

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

These unaudited condensed consolidated interim financial statements are prepared in accordance with the Hong Kong Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2004.

2. Segment information

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

簡明綜合財務報表附註

1. 編製基準及會計政策

此未經審核之簡明綜合中期財務報表，乃按照香港會計師公會頒佈之香港會計實務準則第25條「中期財務報告」編製。

編製此中期財務報表所採用之會計政策及編製基準，與編製截至二零零四年三月三十一日止年度之財務報表所用者一致。

2. 分類資料

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

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簡明綜合財務報表附註

2. Segment information (continued)

An analysis of the Group's revenue and profit by geographical segment for the six months ended 30 September 2004, together with the comparative figures for the corresponding period in 2003, is as follows:

2. 分類資料 (續)

截至二零零四年九月三十日止六個月內，本集團按地域分類之收入及溢利分析，連同二零零三年同期之比較數字如下：

		Hong Kong		Mainland China		Taiwan		Singapore		Consolidated	
		香港		中國大陸		台灣		新加坡		綜合	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分類收入：										
Sales to external customers	銷售予外間顧客	460,345	369,309	185,916	213,785	149,805	131,942	82,962	75,645	879,028	790,681
Other revenue	其他收入	445	937	2,676	851	1,171	1,346	18	30	4,310	3,164
Total	總計	460,790	370,246	188,592	214,636	150,976	133,288	82,980	75,675	883,338	793,845
Segment results	分類業績	57,603	12,663	5,750	(16,468)	9,987	5,638	6,772	3,916	80,112	5,749
Interest income	利息收入									766	377
Profit from operating activities	營運業務溢利									80,878	6,126
Finance costs	融資成本									(464)	(2,865)
Profit before tax	除稅前溢利									80,414	3,261
Tax	稅項									(17,596)	(228)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務淨溢利									62,818	3,033

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3. Other revenue

3. 其他收入

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest income	利息收入	766	377
Royalty income	專利費收入	2,168	426
Gross rental income	租金收入毛額	1,262	1,289
Others	其他	880	1,449
		<u>5,076</u>	<u>3,541</u>

4. Profit from operating activities

4. 營運業務溢利

Profit from operating activities is arrived at after charging:

營運業務溢利已扣除下列項目：

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Depreciation	折舊	<u>23,228</u>	<u>25,388</u>

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5. Finance costs

5. 融資成本

	Six months ended	
	30 September	
	截至九月三十日止六個月	
	2004	2003
	二零零四年	二零零三年
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Interest on bank loans and overdrafts wholly repayable within five years	須於五年內悉數償還之 銀行貸款及透支的利息	
	464	2,865

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6. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 September 2004. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

簡明綜合財務報表附註

6. 稅項

香港利得稅已按截至二零零四年九月三十日止六個月內於香港賺取之估計應課稅溢利以稅率17.5% (二零零三年：17.5%) 提撥準備。在其他地區所得應課稅溢利的稅項，乃根據本集團業務經營所在地區之現有法律、詮釋及常規，按其現行稅率計算。

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current tax:	本期間稅項：		
Hong Kong	香港	8,973	1,150
Elsewhere	其他地區	5,661	54
Under/(over) provision	過往期間撥備不足／		
in prior periods	(超額撥備)	931	(976)
Deferred tax	遞延稅項	2,031	-
		<hr/>	<hr/>
Tax charge for the	期內稅項支出		
period		17,596	228
		<hr/>	<hr/>

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7. Dividends

7. 股息

	Six months ended	
	30 September	
	截至九月三十日止六個月	
	2004	2003
	二零零四年	二零零三年
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Interim dividend – 中期股息 –		
HK1.8 cents (2003: nil) 每股普通股1.8港仙		
per ordinary share (二零零三年：無)	27,773	–

8. Earnings per share

The basic earnings per share is calculated based on the net profit from ordinary activities attributable to shareholders for the six months ended 30 September 2004 of HK\$62,818,000 (2003: HK\$3,033,000) and the weighted average of 1,542,923,394 (2003: 1,410,908,732 as restated) ordinary shares in issue during the period, as adjusted to reflect the bonus shares issued during the period.

8. 每股盈利

每股基本盈利乃根據截至二零零四年九月三十日止六個月內股東應佔日常業務淨溢利港幣62,818,000元(二零零三年：港幣3,033,000元)及期內已發行普通股之加權平均數1,542,923,394股(二零零三年：重新列賬為1,410,908,732股)計算，股數經調整以反映期內發行之紅股。

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8. Earnings per share (continued)

The calculation of diluted earnings per share is based on the net profit from ordinary activities attributable to shareholders for the six months ended 30 September 2004 of HK\$62,818,000. The weighted average number of ordinary shares used in the calculation is the 1,542,923,394 ordinary shares in issue during the period, as used in the basic earnings per share calculation; and the weighted average of 63,183,564 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

A diluted earnings per share amount for the six months ended 30 September 2003 has not been disclosed as no diluting events existed during that period.

9. Fixed Assets

Opening net book value	期初之賬面淨值	107,775	127,709
Additions	添置	28,609	34,495
Disposals	出售	(3,419)	(6,741)
Depreciation	折舊	(23,228)	(48,997)
Exchange realignment	匯兌調整	(472)	1,309
Closing net book value	期末之賬面淨值	109,265	107,775

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8. 每股盈利 (續)

每股攤薄盈利乃根據截至二零零四年九月三十日止六個月內股東應佔日常業務淨溢利港幣62,818,000元計算。計算所用之普通股加權平均數(亦用於計算每股基本盈利)為期內已發行普通股1,542,923,394股,及假設期內被視作悉數行使購股權而按零代價發行的普通股加權平均數63,183,564股。

由於截至二零零三年九月三十日止六個月並無出現令每股盈利攤薄之事項,故並無為該段期間披露每股攤薄盈利數額。

9. 固定資產

	As at 30 September 2004 於二零零四年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	As at 31 March 2004 於二零零四年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
	107,775	127,709
	28,609	34,495
	(3,419)	(6,741)
	(23,228)	(48,997)
	(472)	1,309
	109,265	107,775

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10. Debtors

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

An aged analysis of trade debtors, based on invoice date, is as follows:

0 to 30 days	0至30天
31 to 60 days	31至60天
61 to 90 days	61至90天
Over 90 days	逾90天

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10. 應收賬款

除現金及信用卡銷售外，本集團在一般情況下授予其貿易客戶最高60天信貸期。

以下為按發票日計應收賬款之賬齡分析：

As at	As at
30 September 2004	31 March 2004
於二零零四年 九月三十日	於二零零四年 三月三十一日
(Unaudited)	(Audited)
(未經審核)	(經審核)
HK\$'000	HK\$'000
港幣千元	港幣千元
36,896	25,770
7,024	11,129
52	937
88	93
44,060	37,929

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11. Creditors and accruals

Included in creditors and accruals is a trade creditors balance of HK\$85,702,000 (31 March 2004: HK\$40,601,000).

An aged analysis of trade creditors, based on invoice date, is as follows:

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11. 應付賬款及應計賬項

在應付賬款及應計賬項內，已包括應付賬款結餘港幣85,702,000元(二零零四年三月三十一日：港幣40,601,000元)。

以下為按發票日計應付賬款之賬齡分析：

		As at	As at
		30 September 2004	31 March 2004
		於二零零四年	於二零零四年
		九月三十日	三月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
0 to 30 days	0至30天	71,614	27,325
31 to 60 days	31至60天	10,389	11,092
61 to 90 days	61至90天	2,828	1,890
Over 90 days	逾90天	871	294
		85,702	40,601

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12. Share capital

12. 股本

		As at 30 September 2004 於二零零四年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	As at 31 March 2004 於二零零四年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Authorised:	法定股本：		
2,000,000,000 (31 March 2004: 2,000,000,000) ordinary shares of HK\$0.10 each	2,000,000,000股 (二零零四年三月三十一日： 2,000,000,000股) 每股面值 港幣0.10元之普通股	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:	已發行及繳足股本：		
1,542,923,394 (31 March 2004: 771,461,697) ordinary shares of HK\$0.10 each	1,542,923,394股 (二零零四年三月三十一日： 771,461,697股) 每股面值 港幣0.10元之普通股	<u>154,292</u>	<u>77,146</u>

Pursuant to the annual general meeting held on 30 August 2004, an aggregate of 771,461,697 ordinary shares of HK\$0.10 each were issued on 14 September 2004 on the basis of one bonus share for every one existing share held, as fully paid bonus shares by capitalising the sum of approximately HK\$68,229,000 and approximately HK\$8,917,000 to the credit of the Company's share premium account and contributed surplus account, respectively.

根據二零零四年八月三十日舉行之股東週年大會，本公司於二零零四年九月十四日按每持有一股現有股份可獲發一股紅股之基準，合共發行771,461,697股每股面值港幣0.10元之普通股，並藉將本公司股份溢價賬及繳入盈餘賬分別約港幣68,229,000元及約港幣8,917,000元之數額撥充資本，而入賬列作繳足股款之紅股。

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13. Related party transactions

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

13. 關連人士交易

本集團於期內與關連人士進行之重大交易如下：

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	<i>Notes</i>		
	<i>附註</i>		
Rental paid for warehouse premises	(a)	517	496
Rental paid for office premises	(b)	2,177	2,193
Purchase of garments	(c)	130,259	-
		130,259	-

Notes:

- (a) The rental was paid to Laws International Group Limited ("Laws International"). Certain directors of Laws International, who have beneficial interests therein, are relatives of Mr. LAW Ka Sing and Mr. Simon ORR Kuen Fung, directors of the Company. The rental was determined by reference to open market rentals at the inception of the tenancy agreement.
- (b) The rental was paid to Bright City International Limited ("Bright City International"). Certain directors of Bright City International, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing and Mr. Simon ORR Kuen Fung, directors of the Company. The rental was determined by reference to open market rentals at the inception of the tenancy agreement.
- (c) During the period, garments totalling HK\$130,259,000 were purchased from certain wholly-owned subsidiaries of Laws International. Certain directors of these companies, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing and Mr. Simon ORR Kuen Fung, directors of the Company. The purchases were determined by reference to the prevailing market prices.

附註：

- (a) 租金乃繳付予羅氏國際集團有限公司（「羅氏國際」）。於羅氏國際擁有實益股本權益之若干名董事乃本公司董事羅家聖先生及柯權峯先生之親屬。租金乃參照租約生效時之公開市值租金釐定。
- (b) 租金乃繳付予澤城國際有限公司（「澤城國際」）。於澤城國際擁有實益股本權益之若干名董事乃本公司董事羅家聖先生及柯權峯先生之親屬。租金乃參照租約生效時之公開市值租金釐定。
- (c) 期內，本公司分別向若干羅氏國際之全資附屬公司購買合共港幣130,259,000元之成衣。於該等公司擁有實益股本權益之若干名董事乃本公司董事羅家聖先生及柯權峯先生之親屬。採購乃參照當時之市價釐訂。

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14. Commitments

14. 承擔

(a) Capital commitments

(a) 資本承擔

	As at 30 September 2004 於二零零四年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	As at 31 March 2004 於二零零四年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Contracted but not provided for	2,498	393
Authorised but not contracted for	1,024	-
	<u>3,522</u>	<u>393</u>

(b) Commitments under forward foreign exchange contracts

(b) 遠期外匯合約之承擔

	As at 30 September 2004 於二零零四年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	As at 31 March 2004 於二零零四年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Forward foreign exchange contracts	76,266	60,191

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15. Contingent liabilities

15. 或然負債

	As at 30 September 2004 於二零零四年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	As at 31 March 2004 於二零零四年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Bank guarantees given in lieu of utility and property rental deposits 代替水電及租用物業按金之銀行擔保	<u>493</u>	<u>36</u>

Other than the contingent liabilities disclosed above and in Note 16 "Post balance sheet event" below, there have been no material changes in contingent liabilities in respect of the Group's litigations since 31 March 2004.

除上文及下文附註16「結算日後事項」內披露之或然負債外，本集團在訴訟方面之或然負債自二零零四年三月三十一日以來並無重大變動。

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16. Post balance sheet event

In October 2004, a Taiwan branch of one of the Group's subsidiaries (the "Taiwan Branch") received a notice of claim from the Taipei National Tax Administration, Ministry of Finance (the "TNTA"), relating to the underpayment of business tax on sales made through certain retail stores which were operated under co-operative arrangements with third parties during the period from January 2001 to May 2003 together with penalties of approximately NTD27.9 million in aggregate (equivalent to HK\$6.5 million).

The directors, based on the advice from the local tax representative of the Taiwan Branch, believe that the branch has a valid ground to object the claims from the TNTA, and accordingly, have not made any provision for the tax claim as at 30 September 2004.

17. Approval of the interim financial statements

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 30 November 2004.

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16. 結算日後事項

於二零零四年十月，本集團其中一間附屬公司之台灣分行（「台灣分行」）收到財政部台北市國稅局（「台北市國稅局」）之申索通知書，追索有關於二零零一年一月至二零零三年五月期間透過合作安排與第三者所營運之若干零售店舖所涉及之營業稅繳稅不足連同罰款合共約新台幣27,900,000元（相當於港幣6,500,000元）。

基於台灣分行當地稅務代表所提供之意見，董事相信該分行具有充份理據反對台北市國稅局之索償，因此並沒有於二零零四年九月三十日就此稅務索償作出撥備。

17. 中期財務報表之批准

董事局已於二零零四年十一月三十日批准及授權發佈本簡明綜合中期財務報表。