

grow
增長



boosid

Management discussion and analysis 管理層討論及分析

Export franchising and the Mainland China business form our dual growth engines

出口特許經營及中國大陸業務是本集團兩大增長動力之源

Financial Performance

During the year under review, the retail market in the Asian region faced an uncompromising operating environment that was marked by much intensified competition, continuous interest rates hikes, unseasonable weather and rising accommodation costs. The market competitiveness of the Group's product and overall performance were thus diminished.

During the period under review, the Group's consolidated turnover rose 9% to HK\$2,200 million (2005: HK\$2,017 million). Gross profit grew 3% to HK\$1,025 million (2005: HK\$998 million), representing a gross margin of 47% (2005: 49%). Operating profit was HK\$140 million (2005 restated: HK\$225 million), representing an operating margin of 6% (2005 restated: 11%). Profit for the year attributable to equity holders recorded a negative growth of 42% to HK\$105 million (2005 restated: HK\$181 million).

財務表現

於回顧年內，亞洲地區的零售業經營環境欠佳——市場競爭日趨激烈、息口持續上升、天氣反覆不定，以及租金上揚。本集團處身其中，其產品競爭力及整體業務表現因此被削弱。

於回顧期內，本集團綜合營業額上升9%至港幣22.00億元（二零零五年：港幣20.17億元），毛利增長3%至港幣10.25億元（二零零五年：港幣9.98億元），毛利率為47%（二零零五年：49%）。年內之營運溢利達港幣1.40億元（二零零五年重列：港幣2.25億元），營運溢利率為6%（二零零五年重列：11%）。權益持有人應佔年內溢利錄得42%的負增長至港幣1.05億元（二零零五年重列：港幣1.81億元）。



Operating Efficiencies

Same store sales posted a negative growth of 5% (2005: 11% growth) during the year under review. At the same time, the Group experienced pressure on operating costs, in particular the rental expenses which rose considerably in the year under review on the expectation of a revival of the property market and the expected influx of visitors to Hong Kong. Total operating costs increased to 41% of total revenue (2005 restated: 39%).

Operating Cost Analysis 營運成本分析

	2006 二零零六年		2005 (restated) 二零零五年 (重新列賬)		Change 轉變
	HK\$ million 港幣百萬元	% of total revenue 佔總營業額%	HK\$ million 港幣百萬元	% of total revenue 佔總營業額%	
Revenue 營業額	2,200	100%	2,017	100%	+9%
Selling and distribution costs 銷售及分銷成本	661	30%	575	28%	+15%
Administrative expenses 行政開支	202	9%	179	9%	+13%
Other operating expenses 其他營運開支	39	2%	37	2%	+4%
Total operating expenses 總營運開支	902	41%	791	39%	+14%

Business Review

Network Expansion

The Group added a total of 241 new outlets in the year under review. As at 31 March 2006, the total number of outlets worldwide reached 1,068 (2005: 827), of which 521 (2005: 409) were directly managed outlets and 547 (2005: 418) were franchised outlets.

營運效益

回顧年內之同店銷售額錄得5%負增長（二零零五年：11%增長）。與此同時，市場預期地產市道復甦及訪港旅客人數激增，令營運成本顯著受壓，當中尤以租金開支為甚，總營運成本因而增加至營業額的41%（二零零五年重列：39%）。

業務回顧

網絡擴充

本集團於回顧年內合共增設241間店舖，於二零零六年三月三十一日，全球店舖總數達1,068間（二零零五年：827間），其中包括521間（二零零五年：409間）直接管理店舖及547間（二零零五年：418間）特許經營店舖。



In terms of geographical reach, the Group added 70 directly managed and 81 franchised outlets in Mainland China; 37 directly managed outlets in Taiwan; 3 directly managed outlets in Malaysia; 1 directly managed outlet each in Hong Kong and Singapore, and 48 franchised outlets in other countries, mainly in the Middle East, Thailand and Indonesia.

Consequently, the total retail floor space increased by 16% to 631,100 sq. ft. (2005: 542,700 sq. ft.) as at 31 March 2006.

Brand Development and Corporate Responsibilities

During the period under review, the Group took the lead to join hands with 16 retailers to foster one of the largest retail alliances in the region, including Hong Kong, Mainland China, Singapore and Taiwan. The alliance launched collaboratively a campaign entitled "*bossini – surprises around the world*" with the aim of uniting retailers around Asia and promoting the retail industry and tourism in Hong Kong and abroad. As a responsible corporate citizen, the Group procured donation of approximately HK\$1 million in total, partly from sales generated from the promotional campaign to UNICEF for charity purposes.



按地區分佈而言，本集團於中國大陸增加70間直接管理店舖及81間特許經營店舖；台灣及馬來西亞分別新增設37間及3間直接管理店舖，而香港及新加坡各增加1間直接管理店舖，並於其他國家增加48間新特許經營店舖，主要集中在中東、泰國及印尼等地。

在直接管理店舖數目增加的推動下，本集團於二零零六年三月三十一日的總零售樓面面積較上年度增加16%至631,100平方呎（二零零五年：542,700平方呎）。

品牌拓展兼顧企業責任

於回顧年內，本集團主動凝聚商界力量，聯同十六家零售品牌商，組成亞洲區內最大的跨地域零售網絡聯盟之一，零售點遍及香港、中國大陸、新加坡及台灣四地，攜手推出一項名為「*bossini獎賞滿世界*」的嶄新推廣活動，藉此加強亞洲地區零售商的聯繫，進一步推動香港及海外零售業及旅遊業的發展。作為一個富有責任感的企業公民，本集團籌募約港幣100萬元撥捐聯合國兒童基金會（UNICEF）作慈善用途，其中包括「*bossini獎賞滿世界*」計劃所得的銷售收入。

Review of Operations 營運回顧

Regional performance analyses 按地區表現之分析

	Hong Kong 香港			Mainland China 中國大陸			Taiwan 台灣			Singapore 新加坡			Malaysia 馬來西亞			Total 合共		
	2006 二零零六年	2005 (restated) 二零零五年 (重新列賬)	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 (restated) 二零零五年 (重新列賬)	Change 轉變	2006 二零零六年	2005 (restated) 二零零五年 (重新列賬)	Change 轉變	2006 二零零六年	2005 二零零五年	Change 轉變	2006 二零零六年	2005 (restated) 二零零五年 (重新列賬)	Change 轉變
Retail 零售																		
Net retail sales (in HK\$ mn) 零售淨銷售額 (港幣百萬元)	815	803	+1%	351	331	+6%	379	348	+9%	200	191	+5%	1	-	N/A	1,746	1,673	+4%
Operating profit/(loss) (in HK\$ mn) 營運溢利/(虧損) (港幣百萬元)	51	97	-47%	(9)	9	N/A	(10)	18	N/A	19	23	-17%	(1)	-	N/A	50	147	-66%
Operating margin (%) 營運溢利率 (%)	6%	12%	-6%pts	-3%	3%	-6%pts	-3%	5%	-8%pts	10%	12%	-2%pts	-100%	N/A	N/A	3%	9%	-6%pts
Retail floor area (sq. ft.) (a) 零售樓面面積 (平方呎) (a)	111,400	112,000	-1%	307,300	276,400	+11%	176,000	124,100	+42%	32,000	30,200	+6%	4,400	-	N/A	631,100	542,700	+16%
Net sales per sq. ft. (in HK\$) (b) 每平方呎淨銷售額 (港幣) (b)	7,300	7,700	-5%	1,200	1,300	-8%	2,500	2,800	-11%	6,400	6,600	-3%	1,100	-	N/A	2,900	3,300	-12%
Same store sales growth (c) 同店銷售額增長 (c)	-5%	+11%	-16%pts	-9%	+11%	-20%pts	-11%	+6%	-17%pts	+3%	+12%	-9%pts	N/A	N/A	N/A	-5%	+11%	-16%pts
No. of outlets 店舖數目	33	32	+1	344	274	+70	112	75	+37	29	28	+1	3	-	+3	521	409	+112
Franchise 特許經營																		
Sales (in HK\$ mn) 銷售額 (港幣百萬元)	291	218	+33%	110	97	+13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	401	315	+27%
Operating profit (in HK\$ mn) 營運溢利 (港幣百萬元)	86	65	+32%	15	23	-35%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	101	88	+15%
Operating margin (%) 營運溢利率 (%)	30%	30%	0%pt	14%	24%	-10%pts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25%	28%	-3%pts
No. of outlets 店舖數目	263	215	+48	284	203	+81	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	547	418	+129
Regional total 區域總計																		Consolidated 綜合
Sales (in HK\$ mn) 銷售額 (港幣百萬元)	1,130	1,035	+9%	490	443	+11%	379	348	+9%	200	191	+5%	1	-	N/A	2,200	2,017	+9%
Operating profit/(loss) (in HK\$ mn) 營運溢利/(虧損) (港幣百萬元)	125	151	-17%	7	33	-79%	(10)	18	N/A	19	23	-17%	(1)	-	N/A	140	225	-38%
Operating margin (%) 營運溢利率 (%)	11%	15%	-4%pts	1%	7%	-6%pts	-3%	5%	-8%pts	10%	12%	-2%pts	-100%	N/A	N/A	6%	11%	-5%pts
No. of outlets 店舖數目	33 (d)	32 (d)	+1	628	477	+151	112	75	+37	29	28	+1	3	-	+3	1,068	827	+241

Notes:

(a) As at 31 March 於三月三十一日

(b) On weighted average basis 加權平均基準

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

(d) No. of export franchised outlet is not included 不包括出口特許經營店舖

Key Operations Breakdown and Analyses

Headquartered in Hong Kong, the Group operates on a global platform. The turnover composition remained unchanged with Hong Kong maintaining its position as the Group's major source of revenue and accounting for 52% (2005: 52%) of the total sales. It was followed by Mainland China, which accounted for 22% (2005: 22%) of the total sales, and Taiwan and Singapore, which accounted for 17% (2005: 17%) and 9% (2005: 9%), respectively.

Hong Kong

Retail and export franchise businesses continued to be the major revenue sources generated from the Hong Kong market. During the year under review, total revenue from Hong Kong rose by 9% to HK\$1,130 million (2005: HK\$1,035 million). Retail and export franchise sales accounted for 37% and 13% as a percentage of the Group's total sales respectively (2005: 40% and 11%, respectively). Export franchising accounted for a higher percentage on the back of strong sales growth momentum.

A sense of optimism pervaded the retail sector in the anticipation of the influx of tourists and the potential economic infusion in early 2005. The forecast of this development, however, never fully materialized, and the economy produced mixed messages that created a challenging environment for the sector as the year progressed. While the Group faced intense competition in the Hong Kong apparel retail market, it also had to contend with negative economic influences such as interest rate hikes and rising energy prices which contributed to the dampening of consumer sentiment. Additional challenges included rising rental costs and sluggish demand for apparel due to unseasonable weather conditions, which necessitated the running of cutthroat promotions to expedite inventory turnover.

Owing to the inhospitable market climate, the Group employed a cautious approach to expansion and opened a new directly managed outlet in Hong Kong, bringing the total to 33 outlets (2005: 32). The total retail floor area, amounting to 111,400 sq. ft. (2005: 112,000 sq. ft.), was relatively stable as compared to that of previous year. Retail sales grew 1% to HK\$815 million (2005: HK\$803 million). Same store sales recorded negative growth of 5% (2005: 11% growth). Operating profit declined 47% to HK\$51 million (2005 restated: HK\$97 million), equivalent to an operating profit margin of 6% (2005 restated: 12%).

The export franchise business continued to be a bright spot for the Hong Kong market. Revenue growth remained very strong at 33% with an addition of 48 franchised outlets to 263 (2005: 215). Total revenue reached HK\$291 million (2005: HK\$218 million), generating operating profit of HK\$86 million (2005 restated: HK\$65 million) with a 30% operating profit margin (2005 restated: 30%). This encouraging performance partially compensated for the slump of the Hong Kong retail business. The Middle East continued to account for the major source of export franchise sales with an addition of 14 outlets, while the Group's relatively new markets, namely Thailand and Indonesia, grew at a much faster pace than overall division with additions of 13 and 18 outlets, respectively. The Group established presence with 1 outlet each in Myanmar and Nepal for its export franchise business.

The overall operating profit for Hong Kong decreased 17% to HK\$125 million (2005 restated: HK\$151 million), and operating margin declined to 11% (2005 restated: 15%).

主要業務細分及分析

本集團的總部建基香港，業務運作遍及全球。銷售額組合當中，香港仍然是主要收入來源，佔總銷售額52%（二零零五年：52%）；其次為中國大陸市場，佔總銷售額22%（二零零五年：22%）；而台灣及新加坡分別佔17%（二零零五年：17%）及9%（二零零五年：9%）。

香港

零售業務及出口特許經營業務繼續成為香港市場的主要收入來源。於回顧年內，香港總收入上升9%至港幣11.30億元（二零零五年：港幣10.35億元）。零售業務及出口特許經營業務的銷售額分別佔本集團總銷售額的37%及13%（二零零五年：分別為40%及11%）。出口特許經營業務的銷售額錄得強勁增長，其所佔的營業額比重亦有所提升。

於二零零五年初，市場普遍預期訪港旅客的人數飆升，可望帶動整體經濟增長，故零售市場瀰漫著一股樂觀的營商氣氛。然而，市場有關經濟發展的信息混淆，年內為零售市場帶來挑戰重重。本集團須同時面對日趨熾熱的服裝零售市場競爭，以及一連串如利率持續攀升及油價高企等打擊消費意欲的負面經濟影響。挑戰亦來自租金不斷上升以及因不合時令的天氣變化導致經營者削價促銷存貨所帶來的衝擊。

在市場環境不成氣候下，本集團採取審慎的擴展策略，年內於香港增設了一間直接管理店舖，使店舖數目增加至33間（二零零五年：32間），總零售樓面面積上升至111,400平方呎（二零零五年：112,000平方呎）。零售銷售額增加1%至港幣8.15億元（二零零五年：港幣8.03億元）。然而，同店銷售額卻錄得5%的負增長（二零零五年：11%增長）。營運溢利下降47%至港幣5.1千萬元（二零零五年重列：港幣9.7千萬元），相等於營運溢利率6%（二零零五年重列：12%）。

出口特許經營業務繼續成為香港市場的增長點，回顧年內特許經營店舖數目增加48間至總數263間（二零零五年：215間），營業額亦錄得33%的強勁增長，至港幣2.91億元（二零零五年：港幣2.18億元）；營運溢利達港幣8.6千萬元（二零零五年重列：港幣6.5千萬元），營運溢利率為30%（二零零五年重列：30%）。出口業務的卓越表現填補了部份因香港零售業務疲弱所帶來的影響。中東市場於回顧年內新增了14間店舖，繼續成為出口特許經營業務的主要收入來源。此外，相對新開發的市場包括泰國及印尼分別增加13間及18間新店，其增長速度遠勝整體出口業務增長。特許經營銷售業務網絡亦進一步擴大，本集團於緬甸及尼泊爾兩地各開設了1間新店。

總括而言，香港整體營運溢利下跌17%至港幣1.25億元（二零零五年重列：港幣1.51億元），營運溢利率下降至11%（二零零五年重列：15%）。

Strong emphasis will be placed on our trio focuses: product, Mainland China market, people

未來三大發展焦點：產品、中國大陸市場及人才

Mainland China

The Mainland China market is pivotal to the Group's continued success. To date, the Group has opened directly managed outlets in 9 first-tier cities and franchised outlets selling the "bossini" and "sparkle" brands in more than 100 second and third-tier cities. The Group has also launched a higher-end "bossini style" product line to tap opportunities in the middle to upper market segments in Mainland China.

The Group's network in Mainland China was comprised of 344 (2005: 274) directly managed outlets and 284 (2005: 203) franchised outlets, bringing the total number to 628 (2005: 477). Total retail floor area as at 31 March 2006 reached 307,300 sq. ft. (2005: 276,400 sq. ft.), which represented an increase of 11% over that as at previous year end.

For the directly managed network, 225 (2005: 177) were "bossini" outlets and 119 (2005: 97) were "sparkle" outlets. For the franchise network, 209 (2005: 160) were "bossini" outlets and 75 (2005: 43) were "sparkle" outlets.

Sales in Mainland China rose 11% to reach HK\$490 million (2005: HK\$443 million), of which sales from directly managed outlets and franchised outlets grew by 6% and 13%, respectively, to HK\$351 million (2005: HK\$331 million) and HK\$110 million (2005: HK\$97 million), respectively. The sales revenue from directly managed and franchised outlets in Mainland China as a percentage of the Group's consolidated turnover were 16% (2005: 16%) and 5% (2005: 5%), respectively, the same as that of the previous year. Same store sales for the retail business in Mainland China recorded a negative growth of 9% (2005: 11% growth).

Sales for the "bossini" and the newly introduced "bossini style" line continued to expand progressively. Nevertheless, 2005 saw a dramatic increase in apparel supply for the mass market and the fast penetration of local players led to intense competition in the mass casual wear sector. Sales of sparkle which positioned in this segment was especially affected.

In light of the keen competition and the unseasonable weather, the product competitiveness of the Group was notably discounted, which led to a significant decline in profitability of the Mainland China operations. The Group recorded an operating profit of HK\$7 million for 2005/2006 (2005: HK\$33 million) in Mainland China with an operating profit margin of 1% (2005: 7%).

中國大陸

中國大陸市場為本集團持續發展的致勝關鍵。目前，本集團於9個一線城市開設直接管理店舖，並於超過100個二線及三線城市開設特許經營店舖，銷售「bossini」及「sparkle」品牌產品。本集團亦已推出較高檔次之「bossini style」系列，主攻中國大陸中上層市場。

本集團於中國大陸之銷售網絡由344間（二零零五年：274間）直接管理店舖及284間（二零零五年：203間）特許經營店舖組成，全國之店舖總數達到628間（二零零五年：477間）。於二零零六年三月三十一日，總零售樓面面積達到307,300平方呎（二零零五年：276,400平方呎），較上一年度增加11%。

於直接管理網絡中，225間（二零零五年：177間）為「bossini」店舖，119間（二零零五年：97間）為「sparkle」店舖；特許經營店舖網絡方面，「bossini」及「sparkle」店舖的數目分別為209間（二零零五年：160間）及75間（二零零五年：43間）。

中國大陸市場的銷售額上升11%至港幣4.90億元（二零零五年：港幣4.43億元），其中來自直接管理店舖及特許經營店舖的銷售額分別上升6%及13%，至港幣3.51億元（二零零五年：港幣3.31億元）及港幣1.10億元（二零零五年：港幣9.7千萬元）。直接管理店舖及特許經營店舖分別佔本集團整體綜合銷售額之16%（二零零五年：16%）及5%（二零零五年：5%），所佔比重與去年相若。中國大陸零售業務之同店銷售額錄得9%的負增長（二零零五年：增長11%）。

「bossini」及新推出之「bossini style」系列持續按部就班地發展。然而，2005年期間大眾化的服裝產品供應大幅上升，大批本地競爭者迅速湧入市場，令競爭更趨白熱化，影響了以大眾消費者為市場定位之產品的銷情，尤其是「sparkle」品牌。

在市場競爭加劇及天氣不合時令的因素下，本集團的產品競爭力顯著下降，導致中國大陸市場之盈利下滑。因此，二零零五/二零零六年本集團於中國大陸僅錄得港幣7百萬元的營運溢利（二零零五年：港幣3.3千萬元），營運溢利率為1%（二零零五年：7%）。

mainland china



Taiwan

The Group's Taiwan operation underwent considerable expansion in the year under review, adding 37 new outlets. The network comprised 112 (2005: 75) directly managed outlets as at 31 March 2006 with an increase of 42% in total retail floor area to 176,000 sq. ft. (2005: 124,100 sq. ft.).

Sales in Taiwan rose 9% to HK\$379 million (2005: HK\$348 million). Market conditions were extremely competitive and further worsened by unseasonable weather, a slowing economy, credit tightening and weak consumer sentiment. Same store sales experienced a fall of 11% (2005: 6% growth). An operating loss of HK\$10 million was recorded (2005 restated: HK\$18 million profit), mainly attributable to the greater incremental magnitude for operating expenses than the top-line.

Singapore

Despite the widely accepted perception that the Singapore market is saturated, the region's performance therein was relatively consistent and stable throughout the year. There were 29 (2005: 28) directly managed outlets in Singapore as at 31 March 2006. Total retail floor area increased by 6% to 32,000 sq. ft. (2005: 30,200 sq. ft.).

During the year under review, Singapore retail sales grew 5% to reach HK\$200 million (2005: HK\$191 million). Same store sales depicted an increase of 3% (2005: 12%). Operating profit reached HK\$19 million (2005 restated: HK\$23 million) with operating profit margin decreased to 10% (2005 restated: 12%).

Malaysia

The Group leverages on the successful experience of the Singapore management team in the Singapore market and opened 3 directly managed outlets in Malaysia in the year under review.

台灣

本集團於回顧年內大力拓展台灣的營運規模，增加了37間新店舖。於二零零六年三月三十一日，本集團在台灣設有112間直接管理店舖（二零零五年：75間），零售樓面面積按年增加42%至176,000平方呎（二零零五年：124,100平方呎）。

台灣市場的銷售額上升9%至港幣3.79億元（二零零五年：3.48億元）。市場競爭異常激烈，加上在惡劣的天氣、經濟發展放緩、貸款政策緊縮及疲弱的消費意慾等因素的影響下，營商環境更形困難。因此，同店銷售下滑11%（二零零五年：增長6%），營運虧損為港幣1千萬元（二零零五年重列：港幣1.8千萬元溢利），主要為營運開支升幅遠高於銷售額增長所致。

新加坡

儘管市場普遍認為新加坡市場已達飽和，但該地區全年的整體表現仍然一如既往地相對穩定。於二零零六年三月三十一日，本集團在新加坡的直接管理店舖達29間（二零零五年：28間），總零售樓面面積增加6%至32,000平方呎（二零零五年：30,200平方呎）。

於回顧年內，新加坡零售銷售額增加5%至港幣2億元（二零零五年：港幣1.91億元），同店銷售額增長3%（二零零五年：12%），營運溢利達到港幣1.9千萬元（二零零五年重列：2.3千萬元），營運溢利率則降至10%（二零零五年重列：12%）。

馬來西亞

憑藉新加坡管理團隊在當地市場的成功經驗，回顧年內，本集團在馬來西亞開設了3間直接管理店舖。

Liquidity and Financial Resources

As at 31 March 2006, the Group's cash and bank deposits amounted to HK\$244 million (2005: HK\$326 million) including long term bank deposits of HK\$16 million (2005: Nil). The Group's current ratio stood at a healthy level of 2.4 (2005: 2.5). Total liabilities to equity ratio was 46% (2005: 47%).

The Group managed its inventory at a stable level. Inventory turnover was 42 days in the year under review (2005: 39 days), a level close to that of prior year. Return on equity ratio was 18% (2005 restated: 36%).

Contingent Liabilities

The Group had certain contingent liabilities with respect to business tax on sales in Taiwan. 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 claim from the tax bureau in Taiwan, and accordingly, have not made any provision for the tax claim or any potential additional profits tax liabilities as at 31 March 2006.

Human Capital

As at 31 March 2006, the Group employed full-time staff or equivalent of 4,300 in Hong Kong, Macau, Mainland China, Taiwan, Singapore and Malaysia. It employed a performance-based remuneration system and offers benefits such as insurance and retirement schemes as well as discretionary performance bonuses.

Outlook

The Group is leveled on an elevated horizon after two years of robust growth. It is anticipated that its any significant leap in the future will demand for well-defined branding strategies, marketable product design, focused product positioning, and effective facilitations for responding to its customers' needs. Equally important is a solid backend and supporting infrastructure integrating world-class systems and business processes, which will optimize operating workflows, reinforce its supply chain management, strengthen inventory management and logistic controls and expedite the market-demand-responding processes.

流動資金及財務資源

於二零零六年三月三十一日，本集團之現金及銀行存款為港幣2.44億元（二零零五年：港幣3.26億元），當中包括長期銀行存款港幣1.6千萬元（二零零五年：無）。年內，本集團之流動比率維持於2.4倍之穩健水平（二零零五年：2.5倍），總負債對股東權益比率維持於46%（二零零五年：47%）。

本集團有效管理存貨於穩定水平。回顧年內的存貨週轉期為42天（二零零五年：39天），接近去年水平，而股本回報率為18%（二零零五年重列：36%）。

或然負債

本集團就台灣之營業稅有若干或然負債。董事根據台灣分行之地方稅務代表所提供之意見，相信分行有足夠有效的理據反對台灣稅局之索償，因此，於二零零六年三月三十一日，並無就稅務索償或任何潛在額外利得稅負債提供撥備。

人力資源

於二零零六年三月三十一日，本集團在香港、澳門、中國大陸、台灣及新加坡共聘用4,300名全職員工。本集團引用以員工的工作表現釐定薪酬的系統，並為員工提供保險、退休計劃以及按表現發放花紅等福利。

未來展望

經過了過去兩年的強勁增長以後，本集團已踏上一個更高的台階，預期未來大幅度的增長將有賴清晰的策略、廣受市場歡迎的產品設計、具針對性的產品定位，以及對顧客需求作出更有效迅速的回應。同時，強而有力的後勤服務、世界級系統及業務流程支援同樣不可或缺，這些系統有助優化營運工作流程、加強供應鏈管理、提升存貨管理及物流的控制，並加快回應顧客需求及市場變化的速度。



The Group expects the current market situation to continue in the coming year. To ensure a solid foundation from which to propel long-term growth, the Group will place strong emphasis on product, Mainland China market and people. The Group will strive to offer better products to its targeted customers, develop diligently the lucrative Mainland China businesses, and to uphold the learning culture by offering abundance of personal development opportunities, as well as creating a talented pool of quality staff.

In order to accommodate with the dynamic apparel retailing market and fashion trends, the Group will focus on achieving high performance retailing standards. It will continue to deploy its efforts in responding to its customers' demand in a proactive manner. To further enhance and enrich its product portfolio in order to satisfy more precisely the demand of its targeted segments, the Group will also extend and revitalize its product lines to include new product designs or new functional fabrics.

The Hong Kong SAR Government and certain large commercial corporations have recently advocated comfortable smart casual wear at office. The Group anticipates increasing demand for quality casual wear and expects to benefit from this growing trend.

In light of the success of the recent licensed products, particularly the "Sesame Street" product line, which rendered attractive cross-segmental (kids-to-adult) sales opportunities for the Hong Kong market, the Group will consider more of these licensing opportunities of similar arrangements in this fiscal year. The Group plans to open 5 outlets mainly in the residential area in Hong Kong to realize its strategic market penetration for the coming year.

本集團預期目前的市場環境將持續至未來一年。本集團將會重點投放資源於產品、中國大陸市場，以及人才方面，為未來長遠增長建立堅實的基礎。展望未來，本集團將會致力為目標顧客提供更優質的產品，積極開拓潛力龐大的中國大陸市場，並為員工提供發展機會，推廣終身學習的企業精神，以及培育一支優秀的人才團隊。

為配合瞬息萬變的零售市場及時裝潮流變化，本集團將會致力達到卓越的零售標準。未來，本集團將會繼續以積極主動的態度回應顧客需求。另外，本集團將會拓寬及豐富產品系列，增加產品線，加入新元素，包括具備新的設計及功能性用料的服裝，務求進一步強化產品系列。

近期香港政府及部份大型商業機構均提倡輕便的悠閒上班服飾，預期市場對此類優質服裝的需求亦將上升，本集團亦將受惠於這個大趨勢。

有見於新近推出的專利授權產品，特別是「芝麻街」系列廣受歡迎，為本集團在香港市場開拓了跨階層（小童至成人）的銷售商機，因此，本集團將在本財政年度內推出更多專利授權服裝產品，並計劃以住宅區為主，開設5間新店舖，從而提高具策略性的市場滲透率。

Experienced a high and healthy growth period in the past three years, the export franchise business will continue riding on its growth momentum, but is expected to enter into the next phase of moderate sales growth at double-digit in the coming years. The Group will continue to tap opportunities into new markets. As at the end of June 2006, there were 7 outlets in 6 cities in India. It will also enter Korea in late 2006/07. The export franchise business is anticipated to remain as a major earnings component of the Group, and benefit from higher margins and higher returns as it progresses along its long-term network rollout plan and capitalizes on the economies of scale.

The Group adopts pragmatic global expansion strategies at a reasonable pace of growth. It will continue to pursue its progressive expansion plan into the Mainland China market in view of its potentially exploding market potential from sustained economic growth momentum and the improvement in the standard of living. Improving measures will be implemented for the “sparkle” products to better fit into the needs of its targeted groups. The management team remains optimistic about the medium- to long-term prospects for this fast-growing market and plans to open 100 directly managed and franchised outlets in Mainland China in the coming year.

The economy in Taiwan continued to be sluggish. As the outlook for the market remains uncertain in the near future, partly due to recent political instability, the Group will ride on the existing distribution network and minimize outlet expansion for Taiwan in the coming year.

Singapore is likely to be a steady earnings contributor going forward and the Group will open 2 more outlets therein. It is anticipated that the stable economy and healthy consumer confidence will sustain to propel future growth in earnings.

With our successful experience garnered in the Singapore market, the Group remains positive with the Malaysian market and will open around 7 outlets in Malaysia in the coming year.

Achieving sustainable growth in both turnover and profit has always been a key objective for Bossini, and it will continue to be so in the years to come. The Group's cash position remains healthy at around HK\$244 million and it has planned to invest HK\$100 million on capital expenditure in the coming year. HK\$20 million will be used for upgrading the I.T. system, including the implementation of a world-class financial management system and a warehousing management system and an upgrade of the point-of-sales system to improve inventory management, logistic controls and facilitate faster response to market needs. In addition, HK\$70 million is planned for store renovation. Furthermore, a brand-building program will be launched to revamp the “bossini” brand in various aspects to enhance its competitiveness in the long run. The coming year will continue to exhibit a very difficult operating environment. Nevertheless, the Group is cautious yet optimistic about the future in medium- to long-term. The Group acknowledges the importance of operational fundamentals and backend supporting foundations to its coming developments and believes these initiatives will equip and prepare itself to overcome any market challenges in the future.

過去三年本集團的出口特許經營業務高速而且健康地增長，繼往開來，此項業務將延續增長趨勢。然而進入新的發展階段，發展速度將會以雙位數字平穩增長。本集團將繼續開拓新市場，並於二零零六年六月月底於印度6個城市開設了7個銷售點，同時亦將於二零零六/零七年度後段進入韓國市場。未來，高邊際利潤及高回報的出口特許經營業務將仍然是本集團的一項主要盈利來源。隨著長遠的網絡拓展計劃逐步落實，未來這項業務將會進一步受惠於規模效益。

本集團採取務實的全球市場拓展策略，以合理的速度持續擴張。中國大陸市場經濟持續增長，加上人民生活水平日漸提升，市場潛力無限。有見及此，本集團將會一如既往，繼續拓展中國大陸市場。本集團將會推行一連串改善措施，使「sparkle」產品更配合目標客戶群的需要。中長線而言，管理層對於快速增長的中國大陸市場仍然充滿信心。來年，本集團計劃在中國大陸開設100間直接管理店舖及特許經商店舖。

台灣的經濟仍然停滯不前。受不穩定的政治局面影響，預期台灣市場未來的營商環境仍未明朗。來年，本集團將會充分利用現有的分銷網絡，放緩台灣市場的擴張步伐。

新加坡將會成為穩定的收入來源，本集團計劃在當地增加2間新店舖。預期新加坡的經濟發展穩定，消費信心持續，將會成為本集團未來增長的支柱。

在新加坡市場累積的成功經驗加強了本集團對馬來西亞市場發展的信心，並計劃於來年在當地增加7家店舖。

達致營業額及盈利的持續增長，為堡獅龍一直以來的長遠目標。現時，本集團的現金維持於超過港幣2.44億元的穩健水平。本集團計劃投放約港幣1.0億元作為來年的資本開支，其中港幣2千萬元將用於資訊系統升級，包括安裝世界級財務管理及倉庫管理系統，及為銷售點管理系統升級，以加強存貨管理、物流控制及加快對市場回應的速度。此外，港幣7千萬元亦將用於店舖裝修。與此同時，本集團將會推行品牌革新計劃，從多方面著手更新「bossini」品牌，為品牌增添競爭力。儘管未來一年的經營環境仍然困難重重，但中長線而言，本集團持審慎樂觀的態度。本集團認為，良好的營運基礎及後勤支援是未來發展的基石，這些發展策略有助本集團作好充份準備，克服未來種種市場挑戰。