例之該等條文被假設或視為擁有之權益或淡倉），或記載於本公司按證券條例第336條須置存之登記冊內的權益或淡倉。

Report of the Directors

董事會報告

Contracts of significance

No contracts of significance between the Group and its controlling shareholders or its subsidiaries and in which any director of the Company is or was materially interested, either directly or indirectly, subsisting during or at the end of the year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Connected transactions

During the year, there is no connected transaction or continuing connected transaction that is not exempted under the Listing Rules.

Public float

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

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

Kwok Siu Ming, Simon

Chairman and chief executive officer

Hong Kong, 29th June 2006

重要合約

本年度內或年結時，本集團、其控股股東或附屬公司概無簽訂本公司任何董事直接或間接擁有重大權益之重要合約。

管理合約

本公司於年內並無簽訂或存有管理本公司整體或其中重要部份業務的合約。

關連交易

於年內，本集團概無不獲上市條例豁免之關連交易或持續關連交易。

公眾持股量

根據本公司所得的公開資料及就董事所知，於本報告簽發日期，公眾人士持有本公司全部已發行股本總數不少於25%。

核數師

本財務報表已由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟符合資格並願意應聘連任。

承董事會命

主席及行政總裁

郭少明

香港，二零零六年六月二十九日

Auditors' Report

核數師報告



羅兵咸永道會計師事務所

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

AUDITORS' REPORT TO THE SHAREHOLDERS OF
SA SA INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Cayman Islands with limited liability)

We have audited the financial statements on pages 123 to 192 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The directors are responsible to prepare 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, 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 Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes 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 circumstances of the Company and the Group, consistently applied and adequately disclosed.

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.

核數師報告

致莎莎國際控股有限公司

(於開曼群島註冊成立之有限公司)

全體股東

本核數師已完成審核第123至192頁之財務報表，該等財務報表乃按照香港普遍採納之會計原則編製。

董事及核數師各自之責任

編製真實兼公平之財務報表乃董事之責任。在編製該等真實兼公平之財務報表時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等財務報表出具獨立意見，並僅向整體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

意見之基礎

本核數師已按照香港會計師公會所頒佈之香港審計準則進行審核工作。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之憑證，亦包括評審董事於編製財務報表時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等財務報表是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等財務報表所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

Auditors' Report

核數師報告

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 31st March 2006 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 29th June 2006

意見

本核數師認為，上述財務報表足以真實兼公平地顯示 貴公司與 貴集團於二零零六年三月三十一日結算時之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例之披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，二零零六年六月二十九日

Consolidated Income Statement

綜合收益表

For the year ended 31st March 2006

截至二零零六年三月三十一日止年度

		Note 附註	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
Turnover	營業額	5	2,620,586	2,313,706
Cost of sales	銷售成本		(1,475,495)	(1,321,817)
Gross profit	毛利		1,145,091	991,889
Other gains and revenues	其他利潤及收益	5	60,133	27,505
Employee benefit expenses	僱員福利開支	6	(433,443)	(384,903)
Depreciation and amortisation	折舊及攤銷	13&14	(64,281)	(39,502)
Other operating expenses	其他經營費用		(480,341)	(363,077)
Fair value changes on investment property and buildings	投資物業及 樓宇之公平值變動	13(b)&(c)	2,135	3,581
Reversal of impairment losses on leasehold land	租賃土地之減值虧損 撥回	14	10,766	6,061
Net exchange (losses)/gains	匯兌(虧損)/收益淨額		(17,450)	4,062
Profit before income tax	除所得稅前溢利	8	222,610	245,616
Income tax expense	所得稅開支	9	(37,439)	(43,560)
Profit for the year, attributable to equity holders of the Company	本公司權益持有人應佔 年內溢利	10	185,171	202,056
Dividends	股息	11	228,952	224,889
Earnings per share for profit attributable to equity holders of the Company during the year (expressed in HK cents per share)	本公司權益持有人 應佔年內溢利之 每股盈利 (以港仙為每股單位)	12		
Basic	基本		13.9	15.5
Diluted	攤薄		13.7	15.1

The notes on pages 129 to 192 are an integral part of these financial statements.

第129至192頁之附註為此等財務報表之組成部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31st March 2006

於二零零六年三月三十一日

		Note 附註	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	13	161,012	124,275
Leasehold land	租賃土地	14	17,892	7,527
Other assets	其他資產	16	54,687	47,559
Deferred income tax assets	遞延所得稅資產	17	16,085	16,034
			249,676	195,395
Current assets	流動資產			
Inventories	存貨	18	359,824	363,684
Trade receivables	應收賬款	19	22,091	20,075
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	19	43,320	43,923
Income tax recoverable	預繳所得稅		1,033	260
Bank deposits over three months to maturity	三個月後到期之銀行存款	20	105,018	290,795
Cash and cash equivalents	現金及現金等值項目	20	590,678	452,339
			1,121,964	1,171,076
LIABILITIES	負債			
Current liabilities	流動負債			
Trade and bills payables	應付賬款及票據	21	142,987	120,712
Other payables and accruals	其他應付款項及應計費用		90,395	109,113
Current portion of receipts in advance	預收款項之流動負債部分		188,241	175,593
Financial liabilities at fair value through profit or loss	按公平值列入損益賬之財務負債	22	262	–
Income tax payable	應付所得稅		8,067	40,105
			429,952	445,523
Net current assets	淨流動資產		692,012	725,553
Total assets less current liabilities	資產總值減流動負債		941,688	920,948

		Note 附註	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
Non-current liabilities	非流動負債			
Receipts in advance	預收款項		7,159	–
Retirement benefit obligations	退休福利承擔	23	10,059	9,435
Deferred income tax liabilities	遞延所得稅負債	17	5,058	1,467
Other payables	其他應付款項		5,585	–
			27,861	10,902
Net assets	淨資產		913,827	910,046
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	24	134,711	132,349
Reserves	儲備	25	630,724	631,980
Proposed dividends	擬派股息	25	148,392	145,717
Total equity	權益總額		913,827	910,046

On behalf of the Board 代表董事會

KWOK Siu Ming, Simon 郭少明
Director 董事

KWOK Law Kwai Chun, Eleanor 郭羅桂珍
Director 董事

The notes on pages 129 to 192 are an integral part of these financial statements.

第129至192頁之附註為此等財務報表之組成部分。

Balance Sheet

資產負債表

As at 31st March 2006

於二零零六年三月三十一日

		Note 附註	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Investments in and amounts due from subsidiaries	於附屬公司之投資及應收附屬公司之款項	15	610,321	432,920
Other assets	其他資產	16	750	750
			611,071	433,670
Current assets	流動資產			
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	19	1,201	2,191
Bank deposits over three months to maturity	三個月後到期之銀行存款	20	77,601	258,777
Cash and cash equivalents	現金及現金等值項目	20	219,233	200,446
			298,035	461,414
LIABILITIES	負債			
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計費用		384	686
Financial liabilities at fair value through profit or loss	按公平值列入損益賬之財務負債	22	202	-
			586	686
Net current assets	淨流動資產		297,449	460,728
Total assets less current liabilities	資產總值減流動負債		908,520	894,398
Non-current liabilities	非流動負債			
Amounts due to subsidiaries	應付附屬公司之款項	15	97	1,742
Net assets	淨資產		908,423	892,656
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	24	134,711	132,349
Reserves	儲備	25	625,320	614,590
Proposed dividends	擬派股息	25	148,392	145,717
Total equity	權益總額		908,423	892,656

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March 2006

截至二零零六年三月三十一日止年度

		Note 附註	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Cash flows from operating activities	經營業務之現金流量			
Cash generated from operations	經營業務產生之現金	26	292,961	239,787
Hong Kong profits tax paid	已繳香港利得稅		(62,469)	(26,010)
Overseas tax paid	已繳海外稅項		(4,228)	(5,711)
Net cash generated from operating activities	經營業務產生之淨現金		226,264	208,066
Cash flows from investing activities	投資業務之現金流量			
Purchase of property, plant and equipment	購買物業、機器及設備		(99,425)	(64,388)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所收款項		715	418
Redemption of investment securities	贖回投資證券		-	35,381
Decrease/(increase) in bank deposits over three months to maturity	三個月後到期之銀行存款減少/(增加)		185,777	(78,798)
Interest received	收取利息		17,572	13,964
Net cash generated from/(used in) investing activities	投資業務產生/(所用)之淨現金		104,639	(93,423)
Cash flows from financing activities	融資業務之現金流量			
Proceeds from share issued upon exercise of options	行使購股權而發行股份之所收款項		33,695	42,065
Dividends paid	派發股息		(226,619)	(196,580)
Net cash used in financing activities	融資業務所用淨現金		(192,924)	(154,515)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目淨增加/(減少)		137,979	(39,872)
Cash and cash equivalents at beginning of year	於年初之現金及現金等值項目		452,339	492,957
Effect of foreign exchange rate changes	匯率變動之影響		360	(746)
Cash and cash equivalents at end of year	於年末之現金及現金等值項目		590,678	452,339

The notes on pages 129 to 192 are an integral part of these financial statements.

第129至192頁之附註為此等財務報表之組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March 2006

截至二零零六年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔		
		Share capital 股本	Reserves 儲備	Total 總額
		Note 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1st April 2005, as per below	於二零零五年四月一日，如下列			
Profit for the year	年度溢利			
Translation differences recognised directly in equity	直接於權益確認之匯兌差額			
		132,349	777,697	910,046
		-	185,171	185,171
		-	266	266
Total recognised income for the year	年內確認收入總額	-	185,437	185,437
Employee share option scheme:	僱員購股權計劃：			
Value of employee services	僱員服務價值	2(a)	11,268	11,268
Proceeds from shares issued upon exercise of options	行使購股權而發行股份之所收款項	24(a)&25(a)	31,333	33,695
Dividends	股息			
2004/2005	二零零四／二零零五年			
Final and Special dividends	末期及特別股息	-	(146,059)	(146,059)
2005/2006	二零零五／二零零六年			
Interim dividend	中期股息	-	(40,280)	(40,280)
2005/2006	二零零五／二零零六年			
Special dividend	特別股息	-	(40,280)	(40,280)
At 31st March 2006	於二零零六年三月三十一日	134,711	779,116	913,827
At 1st April 2004, as previously reported as equity	於二零零四年四月一日，之前申報為權益			
Prior period adjustments resulting from the adoption of HKAS 17	因應採納香港會計準則第17號而作出之前期調整	2(a)(i)	(1,213)	(1,213)
		129,306	720,278	849,584
		-	(1,213)	(1,213)
Balance at 1st April 2004, as restated	於二零零四年四月一日結餘，重新列示			
Profit for the year	年度溢利			
Translation differences recognised directly in equity	直接於權益確認之匯兌差額			
		129,306	719,065	848,371
		-	202,056	202,056
		-	(417)	(417)
Total recognised income for the year	年內確認收入總額	-	201,639	201,639
Employee share option scheme:	僱員購股權計劃：			
Value of employee services	僱員服務價值	2(a)	14,551	14,551
Proceeds from shares issued upon exercise of options	行使購股權而發行股份之所收款項	24(a)&25(a)	39,022	42,065
Dividends	股息			
2003/2004	二零零三／二零零四年			
Final and Special dividends	末期及特別股息	-	(117,408)	(117,408)
2004/2005	二零零四／二零零五年			
Interim dividend	中期股息	-	(39,586)	(39,586)
2004/2005	二零零四／二零零五年			
Special dividend	特別股息	-	(39,586)	(39,586)
At 31st March 2005 and 1st April 2005	於二零零五年三月三十一日及二零零五年四月一日	132,349	777,697	910,046

The notes on pages 129 to 192 are an integral part of these financial statements.

第129至192頁之附註為此等財務報表之組成部分。

Notes to the Financial Statements

財務報表附註

1. General information

Sa Sa International Holdings Limited (“Company”) and its subsidiaries (together “Group”) are principally engaged in the retailing and wholesaling of a wide range of brand name cosmetic products and the provision of beauty and health club services.

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The Company has its listing on The Stock Exchange of Hong Kong Limited.

As at 31st March 2006, 51.72% of the total issued shares of the Company is owned by Sunrise Height Incorporated, a company incorporated in the British Virgin Islands. The directors regard Sunrise Height Incorporated as being the ultimate holding company of the Company.

These financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These financial statements have been approved for issue by the Board of Director on 29th June 2006.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). They have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities at fair value through profit or loss and an investment property, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

1. 一般資料

莎莎國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）主要從事多種品牌化粧品之零售及批發，及提供美容及健美中心服務。

本公司為於開曼群島註冊成立之有限公司，註冊辦事處地址為P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands。

本公司於香港聯合交易所有限公司上市。

於二零零六年三月三十一日，本公司全部已發行股份之51.72%由於英屬處女群島註冊成立之公司Sunrise Height Incorporated擁有。董事認為Sunrise Height Incorporated為本公司最終控股公司。

除另有註明者外，此等財務報表均以港幣千元計值。此等財務報表已於二零零六年六月二十九日獲董事會批准刊發。

2. 重要會計政策概要

編製此等財務報表所採用之主要會計政策載列如下。除另有註明者外，此等政策於所有呈報年度均貫徹應用。

(a) 編製基準

財務報表乃根據香港財務報告準則按照歷史成本常規法編製，並經重估樓宇、按公平值列入損益賬之財務資產及財務負債，以及按公平值列值之投資物業予以修訂。

根據香港財務報告準則編製財務報表須運用若干關鍵會計估計，而管理層於應用本公司會計政策時亦須作出判斷。涉及作出較高水平判斷或較為複雜之範疇或有關假設及估計對財務報表而言屬重大之範疇，乃於附註4披露。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The adoption of new/revised HKFRS

During the year ended 31st March 2006, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004/05 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS-Int 15	Operation Leases – Incentives
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payment

2. 重要會計政策概要 (續)

(a) 編製基準 (續)

採納新頒佈／經修訂香港財務報告準則

截至二零零六年三月三十一日止年度，本集團採納了以下與本集團業務有關的香港財務報告準則新頒佈／經修訂準則及詮釋。二零零四年／二零零五年之比較數字已於有需要時根據有關規定作出修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計的變更及差錯
香港會計準則第10號	資產負債表日以後事項
香港會計準則第16號	物業、機器及設備
香港會計準則第17號	租賃
香港會計準則第21號	外幣匯率變動的影響
香港會計準則第24號	關聯人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第32號	財務工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第39號	財務工具：確認及計算
香港會計準則第39號 (修訂)	財務資產及財務負債的過渡及初步確認
香港會計準則第40號	投資物業
香港會計準則詮釋第15號	經營租賃－優惠
香港會計準則詮釋第21號	所得稅－收回已重估之非折舊資產
香港財務報告準則第2號	以股份支付的支出

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 24, 27, 33, 36 and HKAS-Int 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 had affected certain financial statement disclosures.
- HKASs 2, 7, 8, 10, 16, 27, 33, 36 and HKAS-Int 15 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land from property, plant and equipment to operating leases. The upfront prepayments made for the leasehold land are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land was accounted for at fair value less accumulated depreciation and accumulated impairment.

2. 重要會計政策概要 (續)

(a) 編製基準 (續)

採納新頒佈／經修訂香港財務報告準則 (續)

採納新頒佈／經修訂香港會計準則第1、2、7、8、10、16、21、24、27、33、36及香港會計準則詮釋第15號並未導致本集團的會計政策出現重大變動。簡言之：

- 香港會計準則第1號對若干財務報表披露造成影響。
- 香港會計準則第2、7、8、10、16、27、33、36號及香港會計準則詮釋第15號對本集團之會計政策並無重大影響。
- 香港會計準則第21號對本集團之政策並無重大影響。各綜合實體之功能貨幣已按照經修訂準則指引重新評估。集團旗下所有公司財務報表之功能貨幣與該公司財務報表之列賬貨幣一致。
- 香港會計準則第24號對關聯人士之判定及某些涉及關聯人士的資料披露造成影響。

採納經修訂的香港會計準則第17號導致會計政策有所改變，租賃土地須由物業、機器及設備重新歸類為經營租賃。就租賃土地預先支付之前期金額須於租賃期內按直線基準在收益表支銷；倘出現減值，則減值部份在收益表內支銷。於以往年度，租賃土地按公平值減累積折舊及累積減值入賬。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Following the adoption of HKASs 32 and 39, the Group's rental deposits are measured at amortised cost and the carrying amount of the assets is computed by discounting the future cash flows to the present value using the effective interest method. In addition, it has resulted in the recognition of derivative financial instruments at fair value.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values of investment properties are recorded in the income statement. In prior years, the increases in fair value of investment properties were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred income tax liabilities arising from the revaluation of investment properties. Such deferred income tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st March 2005, the provision of share options to employees did not result in an expense in the income statement. Effective on 1st April 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7th November 2002 and had not yet vested on 1st April 2005 was expensed retrospectively in the income statement of the respective periods.

2. 重要會計政策概要 (續)

(a) 編製基準 (續)

採納新頒佈／經修訂香港財務報告準則 (續)

採納香港會計準則第32及39號導致有關確認、計算、剔除確認及披露財務工具之會計政策出現變動。採納香港會計準則第32及39號後，本集團之租金按金以攤銷後成本計量，而資產賬面值則以實際利率法將未來現金流量貼現計算其現值。此外，衍生金融工具因而以公平值確認。

採納經修訂香港會計準則第40號後，投資物業公平價值之改變計入產生期間之收益表內。於過往年度，投資物業之公平值增加乃計入投資物業重估儲備。以組合基準計算公平值減少，先以早前估值抵銷，超出盈餘之數額於收益表內支銷。

採納經修訂香港會計準則詮釋第21號後，對本集團計算投資物業重估產生之遞延所得稅負債之會計政策造成變動。該等遞延所得稅負債乃按透過使用收回資產賬面值之稅務影響為基準而釐定。於過往年度，該投資物業之賬面值乃透過出售收回。

採納香港財務報告準則第2號令有關按股份支付的支出之會計政策出現變動。於二零零五年三月三十一日以前，向僱員提供購股權不會在收益表上列作開支。自二零零五年四月一日起，在收益表將購股權之成本列作本集團開支。作為一項過渡性條文，於二零零二年十一月七日後授出及於二零零五年四月一日尚未可行使之購股權，其成本於相關期間之收益表以追溯方式列作開支。

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

All changes in accounting policies have been made in accordance with the transitional provisions in the respective standards, when applicable. All standards adopted by the Group require retrospective application other than:

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquires in an exchange of asset transaction is accounted at fair value prospectively only to future transactions;
- HKAS 21 – prospective accounting for goodwill and fair value adjustments as part of foreign operations;
- HKAS 39 – does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis;
- HKAS 40 – since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information. As there was no revaluation surplus as at 31st March 2005, no reclassification of any amount held in revaluation surplus for investment property is necessary;
- HKAS-Int 15 – does not require the recognition of incentives for leases beginning before 1st April 2005; and
- HKFRS 2 – only retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st April 2005.

2. 重要會計政策概要 (續)

(a) 編製基準 (續)

採納新頒佈／經修訂香港財務報告準則 (續)

會計政策上的所有轉變均根據個別準則的過渡性條文(如適用)而作出。除以下所列者外，本集團採納的所有準則均具有追溯效力：

- 香港會計準則第16號－就資產交易交換中收購之物業、機器及設備初步以公平值計算，預期僅適用於日後之交易；
- 香港會計準則第21號－預期商譽及公平值調整將計入海外業務；
- 香港會計準則第39號－不容許根據本準則按追溯基準入賬確認、剔除確認及計量財務資產及負債；
- 香港會計準則第40號，由於本集團採納公平值模式，故本集團毋須重列比較金額。由於在二零零五年三月三十一日並無重估盈餘，故投資物業重估盈餘並無重新分類之需要；
- 香港會計準則詮釋第15號－並無規定確認二零零五年四月一日以前之經營租賃－優惠；及
- 香港財務報告準則第2號－僅對所有於二零零二年十一月七日後授出而於二零零五年四月一日尚未可行使的股權工具產生追溯效力。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (i) The adoption of revised HKAS 17 resulted in a decrease in opening retained earnings at 1st April 2004 by HK\$1,213,000.

2. 重要會計政策概要 (續)

(a) 編製基準 (續)

- (i) 採納經修訂香港會計準則第17號導致二零零四年四月一日期初滾存溢利減少1,213,000港元。

		Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Decrease in property, plant and equipment	物業、機器及設備減少	17,892	7,527
Increase in leasehold land	租賃土地增加	17,892	7,527
Increase in deferred income tax liabilities	遞延所得稅負債增加	175	175
Decrease in deferred income tax assets	遞延所得稅資產減少	1,038	1,038
Decrease in depreciation	折舊減少	401	290
Increase in amortisation	攤銷增加	401	290

- (ii) The adoption of revised HKAS 39 resulted in:

- (ii) 採納經修訂香港會計準則第39號之影響如下:

		Group 本集團
		2006 HK\$'000 港幣千元
Increase in financial liabilities at fair value through profit or loss	按公平值列入損益賬之財務負債增加	262
Increase in fair value losses on forward foreign exchange contracts	遠期外幣合約之公平值虧損增加	262
Decrease in basic earnings per share (HK cents)	每股基本盈利減少(港仙)	-
Decrease in diluted earnings per share (HK cents)	每股攤薄盈利減少(港仙)	-

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

- (iii) The adoption of revised HKFRS 2 resulted in a decrease in opening retained earnings at 1st April 2004 by HK\$5,218,000:

2. 重要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 採納經修訂香港財務報告準則第2號導致於二零零四年四月一日之期初滾存溢利減少5,218,000港元:

		Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Increase in employee share-based compensation reserve and share premium	以股份支付僱員酬金儲備及股份溢價增加	31,037	19,769
Decrease in retained earnings	滾存溢利減少	31,037	19,769
Increase in employee benefit expenses	僱員福利開支增加	11,268	14,551
Decrease in basic earnings per share (HK cents)	每股基本盈利減少 (港仙)	0.8	1.1
Decrease in diluted earnings per share (HK cents)	每股攤薄盈利減少 (港仙)	0.8	1.4

No early adoption of the following new Standards or Interpretations or Amendments that have been issued but are not yet effective. The directors anticipate that the adoption of these Standards or Interpretations or Amendments will have no material impact on the financial statements of the Group and will not result in substantial changes to the Group's accounting policies.

本公司並無提早採納以下新頒佈惟未生效之準則或詮釋或修訂。董事預期採納此等準則或詮釋或修訂對本集團財務報表將無重大影響，亦將不會導致本集團會計政策出現重大變動。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 6 (Amendment)	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HKFRS – Int 4	Determining whether an Arrangement contains a Lease
HKFRS – Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies

2. 重要會計政策概要 (續)

(a) 編製基準 (續)

香港會計準則第1號 (修訂)	財務報表之呈列: 資本披露
香港會計準則第19號 (修訂)	精算損益·集團計劃及 披露
香港會計準則第21號 (修訂)	外國公司之投資淨額
香港會計準則第39號 (修訂)	預期集團內公司間 交易之現金流量 對沖會計處理
香港會計準則第39號 (修訂)	選擇以公平值入賬
香港會計準則第39號 及香港財務報告 準則第4號 (修訂)	財務擔保合約
香港財務報告準則 第1號 (修訂)	首次採納香港財務 報告準則
香港財務報告準則 第6號 (修訂)	礦產資源勘探及評估
香港財務報告準則 第7號	金融工具:披露
香港財務報告準則 詮釋第4號	釐定安排是否 包括租賃
香港財務報告準則 詮釋第5號	終止運作·復原及環境 修復基金產生權益 之權利
香港 (國際財務報告 詮釋委員會) 詮釋 第6號	參與特定市場產生之 責任—廢棄電力及 電子設備
香港 (國際財務報告 詮釋委員會) 詮釋第7號	根據香港會計準則 第29號嚴重通脹 經濟中之財務報告 應用重列方針

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31st March.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between the group companies are eliminated. Unrealised losses are eliminated but considered an impairment indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Revenue recognition

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time of cash receipt for retail sale or the time of delivery for wholesale sale.

Revenue from beauty and health club services represents membership fee and service fee income in connection with the provision of physical fitness and beauty treatment service. Membership fees are recognised on a straight-line basis over the contract terms. Service fees received in advance are taken to the receipts in advance account and are recognised on a systematic basis in accordance with service usage over a maximum period of five years.

2. 重要會計政策概要(續)

(b) 綜合基準

綜合財務報表包括本公司及其所有附屬公司截至三月三十一日止之財務報表。

附屬公司指本集團有權控制財政及營運決策並一般擁有過半數投票權之所有公司。衡量本集團是否控制另一公司時，將考慮現時可行使或轉換之潛在投票權存在與否及其影響。

附屬公司乃於控制權轉移至本集團當日起全面綜合入賬，並於控制權終止當日起不再綜合入賬。

公司間交易、結餘及集團內公司間交易未變現盈利予以對銷。未變現虧損予以對銷，惟被視為轉讓資產減值之指標。附屬公司之會計政策於有需要時作出改動，以確保與本集團採納之政策貫徹一致。

於本公司資產負債表內，附屬公司之投資按成本值扣除減值虧損撥備列賬。附屬公司之業績在本公司賬目內以已收及應收股息入賬。

(c) 收益確認

銷售貨品之收益於擁有權之風險及回報移交時確認，如屬零售，通常為收取現金之時；如屬批發銷售，通常為付運之時。

美容及健美中心服務之收益指提供健身及美容服務相關之會員費及服務費。會員費於合約期間以直線法確認，而預收之服務費則在預收款項賬目中入賬和按服務提用最多於五年內作有系統確認。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

Rental income is recognised on a time proportion basis.

(d) Property, plant and equipment

(i) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by group companies, is classified as investment property.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is valued annually by external independent valuers and carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

2. 重要會計政策概要 (續)

(c) 收益確認 (續)

利息收入以實際利率法按時間比例基準確認。當應收款項出現減值，本集團將其賬面值撇減至其可收回金額，即按工具原定實際利率折現之估計未來現金流量，並繼續將折現金額兌視作利息收入。減值借貸之利息收入，以收取現金或視情況按收回成本基準確認入賬。

租金收入按時間比例基準確認。

(d) 物業、機器及設備

(i) 投資物業

倘物業持有作長期租賃或資本增值或兩者皆是，且並非由集團公司佔用，分類為投資物業。

當符合界定為投資物業的餘下條件，以經營租賃持有的土地被分類及列賬為投資物業。經營租賃猶如財務租賃列賬。

投資物業初步按其成本，包括相關交易成本計量。

初步確認後，投資物業每年由外聘獨立估值師估值，並以公平值計值。公平值乃基於活躍市價按指定資產之性質、地點或狀況差異加以調整（如需要）而釐定。

投資物業之公平值反映（其中包括）現有租賃之租金收入及按現行市況假設之日後租金收入。

僅當與資產相關之日後經濟利益有可能流入本集團而該項目之成本能可靠計量時，其後開支方會計算於該資產之賬面值。所有其他在財政期間產生之維修及保養成本於收益表支銷。

2. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Investment property (continued)

Changes in fair values are recognised in the income statement.

(ii) Property, plant and equipment

Buildings comprise mainly factories, retail outlets and offices. Buildings are stated at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of buildings are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are expensed in the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset expensed in the income statement and depreciation based on the asset's original cost is transferred from fair value reserve to retained earnings.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2. 重要會計政策概要 (續)

(d) 物業、機器及設備 (續)

(i) 投資物業 (續)

公平值之變動乃於收益表中確認入賬。

(ii) 物業、機器及設備

樓宇主要包括廠房、零售店舖及辦公室。樓宇乃根據外聘獨立估值師最少三年一次定期評估之價值，減其後折舊，以公平值列值。任何於重估當日之累計折舊與資產賬面總值抵銷，其淨額按資產之重估價值重新列值。所有其他物業、機器及設備，以歷史成本減折舊及減值虧損列值。歷史成本包括直接計入收購該項目之開支。

僅當與資產相關之日後經濟利益有可能流入本集團而該項目之成本能可靠計量時，其後成本方會包括於資產賬面值內或以獨立資產確認入賬（如適用）。所有其他在財政期間產生之維修及保養成本於收益表扣除。

樓宇重估產生之賬面值增加計入股東權益其他儲備內。抵銷同一物業過往增值之減值，直接於權益之公平值儲備扣除；所有其他減值於收益表支銷。每年基於收益表支銷之資產重估賬面值計算之折舊，與基於資產原有成本計算之折舊間之差額，由公平值儲備轉撥滾存溢利。

出售之盈虧乃透過比較收入與賬面值而釐定，列入收益表內。當重估資產出售時，則列入其他儲備之金額轉撥滾存溢利。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over the unexpired periods of the leases or their estimated useful lives, whichever is shorter. The principal annual rates used for this purpose are:

Leasehold buildings	5%
Leasehold improvements	15% to 33.3%
Equipment, furniture and fixtures	15% to 33.3%
Motor vehicles and vessel	20% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(iii) Assets under construction

Assets under construction is carried at cost which includes development expenditure incurred and interest and other direct costs attributable to the development of plant and equipment less any accumulated losses. No depreciation is provided for assets under construction. Upon completion, the associated costs are transferred to appropriate categories of property, plant and equipment.

(e) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases net of any incentives received from the lessor are expensed in the income statement on a straight-line basis over the lease periods.

2. 重要會計政策概要 (續)

(d) 物業、機器及設備 (續)

(ii) 物業、機器及設備 (續)

物業、機器及設備之折舊以直線法計算，以將成本或重估金額，按尚未屆滿之租賃期或估計可使用年期（取較短者）分配至其剩餘價值。就此之主要折舊年率如下：

租賃樓宇	5%
租賃物業裝修	15%至33.3%
設備、傢俬及裝置	15%至33.3%
汽車及汽船	20%至25%

資產之剩餘價值及可使用年期於各結算日檢討及調整（如適用）。

倘資產賬面值多於其估計可收回金額，則即時撇減至其可收回金額。

(iii) 在建資產

在建資產以成本值列賬，包括因發展該機器及設備產生之發展費用、利息及其他直接支出扣除累計減值虧損。在建資產不作折舊撥備。完成後，有關成本即轉撥為適當類別之物業、機器及設備。

(e) 經營租約

經營租約是指擁有資產之風險及回報基本上大部分由出租公司保留之租賃。根據經營租約作出之付款在扣除自出租人收取之任何獎勵金後，於租賃期內以直線法在收益表中支銷。

2. Summary of significant accounting policies (continued)

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Financial assets

The Group classified its financial assets in the following categories: loans and receivables and financial liabilities at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as "trade and other receivables" in the balance sheet.

2. 重要會計政策概要 (續)

(f) 資產減值

無確定可使用年期之資產毋須攤銷，惟須最少每年進行減值檢測，並於發生事情或情況變動顯示其賬面值可能無法收回時，進行減值檢測。須攤銷之資產須於發生事情或情況變動顯示其賬面值可能無法收回時，進行減值檢測。減值虧損按資產賬面值超出其可收回金額之金額確認入賬。可收回金額指資產公平值減銷售成本或使用價值（取較高者）。就評估減值而言，資產按獨立可識別現金流量（現金產生單位）最低水平歸類。減值之非財務資產（商譽除外）於各申報日檢測可能出現之減值撥回。

(g) 財務資產

本集團按照收購有關財務資產之目的，將其財務資產分類為貸款及應收款項以及按公平值列入損益賬之財務負債。管理層於首次確認時決定財務資產之分類及於各報告日重新評估其指定分類。

(i) 貸款及應收款項

貸款及應收款項是屬於非衍生性質的財務資產，享有固定或可斟酌釐定的收益（並非在活躍的市場上提供報價）。此等項目均列作流動資產，但年期由結算日起計超過12個月的項目則歸類為非流動資產。貸款及應收款項均列入資產負債表中的「應收賬款及其他應收款項」。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(g) Financial assets (continued)

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading or those designated at fair value through profit or loss at inception. A financial liability is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Liabilities under this category are initially recognised at fair value on the date on which a contract is entered into and subsequently remeasured at their fair value. Changes in fair value of the liabilities are recognised in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

(h) Inventories

Inventories comprise merchandise and are stated at the lower of cost and net realisable value.

Cost represents the invoiced cost of inventories. In general, costs are assigned to individual items on the weighted-average basis. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement with "other operating expenses".

2. 重要會計政策概要 (續)

(g) 財務資產 (續)

(ii) 按公平值列入損益賬之財務負債
按公平值列入損益賬之財務負債是指持作買賣或於起始時即歸入按公平值列賬及在損益賬處理的財務負債。歸入此類的財務負債包括所有主要為在短期內出售而購入或由管理層指定作此分類的財務負債。

撥歸此類別的負債先按其於合約訂立日期當天的公平價值列賬，再按其後的公平值重新計算。負債公平值的變動於收益表確認。

當收取現金流量的權利已經屆滿或予以轉讓且本集團已將所有權益附帶的所有風險和回報轉移時，有關財務資產即自賬目剔除確認。貸款及應收款項均採用實際權益法按攤銷成本列賬。

(h) 存貨

存貨指商品，按成本值及可變現淨值（取較低者）入賬。

成本值指存貨之發票原值。一般而言，成本值按加權平均基準分攤至個別項目。可變現淨值為存貨在扣除變現成本後在一般業務程序中可按此出售之價格。

(i) 應收賬款及其他應收款項

應收賬款及其他應收款項初步按公平值確認入賬，其後再以實際利率法按攤銷成本計算減以減值撥備。當有客觀證據顯示本集團將無法按應收款項原有條款收取所有金額時，須就應收賬款及其他應收款項作減值撥備。債務人出現重大財政困難，可能將破產或財務重組，則拖欠還款或到期未付還款將被視為應收賬款減值跡象。撥備金額指資產賬面值與按實際利率折讓之估計日後現金流量之現值間之差額。撥備金額於收益表中以「其他營運開支」確認。

2. Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(k) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

2. 重要會計政策概要 (續)

(j) 現金及現金等值項目

現金及現金等值項目包括手頭現金、銀行活期存款、其他原本到期日為三個月內之短期高流動性投資，以及銀行透支。銀行透支於資產負債表內流動負債項下之借貸列示。

(k) 遞延所得稅

遞延所得稅項採用負債法就資產及負債之稅基與它們在綜合財務報表之賬面值兩者間之暫時差異作全數撥備。遞延所得稅採用於結算日已頒佈或實質頒佈、並預期於有關遞延所得稅資產變現或遞延所得稅負債清還時應用之稅率釐定。

遞延所得稅資產乃就有可能將未來應課稅溢利與可動用之暫時差異抵銷而確認。

遞延所得稅乃就附屬公司投資之短暫時差而撥備，但假若可以由本集團控制時差之撥回時間，並有可能在可預見未來不會撥回則除外。

(l) 外幣換算

(i) 功能及呈列貨幣

本集團各公司的財務報表所包括項目乃以該公司營運的主要經濟環境的貨幣（「功能貨幣」）計算。此等財務報表乃以本公司之功能及呈列貨幣港幣呈列。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(I) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation difference on non-monetary financial assets and liabilities, such as equities classified as available-for-sale, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follow:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Translation differences on non-monetary financial assets and liabilities such as equity held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

2. 重要會計政策概要 (續)

(I) 外幣換算 (續)

(ii) 交易及結餘

外幣交易乃按交易日之適用匯率換算為功能貨幣。該等交易結算以及以外幣計值的貨幣資產及負債按年結匯率換算而產生之匯兌損益，於收益表中確認。

非貨幣財務資產及負債之換算差額按公平值損益呈列。分類為可供出售之非貨幣財務資產及負債（如權益）之匯兌差額，載於權益公平值儲備中。

(iii) 集團公司

倘集團旗下所有公司（均無使用嚴重通脹經濟之貨幣）之業績及財政狀況之功能貨幣與呈列貨幣不同，則按下列者換算為呈列貨幣：

- 於各資產負債表呈列之資產及負債按該資產負債表日期之收市匯率換算；
- 各收益表之收入及開支按平均匯率換算，除非該平均數並非交易當日適用匯率累計影響之合理約數，則收入及開支於交易當日換算；及
- 所有換算差額於權益中以個別項目確認。

於綜合賬目時，海外業務淨投資以及借貸及作為該投資對沖之其他貨幣工具之換算產生之匯兌差額，列入股東權益。當出售海外業務時，原本記錄於權益中之匯兌差額於收益表中被確認為銷售損益一部分。

非貨幣財務資產及負債（如持有按公平值列入損益賬之股本）之換算差額將於損益賬內確認為公平值之損益。

2. Summary of significant accounting policies (continued)

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the income statement.

(n) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefit obligations

The Group operates a number of defined contribution and defined benefit retirement plans, the assets of which are generally held in separate trustee-administered funds. The retirement plans are generally funded by payments from employees and by the relevant group companies.

The Group contributes to defined contribution retirement plans which are available to all qualified employees. Contributions to the schemes by the Group and employees are calculated at a percentage of employees' salaries or a fixed sum for each employee where appropriate.

2. 重要會計政策概要 (續)

(m) 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算時確認撥備。

倘出現多個類似責任，而解除責任所需的資源流出的可能性乃經考慮責任整體種類而釐定。即使包括於同一類責任內任何一個項目的有關資源出現流出情況的可能性不大，亦須確認有關撥備。

撥備乃按反映目前金額時間價值及有關責任風險之市場評估之稅前利率，以預期解除責任所需之開支現值計算。因時間過渡而增加之撥備乃於收益表中確認。

(n) 僱員福利

(i) 僱員應享假期

僱員對年假之權利，在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 退休福利承擔

集團營運多項定額供款及定額福利退休計劃，計劃之資產一般由獨立管理之基金持有。退休計劃一般由員工與相關集團公司供款。

集團向定額供款退休計劃供款，所有合資格的員工均可參與。集團與員工之供款按員工薪金之百分比或定額（如適用）計算。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Retirement benefit obligations (continued)

The Group's contributions to the defined contribution retirement plans are expensed as incurred and are reduced by contributions forfeited to those employees who leave the scheme prior to vesting fully in the contributions, where appropriate.

For defined benefit retirement plan, retirement costs are assessed using the projected unit credit method: the costs are charged to the income statement so as to spread the regular costs over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plan each year. The retirement obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses are recognised over the average remaining service lives of employees. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested.

The Group's contributions to defined benefit retirement plan are charged to the income statement in the period to which the contributions relate.

(iii) Long service payments

The Group's net obligation in respect of amounts payable on cessation of employment in certain circumstances under the employment law of the respective countries in which the Group operates is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Long service payments are assessed using the projected unit credit method. The cost of providing the long service payment liabilities is charged to the income statement so as to spread the cost over the service lives of employees in accordance with the advice of the actuaries.

2. 重要會計政策概要 (續)

(n) 僱員福利 (續)

(ii) 退休福利承擔 (續)

集團向定額供款退休計劃作出之供款在發生時以費用支銷，而員工在取得全數既得利益前退出計劃而被沒收之僱主供款，將會用作扣減此供款（如適用）。

就定額福利退休計劃而言，退休成本採用預計單位貸記法評估：根據精算師就計劃每年進行的全面估值的建議，提供退休金的成本在收益表扣除，以於僱員服務年期有規律地分攤成本。退休責任按估計未來現金流出量之現值，利用與相關負債條款類似之政府債券之息率計算。精算盈虧按僱員平均尚餘服務年期確認。過往之服務成本乃按平均年期以直線法支銷，直至僱員享有該等福利為止。

集團向定額福利退休計劃之供款於供款相關期內在收益表支銷。

(iii) 長期服務金

本集團根據營運國家之僱傭條例在若干情況下就終止僱用應付之金額之負擔淨額，為僱員於本期及前期提供服務賺取之回報之未來利益金額。

長期服務金乃以預計單位貸記法評估。長期服務金負債之成本乃於收益表扣除，以使成本按精算師之建議於僱員服務年期內攤銷。

2. Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(iii) Long service payments (continued)

Long service payments are discounted to determine the present value of obligation and reduced by entitlement accrued under the Group's defined contribution plans that are attributable to contributions made by the Group. Actuarial gains and losses are recognised over the average remaining service lives of employees. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested.

(iv) Share-based payment

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(v) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liability for bonus plan is expected to be settled within 12 months and is measured at the amount expected to be paid when it is settled.

2. 重要會計政策概要 (續)

(n) 僱員福利 (續)

(iii) 長期服務金 (續)

長期服務金會予以折讓以確定其負擔之現值，並扣減本集團於定額供款計劃就本集團所作供款所佔應得部份。精算盈虧乃按僱員平均尚餘服務年期確認。過往之服務成本乃按平均年期以直線法支銷，直至僱員享有該等福利為止。

(iv) 以股份支付的支出

本集團設有一項以股權結算，以股份支付的薪酬計劃。就僱員提供服務而授予之購股權的公平值確認為一項支出。將於行使期內列作支出的金額乃參考所授購股權的公平值釐定（不包括任何非市場性質的授予條件所產生的影響）。在假定預期可予以行使的購股權數目時，非市場性質的授予條件亦加入一併考慮。於各結算日，本集團調整對預期可予以行使的購股權數目所作的估計，並在收益表確認調整原來估計所產生的影響（如有），及於剩餘的行使期內對股本作出相應調整。

已收款項（扣除任何直接應計交易成本）在行使購股權時撥入股本（面值）及股份溢價。

(v) 獎金計劃

當本集團因僱員已提供服務而產生現有之法定性或推定性責任，而責任金額能可靠估算時，則將獎金之預計成本確認為負債入賬。

獎金計劃之負債預期須在十二個月內償付，並根據在償付時預計會支付之金額計算。

Notes to the Financial Statements

財務報表附註

2. Summary of significant accounting policies (continued)

(o) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(p) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group and of the Company.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset will be recognised.

(q) Comparative figures

Where necessary, prior year amounts have been reclassified to conform with changes in presentation in the current year. The major reclassifications for the 2004/05 comparative figures include reclassification of certain items from other receivables, deposits and prepayments to other assets, and reclassification of certain receipts in advance from non-current to current liabilities.

2. 重要會計政策概要(續)

(o) 分部報告

業務分部指從事提供產品或服務而涉及之風險及回報與其他業務分部不同的一組資產及業務。地區分部則指在特定經濟環境內提供產品或服務，其風險及回報與在其他經濟環境經營的分部不同。

(p) 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此責任需就某一宗或多宗事件會否發生才能確認，而本集團及本公司並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在財務報表附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此資產需就某一宗或多宗事件會否發生才能確認，而本集團及本公司並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在財務報表附註中披露。若實質確定有收到經濟效益時，此效益才被確立為資產。

(q) 比較數據

如有需要，以往年度款項會因應本年度呈報方式改變而重新分類。二零零四／零五年比較數據之主要重新分類是將「其他應收款項、按金及預付款項」之若干項目重新分類至「其他資產」；及將非流動負債之若干「預收款項」重新分類至流動負債。

3. Financial risk management

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried by management who identifies, evaluates and mitigate financial risks in close co-operation with the Group's operating units. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Foreign exchange risk

The Group operates in various countries/locations and is exposed to foreign exchange risk arising from non U.S. dollar foreign exchange exposures. Foreign risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operation.

Most of the assets, receipts and payments of the Group are either in Hong Kong and U.S. dollars. The Group will monitor its foreign exchange position and, when appropriate, the Group will mitigate part of its non U.S. dollar foreign exchange exposure by way of forward foreign exchange contracts.

(b) Credit risk

The Group has no significant concentrations of credit risk, with exposure spread over a number of customers. Majority of the Group's turnover are cash or credit card sales. The Group has policies in place to monitor the financial viability of customers. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Derivative counter parties and cash transactions are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and making available an adequate amount of committed credit facilities with staggered maturities to reduce refinancing risk in any year and to fund working capital, debt servicing, dividend payments, new investments and close out market positions if required. Based on the Group has steady cash inflow from operations and has adequate financial resources to fund its operations and future expansion.

3. 財務風險管理

本集團之業務承受多種財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理集中於金融市場的不可預測事項，並尋求盡量減低對本集團財務表現之潛在不利影響。風險管理乃由管理層識別、評估及減低與本集團業務相關之財務風險。本集團管理及監控該等風險，確保及時有效採取合適措施。

(a) 外匯風險

本集團在多個國家／地區營運，故此承受非美元之外匯風險。外匯風險來自未來商業交易、已確認資產和負債以及海外業務之淨投資。

本集團大部分資產、收款及付款均為港幣及美元。本集團會審視其外幣狀況，並於適當時候，以遠期外匯合約減低其部分非美元外幣風險。

(b) 信貸風險

本集團之信貸風險並無高度集中，有關風險乃分散於多名客戶之中。本集團之營業額為現金或信用卡銷售。本公司訂有政策，監察客戶之財務能力。此外，本集團定期檢討各項個別應收賬款之可收回款項，確保為不可收回款項作出足夠的減值虧損撥備。衍生工具之另一方及現金交易僅限於信貸良好之財務機構。本集團訂有政策限制對各財務機構之信貸風險數額。

(c) 流動資金風險

審慎的流動資金風險管理指維持充裕現金，透過適當充裕的已承擔信貸融資額，以不同的還款期減輕任何年度所承受的再融資風險，以及提供營運資金、債務償還、股息派付、新投資及結算市場平倉（如有需要）。本集團擁有穩定的經營業務現金流入及充足財務資源，以為其業務及日後擴充提供資金。

Notes to the Financial Statements

財務報表附註

3. Financial risk management (continued)

(d) Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk resulted from timing differences in the repricing of interest bearing assets. Major interest bearing assets of the Group are bank deposits.

The Group monitors its interest rate risk through management of maturity profile, currency mix and choice of fixed or floating interest rates.

Besides, the Group continues to adopt a conservative approach to financial risk management with no significant borrowing during the year. The interest rate risk resulted from borrowing is minimal.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Deferred income tax

At 31st March 2006, deferred income tax assets of HK\$2,184,000 in relation to unused tax losses has been recognised in the consolidated balance sheet. Estimating the amount of deferred income tax asset arising from tax losses requires a process that involves determining appropriate provisions for income tax expense, forecasting future year's taxable income and assessing our ability to utilise tax benefits through future earnings. In cases where the actual future profits generated are less than expected, a material reversal of the deferred income tax assets may arise, which would be recognised in the income statement for the period in which such a reversal takes place. While the current financial models indicate that the tax losses can be utilised in the future, any changes in assumptions and estimates and in tax regulations can affect the recoverability of this deferred income tax assets.

3. 財務風險管理 (續)

(d) 利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量均大致上獨立於市場利率變動。

本集團之利率風險由計息資產重定息率之時差所引致。本集團大部分計息資產為銀行存款。

本集團透過管理賬齡組合、貨幣組合及定息或浮息選擇，以控制利率風險。

此外，本集團對財務風險管理繼續採取審慎態度，於年內並無重大借款。借款所產生之利率風險極為輕微。

4. 關鍵會計估計及判斷

估計及判斷將不斷評估，按過往經驗及其他因素為準，包括於該等情況下被視為合理預期日後事件。

本集團對未來作出估算及假設。顧名思義，會計估計很少等同相關實際情況。下文討論導致可能會引致下一個財政年度之資產和負債賬面值須作出重大調整之估計和假設。

(a) 遞延所得稅

於二零零六年三月三十一日，與未應用稅項虧損有關之遞延所得稅資產為2,184,000港元，已於綜合資產負債表內確認。估計來自稅項虧損之遞延所得稅資產值之過程涉及確定適當的所得稅支出撥備、預測未來數年的應課稅收入，以及評估本集團透過未來盈利應用稅項收益之能力。倘所產生之實際未來盈利低於預期，則遞延所得稅資產可能大幅撥回，並於撥回期內的收益表內確認。雖然現時採用的財務模式顯示，稅項虧損可於未來應用，但假如所採納的假設、估計及稅例出現任何變動，則可能會影響收回此遞延所得稅資產的能力。

4. Critical accounting estimates and judgements

(continued)

(b) Impairment of assets

The Group conducts impairment reviews of assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the value in use, which requires the Group to estimate the future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. In 2006, after reviewing the business environment as well as the Group's objectives and past performance of the investments, management has concluded that there was no impairment loss for assets at 31st March 2006.

(c) Write-downs of inventories to net realisable value

The Group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

(d) Fair value estimation of share options

The Group estimates the fair value of share options using a binomial lattice methodology which involves the use of estimates. Details of the significant inputs to the valuation model are disclosed in Note 24.

4. 關鍵會計估計及判斷 (續)

(b) 資產減值

當任何事件發生或環境變化顯示資產賬面值可能無法收回時，本集團會對資產進行減值檢測，或根據有關會計準則對資產進行年度減值測試。釐定資產是否出現減值時需估計其使用價值。在計算使用價值時，本集團須估計日後現金流量，並以適當的貼現率計算現值。倘實際日後現金流量低於預期，則可能會出現重大減值虧損。於二零零六年，在檢討營商環境以及本集團投資目標及過往表現後，管理層認為，於二零零六年三月三十一日，資產並無出現任何減值虧損。

(c) 撇減存貨至可變現淨值

本集團根據對存貨變現情況之評估，撇減存貨至可變現淨值。倘發生事件或情況有變顯示結餘可能未能變現時，將記錄存貨撇減。識別撇減須作出估計。當預期之金額與原定估計有差異時，則有關差異將會於該估計出現改變期間內，影響存貨之賬面值及撇減。

(d) 購股權之公平值估計

本集團採用二項格子法估計購股權之公平值，二項格子法涉及估計。估值模式所用之主要數據詳情，於附註24中披露。

Notes to the Financial Statements

財務報表附註

5. Revenues, turnover and segment information

The Group is principally engaged in the retailing and wholesaling of a wide range of brand name cosmetic products and the provision of beauty and health club services. Turnover represents the invoiced sales value of goods and of services supplied to customers. Revenues recognised during the year are as follows:

5. 收益、營業額及分部資料

本集團主要業務為從事多種品牌化粧品之零售及批發，及提供美容及健美中心服務。營業額代表貨品及服務提供予顧客之票據銷售價值。年內確認之收益如下：

		Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Turnover	營業額		
Retail and wholesale	零售及批發	2,425,314	2,122,215
Beauty and health club services	美容及健美中心服務	195,272	191,491
		2,620,586	2,313,706
Other gains and revenues	其他利潤及收益		
Interest income	利息收入	17,518	12,357
Slide display rental income	幻燈片陳列租金收入	16,873	13,612
Rental income	租金收入	831	600
Provision for staff costs, including discretionary bonus, made in previous years written back	撥回過往年度作出員工成本 (包括酌情花紅) 撥備	23,923	-
Sundry income	雜項收入	988	936
		60,133	27,505
		2,680,719	2,341,211

Segment assets consist primarily of property, plant and equipment, leasehold land, inventories, receivables and operating cash, and exclude certain corporate assets and tax. Segment liabilities comprise operating liabilities and exclude financial liabilities at fair value through profit or loss and tax. Capital expenditure comprises additions to property, plant and equipment and leasehold land.

分部資產主要包括物業、機器及設備、租賃土地、存貨、應收款項及經營現金，不包括之項目為若干公司資產及稅項。分部負債指經營負債，不包括之項目為按公平值列入損益賬之財務負債及稅項。資本性開支，包括購入物業、機器及設備及租賃土地。

5. Revenues, turnover and segment information

(continued)

(a) Primary reporting format – business segments

5. 收益、營業額及分部資料(續)

(a) 主要分部報告 – 業務分部(續)

		Retail and wholesale 零售及批發 HK\$'000 港幣千元	Beauty and health club services 美容及健美 中心服務 HK\$'000 港幣千元	2006 Total 總額 HK\$'000 港幣千元
Turnover	營業額	2,425,314	195,272	2,620,586
Results	業績			
Segment results	分部業績	220,248	(10,607)	209,641
Interest income	利息收入			17,518
Fair value changes on investment property and buildings	投資物業及樓宇之 公平值變動	2,135	–	2,135
Reversal of impairment losses on leasehold land	租賃土地之減值 虧損撥回	10,766	–	10,766
Net exchange (losses)/gains	匯兌(虧損)/收益 淨額	(17,488)	38	(17,450)
Profit before income tax	除所得稅前溢利			222,610
Income tax expense	所得稅開支			(37,439)
Profit for the year	年度溢利			185,171
Segment assets	分部資產	1,272,747	81,025	1,353,772
Unallocated corporate assets	未分配集團資產			17,868
Total assets	資產總額			1,371,640
Segment liabilities	分部負債	221,338	223,088	444,426
Unallocated corporate liabilities	未分配集團負債			13,387
Total liabilities	負債總額			457,813
Other information	其他資料			
Capital expenditure	資本性開支	91,052	8,373	99,425
Depreciation	折舊	47,385	16,495	63,880
Amortisation	攤銷開支	401	–	401
Write-off of property, plant and equipment	物業、機器及 設備撇賬	804	8	812
Provision for impairment losses on trade receivables	應收賬款減值虧損 撥備	–	27	27
Provision for slow moving inventories and stock shrinkage	滯銷存貨及損耗 存貨撥備	17,320	135	17,455

Notes to the Financial Statements

財務報表附註

5. Revenues, turnover and segment information

(continued)

(a) Primary reporting format – business segments (continued)

5. 收益、營業額及分部資料 (續)

(a) 主要分部報告 – 業務分部 (續)

		Retail and wholesale 零售及批發 HK\$'000 港幣千元 Restated 重新列示	Beauty and health club services 美容及健美 中心服務 HK\$'000 港幣千元 Restated 重新列示	2005 Total 總額 HK\$'000 港幣千元 Restated 重新列示
Turnover	營業額	2,122,215	191,491	2,313,706
Results	業績			
Segment results	分部業績	222,789	(3,234)	219,555
Interest income	利息收入			12,357
Fair value changes on investment property and buildings	投資物業及樓宇之 公平值變動	3,581	–	3,581
Reversal of impairment losses on leasehold land	租賃土地之減值 虧損撥回	6,061	–	6,061
Net exchange gains/(losses)	匯兌收益/(虧損) 淨額	4,317	(255)	4,062
Profit before income tax	除所得稅前溢利			245,616
Income tax expense	所得稅開支			(43,560)
Profit for the year	年度溢利			202,056
Segment assets	分部資產	1,272,613	76,694	1,349,307
Unallocated corporate assets	未分配集團資產			17,164
Total assets	資產總額			1,366,471
Segment liabilities	分部負債	210,195	204,658	414,853
Unallocated corporate liabilities	未分配集團負債			41,572
Total liabilities	負債總額			456,425
Other information	其他資料			
Capital expenditure	資本性開支	51,068	13,320	64,388
Depreciation	折舊	25,678	13,534	39,212
Amortisation	攤銷開支	290	–	290
Write-off of property, plant and equipment	物業、機器及 設備撇賬	903	22	925
(Reversal of provision for)/ provision for impairment losses on trade receivables	(撥回應收賬款減值 虧損撥備)/應收 賬款減值虧損撥備	(109)	18	(91)
Provision for slow moving inventories and stock shrinkage	滯銷存貨及損耗 存貨撥備	22,586	217	22,803

5. Revenues, turnover and segment information

(continued)

(b) Secondary reporting format – geographical segments

The Group operates in Mainland China, Taiwan and South Asia. Mainland China includes Hong Kong and Macau. South Asia comprises Thailand, Malaysia and Singapore.

		Mainland China 中國大陸 HK\$'000 港幣千元	Taiwan 台灣 HK\$'000 港幣千元	South Asia 南亞地區 HK\$'000 港幣千元	2006 Total 總額 HK\$'000 港幣千元
Turnover	營業額	2,330,351	88,962	201,273	2,620,586
Segment assets	分部資產	1,189,657	39,274	124,841	1,353,772
Unallocated corporate assets	未分配集團資產				17,868
Total assets	資產總額				1,371,640
Capital expenditure	資本性開支	83,721	7,875	7,829	99,425

		Mainland China 中國大陸 HK\$'000 港幣千元 Restated 重新列示	Taiwan 台灣 HK\$'000 港幣千元 Restated 重新列示	South Asia 南亞地區 HK\$'000 港幣千元 Restated 重新列示	2005 Total 總額 HK\$'000 港幣千元 Restated 重新列示
Turnover	營業額	2,071,828	62,639	179,239	2,313,706
Segment assets	分部資產	1,204,933	29,954	114,420	1,349,307
Unallocated corporate assets	未分配集團資產				17,164
Total assets	資產總額				1,366,471
Capital expenditure	資本性開支	49,108	4,323	10,957	64,388

Turnover are allocated based on the places in which the customers are located.

Capital expenditure, comprises additions to property, plant and equipment and leasehold land, is allocated based on where the assets are located.

5. 收益、營業額及分部資料 (續)

(b) 從屬分部報告－地區分部

本集團於中國大陸、台灣及南亞地區經營業務。中國大陸包括香港及澳門。南亞地區包括泰國、馬來西亞及新加坡。

營業額之分類乃按顧客所在地計算。

資本性開支包括購入物業、機器及設備及租賃土地，其分類乃按資產所在地而定。

Notes to the Financial Statements

財務報表附註

6. Employee benefit expenses (including directors' emoluments) – Group

6. 僱員福利開支(包括董事酬金) – 本集團

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
Directors' fees	董事袍金	1,032	914
Wages, salaries, housing allowances, other allowances and benefits in kind	工資、薪金、房屋津貼、其他津貼及實物利益	399,272	353,018
Provision for unutilised annual leave	未動用年假撥備	1,781	105
Retirement benefit costs (Note 23(b))	退休福利成本(附註23(b))	20,090	16,315
Share-based payment	以股份支付的支出	11,268	14,551
		433,443	384,903

7. Directors' and senior management's emoluments

7. 董事及高級管理人員之酬金

(a) Directors' emoluments

The remuneration of each director of the Company during the year ended 31st March 2006 was set out below:

(a) 董事酬金

截至二零零六年三月三十一日止年度·本公司各董事之酬金載列如下:

		Basic salaries, housing allowances, other allowances and benefits in kind 基本薪金、房屋津貼、其他津貼及實物利益	Discretionary bonuses 酌情發放之獎金	Retirement benefit costs 退休福利成本	Share-based payment (i) 以股份支付的支出(i)	Total 總計
	Fees 袍金	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Executive Directors	執行董事					
Mr. Kwok, Siu Ming, Simon	郭少明先生	-	2,858	238	200	3,296
Mrs. Kwok Law, Kwai Chun, Eleanor	郭羅桂珍女士	-	2,594	216	181	2,991
Mr. Look, Guy	陸楷先生	-	2,480	-	139	2,619
Non-executive Director	非執行董事					
Mrs. Lee Look, Ngan Kwan, Christina	利陸雁群女士	240	-	-	-	240
Independent Non-executive Directors	獨立非執行董事					
Professor Chan, Yuk Shee, J.P.	陳玉樹教授·太平紳士	288	-	-	-	288
Dr. Leung, Kwok Fai, Thomas, J.P.	梁國輝博士·太平紳士	256	-	-	-	256
Ms. Tam, Wai Chu, Maria, GBS, J.P.	譚惠珠小姐·金紫荊星章·太平紳士	248	-	-	276	524
		1,032	7,932	454	520	10,214

7. Directors' and senior management's emoluments

(continued)

(a) Directors' emoluments (continued)

The remuneration of each director of the Company during the year ended 31st March 2005 was set out below:

		Fees 袍金 HK\$'000 港幣千元	Basic salaries, housing allowances, other allowances and benefits in kind 基本薪金、房屋津貼、其他津貼及實物利益 HK\$'000 港幣千元	Discretionary bonuses 酌情發放之獎金 HK\$'000 港幣千元	Retirement benefit costs 退休福利成本 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Executive Directors	執行董事					
Mr. Kwok, Siu Ming, Simon	郭少明先生	–	2,722	298	191	3,211
Mrs. Kwok Law, Kwai Chun, Eleanor	郭羅桂珍女士	–	2,470	271	173	2,914
Mr. Look, Guy	陸楷先生	–	1,980	567	138	2,685
Non-executive Director	非執行董事					
Mrs. Lee Look, Ngan Kwan, Christina	利陸雁群女士	234	–	–	–	234
Independent Non-executive Directors	獨立非執行董事					
Professor Chan, Yuk Shee, J.P.	陳玉樹教授·太平紳士	258	–	–	–	258
Dr. Leung, Kwok Fai, Thomas, J.P.	梁國輝博士·太平紳士	242	–	–	–	242
Ms. Tam, Wai Chu, Maria, GBS, J.P.	譚惠珠小姐· 金紫荊星章· 太平紳士	180	–	–	–	180
		914	7,172	1,136	502	9,724

Notes:

- (i) Share-based payment represents amortisation to the income statement of the fair value of share options measured at the respective grant dates, regardless of whether the share options would be exercised or not.

No compensation for loss of office has been paid to the directors for the years ended 31st March 2006 and 2005.

No director of the Company waived any emoluments during the years ended 31st March 2006 and 2005.

附註:

- (i) 以股份支付的開支指於收益表攤銷購股權於各授出日期之公平值，而不論購股權是否獲行使。

截至二零零六及二零零五年三月三十一日止年度，並無給予董事任何離職補償。

截至二零零六及二零零五年三月三十一日止年度，本公司董事概無放棄收取任何酬金。

Notes to the Financial Statements

財務報表附註

7. Directors' and senior management's emoluments

(continued)

(b) Five highest paid individuals

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

7. 董事及高級管理人員之酬金 (續)

(b) 五位最高薪人士

本集團最高薪酬之五位人士中包括三位董事(二零零五年:三位)。彼等之酬金已於上文分析,其餘兩位人士(二零零五年:兩位)於年內酬金如下:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益	2,445	2,055
Discretionary bonuses	酌情發放之獎金	198	369
Retirement benefit costs	退休福利成本	171	132
Share-based payment	以股份支付的開支	1,119	228
		3,933	2,784

The emoluments of the individuals fell within the following bands:

介乎下列酬金範圍之人士如下:

Emoluments bands 酬金範圍	Number of individuals 人數	
	2006	2005
HK\$1,000,001 – HK\$1,500,000	–	1
HK\$1,500,001 – HK\$2,000,000	1	1
HK\$2,000,001 – HK\$2,500,000	1	–
	2	2

8. Profit before income tax – Group

Profit before income tax is stated after crediting and charging the following:

8. 除所得稅前溢利 – 本集團

除所得稅前溢利已計入及扣除下列項目：

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
<u>Crediting</u>	<u>計入</u>		
Gain on disposal of property, plant and equipment	出售物業、機器及設備溢利	690	102
Net exchange gains	匯兌收益淨額	–	4,062
Reversal of provision for impairment losses on trade receivables	撥回應收賬款減值 虧損撥備	–	91
Compensation from landlord for early termination of lease agreement	提早終止經營租約之 業主賠償	5,500	–
<u>Charging</u>	<u>扣除</u>		
Depreciation of property, plant and equipment	物業、機器及設備折舊	63,880	39,212
Amortisation of leasehold land	攤銷租賃土地	401	290
Write-off of property, plant and equipment	物業、機器及設備撇賬	812	925
Write-off of other asset	其他資產撇賬	120	–
Provision for slow moving inventories and stock shrinkage	滯銷存貨及損耗存貨撥備	17,455	22,803
Provision for impairment losses on trade receivables	應收賬款減值虧損撥備	27	–
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租約租金		
– minimum lease payments	– 最低租賃付款	237,024	182,903
– contingent rent	– 或然租金費用	4,994	3,499
Net exchange losses	匯兌虧損淨額	17,188	–
Fair value losses on forward foreign exchange contracts	遠期外幣合約之公平值虧損	262	–
Auditors' remuneration	核數師酬金	2,264	1,873

Notes to the Financial Statements

財務報表附註

9. Income tax expense – Group

9. 所得稅開支 – 本集團

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Hong Kong profits tax	香港利得稅		
Current	本年度	31,229	36,862
Under/(over) provision in previous years	往年撥備不足／(超額撥備)	38	(2,114)
Overseas taxation	海外稅項		
Current	本年度	4,195	5,205
(Over)/under provision in previous years	往年(超額撥備)／撥備不足	(1,582)	992
Deferred income tax relating to origination and reversal of temporary differences (Note 17)	遞延所得稅暫時差異的產生及撥回(附註17)	3,559	2,615
		37,439	43,560

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

香港利得稅乃按本年度估計應課稅溢利以稅率17.5% (二零零五年: 17.5%) 提撥準備。海外溢利稅款則按本年度估計應課稅溢利以集團經營業務地區之現行稅率計算。

本集團有關除所得稅前溢利之所得稅開支與假若採用香港稅率而計算之理論稅額之差額如下:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
Profit before income tax	除所得稅前溢利	222,610	245,616
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按稅率17.5% (二零零五年: 17.5%) 計算之稅項	38,957	42,983
Effect of different taxation rates in other countries	其他國家不同稅率之影響	(774)	(390)
Income not subject to income tax	毋須繳納所得稅之收入	(6,315)	(2,780)
Expenses not deductible for income tax purposes	不可扣除所得稅之支出	3,117	4,924
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(1,385)	(440)
Tax losses for which no deferred tax asset was recognised	未確認遞延稅項資產之稅損	5,383	385
Over provision in previous years	往年超額撥備	(1,544)	(1,122)
Income tax expense	所得稅開支	37,439	43,560

10. Profit for the year, attributable to equity holders of the Company

Profit for the year, attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$197,423,000 (2005: HK\$339,032,000, as restated).

10. 本公司權益持有人應佔年內溢利

計入本公司財務報表之本公司權益持有人應佔年內溢利為197,423,000港元(二零零五年: 339,032,000港元·重新列示)。

11. Dividends – Company

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Interim, paid – 3.0 HK cents (2005: 3.0 HK cents) per share	已派中期股息—每股3.0港仙 (二零零五年: 3.0港仙)	40,280	39,586
Special, paid – 3.0 HK cents (2005: 3.0 HK cents) per share	已派特別股息—每股3.0港仙 (二零零五年: 3.0港仙)	40,280	39,586
Final, proposed – 5.0 HK cents (2005: 5.0 HK cents) per share	擬派末期股息—每股5.0港仙 (二零零五年: 5.0港仙)	67,451	66,235
Special, proposed – 6.0 HK cents (2005: 6.0 HK cents) per share	擬派特別股息—每股6.0港仙 (二零零五年: 6.0港仙)	80,941	79,482
		228,952	224,889

At a meeting held on 29th June 2006, the directors declared a final dividend of 5.0 HK cents and a special dividend of 6.0 HK cents per share. These proposed dividends are not reflected as dividend payables in these financial statements, but will be reflected as an appropriation of distributable reserve for the year ending 31st March 2007.

於二零零六年六月二十九日舉行之會議上·董事宣佈派發末期股息每股5.0港仙及特別股息每股6.0港仙。此等擬派股息並無於本財務報表中列作應付股息·惟將於截至二零零七年三月三十一日止年度列作可分派儲備之分配。

12. Earnings per share

- (a) The calculation of basic and diluted earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$185,171,000 (2005: HK\$202,056,000, as restated).
- (b) The calculation of basic earnings per share is based on the weighted average of 1,332,919,316 (2005: 1,306,760,549) shares in issue during the year.
- (c) The calculation of diluted earnings per share is based on the weighted average of 1,332,919,316 (2005: 1,306,760,549) shares in issue during the year plus the weighted average of 21,410,603 (2005: 30,828,044, as restated) shares deemed to be issued if all outstanding share options granted under the share option scheme of the Company had been exercised.

12. 每股盈利

- (a) 每股之基本及攤薄盈利乃根據本公司權益持有人應佔溢利185,171,000港元(二零零五年: 202,056,000港元·重新列示)計算。
- (b) 每股之基本盈利乃按於本年度已發行股份之加權平均數1,332,919,316股(二零零五年: 1,306,760,549股)計算。
- (c) 每股之攤薄盈利乃按於本年度已發行股份之加權平均數1,332,919,316股(二零零五年: 1,306,760,549股)·加上假設根據本公司購股權計劃授出之所有未行使購股權皆已行使而發行之股份之加權平均數21,410,603股(二零零五年: 30,828,044股·重新列示)股計算。

Notes to the Financial Statements

財務報表附註

13. Property, plant and equipment – Group

13. 物業、機器及設備 – 本集團

		Investment Property 投資物業 HK\$'000 港幣千元	Leasehold buildings 租賃樓宇 HK\$'000 港幣千元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 港幣千元	Equipment, furniture and fixtures 設備、傢俬 及裝置 HK\$'000 港幣千元	Assets under con- struction 在建資產 HK\$'000 港幣千元	Motor vehicles and vessel 汽車及 汽船 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Year ended 31st March 2006	截至二零零六年三月三十一日止年度							
Opening net book amount	年初賬面淨值	4,600	24,173	59,634	30,366	3,762	1,740	124,275
Translation differences	匯兌差額	-	-	(90)	(17)	-	1	(106)
Revaluation	重估	1,400	735	-	-	-	-	2,135
Additions	添置	-	-	67,125	23,405	6,576	2,319	99,425
Disposals	出售	-	-	-	(25)	-	-	(25)
Write-off	撇賬	-	-	(364)	(448)	-	-	(812)
Reclassification	重新分類	-	-	-	1,000	(1,000)	-	-
Depreciation	折舊	-	(1,912)	(43,167)	(17,692)	-	(1,109)	(63,880)
Closing net book amount	年末賬面淨值	6,000	22,996	83,138	36,589	9,338	2,951	161,012
At 31st March 2006	於二零零六年三月三十一日							
Cost or valuation	原值或估值	6,000	24,173	255,371	122,856	9,338	11,563	429,301
Accumulated depreciation	累計折舊	-	(1,177)	(172,233)	(86,267)	-	(8,612)	(268,289)
Net book amount	賬面淨值	6,000	22,996	83,138	36,589	9,338	2,951	161,012
At 1st April 2004	於二零零四年四月一日							
Cost or valuation	原值或估值	3,900	24,173	197,396	114,570	2,433	11,265	353,737
Accumulated depreciation	累計折舊	-	(1,921)	(153,034)	(93,203)	-	(8,988)	(257,146)
Net book amount	賬面淨值	3,900	22,252	44,362	21,367	2,433	2,277	96,591
Year ended 31st March 2005	截至二零零五年三月三十一日止年度							
Opening net book amount	年初賬面淨值	3,900	22,252	44,362	21,367	2,433	2,277	96,591
Translation differences	匯兌差額	-	-	132	36	-	-	168
Revaluation	重估	700	2,881	-	-	-	-	3,581
Additions	添置	-	-	39,731	20,429	3,762	466	64,388
Disposals	出售	-	-	(137)	(179)	-	-	(316)
Write-off	撇賬	-	-	(127)	(798)	-	-	(925)
Reclassification	重新分類	-	-	-	2,433	(2,433)	-	-
Depreciation	折舊	-	(960)	(24,327)	(12,922)	-	(1,003)	(39,212)
Closing net book amount	年末賬面淨值	4,600	24,173	59,634	30,366	3,762	1,740	124,275
At 31st March 2005	於二零零五年三月三十一日							
Cost or valuation	原值或估值	4,600	24,173	217,167	116,762	3,762	11,445	377,909
Accumulated depreciation	累計折舊	-	-	(157,533)	(86,396)	-	(9,705)	(253,634)
Net book amount	賬面淨值	4,600	24,173	59,634	30,366	3,762	1,740	124,275

13. Property, plant and equipment – Group (continued)

Analysis of the cost or valuation of the above assets is as follows:

13. 物業、機器及設備—本集團(續)

以上資產按原值或估值分析如下:

		Investment property 投資物業 HK\$'000 港幣千元	Leasehold buildings 租賃樓宇 HK\$'000 港幣千元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 港幣千元	Equipment, furniture and fixtures 設備、傢俬 及裝置 HK\$'000 港幣千元	Assets under con- struction 在建資產 HK\$'000 港幣千元	Motor vehicles and vessel 汽車及 汽船 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
As at 31st March 2006	於二零零六年三月三十一日							
At cost	按原值	-	-	255,371	122,856	9,338	11,563	399,128
At valuation	按估值	6,000	24,173	-	-	-	-	30,173
		6,000	24,173	255,371	122,856	9,338	11,563	429,301
As at 31st March 2005	於二零零五年三月三十一日							
At cost	按原值	-	-	217,167	116,762	3,762	11,445	349,136
At valuation	按估值	4,600	24,173	-	-	-	-	28,773
		4,600	24,173	217,167	116,762	3,762	11,445	377,909

- (a) The investment property and leasehold buildings are situated in Hong Kong and held under medium term leases between 10 to 50 years.
- (a) 位於香港之投資物業及租賃樓宇乃按10至50年中期租約持有。
- (b) The investment property was revalued at 31st March 2006 by reference to its open market value at 30th September 2005 determined by DTZ Debenham Tie Leung Limited, an independent firm of chartered surveyors. The surplus arising on revaluation of investment property amounted to HK\$1,400,000 (2005: HK\$700,000) and is credited to the income statement.
- (b) 投資物業已於二零零六年三月三十一日，經參考由獨立專業特許測量師戴德梁行所釐定其於二零零五年九月三十日之公開市值基準重估。該投資物業重估盈餘為1,400,000港元(二零零五年:700,000港元)，及已於收益表中記賬。
- (c) The leasehold buildings were revalued on the basis of their open market values at 30th September 2005 by DTZ Debenham Tie Leung Limited. The surplus arising on revaluation of leasehold buildings amounted to HK\$735,000 (2005: HK\$2,881,000) and is credited to the income statement.
- (c) 租賃樓宇經由戴德梁行按於二零零五年九月三十日之公開市值基準重估。該租賃樓宇重估盈餘為735,000港元(二零零五年:2,881,000港元)，及已於收益表中記賬。
- (d) The carrying amount of leasehold buildings would have been HK\$19,125,000 (2005: HK\$20,901,000) had they been stated at cost less accumulated depreciation.
- (d) 倘租賃樓宇按原值減累計折舊列賬，其賬面值應為19,125,000港元(二零零五年:20,901,000港元)。

Notes to the Financial Statements

財務報表附註

14. Leasehold land – Group

The Group's interests in leasehold land represent prepaid operating lease payments and their net book value are analysed as follows:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
At beginning of the year	年初	7,527	1,756
Amortisation of prepaid operating lease payment	攤銷預繳經營租賃付款	(401)	(290)
Reversal of impairment losses	撥回減值虧損	10,766	6,061
At end of the year	年底	17,892	7,527

The leasehold land are situated in Hong Kong and held under medium term leases between 10 to 50 years.

14. 租賃土地 – 本集團

本集團於租賃土地之權益指預繳經營租賃付款，其賬面值分析如下：

位於香港之租賃土地乃按10至50年中期租約持有。

15. Subsidiaries – Company

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份·按成本值	1	1
Amounts due from subsidiaries (Note (b))	應收附屬公司之款項(附註(b))	1,016,031	835,146
Provision for impairment of amounts due from subsidiaries	應收附屬公司之款項之減值撥備	(405,711)	(402,227)
		610,321	432,920
Amounts due to subsidiaries (Note (b))	應付附屬公司之款項(附註(b))	97	1,742

(a) Details of the Company's principal subsidiaries are set out in Note 29 to the financial statements.

(b) The amounts due from/(to) subsidiaries are unsecured and interest-free, and have no fixed repayment terms.

15. 附屬公司 – 本公司

(a) 本公司之主要附屬公司詳情載列於財務報表附註29。

(b) 應收／(應付)附屬公司之款項為無抵押、免息及無特定還款期。

16. Other assets

16. 其他資產

		Group 本集團		Company 本公司	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Rental deposits	租金按金	53,937	46,689	-	-
Others	其他	750	870	750	750
		54,687	47,559	750	750

Rental deposits are carried at amortised cost using an effective interest rate of 2.4% per annum. At 31st March 2006, the carrying amounts of rental deposits approximate their fair values.

租金按金採用實際年利率2.4厘按攤銷成本列賬。於二零零六年三月三十一日，租金按金之賬面值與其公平值相若。

17. Deferred income tax – Group

Deferred income tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

The movement on the net deferred income tax assets account is as follows:

17. 遞延所得稅 – 本集團

遞延所得稅採用負債法就短暫時差按主要稅率17.5% (二零零五年: 17.5%) 作全數撥備。

淨遞延所得稅資產之變動如下:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
At beginning of the year, as previously reported	年初·如以往呈報	15,780	17,188
Prior period adjustments resulting from the adoption of HKAS 17 (Note 2(a)(i))	因應採納香港會計準則第17號而作出之前期調整 (附註2(a)(i))	(1,213)	(1,213)
At beginning of the year, as restated	年初·重新列示	14,567	15,975
Deferred income tax charged to the income statement (Note 9)	遞延所得稅在收益表扣除 (附註9)	(3,559)	(2,615)
Reclassification	重新分類	-	1,009
Exchange adjustments	匯兌調整	19	198
At end of the year	年底	11,027	14,567

Notes to the Financial Statements

財務報表附註

17. Deferred income tax – Group (continued)

Deferred income tax assets are recognised for tax losses carries forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$36,084,000 (2005: HK\$33,850,000) in respect of losses amounting to HK\$163,252,000 (2005: HK\$160,681,000) that can be carried forward against future taxable income. Losses amounting to HK\$18,917,000 (2005: HK\$37,830,000) will expire within 5 years from 31st March 2006. The remaining tax losses have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

17. 遞延所得稅 – 本集團 (續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之虧損作確認。本集團未有就稅損163,252,000港元(二零零五年:160,681,000港元)可結轉以抵銷未來應課稅收入而確認遞延所得稅資產36,084,000港元(二零零五年:33,850,000港元)。其中18,917,000港元之虧損(二零零五年:37,830,000港元)將由二零零六年三月三十一日開始之五年內屆滿。其他剩餘稅損並無期限。

年內遞延所得稅資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下:

Deferred income tax assets 遞延所得稅資產	Decelerated tax depreciation 減速稅項折舊				Provisions 撥備		Tax losses 稅損		Receipts in advance 預收款項		Total 總計	
	2006		2005		2006		2005		2006		2005	
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At beginning of year, as previously reported	年初·如 以往呈報	3,668	6,524	5,675	5,787	1,484	1,337	6,245	5,742	17,072	19,390	
Prior period adjustments resulting from the adoption of HKAS 17 (Note 2(a)(i))	因應採納香港會計準則第17號而作出之前期調整(附註2(a)(i))	(550)	(550)	-	-	-	-	-	-	(550)	(550)	
At beginning of year, as restated	年初·重新列示	3,118	5,974	5,675	5,787	1,484	1,337	6,245	5,742	16,522	18,840	
(Charged)/credited to the income statement	在收益表(扣除)/記賬	782	(2,881)	(1,670)	(240)	681	126	594	461	387	(2,534)	
Exchange adjustments	匯兌調整	15	25	(63)	128	19	21	53	42	24	216	
At end of year	年底	3,915	3,118	3,942	5,675	2,184	1,484	6,892	6,245	16,933	16,522	

17. Deferred income tax – Group (continued)

17. 遞延所得稅 – 本集團 (續)

Deferred income tax liabilities 遞延所得稅負債		Accelerated tax depreciation 加速稅項折舊		Others 其他		Total 總額	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
At beginning of year, as previously reported	年初·如以往呈報	1,292	1,193	-	1,009	1,292	2,202
Prior period adjustments resulting from the adoption of HKAS 17 (Note 2(a)(i))	因應採納香港會計準則第17號而作出之前期調整(附註2(a)(i))	663	663	-	-	663	663
At beginning of year, as restated	年初·重新列示	1,955	1,856	-	1,009	1,955	2,865
Charged to the income statement	在收益表扣除	3,946	81	-	-	3,946	81
Reclassification	重新分類	-	-	-	(1,009)	-	(1,009)
Exchange adjustments	匯兌調整	5	18	-	-	5	18
At end of year	年底	5,906	1,955	-	-	5,906	1,955

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

當有法定權利可將現有所得稅資產與現有所得稅負債抵銷，而遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內列賬：

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
Deferred income tax assets	遞延所得稅資產	16,085	16,034
Deferred income tax liabilities	遞延所得稅負債	(5,058)	(1,467)
		11,027	14,567

Notes to the Financial Statements

財務報表附註

18. Inventories – Group

18. 存貨 – 本集團

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Merchandise stock for resale	採購以供轉售之貨品	412,327	416,373
Less: Provision for slowing moving inventories and stock shrinkage	減：滯銷存貨及損耗存貨	(52,503)	(52,689)
		359,824	363,684

During the year, the Group has made a provision of HK\$17,455,000 for slow moving inventories and stock shrinkage (2005: HK\$22,803,000). The amount was included in "Cost of sales" in the consolidated income statement.

年內，本集團就滯銷存貨及損耗存貨作出17,455,000港元（二零零五年：22,803,000港元）撥備。有關款項列入綜合收益表「銷售成本」內。

19. Trade and other receivables, deposits and prepayments

19. 應收賬款及其他應收款項、按金及預付款項

		Group 本集團		Company 本公司	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Trade receivables	應收賬款	22,680	20,727	-	-
Less: provision for impairment losses on trade receivables	減：應收賬款之減值虧損撥備	(589)	(652)	-	-
Trade receivables – net	應收賬款淨額	22,091	20,075	-	-
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	43,320	43,923	1,201	2,191

19. Trade and other receivables, deposits and prepayments (continued)

The Group's turnover are mainly cash and credit card sales. The ageing analysis of trade receivables is as follows:

		Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Within 1 month	1個月內	20,352	18,228
1 to 3 months	1-3個月	1,639	1,741
Over 3 months	超過3個月	100	106
		22,091	20,075

The fair values of trade and other receivables, deposits and prepayments approximate their carrying amounts.

Trade receivables are mainly denominated in Hong Kong dollars.

During the year, the Group has made a provision for impairment losses on trade receivables of HK\$27,000 (2005: reversal of HK\$91,000).

The provision/reversal of provision has been included in "other operating expenses" in the consolidated income statement.

19. 應收賬款及其他應收款項、按金及預付款項 (續)

本集團大部分營業額為現金及信用卡銷售。應收賬款之賬齡分析如下：

應收賬款及其他應收款項、按金及預付款項之公平值與其賬面值相若。

大部分應收賬款乃以港元列值。

年內，本集團就應收賬款之減值虧損作出27,000港元(二零零五年：91,000港元撥回)撥備。撥備／撥回撥備金額列入綜合收益表中之「其他經營費用」。

20. Cash and bank balances

		Group 本集團		Company 本公司	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Bank deposits over three months to maturity	三個月後到期之 銀行存款	105,018	290,795	77,601	258,777
Cash at bank and in hand	銀行及手頭現金	139,224	103,995	2,356	2,099
Short-term bank deposits	短期銀行存款	451,454	348,344	216,877	198,347
Cash and cash equivalents	現金及現金等值項目	590,678	452,339	219,233	200,446
		695,696	743,134	296,834	459,223

20. 現金及銀行結存

Notes to the Financial Statements

財務報表附註

20. Cash and bank balances (continued)

Cash and bank balances are denominated in the following currencies:

20. 現金及銀行結存 (續)

現金及銀行結存以下列貨幣列值：

		Group 本集團		Company 本公司	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Hong Kong dollars	港元	175,825	139,465	2,844	1,443
U.S. dollars	美元	330,476	451,352	293,990	397,422
Euro	歐元	84,475	71,839	-	55,031
Others	其他	104,920	80,478	-	5,327
		695,696	743,134	296,834	459,223

The effective interest rate on bank balances over three months to maturity was 2.8% (2005: 2.4%); these deposits have an average maturity of 22 months (2005: 17 months).

The effective interest rate on short-term bank deposits was 4.2% (2005: 2.7%); these deposits have an average maturity of 1 month (2005: 1 month).

三個月後到期之銀行結存實際利率為2.8厘(二零零五年:2.4厘),該等存款平均於22個月(二零零五年:17個月)到期。

短期銀行存款實際利率為4.2厘(二零零五年:2.7厘),該等存款平均於1個月(二零零五年:1個月)到期。

21. Trade and bills payables – Group

The ageing analysis of trade and bills payables is as follows:

21. 應付賬款及票據 – 本集團

應付賬款及票據之賬齡分析如下：

		Group 本集團	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Within 1 month	1個月內	76,874	56,721
1 to 3 months	1-3個月	44,925	55,296
Over 3 months	超過3個月	21,188	8,695
		142,987	120,712

The fair values of trade and bills payables approximate their carrying amount.

Trade and bills payables are mainly denominated in U.S. dollars, Hong Kong dollars and Euro.

應付賬款及票據之公平值與其賬面值相若。

大部分應付賬款及票據乃以美元、港元及歐元列值。

22. Financial liabilities at fair value through profit or loss

22. 按公平值列入損益賬之財務負債

		Group 本集團		Company 本公司	
		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Forward foreign exchange contracts	遠期外幣合約	262	–	202	–

23. Retirement benefit obligations – Group

23. 退休福利承擔 – 本集團

(a) Retirement benefit obligations

(a) 退休福利承擔

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Retirement benefit obligations on	退休福利承擔		
– Defined benefit plan (Note (b)(ii))	– 定額福利計劃 (附註(b)(ii))	324	344
– Long service payments (Note (b)(iii))	– 長期服務金 (附註(b)(iii))	9,735	9,091
		10,059	9,435

(b) Retirement benefit costs

(b) 退休福利成本

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Retirement benefit costs (Note 6)	退休福利成本 (附註6)		
– Defined contribution plans (Note (i))	– 定額供款計劃 (附註(i))	19,205	15,458
– Defined benefit plan (Note (ii))	– 定額福利計劃 (附註(ii))	184	223
		19,389	15,681
– Long service payments (Note (iii))	– 長期服務金 (附註(iii))	701	634
		20,090	16,315
Gross employer's contributions	僱主供款總額	19,482	16,026
Less: Forfeited contributions utilised to reduce employer's contributions for the year	減: 被沒收之供款用以減低僱主本年度之供款額	(93)	(345)
Net employer's contributions charged to the consolidated income statement	於綜合收益表內扣除之僱主供款淨額	19,389	15,681

Notes to the Financial Statements

財務報表附註

23. Retirement benefit obligations – Group (continued)

(b) Retirement benefit costs (continued)

Notes:

- (i) Prior to 1st December 2000, certain subsidiaries of the Group in Hong Kong operated a defined contribution retirement benefit plan (the "Retirement Scheme") for the employees in Hong Kong. On 1st December 2000, the Retirement Scheme has been suspended and replaced by the Mandatory Provident Fund Scheme (the "MPF Scheme") mentioned below. The assets of the Retirement Scheme are separately controlled and administered by independent trustees. Employees who contributed to the Retirement Scheme are entitled to the retirement benefits under this Retirement Scheme as well as the MPF Scheme.

From 1st December 2000, the subsidiaries of the Group in Hong Kong elected to contribute to the MPF Scheme. The MPF Scheme is a defined contribution retirement benefit plan administered by independent trustees. Under the MPF Scheme, both the employer and employees are required to contribute 5% of the employee's monthly salaries (capped at HK\$20,000). Contributions from the employer equivalent to the contribution as specified at the rules of the MPF Scheme are 100% vested as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65, subject to a few exceptions. As to the employer's contribution in excess of the portion vested in the MPF Scheme the employees are entitled to 100% of it after 10 years of completed service or at a reduced scale after completion of three to nine years' service. The forfeited contributions are to be used to reduce the employer's contribution.

The defined contribution plans for the employees of the Group in other countries follow the local statutory requirements of the respective countries.

- (ii) A branch of a wholly-owned subsidiary of the Group in Taiwan participates in a central defined benefit retirement plan (the "Old Retirement Plan") providing benefits to all employees in accordance with the Labor Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the Old Retirement Plan to pay the benefits earned. The branch currently contributes at 2% of the total salaries as determined and approved by the relevant government authorities. The assets of the Old Retirement Plan are invested by the Central Trust of China.

The latest actuarial valuation was prepared as at 31st March 2006 by HSBC Life (International) Limited, a qualified actuary, using the projected unit credit method.

23. 退休福利承擔 – 本集團 (續)

(b) 退休福利成本 (續)

附註:

- (i) 於二零零零年十二月一日以前，本集團為某些香港附屬公司之香港僱員推行定額供款退休福利計劃（「該退休計劃」）。於二零零零年十二月一日，該退休計劃已暫停和被下列陳述之強制性公積金供款（「強積金計劃」）替代。該退休計劃之資產由獨立信託人控制和管理。僱員於該退休計劃供款可同時享有此退休計劃及強積金計劃之退休福利。

由二零零零年十二月一日起，本集團於香港選擇供款予（「強積金計劃」）。強積金計劃為一項定額供款退休福利計劃及由獨立信託人管理。在強積金計劃下，僱主及僱員均需按僱員月薪（以二萬港元為上限）百分之五作出供款。僱主按強積金計劃投入規定供款後，其中強制性供款產生之所有權益，全數必須保留至僱員到達六十五歲退休年齡之時，但若干情況除外。僱員於服務滿十年後可獲得僱主為強積金額外供款之全數，而服務滿三至九年，則以遞減比例計算。被沒收之供款將用作減低僱主供款。

本集團於其他國家為僱員設立之定額供款計劃遵照當地之法例規定。

- (ii) 本公司旗下一全資附屬公司之台灣分行按照台灣之勞動基準法（經修訂），參與中央定額福利退休計劃（「舊有退休計劃」），為所有僱員提供退休金福利。本集團有責任確保舊有退休計劃有足夠資金支付員工之退休金。目前該分行按僱員薪金總額之百分之二作出退休金供款，此百分比經相關之政府機構釐定及批准。舊有退休計劃之資產由中央信託局進行投資。

最新之精算估值於二零零六年三月三十一日由合資格之精算師滙豐人壽保險（國際）有限公司採用預計單位貸記法估值。

23. Retirement benefit obligations – Group (continued)

(b) Retirement benefit costs (continued)

Notes: (continued)

Effective from 1st July 2005, a new retirement plan (the “New Retirement Plan”) was launched in Taiwan, which is a defined contribution retirement benefit plan administered by the local government and followed the local statutory requirements. Employee can choose to stay in the Old Retirement Plan or participate in the New Retirement Plan.

The amounts recognised in the consolidated balance sheet are determined as follows:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Present value of funded obligations	注資承擔現值	1,803	1,635
Fair value of plan assets	計劃資產之公平值	(1,786)	(1,612)
		17	23
Unrecognised actuarial gains	未確認精算收益	307	321
Liability in the balance sheet (Note (a))	資產負債表內之負債 (附註(a))	324	344

The amounts recognised in the consolidated income statement were as follows:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Current service cost	現有服務成本	220	270
Interest cost	利息成本	36	40
Expected return on plan assets	計劃資產之預期回報	(47)	(47)
Net actuarial gains recognised in the year	本年度確認之精算收益淨額	(25)	(40)
Total included in employee benefit expenses	合計 (計入僱員福利開支)	184	223

Movement in the defined benefit retirement plan obligations recognised in the consolidated balance sheet is as follows:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
At beginning of year	年初	344	278
Total expense	開支總額	184	223
Contributions paid	已付供款	(193)	(183)
Exchange adjustments	匯兌調整	(11)	26
At end of year	年底	324	344

23. 退休福利承擔 – 本集團 (續)

(b) 退休福利成本 (續)

附註: (續)

自二零零五年七月一日起，台灣推行一項新退休計劃（「新退休計劃」），該計劃為當地政府管理之定額供款退休福利計劃，並須依循當地之法定規定。僱員可選擇舊有退休計劃或參與新退休計劃。

於綜合資產負債表確認之款項按以下方式釐定：

於綜合收益表確認之款項如下：

在綜合資產負債表確認之定額福利退休計劃承擔之變動如下：

Notes to the Financial Statements

財務報表附註

23. Retirement benefit obligations – Group (continued)

(b) Retirement benefit costs (continued)

Notes: (continued)

The principal actuarial assumptions used are as follows:

		2006	2005
		%	%
Discount rate	折讓率	1.80	2.25
Expected rate of return on plan assets	計劃資產之預期回報率	3.00	3.00
Expected rate of future salary increases	未來薪酬之預期增加比率	2.50	2.50

(iii) The Group's provision for long service payments are provided based on the actuarial valuation as at 31st March 2006 prepared by HSBC Life (International) Limited, a qualified actuary, using the projected unit credit method.

The amounts recognised in the consolidated balance sheet are determined as follows:

		2006	2005
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Present value of unfunded obligations	未注資產承擔現值	3,568	7,182
Unrecognised actuarial gains	未確認精算收益	6,167	1,909
Liability in balance sheet (Note (a))	資產負債表內之負債(附註(a))	9,735	9,091

The amounts recognised in the consolidated income statement were as follows:

		2006	2005
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current service cost	現有服務成本	588	443
Interest cost	利息成本	286	253
Net actuarial gains recognised in the year	本年度確認之精算收益淨額	(173)	(62)
Total included in employee benefit expenses	合計(計入僱員福利開支)	701	634

23. 退休福利承擔 – 本集團 (續)

(b) 退休福利成本 (續)

附註: (續)

所採用之主要精算假設如下:

(iii) 本集團之長期服務金負債乃由合資格之精算師滙豐人壽保險(國際)有限公司以預計單位貸記法進行之於二零零六年三月三十一日之精算估值作撥備。

於綜合資產負債表確認之款項按以下方釐定:

於綜合收益表確認之款項如下:

23. Retirement benefit obligations – Group (continued)

(b) Retirement benefit costs (continued)

Notes: (continued)

Movement in the provision for long service payments obligations recognised in the consolidated balance sheet is as follows:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
At beginning of year	年初	9,091	8,676
Total expense	開支總額	701	634
Contributions paid	已付供款	(62)	(222)
Exchange adjustments	匯兌調整	5	3
At end of year	年底	9,735	9,091

23. 退休福利承擔—本集團(續)

(b) 退休福利成本(續)

附註:(續)

在綜合資產負債表確認之長期服務金承擔之撥備如下:

The principal actuarial assumptions used are as follows:

所採用之主要精算假設如下:

		2006 %	2005 %
Discount rate	折讓率	4.50	4.00
Expected rate of future salary increases	未來薪酬之預期增加比率	2.00 to 3.00	2.00 to 3.00

24. Share capital

24. 股本

	Note 備註	No. of shares 股份數目	HK\$'000 港幣千元
Authorised shares of HK\$0.1 each			
At 31st March 2005 and 2006			
	法定每股面值0.1港元之股份		
	於二零零五年及		
	二零零六年三月三十一日	8,000,000,000	800,000

Notes to the Financial Statements

財務報表附註

24. Share capital (continued)

24. 股本(續)

		Note 備註	No. of shares 股份數目	HK\$'000 港幣千元
Issued and fully paid shares of HK\$0.1 each	已發行及繳足每股面值 0.1港元之股份			
At 1st April 2004	於二零零四年四月一日		1,293,064,172	129,306
Issue of shares upon exercise of share options	按行使購股權而發行之股份	(a)	30,424,187	3,043
At 31st March 2005 and 1st April 2005	於二零零五年三月三十一日及 二零零五年四月一日		1,323,488,359	132,349
Issue of shares upon exercise of share options	按行使購股權而發行之股份	(a)	23,624,372	2,362
At 31st March 2006	於二零零六年三月三十一日		1,347,112,731	134,711

Notes:

(a) Issue of shares upon exercise of share options

During the year, a total of 23,624,372 (2005: 30,424,187) shares were issued to a director, certain staff members and the Ex-director of the Company pursuant to the exercises of share options under the 1997 Share Option Scheme, the 2002 Share Option Scheme and the Service Agreement respectively. The proceeds of the issues totalling HK\$33,695,000 (2005: HK\$42,065,000) included share premium amounted to HK\$31,333,000 (2005: HK\$39,022,000) and the amount was taken to the share premium account.

(b) Share options

The movements in the number of share options granted, exercised and lapsed pursuant to the 1997 Share Option Scheme, the 2002 Share Option Scheme and the Service Agreement during the year are as follows:

附註:

(a) 按行使購股權而發行之股份

於年內，本公司分別根據一九九七年購股權計劃、二零零二年購股權計劃及服務協議而行使之購股權發行共23,624,372股(二零零五年: 30,424,187股)股份予一名董事、若干僱員及前董事。該等因行使購股權發行之股份總值33,695,000港元(二零零五年: 42,065,000港元)，其中31,333,000港元(二零零五年: 39,022,000港元)為股份溢價，並已撥入股份溢價賬之內。

(b) 購股權

於年內，根據一九九七年購股權計劃、二零零二年購股權計劃及服務協議授出、行使及失效之購股權數目變動如下:

		Number of share options 購股權數目		
		1997 Share Option Scheme (i) 一九九七年 購股權計劃(i)	2002 Share Option Scheme (ii) 二零零二年 購股權計劃(ii)	Service Agreement with Ex-director (iii) 與前董事 之服務協議(iii)
As at 1st April 2005	於二零零五年四月一日	7,823,520	71,472,478	5,513,587
Add: Share options granted during the year	加: 於年內授出之購股權	-	-	-
Less: Share options exercised during the year	減: 於年內行使之購股權	(7,243,520)	(15,880,852)	(500,000)
Less: Share options lapsed during the year	減: 於年內失效之購股權	-	(6,653,605)	-
As at 31 March 2006	於二零零六年三月三十一日	580,000	48,938,021	5,013,587

24. Share capital (continued)

(i) 1997 Share Option Scheme

Details of the share options which were granted to the eligible employees under the 1997 Share Option Scheme and remained outstanding as at 31st March 2006 are as follows:

Date of grant 授出日期	Subscription price per share 每股股份認購價 (HK\$) (港元)	Exercisable period 行使期	Number of Share Options 購股權數目				End of the year 年底
			Beginning of the year 年初	Granted during the year 於年內授出	Exercised during the year 於年內獲行使	[#] Lapsed during the year 於年內失效	
9th September 1997 一九九七年九月九日	2.01	9th September 1998 to 8th September 2007 一九九八年九月九日至 二零零七年九月八日	280,000	-	(280,000)	-	-
9th September 1997 一九九七年九月九日	1.90	9th September 1998 to 8th September 2007 一九九八年九月九日至 二零零七年九月八日	614,000	-	(34,000)	-	580,000
4th June 2001 二零零一年六月四日	0.68	4th June 2004 to 3rd June 2011 二零零四年六月四日至 二零一一年六月三日	138,235	-	(138,235)	-	-
24th April 2002 二零零二年四月二十四日	0.80	24th April 2004 to 23rd April 2012 二零零四年四月二十四日至 二零一二年四月二十三日	6,791,285 *	-	(6,791,285)	-	-
			7,823,520	-	(7,243,520)	-	580,000

There is no share option cancelled during the year.

* There are different exercisable periods for these share options and the first date shown here is the earliest exercisable date.

24. 股本 (續)

(i) 一九九七年購股權計劃

於年內，本公司根據一九九七年購股權計劃授予合資格僱員，而於二零零六年三月三十一日尚未行使之購股權詳情如下：

年內並無購股權被註銷。

* 此批購股權有不同的行使期，而本段首列之日期為最早之行使日期。

Notes to the Financial Statements

財務報表附註

24. Share capital (continued)

(ii) 2002 Share Option Scheme

Details of the share options which were granted to the eligible Participants under the 2002 Share Option Scheme and remained outstanding as at 31st March 2006 are as follows:

24. 股本 (續)

(ii) 二零零二年購股權計劃

於年內，本公司根據二零零二年購股權計劃授予合資格參與者，而於二零零六年三月三十一日尚未行使之購股權詳情如下：

Date of grant 授出日期	Subscription price per share 每股份認購價 (HK\$) (港元)	Exercisable period 行使期	Number of Share Options 購股權數目				End of the year 年底
			Beginning of the year 年初	Granted during the year 於年內授出	Exercised during the year 於年內獲行使	*Lapsed during the year *於年內失效	
6th January 2003 二零零三年一月六日	0.77	6th January 2005 to 5th January 2013 二零零五年一月六日至 二零一三年一月五日	500,000	-	(500,000)	-	-
1st September 2003 二零零三年九月一日	1.81	note (1) 附註(1)	266,666	-	(80,000)	(53,333)	133,333
2nd October 2003 二零零三年十月二日	1.88	note (2) 附註(2)	666,666	-	-	-	666,666
30th October 2003 二零零三年十月三十日	1.68	note (3) 附註(3)	60,339,260	-	(12,984,852)	(5,805,049)	41,549,359
4th December 2003 二零零三年十二月四日	1.90	note (4) 附註(4)	4,000,000	-	(1,650,000)	(350,000)	2,000,000
2nd January 2004 二零零四年一月二日	2.25	2nd January 2005 to 1st January 2014 二零零五年一月二日至 二零一四年一月一日	500,000	-	(500,000)	-	-
20th January 2004 二零零四年一月二十日	2.80	note (5) 附註(5)	200,000	-	-	(32,667)	167,333
1st March 2004 二零零四年三月一日	2.85	note (6) 附註(6)	550,000	-	(166,000)	(17,334)	366,666

24. Share capital (continued)

(ii) 2002 Share Option Scheme (continued)

Date of grant 授出日期	Subscription price per share 每股份認購價 (HK\$) (港元)	Exercisable period 行使期	Number of Share Options 購股權數目				End of the year 年底
			Beginning of the year 年初	Granted during the year 於年內授出	Exercised during the year 於年內獲行使	"Lapsed during the year 於年內失效	
3rd March 2004 二零零四年三月三日	2.78	note (7) 附註(7)	1,000,000	-	-	(31,334)	968,666
29th June 2004 二零零四年六月二十九日	3.00	29th June 2005 to 28th June 2014 二零零五年六月二十九日至 二零一四年六月二十八日	1,000,000	-	-	-	1,000,000
2nd August 2004 二零零四年八月二日	3.12	note (8) 附註(8)	488,888	-	-	(24,222)	464,666
30th November 2004 二零零四年十一月三十日	3.90	note (9) 附註(9)	300,000	-	-	(300,000)	-
1st December 2004 二零零四年十二月一日	3.85	note (10) 附註(10)	1,294,332	-	-	(39,666)	1,254,666
22nd December 2004 二零零四年十二月二十二日	4.15	note (11) 附註(11)	366,666	-	-	-	366,666
			71,472,478	-	(15,880,852)	(6,653,605)	48,938,021

There is no share option cancelled during the year.

年內並無購股權被註銷。

Notes to the Financial Statements

財務報表附註

24. Share capital (continued)

(ii) 2002 Share Option Scheme (continued)

Notes:

- (1) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 31st August 2013.
- (2) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 1st October 2013.
- (3) Among these 60,339,260 share options, 37,867,164* are exercisable from 30th October 2004 and 22,472,096 are subject to certain performance targets that must be achieved by the employees. All these share options shall be exercised by the employees not later than 29th October 2013.
- (4) Among these 4,000,000 share options, 2,000,000* are exercisable from 1st December 2004 and 2,000,000 are subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 3rd December 2013.
- (5) Among these 200,000 share options, 66,666 shall be exercisable from 20th January 2007 and 133,334 are subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 19th January 2014.
- (6) Among these 550,000 share options, 183,333 shall be exercisable from 14th January 2007 and 366,667 are subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 28th February 2014.
- (7) Among these 1,000,000 share options, 333,333 shall be exercisable from 5th July 2007 and 666,667 are subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 2nd March 2014.
- (8) Among these 488,888 share options, 183,333 shall be exercisable from 28th July 2007 and 305,555 are subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 1st August 2014.

24. 股本(續)

(ii) 二零零二年購股權計劃(續)

附註:

- (1) 僱員必須達到若干表現指標才符合資格行使購股權。所有購股權必須不遲於二零一三年八月三十一日行使。
- (2) 僱員必須達到若干表現指標才符合資格行使購股權。所有購股權必須不遲於二零一三年十月一日行使。
- (3) 於此等60,339,260購股權中,有37,867,164*股由二零零四年十月三十日起可以行使,另22,472,096股,則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一三年十月二十九日行使。
- (4) 於此等4,000,000購股權中,有2,000,000*股由二零零四年十二月一日起可以行使,另2,000,000股,則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一三年十二月三日行使。
- (5) 於此等200,000購股權中,有66,666股由二零零七年一月二十日起可以行使,另133,334股,則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一四年一月十九日行使。
- (6) 於此等550,000購股權中,有183,333股由二零零七年一月十四日起可以行使,另366,667股,則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一四年二月二十八日行使。
- (7) 於此等1,000,000購股權中,有333,333股由二零零七年七月五日起可以行使,另666,667股,則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一四年三月二日行使。
- (8) 於此等488,888購股權中,有183,333股由二零零七年七月二十八日起可以行使,另305,555股,則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一四年八月一日行使。

24. Share capital (continued)

(ii) 2002 Share Option Scheme (continued)

Notes: (continued)

- (9) Among these 300,000 share options, 100,000 shall be exercisable from 25th October 2007 and 200,000 are subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 29th November 2014.
- (10) Among these 1,294,332 share options, 1,019,333* are exercisable from 2nd December 2004 and 274,999 are subject to certain performance targets that must be achieved by the employees. All these share options shall be exercised by the employees not later than 30th November 2014.
- (11) Among these 366,666 share options, 183,333 shall be exercisable from 22nd December 2007 and 183,333 are subject to certain performance targets that must be achieved by the employee. All these share options shall be exercised by the employee not later than 21st December 2014.

* There are different exercisable periods for these share options and the first date shown in this paragraph is the earliest exercisable date.

Fair values of share options, measured at the grant date of the options, are estimated using a binomial lattice methodology that is based on the underlying assumptions of one of the commonly used employee share option pricing models. No option was granted during the year ended 31st March 2006. The fair value of options granted during the year ended 31st March 2005 was HK\$3,134,000. The significant inputs into the share option pricing model were as follows:

Share price – 股價	HK\$0.76 to 4.15 0.76至 4.15港元	Being the share price on the grant date ranging from 6th January 2003 to 22nd December 2004 即按授出購股權日期·即由二零零三年一月六日至二零零四年十二月二十二日期間 的股票價格
Exercise price – 行使價	HK\$0.77 to 4.15 0.77至 4.15港元	Being the exercise price ranging from 6th January 2003 to 22nd December 2004 即按授出購股權日期·即由二零零三年一月六日至二零零四年十二月二十二日期間 的行使價格
Risk free rate – 無風險利率	3.59% to 4.70%	Being the approximate yields of 10-year exchange fund notes issued by the government 即按授出購股權之日期買賣十年期外匯基金票據的參考收益率

24. 股本 (續)

(ii) 二零零二年購股權計劃 (續)

附註: (續)

- (9) 於此等300,000購股權中·有100,000股由二零零七年十月二十五日起可以行使·另200,000股·則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一四年十一月二十九日行使。
- (10) 於此等1,294,332購股權中·有1,019,333*股由二零零四年十二月二日起可以行使·另274,999股·則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一四年十一月三十日行使。
- (11) 於此等366,666購股權中·有183,333股由二零零七年十二月二十二日起可以行使·另183,333股·則於僱員達到若干表現指標時才符合資格行使。所有購股權必須不遲於二零一四年十二月二十一日行使。

* 此批購股權有不同的行使期·而本段首列之日期為最早之行使日期。

在購股權授出日期估計之購股權公平價值·採用的計算方法二項格子法乃按一個常用的僱員購股權估值模式的基本假設。截至二零零六年三月三十一日止年度並無授出購股權。於截至二零零五年三月三十一日止年度授出之購股權的公平價值為3,134,000港元。該購股權估值模式所用之主要數據如下:

Notes to the Financial Statements

財務報表附註

24. Share capital (continued)

(ii) 2002 Share Option Scheme (continued)

Expected volatility – 預期波幅	45%	Being the annualized volatility of historical share price of the Company from 1st April 2000 (approximately 3 years after the initial public offer) to 31st March 2005 即本公司過往由二零零零年四月一日(上市後約三年)至二零零五年三月三十一日的股票每日收市價之年度波幅
Expected dividend yield – 預期股息率	4%	Being the prospective dividend yield of shares of the Company 即本公司股份之預期股息率

The model is only one of the commonly used models to estimate the fair value of the employee share options. The value of an option varies with different assumptions. Any changes of the assumptions may affect the estimation.

該模式僅為估計僱員購股權估值的常用模式之一。購股權的價值會因不同的假設而有所不同。任何變動對購股權的估值都會構成影響。

(iii) Share Options under the Ex-director's Service Agreement

(iii) 前董事服務協議之購股權

Date of grant 授出日期	Subscription price per share 每股份認購價 (HK\$) (港元)	Exercisable period 行使期	Number of Share Options 購股權數目				
			Beginning of the year 年初	Granted during the year 於年內授出	Exercised during the year 於年內獲行使	[#] Lapsed during the year 於年內失效	End of the year 年底
14th September 1999 to 9th May 2002 一九九九年九月十四日至二零零二年五月九日	0.928	14th September 1999 to 2nd February 2007 一九九九年九月十四日至二零零七年二月二日	5,513,587	–	(500,000)	–	5,013,587

There is no share option cancelled during the year.

年內並無購股權被註銷。

25. Reserves

(a) Group

25. 儲備

(a) 本集團

		Share premium	Capital redemption reserve	Employee share-based compensation reserve	Exchange fluctuation reserve	Retained earnings	Total
		股份溢價	資本贖回儲備	以股份支付僱員酬金儲備	外匯波動儲備	滾存溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st April 2005, as previously reported	於二零零五年四月一日·如以往呈報	692,269	11,783	-	(25,815)	100,673	778,910
Prior period adjustments resulting from the adoption of:	因應採納下列各項而作出之前期調整:						
HKAS 17 (Note 2(a))	香港會計準則第17號 (附註2(a))	-	-	-	-	(1,213)	(1,213)
HKFRS 2 (Note 2(a))	香港財務報告準則第2號 (附註2(a))	-	-	19,769	-	(19,769)	-
At 1st April 2005, as restated	於二零零五年四月一日·重新列示	692,269	11,783	19,769	(25,815)	79,691	777,697
Translation differences recognised directly in equity	直接於權益確認之匯兌差額	-	-	-	266	-	266
Profit for the year	年度溢利	-	-	-	-	185,171	185,171
Total recognised income for the year ended 31st March 2006	於截至二零零六年三月三十一日止年內確認收入總額	-	-	-	266	185,171	185,437
Employee share option scheme: (Note 2(a)(iii))	僱員購股權計劃: (附註2(a)(iii))						
Value of employee services	僱員服務價值	-	-	11,268	-	-	11,268
Proceeds from shares issued upon exercise of options (Note 24(a))	行使購股權而發行股份之所收款項 (附註24(a))	31,333	-	-	-	-	31,333
Transfer of reserve upon exercise of options	行使購股權而轉撥儲備	8,304	-	(8,304)	-	-	-
2004/2005	二零零四/二零零五年						
Final and Special dividends paid	已派末期及特別股息	-	-	-	-	(146,059)	(146,059)
2005/2006	二零零五/二零零六年						
Interim dividend paid	已派中期股息	-	-	-	-	(40,280)	(40,280)
2005/2006	二零零五/二零零六年						
Special dividend paid	已派特別股息	-	-	-	-	(40,280)	(40,280)
		39,637	-	2,964	-	(226,619)	(184,018)
At 31st March 2006	於二零零六年三月三十一日	731,906	11,783	22,733	(25,549)	38,243	779,116
Representing:	組成如下:						
Reserves	儲備						630,724
Proposed dividends	擬派股息						148,392
At 31st March 2006	於二零零六年三月三十一日						779,116

Notes to the Financial Statements

財務報表附註

25. Reserves (continued)

(a) Group (continued)

25. 儲備 (續)

(a) 本集團 (續)

		Restated 重新列示					Retained earnings 滾存溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元	Employee share-based com- pensation reserve 以股份支付 僱員酬金儲備 HK\$'000 港幣千元	Exchange fluctuation reserve 外匯波動 儲備 HK\$'000 港幣千元			
At 1st April 2004, as previously reported	於二零零四年四月一日· 如以往呈報	653,247	11,783	-	(25,398)	80,646	720,278	
Prior period adjustments resulting from the adoption of:	因應採納下列各項而 作出之前期調整:							
HKAS 17 (Note 2(a))	香港會計準則第17號 (附註2(a))	-	-	-	-	(1,213)	(1,213)	
HKFRS 2 (Note 2(a))	香港財務報告準則 第2號(附註2(a))	-	-	5,218	-	(5,218)	-	
At 1st April 2004, as restated	於二零零四年四月一日· 重新列示	653,247	11,783	5,218	(25,398)	74,215	719,065	
Translation differences recognised directly in equity	直接於權益確認之 匯兌差額	-	-	-	(417)	-	(417)	
Profit for the year	年度溢利	-	-	-	-	202,056	202,056	
Total recognised income for the year ended 31st March 2005	於截至二零零五年三月 三十一日止年內確認 收入總額	-	-	-	(417)	202,056	201,639	
Employee share option scheme: (Note 2(a)(iii))	僱員購股權計劃: (附註2(a)(iii))							
Value of employee services	僱員服務價值	-	-	14,551	-	-	14,551	
Proceeds from shares issued upon exercise of options (Note 24(a))	行使購股權而發行 股份之所收款項 (附註24(a))	39,022	-	-	-	-	39,022	
2003/2004	二零零三/二零零四年							
Final and Special dividends paid	已派末期及特別股息	-	-	-	-	(117,408)	(117,408)	
2004/2005	二零零四/二零零五年							
Interim dividend paid	已派中期股息	-	-	-	-	(39,586)	(39,586)	
2004/2005	二零零四/二零零五年							
Special dividend paid	已派特別股息	-	-	-	-	(39,586)	(39,586)	
		39,022	-	14,551	-	(196,580)	(143,007)	
At 31st March 2005	於二零零五年三月三十一日	692,269	11,783	19,769	(25,815)	79,691	777,697	
Representing:	組成如下:							
Reserves	儲備						631,980	
Proposed dividends	擬派股息						145,717	
At 31st March 2005	於二零零五年三月三十一日						777,697	

25. Reserves (continued)

(b) Company

25. 儲備 (續)

(b) 本公司

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元	Employee share-based compensation reserve 以股份支付 僱員酬金儲備 HK\$'000 港幣千元	Retained earnings 滾存溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1st April 2005, as previously reported	於二零零五年四月一日· 如以往呈報	692,269	11,783	-	56,255	760,307
Prior period adjustments resulting from the adoption of HKFRS 2 (Note 2(a))	因應採納香港財務報告 準則第2號而作出之 前期調整 (附註2(a))	-	-	19,769	(19,769)	-
At 1 April 2005, as restated	於二零零五年四月一日· 重新列示	692,269	11,783	19,769	36,486	760,307
Profit for the year	年度溢利	-	-	-	197,423	197,423
Employee share option scheme: (Note 2(a)(iii))	僱員購股權計劃: (附註2(a)(iii))					
Value of employee services	僱員服務價值	-	-	11,268	-	11,268
Proceeds from shares issued upon exercise of options (Note 24(a))	行使購股權而發行 股份之所收款項 (附註24(a))	31,333	-	-	-	31,333
Transfer of reserve upon exercise of options 2004/2005	行使購股權而 轉撥儲備 二零零四/二零零五年	8,304	-	(8,304)	-	-
Final and Special dividends paid 2005/2006	已派末期及特別股息 二零零五/二零零六年	-	-	-	(146,059)	(146,059)
Interim dividend paid 2005/2006	已派中期股息 二零零五/二零零六年	-	-	-	(40,280)	(40,280)
Special dividend paid	已派特別股息	-	-	-	(40,280)	(40,280)
		39,637	-	2,964	(226,619)	(184,018)
At 31st March 2006	於二零零六年三月三十一日	731,906	11,783	22,733	7,290	773,712
Representing:	組成如下:					
Reserves	儲備					625,320
Proposed dividends	擬派股息					148,392
At 31st March 2006	於二零零六年三月三十一日					773,712

Notes to the Financial Statements

財務報表附註

25. Reserves (continued)

(b) Company (continued)

25. 儲備 (續)

(b) 本公司 (續)

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元	Employee share-based compensation reserve 以股份支付 僱員酬金儲備 HK\$'000 港幣千元	Restated 重新列示 Employee (Accumulated share-based losses)/ compensation retained earnings (累計虧損)/ 滾存溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1st April 2004, as previously reported	於二零零四年四月一日， 如以往呈報	653,247	11,783	-	(100,748)	564,282
Prior period adjustments resulting from the adoption of HKFRS 2 (Note 2(a))	因應採納香港財務報告 準則第2號而作出之 前期調整(附註2(a))	-	-	5,218	(5,218)	-
At 1 April 2004, as restated	於二零零四年四月一日， 重新列示	653,247	11,783	5,218	(105,966)	564,282
Profit for the year	年度溢利	-	-	-	339,032	339,032
Employee share option scheme: (Note 2(a)(iii))	僱員購股權計劃： (附註2(a)(iii))					
Value of employee services	僱員服務價值	-	-	14,551	-	14,551
Proceeds from shares issued upon exercise of options (Note 24(a))	行使購股權而發行 股份之所收款項 (附註24(a))	39,022	-	-	-	39,022
2003/2004	二零零三/二零零四年					
Final and Special dividends paid	已派末期及特別股息	-	-	-	(117,408)	(117,408)
2004/2005	二零零四/二零零五年					
Interim dividend paid	已派中期股息	-	-	-	(39,586)	(39,586)
2004/2005	二零零四/二零零五年					
Special dividend paid	已派特別股息	-	-	-	(39,586)	(39,586)
		39,022	-	14,551	(196,580)	(143,007)
At 31st March 2005	於二零零五年三月三十一日	692,269	11,783	19,769	36,486	760,307
Representing:	組成如下:					
Reserves	儲備					614,590
Proposed dividends	擬派股息					145,717
At 31st March 2005	於二零零五年三月三十一日					760,307

26. Consolidated cash flows statement

(a) Cash generated from operations

26. 綜合現金流量表

(a) 經營業務產生之現金

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元 Restated 重新列示
Profit for the year	年內溢利	185,171	202,056
Adjustments for:	就下列項目調整：		
– Income tax expense	– 所得稅開支	37,439	43,560
– Depreciation of property, plant and equipment	– 物業、機器及設備折舊	63,880	39,212
– Amortisation of leasehold land	– 攤銷租賃土地	401	290
– Gain on disposal of property, plant and equipment	– 出售物業、機器及設備溢利	(690)	(102)
– Write-off of property, plant and equipment	– 物業、機器及設備撇賬	812	925
– Write-off of other assets	– 其他資產撇賬	120	–
– Fair value losses on forward foreign exchange contracts	– 遠期外幣合約之公平值虧損	262	–
– Share-based payment	– 以股份支付的支出	11,268	14,551
– Interest income	– 利息收入	(17,518)	(12,357)
– Fair value changes on investment property and buildings	– 投資物業及樓宇之公平值變動	(2,135)	(3,581)
– Reversal of impairment losses on leasehold land	– 租賃土地之減值虧損撥回	(10,766)	(6,061)
Changes in working capital	營運資金變動	268,244	278,493
– Inventories	– 存貨	3,860	(101,532)
– Trade receivables	– 應收賬款	(2,016)	(4,422)
– Other receivables, deposits and prepayments	– 其他應收款項、按金及預付款項	(6,700)	(14,308)
– Trade and bills payable	– 應付賬款及票據	22,275	48,125
– Other payables and accrued charges	– 其他應付款項及應計費用	(13,133)	15,790
– Receipts in advance	– 預收款項	19,807	17,160
– Retirement benefit obligations	– 退休福利承擔	624	481
Cash generated from operations	經營業務產生之現金	292,961	239,787

Notes to the Financial Statements

財務報表附註

26. Consolidated cash flows statement (continued)

- (b) In the cash flow statement, proceeds from disposal of property, plant and equipment comprise:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Net book amount (Note 13)	賬面淨值(附註13)	25	316
Gain on disposal of property, plant and equipment	出售物業、機器及設備溢利	690	102
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所收款項	715	418

26. 綜合現金流量表(續)

- (b) 於現金流量表內，出售物業、機器及設備所得款項包括：

27. Commitments – Group

- (a) Capital commitments in respect of acquisition of property, plant and equipment:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未作出撥備	14,485	11,783
Authorised but not contracted for	已批准但未簽約	74,906	–
		89,391	11,783

27. 承擔 – 本集團

- (a) 購買物業、機器及設備之資本承擔：

The amount of capital commitments authorised but not contracted for represents the Group's estimated capital expenditure based on the annual budget approved by directors.

- (b) Commitments under operating leases

As at 31st March 2006, the Group had total future aggregate minimum lease payments under non-cancellable operating leases as follows:

已批准但未簽約之資本承擔款項，相當於本集團根據獲董事批准之年度預算所估計之資本性開支。

- (b) 經營租約承擔

於二零零六年三月三十一日，本集團根據不可撤銷之經營租賃而須於未來支付之最低租賃付款總額如下：

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Land and buildings	土地及樓宇		
Within one year	一年內	248,811	193,042
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	257,610	276,389
After the fifth year	五年後	524	1,000
		506,945	470,431

27. Commitments – Group (continued)

(c) Foreign currency contracts

In connection with the Group's requirements for purchases, the Group and the Company entered into agreements for forward purchases of foreign currencies. At 31st March 2006, the total outstanding foreign exchange contracts with banks amounted to HK\$8,000,000 (2005: HK\$137,136,000) for the Group, pursuant to which, the Group has, subject to certain conditions, committed to purchase Euro 819,000 at an average exchange rate to U.S. dollars of 1.2588 in the coming year. The exchange rate for one Euro to U.S. dollars at 31st March 2006 was 1.2109. All the above mentioned foreign exchange contracts are fully materialised.

- (d) At 31st March 2006 and 2005, the Group has committed to contribute an additional amount of HK\$19,230,000 as registered capital to Sa Sa Cosmetic (China) Company Limited, a subsidiary incorporated in the People's Republic of China.

27. 承擔 – 本集團 (續)

(c) 外幣合約

由於本集團之購貨所需，本集團及本公司已簽訂了購買遠期外幣合約。於二零零六年三月三十一日，本集團向銀行購買而未行使之外匯合約總餘額為八百萬港元（二零零五年：一億三千七百一十三萬六千港元）。根據該等合約，本集團以某些條件為準，承諾於來年以平均美元兌歐元匯率1.2588購買八十一萬九千歐元。於二零零六年三月三十一日，美元兌一歐元匯率為1.2109。上述所有外匯合約均已全數變現。

- (d) 於二零零六年及二零零五年三月三十一日，本集團承諾額外出資一千九百二十三萬港元為註冊資本於中華人民共和國成立之附屬公司（莎莎化粧品（中國）有限公司）。

28. Related party transactions

Key management personnel compensation:

		2006 HK\$'000 港幣千元	2005 HK\$'000 港幣千元
Directors' fees	董事袍金	1,032	914
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益	19,297	18,677
Discretionary bonuses	酌情發放之獎金	2,149	2,350
Retirement benefit costs	退休福利成本	1,292	1,157
Share-based payment	以股份支付的支出	2,483	3,507
Compensation for loss of office	離職補償	108	–
		26,361	26,605

28. 關連人士交易

主要管理人員之酬金：

Notes to the Financial Statements

財務報表附註

29. Principal subsidiaries

Particulars of the principal subsidiaries at 31st March 2006:

29. 主要附屬公司

於二零零六年三月三十一日主要附屬公司:

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及營業地點 (如與註冊地點不同)	Particulars of issued share capital/paid up share capital 已發行 股本/繳足股本	Indirect interest held 間接持有 之權益
Alibaster Management Limited	British Virgin Islands 英屬處女群島	Trading and retailing of cosmetic and skin care products in Taiwan 於台灣買賣及零售化粧品 及護膚品	Ordinary US\$6,880,000 普通股 6,880,000美元	100%
Base Sun Investment Limited 鵬日投資有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 Deferred HK\$2 普通股100港元 遞延股2港元	100%
Cyber Colors Limited	British Virgin Islands 英屬處女群島	Holding of trademarks in Hong Kong 於香港持有商標	Ordinary US\$1 普通股1美元	100%
Docile Company Limited	British Virgin Islands 英屬處女群島	Holding of trademarks in Hong Kong 於香港持有商標	Ordinary US\$2 普通股2美元	100%
Gig Limited	Samoa 薩摩亞	Holding of trademarks in Hong Kong 於香港持有商標	Ordinary US\$1 普通股1美元	100%
Hong Kong Sa Sa (M) Sdn. Bhd.	Malaysia 馬來西亞	Trading and retailing of cosmetic and skin care products 買賣及零售化粧品及護膚品	Ordinary RM20,000,000 普通股 20,000,000馬幣	100%
Lea Limited	Samoa 薩摩亞	Holding of trademarks in Hong Kong 於香港持有商標	Ordinary US\$1 普通股1美元	100%
Matford Trading Limited 美福貿易有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 Deferred HK\$6 普通股100港元 遞延股6港元	100%
Sa Sa Beauty Plus (Light Therapy) Company Limited	Hong Kong 香港	Provision of beauty services 提供美容服務	Ordinary HK\$2 普通股2港元	100%

29. Principal subsidiaries (continued)

29. 主要附屬公司(續)

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及營業地點 (如與註冊地點不同)	Particulars of issued share capital/paid up share capital 已發行 股本/繳足股本	Indirect interest held 間接持有 之權益
Sa Sa Cosmetic Company Limited 莎莎化粧品有限公司	Hong Kong 香港	Retailing and wholesaling of cosmetic and skin care products and the provision of beauty services 零售及批發化粧品及護膚品 以及提供美容服務	Ordinary HK\$100 Deferred HK\$2 普通股100港元 遞延股2港元	100%
Sa Sa Cosmetic Co. (S) Pte Limited	Singapore 新加坡	Trading and retailing of cosmetic and skin care products 買賣及零售化粧品及護膚品	Ordinary S\$19,500,000 普通股19,500,000 新加坡元	100%
Sa Sa dot Com Limited	Hong Kong 香港	E-commerce 網上商貿	Ordinary HK\$1,000,000 普通股 1,000,000港元	100%
Sa Sa Investment Limited 莎莎投資有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 Deferred HK\$2 普通股100港元 遞延股2港元	100%
Sa Sa Property Limited 莎莎地產有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$100 普通股100港元	100%
Sa Sa Cosmetic (China) Company Limited (i) 莎莎化粧品(中國) 有限公司(i)	People's Republic of China 中華人民共和國	Trading and retailing of cosmetic and skin care products 買賣及零售化粧品及護膚品	HK\$30,770,000 30,770,000港元	100%
Suisse Programme Limited	Gibraltar 直布羅陀	Holding of trademarks in Hong Kong 於香港持有商標	Ordinary Gibraltar £100 普通股100 直布羅陀鎊	100%

Notes to the Financial Statements

財務報表附註

29. Principal subsidiaries (continued)

29. 主要附屬公司 (續)

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation (if different from place of incorporation) 主要業務及營業地點 (如與註冊地點不同)	Particulars of issued share capital/paid up share capital 已發行 股本/繳足股本	Indirect interest held 間接持有 之權益
Vance Trading Limited 榮森貿易有限公司	Hong Kong 香港	Property holding 持有物業	Ordinary HK\$400,100 Deferred HK\$1,600,000 普通股400,100港元 遞延股1,600,000港元	100%
Lisbeth Enterprises Limited	Hong Kong 香港	Provision of beauty and health club services 提供美容及健美中心服務	Ordinary HK\$120,000 普通股120,000港元	100%
Phillip Wain International (Singapore) Pte Limited	Singapore 新加坡	Provision of beauty and health club services 提供美容及健美中心服務	Ordinary S\$100,000 普通股100,000 新加坡元	100%
Phillip Wain (M) Sdn. Bhd.	Malaysia 馬來西亞	Provision of beauty and health club services 提供美容及健美中心服務	Ordinary RM300,000 普通股300,000馬幣	100%
Phillip Wain (Thailand) Limited	Thailand 泰國	Provision of beauty and health club services 提供美容及健美中心服務	Ordinary Baht1,960,000 8.5% Preferred Baht160,000 5% Preferred Baht1,880,000 普通股 1,960,000泰銖 8.5%優先股 160,000泰銖 5%優先股 1,880,000泰銖	100%

Note:

- (i) Sa Sa Cosmetic (China) Company Limited is a wholly foreign owned enterprise for an operating period of 30 years up to 5th February 2035. As at 31st March 2006, its paid up capital is HK\$30,770,000.

附註:

- (i) 莎莎化粧品(中國)有限公司為外商獨資企業,經營期為三十年至二零三五年二月五日。於二零零六年三月三十一日,其已繳註冊資本為三千零七十七萬港元。

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN that the annual general meeting of Sa Sa International Holdings Limited (“Company”) will be held at Salon 3, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 24th August 2006 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31st March 2006.
2. To consider and declare a final dividend and a special dividend for the year ended 31st March 2006.
3. To re-elect the retiring directors and to authorise the board of directors (“Board”) to fix the remuneration of the directors (“Directors”).
4. To re-appoint auditors and to authorise the Board to fix their remuneration.

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:

5. **“THAT:-**
 - (A) subject to paragraph 5(C) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (B) the approval in paragraph 5(A) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

茲通告莎莎國際控股有限公司(「本公司」)謹訂於二零零六年八月二十四日(星期四)上午十一時假座香港金鐘道88號太古廣場香港萬豪酒店3樓3號宴會廳舉行股東週年大會,藉以處理下列事項:

1. 省覽截至二零零六年三月三十一日止年度之經審核綜合財務報表,以及董事會報告與核數師報告。
2. 考慮及宣派截至二零零六年三月三十一日止年度之末期股息及特別股息。
3. 重選退任董事並授權董事會(「董事會」)釐定董事(「董事」)之酬金。
4. 續聘核數師並授權董事會釐定其酬金。

作為特別事項,考慮並酌情通過(無論有否作出經修訂)下列決議案為本公司普通決議案:

5. **「動議:**
 - (A) 在下文5(C)段之規限下,一般及無條件地批准董事於有關期間(定義見下文)行使本公司之一切權力,以配發、發行及處理本公司股本中之未發行股份,並作出或授予可能需要行使該項權力之建議、協議及購股權(包括本公司之認股權證、債券及可換股債券);
 - (B) 根據上文5(A)段之批准董事有權於有關期間內作出或授予可能須於有關期間屆滿後行使該等權力之建議、協議及購股權(包括本公司之認股權證、債券及可換股債券);

Notice of Annual General Meeting (continued)

股東週年大會通告 (續)

(C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph 5(A) and (B), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any options granted under the share option schemes adopted by the Company; (iii) an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company; (iv) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company; and (v) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to in (ii) and (iii) above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution; and

(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

(C) 董事根據5(A)及(B)段批准配發或有條件或無條件地同意配發(不論是否根據購股權或以其他形式配發)之股本面值總額;除(i)根據配售新股(定義見下文);(ii)根據本公司所採納之購股權計劃而授出之任何購股權;(iii)本公司可予發行之認股權證所附認購權而配發股份;(iv)根據本公司組織章程細則按任何以股代息計劃或類似安排發行股份以代替全部或部分股息;及(v)在上文(ii)或(iii)所述授予任何購股權、認購權或發行其他證券之日期後,在根據上述購股權、認股權證或其他證券而行使有關權利時,可認購本公司股份之價格、及/或可認購本公司股份之數目出現任何調整,而該項調整乃遵照該等購股權、認購權或其他證券之條款或彼等預定之步驟而作出者外,不得超過於本決議案通過時本公司已發行股本總面值之20%;及

(D) 就本決議案而言:

「有關期間」指本決議案獲通過時至下列最早日期止之期間:

- (i) 本公司下屆股東週年大會結束時;
- (ii) 本公司組織大綱及章程細則或開曼群島任何適用法例規定本公司下屆股東週年大會須予舉行之期限屆滿之時;及
- (iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所授予權利。

「配售新股」指董事於指定期間內向於指定記錄日期名列股東名冊之股份持有人按彼等當時持有該等股份之比例提呈配發股份(惟董事可就零碎配額或經考慮任何有關司法權區法例規定之任何限制或責任或任何認可監管機構或任何證券交易所之要求,作出彼等認為必須或適當之行動以取消若干股東在此方面之權利或另作安排)。

6. “THAT:–

- (A) subject to paragraph 6(C) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to purchase such securities are subject to and in accordance with all applicable laws and/or requirement of the rules governing the listing of securities on the Stock Exchange or any other stock exchange from time to time, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph 6(A) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph 6(A) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
- (D) for the purposes of this resolution:
- “Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of Cayman Islands to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. 「動議:

- (A) 受下文6(C)段之限制，一般及無條件地批准董事於有關期間（定義見下文）內，行使本公司之一切權力，於香港聯合交易所有限公司（「聯交所」）或本公司證券可能上市並獲證券及期貨事務監察委員會及聯交所認可之其他交易所購回本公司資本中已發行股份，及本公司董事將按照所有不時更改之適用法例及／或聯交所證券上市規則行使本公司一切權力購回該等證券；
- (B) 第6(A)段之批准為賦予董事之任何其他授權以外所附加者，其授權董事代表本公司於有關期間促使本公司按董事釐定的價格購回其股份；
- (C) 本公司根據6(A)段之批准，於有關期間購回或有條件或無條件地同意購回之股本面值總額不得超過本公司於此決議案通過時已發行股本面值總額10%；及
- (D) 就本決議案而言：
- 「有關期間」指本決議案獲通過時至下列最早日期止之期間：
- (i) 本公司下屆股東週年大會結束時；
 - (ii) 本公司組織大綱及章程細則或開曼群島任何適用法例規定本公司下屆股東週年大會須予舉行之期限屆滿之時；及
 - (iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案所授予權利。」

Notice of Annual General Meeting (continued)

股東週年大會通告 (續)

7. "THAT conditional upon the passing of the ordinary resolutions numbered 5 and 6 in the notice convening this meeting, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the said resolution numbered 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the resolution numbered 5 set out in this notice of meeting."

By Order of the Board

Ho Sze Nga, Maggie

Company Secretary

Hong Kong, 29th June 2006

Notes:

1. The register of members of the Company will be closed from 21st August 2006 to 24th August 2006, both days inclusive, during which period no transfer of shares of the Company will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share and transfer office, Abacus Share Registrars Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 18th August 2006.
2. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend in his stead.
3. The enclosed form of proxy and (if required by the Board) the power of attorney or other authority (if any), under which it is signed, or a notarially certified copy of such power or authority shall be deposited at the Company's branch share and transfer office, Abacus Share Registrars Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than forty-eight hours before the time appointed for holding the above meeting or adjourned meeting at which the person named in the enclosed form of proxy proposes to vote, or, in the case of a poll taken subsequently to the date of the above meeting or adjourned meeting, not less than forty-eight hours before the time appointed for the taking of the poll, and in default the enclosed form of proxy shall not be treated as valid provided always that the chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
5. The enclosed form of proxy must be signed by the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.

7. 「動議待召開本大會之通告所載第5項及第6項普通決議案獲通過後，本公司根據及按照上述第6項決議案購回之本公司股本中股份之面值總額須一併計入董事根據及按照召開本大會之通告所載第5項決議案配發或有條件或無條件地同意配發之本公司股本面值總額內。」

承董事會命

公司秘書

何詩雅

香港，二零零六年六月二十九日

附註：

1. 本公司將於二零零六年八月二十一日至二零零六年八月二十四日期間(首尾兩天包括在內)暫停辦理股份過戶登記手續。股東最遲須於二零零六年八月十八日下午四時將所有過戶文件連同有關股票送交本公司之香港股份過戶登記分處雅柏勤證券登記有限公司(地址為香港皇后大道東28號金鐘匯中心26樓)，辦理登記手續。
2. 凡有權出席本公司股東大會及於會上投票之股東可委任其他人士(須為個人)代其出席大會並於會上投票。進行不記名投票時，股東或受委代表均可投票。受委代表毋須為本公司股東。股東可委任一名或以上之代表出席大會。
3. 隨年報附奉之委任代表表格連同(倘董事會要求)經簽署之授權書或其他授權文件(如有)或經公證人簽署核實之授權書或授權文件副本，最遲須於大會或委任代表表格所指定人士擬於會上投票之任何續會指定舉行時間48小時前或倘不記名投票於大會或續會日期後進行，則於進行不記名投票之指定時間不少於48小時前送達本公司之股份過戶登記分處雅柏勤證券登記有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，否則委任代表之表格將視作無效。惟倘委任人透過電報、電訊或傳真確認已向本公司發出正式簽署之委任代表文據，則大會主席可酌情指示視委任代表文據已正式呈交。交回代表委任文據後，股東仍可親自出席股東週年大會或進行不記名投票，於該等情況下，代表委任文據將視作已被撤回。
4. 如屬任何股份之聯名登記持有人，則任何一位聯名登記持有人均可親身或委派代表就其股份於任何大會上投票，猶如彼等為唯一有權就該股份投票者。惟倘超過一名聯名持有人親身或委派代表出席大會，則僅限於排名首位或排名較高(或視情況而定)之持有人方有權就該有關聯名股份投票，就此而言，排名次序乃按聯名股東就有關聯名持有股份於股東名冊之排名先後釐訂。
5. 隨年報附奉之代表委任表格須由委任人或以書面正式授權之人士簽署；或倘委任人為公司，則須加印公司印章或由獲正式授權之人員、授權代表或其他正式獲授權人士簽署。

All products featured in this annual report are retailed under Sa Sa's private labels or by Sa Sa as sole agent.

此年報印載的產品皆為莎莎專有品牌或莎莎獨家代理的產品。



Sa Sa International Holdings Limited

14th Floor, Block B, MP Industrial Centre
18 Ka Yip Street, Chai Wan, Hong Kong

Tel: (852) 2889 2331

Fax: (852) 2898 9717

Website: www.sasa.com

莎莎國際控股有限公司

香港柴灣嘉業街18號

明報工業中心B座14樓

電話：(852) 2889 2331

傳真：(852) 2898 9717

網址：www.sasa.com

Shares of Sa Sa International Holdings Limited are traded on The Stock
Exchange of Hong Kong Limited (Stock Code: 178)

莎莎國際控股有限公司股份於香港聯合交易所有限公司買賣（股份代號：178）