

Financial report 財務報告

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Report of the directors 董事局報告書

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2006.

Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 15 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and dividends

The Group's profit for the year ended 31 March 2006 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 51 to 132.

An interim dividend of HK1.8 cents per ordinary share was paid on 6 January 2006. The directors recommend the payment of a final dividend of HK1.8 cents per ordinary share in respect of the year to shareholders on the register of members on 28 August 2006. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

Summary of financial information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 39. This summary does not form part of the audited financial statements.

Property, plant and equipment

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

Share capital and share options

There was no movement in either the Company's authorised or issued share capital during the year.

Details of movements in the Company's share options during the year are set out in note 27 to the financial statements.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

董事局謹此提呈本公司及本集團截至二零零六年三月三十一日止年度之董事局報告書及經審核財務報表。

主要業務

本公司之主要業務為投資控股。其主要附屬公司之主要業務詳情載列於財務報表附註15。本集團之主要業務性質於年內並無重大變更。

業績及股息

本集團截至二零零六年三月三十一日止年度之溢利及本公司與本集團於該日之財政狀況載列於第51至132頁之財務報表內。

本公司已於二零零六年一月六日派發每股普通股1.8港仙之中期股息。董事局建議向於二零零六年八月二十八日名列股東名冊之股東派發本年度之末期股息，每股普通股1.8港仙。有關建議已於財務報表中的資產負債表內列作權益之保留溢利分配。

財務資料摘要

本集團過往五個財政年度之已公佈業績、資產及負債摘要載列於第39頁。此摘要節錄自經審核之財務報表，並作出適當重列。此摘要並不構成經審核財務報表之一部份。

物業、廠房及設備

本集團物業、廠房及設備於年內之變動詳情載列於財務報表附註13。

股本及購股權

本公司法定或已發行股本於年內並無任何變動。

本公司購股權於年內之變動詳情載列於財務報表附註27。

優先購股權

本公司之公司章程細則或百慕達法例概無優先購股權條款，規定本公司必須向現有股東按其持股量比例發售新股。

Report of the directors 董事局報告書

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 28(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves

At 31 March 2006, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda, amounted to HK\$192,281,000, of which HK\$28,240,000 has been proposed as a final dividend for the year. Under the laws of Bermuda, the Company's share premium account, in the amount of HK\$1,855,000, may be distributed in the form of fully paid bonus shares.

Charitable contributions

During the year, the Group made charitable contributions totaling HK\$395,000.

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year.

Purchases from the Group's five largest suppliers accounted for approximately 39% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 21%. Save as disclosed in note 33(a)(iii) to the financial statements, as far as the directors are aware, neither the directors, their associates, nor any shareholders of the Company which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest suppliers.

儲備

本公司及本集團儲備於年內之變動詳情，分別載列於財務報表附註28(b)及綜合權益變動報表內。

可供派發儲備

於二零零六年三月三十一日，本公司根據百慕達一九八一年公司法條文計算之可供派發儲備為港幣192,281,000元，其中港幣28,240,000元擬作為本年度末期股息。根據百慕達法例，本公司股份溢價賬中為數港幣1,855,000元之金額可以繳足股款之紅股形式派發。

慈善捐款

年內，本集團作出慈善捐款合共港幣395,000元。

主要客戶及供應商

於回顧年度內，銷貨予本集團首五大客戶之數額佔本年度總銷售額不足30%。

向本集團首五大供應商購貨之數額約佔本年度總購貨額39%，而其中向最大供應商購貨之數額約佔21%。就董事所知，除於財務報表附註33(a)(iii)所披露者外，概無董事、彼等之聯繫人士或任何據董事所深知擁有超過5%本公司已發行股本之本公司股東在本集團首五大供應商中擁有任何實益權益。

Directors

The directors of the Company during the year were:

Executive directors:

Mr. LAW Ka Sing	
Ms. CHAN So Kuen	
Mr. Dickie FU Shing Kwan	
Ms. Pansy CHAU Wai Man	(resigned on 12 January 2006)
Mr. Simon ORR Kuen Fung	(resigned on 12 January 2006)
Mr. FUNG Ping Chuen	(resigned on 1 June 2005)

Independent non-executive directors:

Ms. LEUNG Mei Han	
Mr. Raymond LEE Man Chun	
Mr. WONG Wai Kay	
Prof. SIN Yat Ming	(appointed on 21 October 2005)

Subsequent to the balance sheet date, on 26 June 2006, Mr. Dickie FU Shing Kwan, resigned as a director of the Company.

In accordance with the Company's bye-laws, Ms. CHAN So Kuen and Mr. Raymond LEE Man Chun, will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. Prof. SIN Yat Ming who was appointed during the year will hold office until the forthcoming annual general meeting and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Ms. LEUNG Mei Han, Mr. Raymond LEE Man Chun, Mr. WONG Wai Kay and Prof. SIN Yat Ming and as at the date of this report still considers them to be independent.

Directors' and senior management's biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 35 to 38 of the annual report.

董事

年內本公司之董事如下：

執行董事：

羅家聖先生	
陳素娟女士	
傅成坤先生	
周慧雯女士	(於二零零六年一月十二日辭任)
柯權峯先生	(於二零零六年一月十二日辭任)
馮炳全先生	(於二零零五年六月一日辭任)

獨立非執行董事：

梁美嫻女士	
李文俊先生	
王維基先生	
冼日明教授	(於二零零五年十月二十一日獲委任)

在結算日後，於二零零六年六月二十六日，傅成坤先生已辭任本公司董事職務。

根據本公司之公司章程細則，陳素娟女士及李文俊先生將於應屆股東週年大會上輪值退任，而彼等具資格且願意膺選連任。年內獲委任之冼日明教授之任期將直至應屆股東週年大會為止，而其具資格且願意在應屆股東週年大會上膺選連任。

本公司已接獲梁美嫻女士、李文俊先生、王維基先生及冼日明教授之年度獨立確認書，並於本報告日期仍認為彼等屬獨立人士。

董事及高級管理層簡歷

本公司董事及本集團高級管理層簡歷詳情載列於年報第35至38頁。

Report of the directors 董事局報告書

Directors' service contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' remuneration

The emolument policy of the employees of the Group is set up by the Board/executive directors on the basis of their merit, qualification and competence.

The emoluments payable to directors of the Company will be decided by the Board on the recommendation of the Remuneration Committee, having regard to the director's duties, responsibilities and performance and the results of the Group.

Directors' interests in shares and underlying shares

At 31 March 2006, the interests of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

董事服務合約

於應屆股東週年大會上膺選連任之董事，概無與本公司訂立本公司不可於一年內終止而毋須支付賠償（法定補償除外）之服務合約。

董事酬金

本集團僱員之酬金政策由董事局／執行董事按彼等之貢獻、資歷及能力而訂立。

本公司董事之酬金將由董事局按薪酬委員會之建議就董事之職務、職責及表現以及本集團之業績而釐定。

董事於股份及相關股份之權益

於二零零六年三月三十一日，董事於本公司或其相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股本及相關股份中，擁有本公司遵照證券及期貨條例第352條存置之登記冊所記錄之權益，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益如下：

Directors' interests in shares and underlying shares (continued)

Long positions in ordinary shares of the Company:

Name of director	Number of shares held, capacity and nature of interest 持股數目、身份及權益性質		Total 合計	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比	Director's name 董事姓名
	Directly beneficially owned 直接 實益擁有	Through controlled corporation 透過 受控法團擁有			
Mr. LAW Ka Sing	1,063,091,098	30,000,000	1,093,091,098	69.67	羅家聖先生

The interests of the directors in the share options of the Company are separately disclosed in note 27 to the financial statements.

Save as disclosed above, as at 31 March 2006, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' rights to acquire shares or debentures

Save as disclosed under the heading "Directors' interests in shares and underlying shares" above and in the share option scheme disclosures in note 27 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

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

董事於股份及相關股份之權益 (續)

於本公司普通股之好倉：

董事於本公司購股權之權益另行披露於財務報表附註27。

除上文所披露者外，於二零零六年三月三十一日，董事概無於本公司或其任何相聯法團之股份、相關股份或債券中，擁有須遵照證券及期貨條例第352條予以記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

除上文「董事於股份及相關股份之權益」及財務報表附註27購股權計劃之披露事項所披露者外，本公司於年內任何時間概無授予任何董事或彼等各自之配偶或未成年子女藉收購本公司之股份或債券而取得利益之權利，而彼等亦無行使任何該等權利；本公司或其任何附屬公司於年內概無參與訂立任何安排，致使董事可於任何其他法人團體獲得此等權利。

董事於合約中之權益

年內概無董事在本公司或其任何附屬公司簽訂而對本集團業務有重大影響之任何合約中直接或間接擁有重大權益。

Report of the directors 董事局報告書

Substantial shareholders' interests in shares and underlying shares

At 31 March 2006, the following interests of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name 姓名	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比	Number of share options held 所持購股權數目
Mr. LAW Ka Sing 羅家聖先生	Directly beneficially owned 直接實益擁有	1,063,091,098	67.76	—
	Through controlled corporation 透過受控法團擁有	30,000,000	1.91	—
		<u>1,093,091,098</u>	<u>69.67</u>	<u>—</u>

Save as disclosed above, as at 31 March 2006, no person, other than the directors of the Company, whose interests are also set out in the section "Directors' interests in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Sufficiency of public float

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

Purchase, redemption or sale of listed securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

主要股東於股份及相關股份之權益

於二零零六年三月三十一日，本公司遵照證券及期貨條例第336條存置之權益登記冊顯示，下列人士於本公司已發行股本及購股權中擁有5%或以上權益：

好倉：

Name 姓名	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比	Number of share options held 所持購股權數目
Mr. LAW Ka Sing 羅家聖先生	Directly beneficially owned 直接實益擁有	1,063,091,098	67.76	—
	Through controlled corporation 透過受控法團擁有	30,000,000	1.91	—
		<u>1,093,091,098</u>	<u>69.67</u>	<u>—</u>

除上文所披露者及上文「董事於股份及相關股份之權益」一節所載本公司董事之權益外，於二零零六年三月三十一日，概無人士於本公司之股份或相關股份中，擁有須遵照證券及期貨條例第336條予以記錄之權益或淡倉。

公眾持股量之足夠性

根據本公司之公開資料及就董事所知悉，於本報告日期，公眾人士最少持有本公司已發行股本總數25%。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

Connected transactions and continuing connected transactions

During the year, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Further details of these transactions are included in note 33 to the financial statements.

(a) Property leasing

The Group entered into two tenancy agreements with Laws International Group Limited ("Laws International") and with Bright City International Limited ("Bright City") on 1 August 2005 in connection with the rental of a warehouse and the head office, respectively. Certain directors of Laws International and Bright City, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing, a director of the Company and Mr. Simon ORR Kuen Fung, a former director of the Company. Laws International transferred its ownership of the warehouse to Bright City on 18 August 2005. The rental periods of both tenancy agreements for the rental of the warehouse and the head office are two years commencing from 1 August 2005 and expiring on 31 July 2007 and three years commencing from 1 August 2005 and expiring on 31 July 2008, respectively. The rentals were determined by reference to open market rents at the inception of the tenancy agreements.

(b) Purchase of garments

The Group entered into a purchase agreement with Laws International on 2 June 2004 (the "Purchase Agreement") for the purchases of garments from Laws International and its subsidiaries. Certain directors of Laws International and its subsidiaries, who have beneficial equity interests therein, are relatives of Mr. LAW Ka Sing, a director of the Company, and Mr. Simon ORR Kuen Fung, a former director of the Company. The Purchase Agreement is effective from 1 April 2004 to 31 March 2007. According to the Purchase Agreement, the annual value of the purchases of garments from Laws International and its subsidiaries by the Group for each of the financial years ending 31 March 2005, 31 March 2006 and 31 March 2007 will not exceed HK\$236,000,000, HK\$330,000,000 and HK\$429,000,000, respectively. The prices of the products are to be determined by reference to the prevailing market prices.

關連交易及持續關連交易

於本年度，本集團進行下列持續關連交易，若干資料已遵照聯交所證券上市規則（「上市規則」）第14A章之規定作出披露。該等交易之詳情已載於財務報表附註33。

(a) 物業租賃

於二零零五年八月一日，本集團分別與羅氏國際集團有限公司（「羅氏國際」）及澤城國際有限公司（「澤城」）就租用貨倉及總辦事處訂立兩份租賃協議。羅氏國際及澤城之若干擁有實益股本權益之董事乃本公司董事羅家聖先生及本公司前任董事柯權峯先生之親屬。羅氏國際於二零零五年八月十八日將貨倉之擁有權轉讓予澤城。有關租用貨倉及總辦事處之兩份租賃協議分別由二零零五年八月一日起至二零零七年七月三十一日止為期兩年，及由二零零五年八月一日起至二零零八年七月三十一日止為期三年。租金乃參照租約生效時之公開市值租金而釐定。

(b) 採購成衣

於二零零四年六月二日，本集團與羅氏國際就向羅氏國際及其附屬公司採購成衣而訂立一份採購協議（「採購協議」）。羅氏國際及其附屬公司之若干擁有實益股本權益之董事為本公司董事羅家聖先生及本公司前任董事柯權峯先生之親屬。採購協議自二零零四年四月一日起生效，並於二零零七年三月三十一日屆滿。根據採購協議，本集團於截至二零零五年三月三十一日、二零零六年三月三十一日及二零零七年三月三十一日止各財政年度向羅氏國際及其附屬公司採購成衣之全年總值將分別不會超過港幣236,000,000元、港幣330,000,000元及港幣429,000,000元。產品價格乃經參考現行市價釐定。

Connected transactions and continuing connected transactions (continued)

(b) Purchase of garments (continued)

The independent non-executive directors of the Company have reviewed the continuing connected transactions in relation to the purchases of garments set out above and have confirmed that these continuing connected transactions have been entered into (i) in an ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available from independent suppliers; (iii) in accordance with the Purchase Agreement and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. The independent non-executive directors of the Company have further confirmed the annual value of purchases of garments from Laws International and its subsidiaries by the Group for the financial year ended 31 March 2006 did not exceed HK\$330,000,000.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

LAW Ka Sing

Chairman

Hong Kong
18 July 2006

關連交易及持續關連交易 (續)

(b) 採購成衣 (續)

本公司之獨立非執行董事已審閱上文所述有關採購成衣之持續關連交易，並已確認該等持續關連交易乃(i)於本集團之正常及日常業務過程中；(ii)按一般商業條款或不遜於獨立供應商給予本集團之條款；(iii)根據該等交易之採購協議及按公平合理並符合本公司股東整體利益之條款訂立。本公司之獨立非執行董事已進一步確認，截至二零零六年三月三十一日止財政年度，本集團向羅氏國際及其附屬公司採購成衣之全年總值並無超過港幣330,000,000元。

核數師

安永會計師事務所任滿告退，重聘其為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事局

主席

羅家聖

香港
二零零六年七月十八日