

In enhancing shareholders' value,  
it remains our ultimate goal to achieve  
sustainable **double-digit growth**  
in both turnover and profits in the years to come.

為提升股東價值，我們仍以維持營業額及盈利達  
雙位數字增長為最終目標。



bossini

## Chairman's letter to shareholders 主席致股東函件

In the past fiscal year, the Group was able to capitalise on the turnaround realised in 2003/2004 by meeting, and in many cases exceeding, the Group's goals set for 2004/2005. The most notable was the double-digit growth in both top and bottom line figures. This was especially true in the first half of the year, when net profit attributable to shareholders rose an outstanding 20 times over that of the previous year. The second half of the fiscal year was a challenge to the Group because of the unseasonably warm weather in winter. In spite of the unfavourable conditions, Bossini has sustained and continued its growth in the second half of the year, thus achieving another year of record highs in turnover and profitability.

### Strong and established growth

The past financial year witnessed impressive growth momentum in most of the Group's four core markets and export franchise business. The consolidated turnover saw a rise of 13% over that of 2003/2004, amounting to HK\$2.02 billion (2004: HK\$1.78 billion). The Group's profitability improved with gross margin up by two percentage points to 49% and operating margin improved by three percentage points to 11%. Operating profit thus grew 54% to HK\$226 million (2004: HK\$146 million).

Improved financial and operational indicators reflected enhanced operational efficiencies. It explained the year's higher earnings per share of HK11.74 cents (2004: HK7.97 cents) and the rise of net profit attributable to shareholders to HK\$182 million (2004: HK\$118 million), a 54% increase over the prior year.

Final cash dividend per share was HK3.9 cents. Together with the interim dividend paid of HK1.8 cents, the total dividend per share was HK5.7 cents (2004: HK3.0 cents after adjustment for the one for one bonus issue of shares in September 2004), representing a payout ratio of 49% (2004: 39%) for the fiscal year 2004/2005.

繼二零零三／二零零四年轉虧為盈後，本集團於上一財政年度之業績再創高峰，於年內達致並超越年初所定下的目標。其中最為顯著的是營業額和盈利均錄得雙位數字的增長。上半年的升幅尤其明顯，股東應佔淨溢利更飆升20倍。下半年則因冬季異常溫暖，對本集團之業務構成一定的影響。儘管如此，堡獅龍於下半年的增長依然持續，全年整體的營業額及盈利因而再一次締造了歷史新高。

### 穩步強勁增長

於回顧年內，本集團繼續維持於四大核心市場及出口特許經營業務的增長勢頭。綜合營業額較二零零三／二零零四年增加13%至港幣20.2億元(二零零四年：港幣17.8億元)。本集團盈利情況亦有所改善，毛利率上升兩個百分點至49%，營運溢利率亦上升三個百分點至11%，營運溢利較去年增加54%至港幣2.26億元(二零零四年：港幣1.46億元)。

營運效率的提升展現於多項財務及營運指標的改善，令每股盈利升至11.74港仙(二零零四年：7.97港仙)，股東應佔淨溢利則上升54%至港幣1.82億元(二零零四年：港幣1.18億元)。

每股末期現金股息為3.9港仙，連同已派發的中期股息1.8港仙，二零零四／二零零五財政年度的每股股息總額為5.7港仙(二零零四年：3.0港仙，就二零零四年九月每持有一股股份可獲派一股紅股作調整)，派息比率為49%(二零零四年：39%)。

### Business strategy: leveraging strengths to optimise expansion

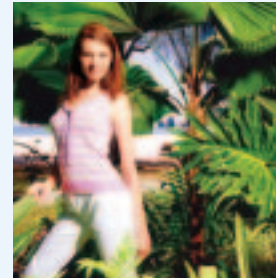
In the year under review, the Group performed remarkably in accomplishing the tasks and goals previously set forth and bringing Bossini closer to realising long-term optimisation. Supported by a network expansion strategy that stressed optimum use of floor area, enhanced product design and quality that fit customer needs, innovative marketing and branding initiatives, effective training and motivation programmes that enhanced the quality of both front line and back office staff, and improved internal operation systems that boasted high efficiency and effectiveness, the Group's profitability improved during the year.

Over the years, the Group has accumulated a great deal of valuable experience operating in the Mainland China market. Currently, Mainland China is adding retail space the fastest among all countries in the world and its economy is growing at an astonishing rate. We believe the Group is well established to take advantage of the Chinese retail boom, and we are committed to tapping the huge potential of the market. It is our plan to turn our Mainland China business into our largest turnover and profit contributor to the Group in the medium term, and we will achieve this goal by expanding the Group's directly managed and franchise network there, in terms of both number of outlets and geographical reach.

The Group's organic expansion plan is not limited to Mainland China. One of the brightest developments during the past year was the 47% growth in sales of our export franchise business. The Group's future target is to achieve 30% annual sales growth in this business. Bossini is confident of achieving organic growth leveraging its recent efficiency and effectiveness gains, network expansion, brand development, and its talented management team.

In addition to expanding retail space and the franchise business, we plan to adopt a multi-brand strategy in the medium term. This would entail the introduction of mainly self-developed new brands.

Apart from the recent explosive growth in Bossini's export franchise business, we believe our impressive profitability, proven over the past two years, shall strengthen the Group's capability to capture the enormous growth potential. These factors, compounded with our aggressive expansion plan for our distribution network – especially in Mainland China, where we already have an established presence in over 100 cities – will further contribute to the Group's success in the near future.



### 業務策略：發揮優勢，致力擴充業務

於回顧年內，本集團一一完成所定的工作及目標，繼續帶領堡獅龍朝著長期增長的目標進發。本集團利潤之改善實有賴於回顧期內採用善用樓面面積的策略、提升產品設計及質量以配合顧客需要、推行具創意之市場推廣及品牌建立的策略，透過有效培訓及獎勵計劃以提升前線及後勤員工的質素，以及在改善內部營運系統的效率及效益等方面的不懈努力。

經過多年發展，本集團在經營中國大陸業務方面累積了豐富的經驗。目前，中國大陸已成為全球最大的零售市場，經濟增長迅速。本集團已準備就緒，並窺準蓬勃發展的中國零售市場，致力發掘當中的無限潛力，我們計劃於中期內將中國大陸之業務擴展成為本集團的營業額及溢利之最大貢獻者。為達致此目標，本集團將增加在國內的直接管理及特許經營店舖數目，同時繼續擴展其業務覆蓋範圍。

然而，本集團的擴充計劃並不限於中國大陸市場。年內，本集團其中一項重要的發展乃出口特許經營業務，營業額錄得47%的增長，而集團更訂下每年營業額增長30%的目標。隨著近期營運效益及效率的上升、分銷網絡的擴充、品牌的拓展以及管理層的豐富知識和經驗，堡獅龍有信心可以達致此增長目標。

除了擴充零售空間及特許經營業務外，本集團亦計劃在中期採納多品牌策略，主要以自行開發的新品牌為主。

我們相信，集團在過去兩年錄得的可觀盈利以及近期出口特許經營業務的大幅增長足以證明本集團具有龐大的增長潛力。憑藉這些優勢，再配合我們在分銷網絡，尤其已於超過100個城市建立據點的中國大陸市場採取積極擴展策略，本集團於未來將取得進一步的成功。

## Corporate governance and transparency

We at Bossini are dedicated to enhancing our corporate governance and transparency. The Bossini group policy (the “Group Policy”), a stringent standard of corporate conduct, was adopted in 2004. Taking advantage of the Group Policy, Bossini’s board of directors (the “Board”) aims to set a high standard for our corporate governance practices. Bossini intends to enhance its corporate governance and transparency progressively. One of the steps we will take in the near future is to enhance the mix and number of board members, with the aim of maintaining an optimal presence of executive and non-executive directors.

## Strong corporate culture and a learning organisation

Bossini is a learning organisation and a large part of our corporate culture is focused on the “7 Habits®”. We encourage our staff to make the most of themselves at the Bossini family. During the year under review, the “7 Habits®” culture was further enriched and substantial efforts were made to encourage all-around development of our employees. Knowledge sharing and reading habits were also encouraged. We believe this emphasis on learning will not only foster our employees’ personal development but will also enhance their effectiveness at work and in turn contribute to Bossini’s business performance.

## Commitment to sustainable growth

To deliver maximum shareholders’ value, we will continue to strive to achieve sustainable double-digit growth in both turnover and profits. In the foreseeable future, such growth will be driven by an increase in our market share in core markets, especially Mainland China, and the expansion of our export franchise business. Our mission remains to be providing good value for money and quality mix-and-match casual apparel to consumers around the world. Our past success would not have been achieved without our talented and devoted staff, and the invaluable support of individual investors. It is my pleasure to thank all of the employees and investors who have helped make Bossini what it is today. We are optimistic about the Group’s future growth potential and it is my hope that you will all accompany us as we work tirelessly for a better and brighter tomorrow for Bossini.

### LAW Ka Sing

Chairman

Hong Kong  
5 July 2005

## 企業管治與透明度

我們致力於優化本集團的企業管治和透明度。在二零零四年採納堡獅龍集團政策(「集團政策」)，列出各項嚴格的企業操守準則。透過此集團政策，堡獅龍董事局(「董事局」)旨在確立優質之企業管治常規，務求逐漸提高企業的管治水平及透明度。為達致此目標，我們計劃加強董事局的成員組合和人數，以求執行董事與非執行董事的數目能維持理想的平衡。

## 企業文化與學習型機構

堡獅龍是一個學習型機構，並以「七個習慣®」作為本集團的企業文化之核心，鼓勵員工盡展所長。於回顧年內，本集團專注深化和實踐「七個習慣®」的文化，並投放大量資源以促進員工的全面發展，又鼓勵員工進行知識交流及培養閱讀習慣。我們相信，奉行此企業文化將有助員工的個人發展並提升其工作效能，從而促進本集團的業務表現。

## 致力達致持續增長

為了提高股東價值，我們將繼續以維持營業額及盈利兩方面達雙位數字增長為最終目標。展望未來，擴大核心市場(尤其是中國內地)的市場佔有率和擴充出口特許經營業務將成為帶動營業額及盈利增長的主要動力。我們將繼續為全球顧客提供物有所值、優質及易於搭配的休閒服裝。倘若沒有經驗豐富和努力不懈的員工及投資者的鼎力支持，本集團實在無法取得今天的成就。本人謹此感謝所有員工及投資者對堡獅龍所作出的貢獻。我們對集團之未來發展潛力感到樂觀，並誠心盼望在往後的日子裡，我們能繼續並肩作戰，於未來再創佳績。

主席

羅家聖

香港  
二零零五年七月五日