

**INTERIM RESULTS**

The Board of Directors of YangtzeKiang Garment Manufacturing Co., Ltd. (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries and associates (the "Group") for the six months ended 30th September, 2003 as follows. The interim results have not been audited, but have been reviewed by the Company's Audit Committee.

**CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED**

**For the six months ended 30th September, 2003**  
(Expressed in Hong Kong dollars)

**中期業績**

長江製衣廠有限公司(「本公司」)之董事會欣然宣佈本公司及其附屬公司及聯營公司(「本集團」)截至二零零三年九月三十日止六個月之未經審核中期業績。中期業績尚未經審核，但已由本公司之審核委員會審閱。

**簡明綜合損益表 – 未經審核**

**截至二零零三年九月三十日止六個月**  
(以港元計)

		<b>Six months ended 30th September, 截至九月三十日止六個月</b>		
		<i>Note</i> <i>附註</i>	<b>2003 \$'000</b>	2002 \$'000 <i>(Restated)</i> <i>(重列)</i>
<b>Turnover</b>	<b>營業額</b>	2	<b>685,976</b>	537,936
Cost of sales	銷售成本		<b>(557,871)</b>	(443,360)
			<b>128,105</b>	94,576
Other revenue	其他收入		<b>3,011</b>	4,631
Other net income	其他收益淨額		<b>5,767</b>	8,238
Selling and distribution expenses	銷售及分銷費用		<b>(23,587)</b>	(23,495)
Administrative expenses	行政費用		<b>(80,960)</b>	(54,744)
Other operating expenses	其他經營費用		<b>(16,807)</b>	(11,319)
<b>Profit from operations</b>	<b>經營溢利</b>		<b>15,529</b>	17,887
Finance costs	融資成本		<b>(13,402)</b>	(6,622)
			<b>2,127</b>	11,265
Share of profits less losses of associates	應佔聯營公司溢利減虧損		<b>20,849</b>	14,645
<b>Profit from ordinary activities before taxation</b>	<b>除稅前日常業務溢利</b>	3	<b>22,976</b>	25,910
Taxation	稅項	4	<b>(7,842)</b>	(5,776)
<b>Profit from ordinary activities after taxation</b>	<b>除稅後日常業務溢利</b>		<b>15,134</b>	20,134
Minority interests	少數股東權益		<b>196</b>	(2,562)
<b>Profit attributable to shareholders</b>	<b>股東應佔溢利</b>		<b>15,330</b>	17,572
Dividend – interim declared	宣派中期股息	5	<b>1,402</b>	2,805
<b>Earnings per share – Basic (Cents)</b>	<b>每股盈利 – 基本 (仙)</b>	6	<b>10.9</b>	12.5

## CONDENSED CONSOLIDATED BALANCE SHEET

At 30th September, 2003

(Expressed in Hong Kong dollars)

## 簡明綜合資產負債表

於二零零三年九月三十日

(以港元計)

		Note 附註	30th September, 2003 二零零三年九月三十日 (Unaudited) (未經審核)		31st March, 2003 二零零三年三月三十一日 (Audited) (已審核)	
			\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>	<b>非流動資產</b>					
Fixed assets	固定資產		505,798		259,543	
Construction in progress	在建工程		137,010		341,607	
Goodwill	商譽	7	(1,004)		4,875	
Interest in associates	聯營公司權益		245,024		217,971	
Non-trading securities	非交易證券		1,053		1,053	
Other investments	其他投資		2,873		2,873	
			<u>890,754</u>		<u>827,922</u>	
<b>Current assets</b>	<b>流動資產</b>					
Inventories	存貨		118,640		96,332	
Trade and other receivables	應收賬款及其他應收款	8	277,861		249,472	
Tax recoverable	可發還稅項		2,708		2,145	
Pledged deposits	抵押存款		-		141	
Cash and cash equivalents	現金及現金等價物		49,449		44,541	
			<u>448,658</u>		<u>392,631</u>	
<b>Current liabilities</b>	<b>流動負債</b>					
Trade and other payables	應付賬款及其他應付款	9	393,765		440,879	
Bank loans and overdrafts	銀行貸款及透支		400,327		278,106	
Tax payable	應付稅項		9,280		5,197	
			<u>803,372</u>		<u>724,182</u>	
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<u>(354,714)</u>		<u>(331,551)</u>	
<b>Total assets less current liabilities</b>	<b>資產總額減流動負債</b>		<b>536,040</b>		<b>496,371</b>	
<b>Non-current liabilities</b>	<b>非流動負債</b>					
Bank loans	銀行貸款		126,958		91,733	
Provision for long service payments	長期服務金準備		8,914		9,027	
Deferred tax liabilities	遞延稅項		7,863		7,324	
			<u>143,735</u>		<u>108,084</u>	
<b>Minority interests</b>	<b>少數股東權益</b>		<b>30,384</b>		<b>33,850</b>	
<b>NET ASSETS</b>	<b>資產淨值</b>		<b><u>361,921</u></b>		<b><u>354,437</u></b>	
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>					
Share capital	股本		70,123		70,123	
Reserves	儲備	10	291,798		284,314	
			<u>361,921</u>		<u>354,437</u>	

CONDENSED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2003

(Expressed in Hong Kong dollars)

## 簡明綜合股本變動表

截至二零零三年九月三十日止六個月

(以港元計)

	Share capital	Share premium	Capital redemption reserve	Exchange fluctuation reserve	Goodwill arising on consolidation	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	General reserve	Retained profits	Total
	股本	股份溢價	資本贖回儲備	外匯浮動儲備	所產生之商譽	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	一般儲備	保留溢利	總額
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1st April, 2002 - as previously reported	70,123	13,731	481	(9,810)	(45,987)	39	52,921	30,840	2,038	239,718	354,094
Prior period adjustments in respect of deferred taxation	-	-	-	-	-	-	(8,256)	-	-	(182)	(8,438)
As restated	70,123	13,731	481	(9,810)	(45,987)	39	44,665	30,840	2,038	239,536	345,656
2002 final dividend paid	-	-	-	-	-	-	-	-	-	(11,220)	(11,220)
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	(619)	-	-	-	-	-	-	(619)
Profit for the period (restated)	-	-	-	-	-	-	-	-	-	17,572	17,572
At 30th September, 2002	<u>70,123</u>	<u>13,731</u>	<u>481</u>	<u>(10,429)</u>	<u>(45,987)</u>	<u>39</u>	<u>44,665</u>	<u>30,840</u>	<u>2,038</u>	<u>245,888</u>	<u>351,389</u>
At 1st April, 2003 - as previously reported	70,123	13,731	481	(17,833)	(46,161)	-	51,257	29,353	2,416	258,394	361,761
Prior period adjustments in respect of deferred taxation	-	-	-	-	-	-	(7,990)	-	-	666	(7,324)
As restated	70,123	13,731	481	(17,833)	(46,161)	-	43,267	29,353	2,416	259,060	354,437
2003 final dividend paid	-	-	-	-	-	-	-	-	-	(11,220)	(11,220)
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	4,122	-	-	-	-	-	-	4,122
Effect of change in tax rate on deferred tax charged to revaluation reserve	-	-	-	-	-	-	(748)	-	-	-	(748)
Profit for the period	-	-	-	-	-	-	-	-	-	15,330	15,330
Appropriation to general reserve	-	-	-	-	-	-	-	-	217	(217)	-
At 30th September, 2003	<u>70,123</u>	<u>13,731</u>	<u>481</u>	<u>(13,711)</u>	<u>(46,161)</u>	<u>-</u>	<u>42,519</u>	<u>29,353</u>	<u>2,633</u>	<u>262,953</u>	<u>361,921</u>

**CONDENSED CONSOLIDATED CASH  
FLOW STATEMENT – UNAUDITED**

**For the six months ended 30th September, 2003**

*(Expressed in Hong Kong dollars)*

**簡明綜合現金流量表 – 未經審核**

**截至二零零三年九月三十日止六個月**

*(以港元計)*

		<b>Six months ended 30th September, 截至九月三十日止六個月</b>	
		<b>2003 \$'000</b>	2002 \$'000
<b>Net cash (outflow)/inflow from operating activities</b>	經營業務現金(流出) / 流入淨額	<b>(10,208)</b>	4,761
<b>Net cash outflow from investing activities</b>	投資業務之現金 流出淨額	<b>(67,812)</b>	(4,950)
<b>Net cash inflow from financing activities</b>	融資活動之現金 流入淨額	<b>81,095</b>	3,826
<b>Increase in cash and cash equivalents</b>	現金及現金等價物增加	<b>3,075</b>	3,637
<b>Cash and cash equivalents at beginning of period</b>	於期初之現金及 現金等價物	<b>44,541</b>	22,717
<b>Effect of foreign exchange rates</b>	外幣兌換率變動之影響	<b>404</b>	(832)
<b>Cash and cash equivalents at end of period</b>	於期末之現金及 現金等價物	<b>48,020</b>	25,522
<b>Analysis of the balances of cash and cash equivalents</b>	現金及現金等價物之 結餘分析		
Cash at bank and in hand	銀行活期存款及現金	<b>49,449</b>	33,057
Bank overdrafts	銀行透支	<b>(1,429)</b>	(7,535)
		<b>48,020</b>	25,522

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS****For the six months ended 30th September, 2003***(Expressed in Hong Kong dollars)***1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

The unaudited condensed consolidated interim financial statements of the Group are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim Financial Reporting” and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies adopted are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31st March, 2003, except for the adoption of the SSAP 12 (Revised) “Income Tax”.

SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognized in respect of all temporary differences between the carrying amounts of assets and liabilities in the interim financial report and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the accounting policy has been adopted retrospectively. Comparative amounts for 2002 have been restated accordingly.

As a result of the adoption of this accounting policy, the Group’s profit for the period has been increased by \$211,000 (2002: decreased by \$3,000) and the Group’s net assets as at 30th September, 2003 has been decreased by \$7,863,000 (at 31st March, 2003: \$7,324,000).

**簡明綜合財務報表附註****截至二零零三年九月三十日止六個月***(以港元計)***1. 編製基準及主要會計政策**

本集團之未經審核簡明綜合中期財務報表乃根據香港會計實務準則（「會計實務準則」）第25號「中期財務申報」及香港聯合交易所有限公司之證券上市規則（「上市規則」）編製。

本集團所採納之財務政策與編製本集團截至二零零三年三月三十一日止年度之綜合財務報表所採用者一致，惟採納會計實務準則12號（經修訂）「所得稅」除外：

會計實務準則12號（經修訂）規定採用負債法，據此須就中期財務報表之資產及負債之賬面值用作計算應課稅溢利之相應稅基間之所有臨時差額確認遞延稅項，而僅有少數情況可屬例外。由於會計實務準則12號（經修訂）並無任何指定過渡規定，故該項會計政策已作出追溯採納。二零零二年之比較款額已因此作出重列。

因採納此項會計政策，本集團於本期間內之溢利增加211,000元（二零零二年：減少3,000元）及本集團於二零零三年九月三十日之資產淨值減少7,863,000元（於二零零三年三月三十一日：7,324,000元）。

## 2. SEGMENT REPORTING

An analysis of the Group's turnover and profit from operations by the location of assets and by the location of customers for the six months ended 30th September, 2003 are as follows:

## 2. 分部報告

於二零零三年九月三十日，本集團之營業額及經營溢利，按資產所在地及客戶所在地分析如下：

		Hong Kong 香港 \$'000	The PRC 中國 \$'000	Asia Pacific 亞太地區 \$'000	Europe 歐洲 \$'000	Other 其他 \$'000	Inter-segment elimination 分部間抵銷 \$'000	Unallocated 未分類 \$'000	Consolidated 綜合總額 \$'000
Six months ended 30th September, 2003	截至二零零三年 九月三十日止六個月								
Location of assets	資產地點								
Revenue from external customers	來自外界客戶 的收入	495,085	68,676	963	121,230	22	-	-	685,976
Inter-segment revenue	其他分部的交易	68,629	47,327	27,522	-	6,018	(149,496)	-	-
Other revenue	其他收入	1,058	590	1,190	146	-	(180)	-	2,804
<b>Total revenue</b>	<b>收入總額</b>	<b>564,772</b>	<b>116,593</b>	<b>29,675</b>	<b>121,376</b>	<b>6,040</b>	<b>(149,676)</b>	<b>-</b>	<b>688,780</b>
Segment result	分部經營結果	27,494	(10,799)	(8,171)	9,549	(2,751)	-	207	15,529
Finance costs	融資成本								(13,402)
Share of profits less losses of associates	應佔聯營公司 溢利減虧損	2,432	21,385	(2,968)	-	-	-	-	20,849
Taxation	稅項								(7,842)
Minority interests	少數股東權益								196
<b>Profit attributable to shareholders</b>	<b>股東應佔溢利</b>								<b>15,330</b>
Depreciation and amortisation for the period	期間內折舊及攤銷	4,055	13,848	5,404	633	1,098	-	-	25,038
Six months ended 30th September, 2002	截至二零零二年 九月三十日止六個月								
Location of assets	資產地點								
Revenue from external customers	來自外界客戶 的收入	291,039	87,709	89,726	68,825	637	-	-	537,936
Inter-segment revenue	其他分部的交易	23,095	38,760	-	-	1,751	(63,606)	-	-
Other revenue	其他收入	7,705	7	353	150	-	(3,807)	-	4,408
<b>Total revenue</b>	<b>收入總額</b>	<b>321,839</b>	<b>126,476</b>	<b>90,079</b>	<b>68,975</b>	<b>2,388</b>	<b>(67,413)</b>	<b>-</b>	<b>542,344</b>
Segment result	分部經營結果	26,483	(9,105)	(9,614)	12,149	(2,249)	-	223	17,887
Finance costs	融資成本								(6,622)
Share of profits less losses of associates	應佔聯營公司 溢利減虧損	3,440	14,198	(3,941)	948	-	-	-	14,645
Taxation	稅項								(5,776)
Minority interests	少數股東權益								(2,562)
<b>Profit attributable to shareholders</b>	<b>股東應佔溢利</b>								<b>17,572</b>
Depreciation and amortisation for the period	期間內折舊及攤銷	2,949	6,278	2,584	235	271	-	-	12,317

**2. SEGMENT REPORTING (Continued)**

Additional information concerning geographical segments:

**2. 分部報告 (續)**

有關地區分部附加資料:

		<b>Six months ended 30th September,</b> 截至九月三十日止六個月	
		<b>2003</b>	2002
		<b>\$'000</b>	\$'000
Revenue from external customers	來自外界地區		
by the location of customers	客戶的收入		
– Europe	– 歐洲		
France	法國	<b>131,322</b>	94,412
United Kingdom	英國	<b>67,342</b>	107,627
Other European countries	其他歐洲國家	<b>126,290</b>	128,529
– North America	– 北美洲	<b>219,073</b>	105,748
– Asia Pacific	– 亞太地區	<b>135,804</b>	86,487
– Others	– 其他	<b>6,145</b>	15,133
		<b>685,976</b>	537,936

**3. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION**

Profit from ordinary activities before taxation is arrived at after charging:

**3. 除稅前日常業務溢利**

除稅前日常業務溢利已扣除:

		<b>Six months ended 30th September,</b> 截至九月三十日止六個月	
		<b>2003</b>	2002
		<b>\$'000</b>	\$'000
Finance costs (including bank charges)	融資成本 (包括銀行費用)	<b>13,402</b>	6,622
Amortisation of goodwill	商譽攤銷	<b>1,384</b>	520
Depreciation	折舊	<b>23,654</b>	11,797

## 4. TAXATION

## 4. 稅項

		<b>Six months ended 30th September, 截至九月三十日止六個月</b>	
		<b>2003</b>	2002
		<b>\$'000</b>	\$'000
Hong Kong taxation	香港稅項	<b>3,836</b>	2,408
Overseas taxation	海外稅項	<b>122</b>	343
Deferred tax	遞延稅項	<b>(211)</b>	3
Share of associates' taxation	應佔聯營公司稅項	<b>4,095</b>	3,022
		<b>7,842</b>	5,776

The provision for Hong Kong Profits Tax is calculated at 17.5% (2002: 16%) of the estimated assessable profits for the six months ended 30th September, 2003. Taxation for overseas subsidiaries and branch are similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

香港利得稅準備是按截至二零零三年九月三十日止六個月之估計應課稅溢利以17.5%之稅率(二零零二年:16%)計算。海外附屬公司及分公司之稅項則同樣以相關國家適用之現行稅率計算。

## 5. DIVIDENDS

## 5. 股息

(a) Dividend attributable to the interim period

(a) 本六個月期間之股息

		<b>Six months ended 30th September, 截至九月三十日止六個月</b>	
		<b>2003</b>	2002
		<b>\$'000</b>	\$'000
Interim dividend declared after the interim period end of 1 cent per share (2002: 2 cents per share)	於本六個月期間結束後宣派之中期股息每股1仙(二零零二年:每股2仙)	<b>1,402</b>	2,805

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end date.

於本六個月期間結束後宣派之中期股息並未於本六個月期間之結算日確認為負債。



**5. DIVIDENDS (Continued)**

- (b) Dividend attributable to the previous financial year, approved and paid during the interim period

**5. 股息 (續)**

- (b) 本六個月期間批准及派發之過往財政年度股息

		<b>Six months ended 30th September, 截至九月三十日止六個月</b>	
		<b>2003 \$'000</b>	2002 \$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 8 cents per share (2002: 8 cents per share)	於本六個月期間批准及派發之過往財政年度末期股息 每股8仙 (二零零二年：每股8仙)	<u><u>11,220</u></u>	<u><u>11,220</u></u>

**6. EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit attributable to the shareholders of \$15,330,000 (2002: \$17,572,000) and on the weighted average number of 140,245,792 shares (2002: 140,245,792 shares) in issue during the period.

Diluted earnings per share for the periods ended 30th September, 2003 and 30th September, 2002 have not been presented as no dilutive potential ordinary shares were outstanding during the period.

**6. 每股盈利**

每股基本盈利乃根據股東應佔溢利 15,330,000 元 (二零零二年：17,572,000 元) 及期內已發行股份之加權平均數 140,245,792 股 (二零零二年：140,245,792 股) 計算。

由於截至二零零三年九月三十日及二零零二年九月三十日止期間並無已發行具攤薄作用之潛在普通股，故於期內並無呈列每股攤薄盈利。

**7. GOODWILL**

The following is the carrying amount of goodwill at the reporting date:

**7. 商譽**

以下為在報告日期之商譽賬面值：

		<b>30th September, 2003 二零零三年 九月三十日 \$'000</b>	31st March, 2003 二零零三年 三月三十一日 \$'000
Positive goodwill	正商譽	<u>10,710</u>	7,013
Negative goodwill	負商譽	<u>(11,714)</u>	<u>(2,138)</u>
		<u><u>(1,004)</u></u>	<u><u>4,875</u></u>

Negative goodwill is recognised as income on a straight line basis over 4 to 20 years. The amortisation of positive and negative goodwill for the period is included in "other operating expenses" in the Consolidated Income Statement.

負商譽在四年至二十年內以直線法攤銷確認為收入，本期間內之正商譽及負商譽攤銷數額已計入綜合損益表內的「其他經營費用」中。

## 8. TRADE AND OTHER RECEIVABLES

The following is an aging analysis and components of trade and other receivables at the reporting date:

## 8. 應收賬款及其他應收款

以下為在報告日期之應收賬款及其他應收款賬齡分析：

		30th September, 2003 二零零三年 九月三十日 \$'000	31st March, 2003 二零零三年 三月三十一日 \$'000
0 – 60 days	0 – 60日	180,864	154,153
61 – 90 days	61 – 90日	6,257	1,823
> 90 days	> 90日	9,021	3,080
Trade debtors and bills receivable	應收賬款及應收票據	196,142	159,056
Deposits, prepayment and other debtors	訂金、預付款及其他應收款	71,676	41,855
Amounts due from associates and related companies	應收聯營公司及 關連公司款項	2,587	29,534
Dividend receivable from associates	應收聯營公司股息	7,456	19,027
		<b>277,861</b>	<b>249,472</b>

The credit terms given to trade debtors vary and are generally based on the financial strengths of individual debtors. In order to effectively manage the credit risks associated with trade debtors, credit evaluation of debtors are performed periodically.

給予應收賬款之信貸期各有不同，一般根據個別債務人之財政實力而定。為有效管理應收賬款之信貸風險，本集團會定期評估債務人之信貸。

**9. TRADE AND OTHER PAYABLES**

The following is an aging analysis and components of trade and other payables at the reporting date:

		<b>30th September, 2003 二零零三年 九月三十日 \$'000</b>	<b>31st March, 2003 二零零三年 三月三十一日 \$'000</b>
0 – 60 days	0 – 60日	<b>51,546</b>	83,672
61 – 90 days	61 – 90日	<b>5,125</b>	7,618
> 90 days	> 90日	<b>10,366</b>	3,922
Trade creditors	應付賬款	<b>67,037</b>	95,212
Bills payable and trust receipt loans	應付票據及信託 收據貸款	<b>127,251</b>	108,256
Accrued charges and other creditors	應計費用及其他 應付款	<b>122,659</b>	145,022
Amounts due to associates and related companies	應付聯營公司及 關連公司款項	<b>76,818</b>	92,389
		<b>393,765</b>	440,879

**9. 應付賬款及其他應付款**

以下為在報告日期之應付賬款及其他應付款賬齡分析：

**10. RESERVES**

The detailed movements in reserves during the period were disclosed in the Condensed Consolidated Statement of Changes in Equity.

**10. 儲備**

於本期間內之股本變動詳情於簡明綜合股本變動表中披露。

**11. CAPITAL COMMITMENTS**

Capital commitments outstanding at 30th September, 2003 not provided for in the financial statements were as follows:

**11. 承擔**

於二零零三年九月三十日，仍未在財務報表作出準備之資本承擔如下：

		<b>30th September, 2003 二零零三年 九月三十日 \$'000</b>	<b>31st March, 2003 二零零三年 三月三十一日 \$'000</b>
Contracted but not provided for	已訂約但未作出準備		
– construction in progress	– 在建工程	<b>23,586</b>	51,337
– fixed assets	– 固定資產	–	230
– capital contribution to subsidiary	– 附屬公司的 資本投入	<b>26,099</b>	49,095
– capital contribution to associate	– 聯營公司的 資本投入	<b>6,630</b>	6,630
		<b>56,315</b>	107,292
Authorised but not contracted for	已授權但未訂約		
– construction in progress	– 在建工程	<b>18,846</b>	8,087
		<b>75,161</b>	115,379

**12. CONTINGENT LIABILITIES**

- (a) At 30th September, 2003, there were bills discounted with banks amounting to approximately \$150,466,000 (at 31st March, 2003: \$148,764,000) for the Group.
- (b) At 30th September, 2003, there were guarantees given to banks by the Company to the extent of \$55,628,000 (at 31st March, 2003: \$55,628,000) in respect of banking facilities extended to its subsidiaries and associates.
- (c) At 30th September, 2003, guarantees were given by an associate in respect of bank loans to a third party shareholder of the associate to the extent of \$94,030,000 (at 31st March, 2003: \$94,030,000). The Group's share of these guarantees amounted to \$33,785,000 (at 31st March, 2003: \$33,785,000). During the year ended 31st March, 2003, bank loans of \$12,224,000 were repaid by the associate on behalf of its shareholder. Share of provision by the Group due to these bank loan repayments made by the associate amounted to \$4,392,000 has been included in the Group's consolidated financial statements. The directors consider that it is unlikely for the associate to incur further liabilities in respect of these guarantees and no further provision in this regard is required.

**12. 或有負債**

- (a) 於二零零三年九月三十日，本集團跟銀行貼現了約共150,466,000元(於二零零三年三月三十一日：148,764,000元)的票據。
- (b) 於二零零三年九月三十日，本公司就其附屬公司及聯營公司之銀行備用信貸而向銀行作出之擔保共55,628,000元(於二零零三年三月三十一日：55,628,000元)。
- (c) 於二零零三年九月三十日，一家聯營公司為其一名第三者股東就銀行貸款作出銀行擔保總額為94,030,000元(於二零零三年三月三十一日：94,030,000元)。集團應佔之擔保款項為33,785,000元(於二零零三年三月三十一日：33,785,000元)。截至二零零三年三月三十一日止年度，聯營公司已為該股東代清還銀行貸款12,224,000元。集團已按聯營公司代清還之銀行貸款應佔撥備4,392,000元記入綜合財務報表。董事認為有關之擔保將不大可能構成聯營公司更多之負債，因此，無需作更多之撥備。

**13. RELATED PARTY TRANSACTIONS**

The following material transactions with related parties were, in the opinion of the directors, carried out in the ordinary course of business, on normal commercial terms:

- (a) Transactions with YGM Trading Limited and its subsidiaries (“YGMT Group”). (Certain Directors of the Company are collectively the controlling shareholder of both the YGMT Group and the Group):

		<b>Six months ended 30th September,</b> 截至九月三十日止六個月	
		<b>2003</b>	2002
		<b>\$'000</b>	\$'000
Purchases of traded products	購買貿易產品	<b>564</b>	21
Sales of traded products	銷售貿易產品	<b>5,378</b>	4,289
Rental income from properties	物業租金收入	<b>1,945</b>	1,946
Management fee income	管理費收入	<b>372</b>	372
Building management fee income	樓宇管理費收入	<b>162</b>	162

Purchases and sales of traded products and rental transactions were in the opinion of the directors, carried out on prices and terms comparable to those offered to or by independent third parties. The management fees were charged for administrative, business strategy, personnel, legal and company secretarial work, accounting and management services provided, which were determined annually between the respective parties after negotiations having regard to the cost of services provided.

- (b) Transactions with YGM Marketing Pte. Limited, which is beneficially owned by certain Directors of the Company:

		<b>Six months ended 30th September,</b> 截至九月三十日止六個月	
		<b>2003</b>	2002
		<b>\$'000</b>	\$'000
Sales of traded products	銷售貿易產品	<b>1,981</b>	2,126

**13. 與關連人士之交易**

董事們認為，下列與關連人士進行之重大交易乃於日常業務中按一般商業條款作出：

- (a) 與YGM貿易有限公司及其附屬公司（「YGMT集團」）進行之交易（本公司若干董事統稱為YGMT集團及本集團之控股股東）：

董事會認為購買及銷售貿易產品及收取物業租金之價格及條件與提供予獨立第三者或由彼等所提供之條件相若。管理費收入與提供行政工作、業務策略、人事、法律及公司秘書工作、會計與管理服務有關，該費用是由有關人士每年按磋商後釐定。

- (b) 與YGM Marketing Pte. Limited 進行之交易（該公司為本公司若干董事實益擁有之公司）：

## 13. RELATED PARTY TRANSACTIONS (Continued)

- (b) Transactions with YGM Marketing Pte. Limited, which is beneficially owned by certain Directors of the Company: (Continued)

The above transactions were in the opinion of the directors, carried out on terms comparable to those offered to independent third parties.

- (c) Transactions with associates:

- (1) Transactions with Wuxi Changxin Textile Co., Ltd. ("Wuxi Changxin"):

Purchases of traded products	購買貿易產品
Subcontracting fee expenses	外發加工費用

The above transactions were in the opinion of the directors, carried out on terms comparable to those offered by independent third parties.

At 30th September, 2003, guarantees were given by Wuxi Changxin in respect of all the outstanding bank loans to Wuxi YGM Textile Co., Ltd. to the extent of \$298,581,000 (as at 31st March, 2003: \$187,806,000).

- (2) Transactions with Allied Textiles Limited:

Purchases of traded products	購買貿易產品
Sales of traded products	銷售貿易產品

The above transactions were in the opinion of the directors, carried out on terms comparable to those offered by independent third parties.

## 13. 與關連人士之交易(續)

- (b) 與YGM Marketing Pte. Limited 進行之交易(該公司為本公司若干董事實益擁有之公司): (續)

董事會認為以上交易之條件與提供予獨立第三者之條件相若。

- (c) 與聯營公司進行之交易:

- (1) 與無錫長新紡織有限公司進行之交易(「無錫長新」):

**Six months ended 30th September,**  
截至九月三十日止六個月

2003 \$'000	2002 \$'000
40,232	-
9,802	6,301

董事會認為以上交易之條件與獨立第三者所提供之條件相若。

於二零零三年九月三十日，無錫長新為無錫長江精密紡織有限公司之全數銀行貸款298,581,000元(於二零零三年三月三十一日: 187,806,000元)作出擔保。

- (2) 與新聯興紡織有限公司進行之交易:

**Six months ended 30th September,**  
截至九月三十日止六個月

2003 \$'000	2002 \$'000
11,073	-
1,294	-

董事會認為以上交易之條件與獨立第三者所提供之條件相若。

## 13. RELATED PARTY TRANSACTIONS (Continued)

## (c) Transactions with associates: (Continued)

- (3) Transactions with Yangtzekiang Industries Sdn. Bhd. (“YISB”):

		<b>Six months ended 30th September, 截至九月三十日止六個月</b>	
		<b>2003 \$'000</b>	2002 \$'000
Commission income	佣金收入	-	1,033
Subcontracting fee expenses	外發加工費用	<b>385</b>	<b>416</b>

Commission income relates to referral of sales by the Group to YISB and is charged at an agreed percentage based on the YISB's turnover. The subcontracting fee was in the opinion of the directors, carried out on the terms comparable to those offered by independent third parties.

佣金收入乃本集團代YISB尋找客戶所收取之服務佣金，該佣金乃根據YISB之營業額按一個雙方議定之百分比率收取。董事會認為外發加工費用之條件與由獨立第三者所提供之條件相若。

- (4) Transactions with Hongkong Knitters Lanka (PVT) Limited (“HKKL”) as an associate for the period from 1st April, 2003 to 12th May, 2003:

		<b>Period from 1st April, 2003 to 12th May, 2003 二零零三年 四月一日至 二零零三年 五月十二日 止期間 \$'000</b>	Six months ended 30th September, 2002 截至 二零零二年 九月三十日 止六個月 \$'000
Purchase on behalf and sales of traded products	代購買及銷售貿易產品	4	23,935
Commission income	佣金收入	573	2,091
Subcontracting expenses	外發加工費用	<b>2,526</b>	<b>-</b>

The Group purchased traded products on behalf of HKKL which were reimbursed to the Group by HKKL at cost. Commission income relates to referral of sales by the Group and is charged at an agreed percentage based on HKKL's turnover.

本集團代HKKL購買貿易產品，有關款項已按成本付還。佣金收入乃本集團代其尋找客戶所收取之佣金，該佣金乃根據HKKL之營業額按一個雙方議定之百分比率收取。

## 13. 與關連人士之交易(續)

## (c) 與聯營公司進行之交易：(續)

- (3) 與Yangtzekiang Industries Sdn. Bhd. (「YISB」)進行之交易：

- (4) 與一間聯營公司 Hongkong Knitters Lanka (PVT) Limited (「HKKL」)於二零零三年四月一日至二零零三年五月十二日止期間內進行之交易：

## 13. RELATED PARTY TRANSACTIONS (Continued)

## (c) Transactions with associates: (Continued)

The Company also issued a corporate guarantee of \$2,730,000 (at 31st March, 2003: \$2,730,000) to a bank in respect of general banking facilities granted by such bank to HKKL. Before 13th May, 2003, HKKL was 50% owned by the Company and 50% owned by a company controlled by certain Directors of the Company. After completion of the acquisition on 13th May, 2003, HKKL becomes the wholly-owned subsidiary of the Company. The general banking facilities were used for funding HKKL's daily working capital requirements.

- (5) Transactions with YangtzeKiang S.A. ("YSA") as an associate for the period from 1st April, 2002 to 30th June, 2002:

		\$'000
Sales of traded products	銷售貿易產品	10,659
Commission expenses	佣金費用	34
		<u>10,693</u>

The above transactions were in the opinion of the directors, carried out on terms comparable to those offered to independent third parties. Commission expenses relate to referral of sales by YSA and are charged at an agreed percentage based on the Group's turnover.

At 1st July, 2002, the Group increased its interest in YangtzeKiang S.A. ("YSA") from 43.16% to 86.92% by acquiring shares from independent third parties for a consideration of Euro 2. Prior to the acquisition, YSA was an associate and the Group's share of its profits up to 30th June, 2002 is included in the Group's Consolidated Income Statement on the equity accounting basis.

## 13. 與關連人士之交易(續)

## (c) 與聯營公司進行之交易：(續)

本公司並向一家銀行提供相等於該銀行向HKKL授出之一般備用信貸共2,730,000元(於二零零三年三月三十一日：2,730,000元)之公司擔保。於二零零三年五月十三日以前，HKKL由本公司擁有50%，另50%則由一家由本公司若干董事控制之公司擁有。於二零零三年五月十三日該收購事項完成後，HKKL成為本公司之全資擁有附屬公司。有關銀行之備用信貸旨在為該公司提供日常流動資金。

- (5) 與一間聯營公司YangtzeKiang S.A. (「YSA」) 於二零零二年四月一日至二零零二年六月三十日止期間內進行之交易：

董事會認為以上交易之條件與提供予獨立第三者之條件相若。佣金費用乃YSA代尋找客戶所收取之佣金，該佣金乃根據本集團之營業額按一個雙方議定之百分比率收取。

於二零零二年七月一日，本集團從獨立第三者增加收購YangtzeKiang S.A. (「YSA」) 股份，由過往43.16%增持至目前之86.92%，代價為2歐元。於收購前，YSA為集團之聯營公司，其截至二零零二年六月三十日之集團應佔溢利是按權益會計基準記入綜合損益表。



## 13. RELATED PARTY TRANSACTIONS (Continued)

- (d) Outstanding balances due from/(to) related companies and associates:

		30th September, 2003 二零零三年 九月三十日 \$'000	31st March, 2003 二零零三年 三月三十一日 \$'000
Amount due from YGMT Group	應收YGMT集團款項	2,513	3,517
Amount due to YGMT Group	應付YGMT集團款項	(451)	(275)
Amount due to YGM Marketing Pte. Limited	應付YGM Marketing Pte. Limited款項	(520)	(576)
Amount due to Wuxi Changxin Textile Co., Ltd.	應付無錫長新紡織有限公司款項	(74,160)	(91,184)
Dividend receivable from Wuxi Changxin Textile Co., Ltd.	應收無錫長新紡織有限公司股息	-	11,570
Amount due from YangtzeKiang Industries Sdn. Bhd.	應收YangtzeKiang Industries Sdn. Bhd.款項	74	256
Amount due to Allied Textiles Limited	應付新聯興紡織有限公司款項	(1,687)	(354)
		<u>          </u>	<u>          </u>

Balances with related companies are unsecured, interest-free and repayable on demand.

- (e) Transactions with non-wholly owned subsidiaries, Whampoa Textile Limited ("Whampoa") and its subsidiaries ("Whampoa Group") for the period from 1st April, 2003 to 12th May, 2003:

		30th September, 2003 二零零三年 九月三十日 \$'000	31st March, 2003 二零零三年 三月三十一日 \$'000
(1) Guarantee given to bank in respect of credit facilities granted to:  Hong Kong Knitters Limited ("HKK") (To the extent of the Company's proportional equity interest held)	(1) 就銀行授出之備用信貸作出之擔保：  香港織造有限公司 ("香港織造") (以本公司所持有之股權比例為限)	<u>49,148</u>	<u>49,148</u>

The general banking facilities were used for funding HKK's daily working capital requirements.

Before 13th May, 2003, Whampoa was 75% directly owned by the Company and 25% indirectly owned by a company controlled by certain directors of the Company. After completion of the acquisition on 13th May, 2003, Whampoa becomes the wholly-owned subsidiary of the Company.

## 13. 與關連人士之交易 (續)

- (d) 應收／(應付) 關連公司及聯營公司款項：

		30th September, 2003 二零零三年 九月三十日 \$'000	31st March, 2003 二零零三年 三月三十一日 \$'000
Amount due from YGMT Group	應收YGMT集團款項	2,513	3,517
Amount due to YGMT Group	應付YGMT集團款項	(451)	(275)
Amount due to YGM Marketing Pte. Limited	應付YGM Marketing Pte. Limited款項	(520)	(576)
Amount due to Wuxi Changxin Textile Co., Ltd.	應付無錫長新紡織有限公司款項	(74,160)	(91,184)
Dividend receivable from Wuxi Changxin Textile Co., Ltd.	應收無錫長新紡織有限公司股息	-	11,570
Amount due from YangtzeKiang Industries Sdn. Bhd.	應收YangtzeKiang Industries Sdn. Bhd.款項	74	256
Amount due to Allied Textiles Limited	應付新聯興紡織有限公司款項	(1,687)	(354)
		<u>          </u>	<u>          </u>

與關連公司之結餘是沒有抵押、不帶利息，並需按通知即時償還。

- (e) 與非全資附屬公司黃浦江紡織有限公司 ("黃浦江") 及其附屬公司 ("黃浦江集團") 於二零零三年四月一日至二零零三年五月十二日止期間內進行之交易：

		30th September, 2003 二零零三年 九月三十日 \$'000	31st March, 2003 二零零三年 三月三十一日 \$'000
(1) Guarantee given to bank in respect of credit facilities granted to:  Hong Kong Knitters Limited ("HKK") (To the extent of the Company's proportional equity interest held)	(1) 就銀行授出之備用信貸作出之擔保：  香港織造有限公司 ("香港織造") (以本公司所持有之股權比例為限)	<u>49,148</u>	<u>49,148</u>

有關之銀行備用信貸旨在為香港織造提供日常流動資金。

於二零零三年五月十三日以前，黃浦江由本公司直接擁有75%。另由一家由本公司若干董事控制之公司間接擁有25%。於二零零三年五月十三日該收購事項完成後，黃浦江成為本公司之全資擁有附屬公司。

## 13. RELATED PARTY TRANSACTIONS (Continued)

- (e) Transactions with non-wholly owned subsidiaries, Whampoa Textile Limited (“Whampoa”) and its subsidiaries (“Whampoa Group”) for the period from 1st April, 2003 to 12th May, 2003: (Continued)

## 13. 與關連人士之交易 (續)

- (e) 與非全資附屬公司黃浦江紡織有限公司(「黃浦江」)及其附屬公司(「黃浦江集團」)於二零零三年四月一日至二零零三年五月十二日止期間內進行之交易：(續)

		Period from 1st April, 2003 to 12th May, 2003 二零零三年 四月一日至 二零零三年 五月十二日 止期間 \$'000	Six months ended 30th September, 2002 截至 二零零二年 九月三十日 止六個月 \$'000
(2) Transactions with Whampoa Group:	(2) 與黃浦江集團進行之交易：		
Sales of traded products	銷售貿易產品	-	10,027
Purchase on behalf by Whampoa Group	黃浦江集團代購買貿易產品	336	32,432
Commission expenses	佣金費用	824	832
Subcontracting fee income	外發加工費收入	5,526	3,029
Subcontracting fee expenses	外發加工費用	155	-
Rental income	物業租金收入	624	870
Building management fee income	樓宇管理費收入	41	53
Management fee income	管理費收入	828	1,980
Interest income	利息收入	388	1,639
		<u>388</u>	<u>1,639</u>

Whampoa Group purchased traded products on behalf of other subsidiaries of the Group which were reimbursed to Whampoa Group at cost. Commission expenses relate to referral of sales by Whampoa Group and is charged at an agreed percentage of the Group's turnover.

The above transactions were in the opinion of the directors, carried out on the terms comparable to those offered to or by independent third parties. Their period end trade balances thereof have been eliminated on consolidation.

黃浦江集團代本集團之其他附屬公司購買貿易產品，有關款額已按成本付還。佣金費用乃黃浦江集團代尋找客戶所收取之佣金，該佣金乃根據本集團之營業額按一個雙方議定之百分比率收取。

董事會認為以上交易之條件與提供予獨立第三者或由彼等所提供之條件相若，及彼等在期末時之公司往來結餘均已在編製綜合賬目時予以抵銷。

**13. RELATED PARTY TRANSACTIONS (Continued)**

- (f) The acquisitions of Whampoa Textile Limited (“Whampoa”) and Hongkong Knitters Lanka (PVT) Limited (“HKKL”).

The Company had entered into the following agreement (“the Agreements”):

- (1) an agreement on 10th February, 2003 and a supplemental agreement thereto on 24th March, 2003 in relation to the acquisition of 25% of the issued share capital of Whampoa from Chan Family Investment Corporation Limited, a person connected with the Company for the purpose of the Listing Rules, for a cash consideration of \$5,000,000; and
- (2) an agreement on 10th February, 2003 and a supplemental agreement thereto on 24th March, 2003 in relation to the acquisition of 50% of the issued share capital of HKKL from Sevenoaks Associates, Inc., a person connected with the Company for the purpose of the Listing Rules, for a cash consideration of \$1.

The Agreements were approved by the Independent Shareholders of the Company at the Extraordinary General Meeting on 5th May, 2003 and the acquisitions were completed on 13th May, 2003. After completion of the acquisitions, various existing transactions between the Group, Whampoa Group and HKKL shall become transactions between the Company and its wholly-owned subsidiaries or between its wholly-owned subsidiaries and will not be subject to disclosure or shareholders approval requirements under Chapter 14 of the Listing Rules.

**13. 與關連人士之交易 (續)**

- (f) 收購黃浦江紡織有限公司(「黃浦江」)及 Hongkong Knitters Lanka (PVT) Limited(「HKKL」)：

本公司訂立下列協議(「該等協議」)：

- (1) 於二零零三年二月十日訂立一項協議及二零零三年三月二十四日訂立一項補充協議，有關向就上市規則而言屬本公司關連人士之一的 Chan Family Investment Corporation Limited 收購黃浦江已發行股本 25%，現金代價為 5,000,000 元。
- (2) 於二零零三年二月十日訂立一項協議及二零零三年三月二十四日訂立一項補充協議，有關向就上市規則而言屬本公司關連人士之一的 Sevenoaks Associates, Inc. 收購 HKKL 已發行股本 50%，現金代價為 1 元。

該等協議已獲本公司獨立股東於二零零三年五月五日舉行之股東特別大會上批准；並於二零零三年五月十三日完成該等收購事項。在該等收購事項完成後，本集團與黃浦江集團及 HKKL 之現有多項交易將成為本公司與其全資附屬公司或其全資附屬公司之間之交易，且將無須根據上市規則第 14 章作出披露或亦無須尋求股東批准。

## INTERIM DIVIDEND

The Board resolved that an interim dividend of 1 cent per share (2002: 2 cents) be payable on 15th January, 2004. The shareholders' register will be closed from 7th January, 2004 to 12th January, 2004 (both days inclusive). In order to qualify for interim dividend, transfer must be lodged at the company registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Tuesday, 6th January, 2004.

## BUSINESS REVIEW AND PROSPECTS

Turnover for the Group increased by \$148,040,000 to \$685,976,000 and net income decreased by \$2,242,000 to \$15,330,000.

Our overall profits during this period comparing with the same period last year have reduced mainly due to the following two factors:

1. The startup costs of Wuxi YGM Textile Co., Ltd. in Wuxi, a spinning factory in which our company owns 70%: This spinning factory is one of our major investments comprising of over 800,000 sq.ft. production space manufacturing mainly compact yarn which is highly in demand. We believe this project will bring in profits and will not incur any loss even for the first full year of operation.
2. Losses from overseas factories: YangtzeKiang Industries Sdn. Bhd. in Malaysia has scaled down its operation substantially because of the high manufacturing costs. H.K. International Knitters (Proprietary) Limited in Lesotho suffers from the appreciation of exchange rate of Rand, Lesotho's local currency thus resulting in much higher cost comparing with previous year's. YGM (Cambodia) Limited in Cambodia and Hongkong Knitters Lanka (PVT) Limited in Sri Lanka still incurred losses but have been substantially reduced.

## 中期股息

董事會議決將於二零零四年一月十五日派付中期股息每股1仙(二零零二年:每股2仙)。本公司之股份過戶登記手續將由二零零四年一月七日起至二零零四年一月十二日止(包括首尾兩天)暫停辦理。如欲符合收取中期股息之資格,必須於二零零四年一月六日(星期二)下午四時正之前將過戶表格送交本公司之股份過戶登記處香港中央證券登記有限公司,地址為香港皇后大道東183號合和中心十七樓。

## 業務回顧及前景

本集團營業額增加148,040,000元至685,976,000元,淨收入則減少2,242,000元至15,330,000元。

本集團於本期間之整體溢利較去年同期減少,主要受下列兩項因素影響:

1. 本公司擁有70%權益之無錫紡織廠—無錫長江精密紡織有限公司之開辦成本:該紡織廠為本集團主要投資項目之一,包括超過800,000平方呎之廠房,主要製造擁有龐大需求之精密紡。本集團相信該項目將於營運後帶來盈利,並於首個年度內不會產生任何虧損。
2. 來自海外廠房之虧損:馬來西亞之YangtzeKiang Industries Sdn. Bhd.已因生產成本高昂而大幅削減其業務。萊索托之H.K. International Knitters (Proprietary) Limited受到當地貨幣蘭德之匯率上升影響,導致成本較去年顯著上升。在柬埔寨之YGM (Cambodia) Limited及在斯里蘭卡之Hongkong Knitters Lanka (PVT) Limited仍然錄得虧損,但金額已大幅減少。

## INTERIM DIVIDEND

The Board resolved that an interim dividend of 1 cent per share (2002: 2 cents) be payable on 15th January, 2004. The shareholders' register will be closed from 7th January, 2004 to 12th January, 2004 (both days inclusive). In order to qualify for interim dividend, transfer must be lodged at the company registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Tuesday, 6th January, 2004.

## BUSINESS REVIEW AND PROSPECTS

Turnover for the Group increased by \$148,040,000 to \$685,976,000 and net income decreased by \$2,242,000 to \$15,330,000.

Our overall profits during this period comparing with the same period last year have reduced mainly due to the following two factors:

1. The startup costs of Wuxi YGM Textile Co., Ltd. in Wuxi, a spinning factory in which our company owns 70%: This spinning factory is one of our major investments comprising of over 800,000 sq.ft. production space manufacturing mainly compact yarn which is highly in demand. We believe this project will bring in profits and will not incur any loss even for the first full year of operation.
2. Losses from overseas factories: YangtzeKiang Industries Sdn. Bhd. in Malaysia has scaled down its operation substantially because of the high manufacturing costs. H.K. International Knitters (Proprietary) Limited in Lesotho suffers from the appreciation of exchange rate of Rand, Lesotho's local currency thus resulting in much higher cost comparing with previous year's. YGM (Cambodia) Limited in Cambodia and Hongkong Knitters Lanka (PVT) Limited in Sri Lanka still incurred losses but have been substantially reduced.

## 中期股息

董事會議決將於二零零四年一月十五日派付中期股息每股1仙(二零零二年:每股2仙)。本公司之股份過戶登記手續將由二零零四年一月七日起至二零零四年一月十二日止(包括首尾兩天)暫停辦理。如欲符合收取中期股息之資格,必須於二零零四年一月六日(星期二)下午四時正之前將過戶表格送交本公司之股份過戶登記處香港中央證券登記有限公司,地址為香港皇后大道東183號合和中心十七樓。

## 業務回顧及前景

本集團營業額增加148,040,000元至685,976,000元,淨收入則減少2,242,000元至15,330,000元。

本集團於本期間之整體溢利較去年同期減少,主要受下列兩項因素影響:

1. 本公司擁有70%權益之無錫紡織廠—無錫長江精密紡織有限公司之開辦成本:該紡織廠為本集團主要投資項目之一,包括超過800,000平方呎之廠房,主要製造擁有龐大需求之精密紡。本集團相信該項目將於營運後帶來盈利,並於首個年度內不會產生任何虧損。
2. 來自海外廠房之虧損:馬來西亞之YangtzeKiang Industries Sdn. Bhd.已因生產成本高昂而大幅削減其業務。萊索托之H.K. International Knitters (Proprietary) Limited受到當地貨幣蘭德之匯率上升影響,導致成本較去年顯著上升。在柬埔寨之YGM (Cambodia) Limited及在斯里蘭卡之Hongkong Knitters Lanka (PVT) Limited仍然錄得虧損,但金額已大幅減少。

## BUSINESS REVIEW AND PROSPECTS

(Continued)

On the positive side, our garment trading business in both woven and knitted is expanding and remains profitable. YangtzeKiang S.A. an import company in France recorded another profitable year and all our other investments such as Wuxi Changxin Textile Co., Ltd., Qinghai Changqing Aluminium Corporation and W. Haking Enterprises Ltd. are all profitable.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2003, the Group had cash and bank balances and bank borrowings of \$49 million (as at 31st March, 2003: \$45 million) and \$527 million (as at 31st March, 2003: \$370 million) respectively. Gearing ratio of the Group which is expressed as a percentage of total bank borrowings to shareholders' fund was 146% (as at 31st March, 2003: 104%).

The Group's total bank borrowings were increased by \$157 million to \$527 million as at 30th September, 2003. During the period under review, short-term loans of equivalent \$110 million were further raised by a joint venture, namely Wuxi YGM Textile Co., Ltd. ("Wuxi YGM Textile") in PRC, for its business development and construction of plant and machinery. A five-year term loan of US\$25 million has been recently offered by a bank to Wuxi YGM Textile to refinance her bank borrowings into fixed term loan. Other than the guarantee provided by an associate of the Group, namely Wuxi Changxin Textile Co., Ltd., the Group does not provide any guarantee for the loans borrowed by Wuxi YGM Textile. The management believes that the joint venture can obtain sufficient banking facilities and financial resources for its future development.

The Group adopts a prudent policy to hedge the fluctuation of exchange rates. Most of the operating activities are denominated in Hong Kong dollars or United States dollars. For those denominated in other currencies, the Group has entered into some forward contracts to hedge its receivable and payable denominated in foreign currencies against the exchange rate fluctuation.

## 業務回顧及前景 (續)

至於有利因素方面，本集團之梭織及針織成衣貿易業務規模正在擴大並持續錄得盈利。在法國之進口公司YangtzeKiang S.A.在過去一年再度獲得盈利，而所有其他投資項目如無錫長新紡織有限公司、青海長青鋁業有限公司及寶源基業有限公司亦全部錄得盈利。

## 流動資金及資本來源

於二零零三年九月三十日，本集團之現金及銀行存款與銀行借款分別為49,000,000元（於二零零三年三月三十一日：45,000,000元）及527,000,000元（於二零零三年三月三十一日：370,000,000元）。本集團之資本與負債比率（即以銀行借款總額與股東資金之百分比列示）為146%（於二零零三年三月三十一日：104%）。

於二零零三年九月三十日，本集團之銀行借款總額增加157,000,000元至527,000,000元。於回顧期間內，由中國之合營企業無錫長江精密紡織有限公司（「長江精密」）增加等值110,000,000元之短期貸款，以供其業務發展及興建廠房設備。最近一家銀行向長江精密提供一筆25,000,000美元之五年定期貸款，以作為該公司銀行借款之定期貸款融資。除本集團之聯營公司無錫長新紡織有限公司所提供之擔保外，本集團並無為長江精密所借之貸款提供任何擔保。管理層相信，合營企業可取得充足之銀行融資及財務資源以供其日後發展所需。

本集團採用審慎政策以對沖匯率波動。由於大部份業務均主要以港幣及美元結算。本集團已就其以外幣結算之應收款及應付款訂立若干遠期合約，以對沖外匯波動。

## EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2003, the Group, including its subsidiaries but excluding associates, employed approximately of 9,000 employees. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. In addition, the Group provides year end double pay, provident fund scheme, medical insurance and training to staff.

## DIRECTORS' INTEREST

(a) At 30th September, 2003, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO Ordinance")), as recorded in the register maintained by the Company under Section 352 of the SFO Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors, were as follows:

## 僱員及薪酬政策

於二零零三年九月三十日，除聯營公司以外，本集團聘用約9,000名僱員。薪酬組合乃參照員工之表現及市場當時之薪金水平而釐定。此外，本集團為僱員提供年終雙糧、公積金計劃、醫療保險及培訓。

## 董事權益

(a) 於二零零三年九月三十日，根據證券及期貨條例第三百五十二條所述之登記冊所載，或根據上市公司董事進行證券交易之標準守則向本公司及香港聯合交易所有限公司所申報，各董事及彼等之聯繫人士所擁有本公司及各聯繫公司(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

Number of Ordinary Shares of HK\$0.50 each  
每股面值港幣0.50元之普通股份數目

Name of Director	董事姓名	Personal interests	Family interests	Corporate interests	Other interests	Notes	Total	% of issued
								個人權益
Chan Sui Kau	陳瑞球	4,216,464	2,666,236	3,740,820	19,827,808	(i) (a&b)	30,451,328	21.71
Chan Wing Fui, Peter	陳永奎	324,068	56,000	-	55,998,196	(i) & (ii)	56,378,264	40.20
Chan Wing Kee	陳永棋	1,174,416	138,904	-	57,587,196	(i) & (ii) & (iii)	58,900,516	42.00
Chan Wing To	陳永滔	1,956,036	-	-	57,587,196	(i) & (ii) & (iii)	59,543,232	42.46
Chan Wing Sun, Samuel	陳永燊	7,496	-	-	55,998,196	(i) & (ii)	56,005,692	39.93
Yeung Wing Tak	楊永德	1,446,200	-	265,364	-	-	1,711,564	1.22
Chan Wing Chak, David	陳永澤	21,792	-	1,520,000	21,416,808	(i) (a&b) & (iii)	22,958,600	16.37
Chan Suk Ling, Shirley	周陳淑玲	1,152,544	16,000	-	54,423,716	(i)	55,592,260	39.64
Chan Suk Man	劉陳淑文	1,023,420	208	-	56,012,716	(i) & (iii)	57,036,344	40.67
Leung Hok Lim	梁學濂	-	-	-	-	-	-	-
Wong Lam	王霖	-	-	-	-	-	-	-

## EMPLOYMENT AND REMUNERATION POLICIES

As at 30th September, 2003, the Group, including its subsidiaries but excluding associates, employed approximately of 9,000 employees. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. In addition, the Group provides year end double pay, provident fund scheme, medical insurance and training to staff.

## DIRECTORS' INTEREST

(a) At 30th September, 2003, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO Ordinance")), as recorded in the register maintained by the Company under Section 352 of the SFO Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors, were as follows:

## 僱員及薪酬政策

於二零零三年九月三十日，除聯營公司以外，本集團聘用約9,000名僱員。薪酬組合乃參照員工之表現及市場當時之薪金水平而釐定。此外，本集團為僱員提供年終雙糧、公積金計劃、醫療保險及培訓。

## 董事權益

(a) 於二零零三年九月三十日，根據證券及期貨條例第三百五十二條所述之登記冊所載，或根據上市公司董事進行證券交易之標準守則向本公司及香港聯合交易所有限公司所申報，各董事及彼等之聯繫人士所擁有本公司及各聯繫公司(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

Number of Ordinary Shares of HK\$0.50 each  
每股面值港幣0.50元之普通股份數目

Name of Director	董事姓名	Personal interests	Family interests	Corporate interests	Other interests	Notes	Total	% of issued
								個人權益
Chan Sui Kau	陳瑞球	4,216,464	2,666,236	3,740,820	19,827,808	(i) (a&b)	30,451,328	21.71
Chan Wing Fui, Peter	陳永奎	324,068	56,000	-	55,998,196	(i) & (ii)	56,378,264	40.20
Chan Wing Kee	陳永棋	1,174,416	138,904	-	57,587,196	(i) & (ii) & (iii)	58,900,516	42.00
Chan Wing To	陳永滔	1,956,036	-	-	57,587,196	(i) & (ii) & (iii)	59,543,232	42.46
Chan Wing Sun, Samuel	陳永燊	7,496	-	-	55,998,196	(i) & (ii)	56,005,692	39.93
Yeung Wing Tak	楊永德	1,446,200	-	265,364	-	-	1,711,564	1.22
Chan Wing Chak, David	陳永澤	21,792	-	1,520,000	21,416,808	(i) (a&b) & (iii)	22,958,600	16.37
Chan Suk Ling, Shirley	周陳淑玲	1,152,544	16,000	-	54,423,716	(i)	55,592,260	39.64
Chan Suk Man	劉陳淑文	1,023,420	208	-	56,012,716	(i) & (iii)	57,036,344	40.67
Leung Hok Lim	梁學濂	-	-	-	-	-	-	-
Wong Lam	王霖	-	-	-	-	-	-	-



**DIRECTORS' INTEREST (Continued)**

- (i) (a) 16,795,668 shares of the Company were beneficially owned by Chan Family Investment Corporation Ltd. and its subsidiaries which are established for the benefit of members of the Chan family including Messrs Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel and Chan Wing Chak David, Madam Chan Suk Ling Shirley and Madam Chan Suk Man.
- (b) An aggregate 3,032,140 shares of the Company were held under various companies established for the benefit of members of the Chan family including Messrs Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel and Chan Wing Chak David, Madam Chan Suk Ling Shirley and Madam Chan Suk Man.
- (c) 34,595,908 shares of the Company were held by Joycome Limited, which is beneficially owned by certain Directors of the Company, namely, Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man.
- (ii) 1,574,480 shares of the Company were held by Hearty Development Limited which is beneficially owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel.
- (iii) 1,589,000 shares of the Company were held by Super Team International Limited which is beneficially owned by Messrs Chan Wing Kee, Chan Wing To, Chan Wing Chak David, Madam Chan Suk Man and certain members of the Chan family.
- (b) Save as disclosed above, at 30th September, 2003, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in SFO Ordinance.

**董事權益 (續)**

- (i) (a) 16,795,668股本公司股份乃由 Chan Family Investment Corporation Ltd. 及其附屬公司實益擁有, 該公司乃為陳氏家族成員 (包括陳瑞球先生、陳永奎先生、陳永棋先生、陳永滔先生、陳永燊先生及陳永澤先生、周陳淑玲女士及劉陳淑文女士) 之利益而成立。
- (b) 合共3,032,140股本公司股份乃由為陳氏家族成員 (包括陳瑞球先生、陳永奎先生、陳永棋先生、陳永滔先生、陳永燊先生及陳永澤先生、周陳淑玲女士及劉陳淑文女士) 之利益而成立之公司所持有。
- (c) 合共34,595,908股本公司股份乃由 Joycome Limited持有。該公司由若干本公司董事 (即陳永奎先生、陳永棋先生、陳永滔先生及陳永燊先生、周陳淑玲女士及劉陳淑文女士) 實益擁有。
- (ii) 合共1,574,480股本公司股份乃由Hearty Development Limited持有。該公司由陳永奎先生、陳永棋先生、陳永滔先生及陳永燊先生實益擁有。
- (iii) 合共1,589,000股本公司股份乃由 Super Team International Limited持有。該公司由陳永棋先生、陳永滔先生、陳永澤先生、劉陳淑文女士及若干陳氏家族成員實益擁有。
- (b) 除上文所披露者外, 於二零零三年九月三十日, 各董事或彼等之聯繫人士概無在本公司或各任何聯繫公司 (定義見證券及期貨條例) 之股份及相關股份中擁有任何權益或淡倉。

## SUBSTANTIAL SHAREHOLDERS

At 30th September, 2003, according to the register of interest in shares and short positions required to be kept by the Company under section 336 of the SFO Ordinance, the Company has been notified that the following shareholders were interested in 5% or more of the share capital of the Company.

Name of Shareholder 股東名稱	Number of ordinary shares 普通股數目	% of issued share capital 佔已發行股本之百分比
Chan Family Investment Corporation Ltd.	16,795,668 *	11.98
Joycome Limited	34,595,908 *	24.67

\* The shareholding are duplicated in the "Directors' Interests" disclosed above.

Save as disclosed above, at 30th September, 2003, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the SFO Ordinance.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 30th September, 2003.

## CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice, as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules throughout the period, except that the Non-executive Directors of the Company were not appointed for a specific term but are subject to rotation in Annual General Meeting pursuant to Articles 95 and 104 of the Company's Articles of Association.

## AUDIT COMMITTEE

The audit committee, which consists of two Independent Non-executive Directors of the Company, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited Interim Accounts for the six months ended 30th September, 2003.

By Order of the Board  
**Chan Sui Kau**  
Chairman

Hong Kong, 19th December, 2003

## 主要股東

於二零零三年九月三十日，根據證券及期貨條例第三百三十六條所述之有關股份之權益及淡倉之登記冊所載，下列股東曾知會本公司擁有5%或以上本公司股本：

Name of Shareholder 股東名稱	Number of ordinary shares 普通股數目	% of issued share capital 佔已發行股本之百分比
Chan Family Investment Corporation Ltd.	16,795,668 *	11.98
Joycome Limited	34,595,908 *	24.67

\* 該等股權與上文「董事權益」所披露者相同。

除上文所披露者外，於二零零三年九月三十日，概無任何人士曾知會本公司擁有根據證券及期貨條例須向本公司披露的股份或相關股份之權益或淡倉。

## 收購、出售或贖回股份

截至二零零三年九月三十日止六個月內，本公司或其任何附屬公司並無收購、出售或贖回本公司任何上市證券。

## 最佳應用守則

本公司於此期間內均有遵守香港聯合交易所有限公司上市規則附錄14所載之最佳應用守則，惟本公司之非執行董事並非按特定條款委任，彼等須按照本公司之公司組織章程細則第95條及第104條於股東週年大會上輪值告退。

## 審核委員會

由本公司兩名獨立非執行董事所組成之審核委員會已審閱本集團採用之會計政策及慣例，並曾就審核、內部控制及財務申報等事宜進行討論，當中包括審閱截至二零零三年九月三十日止六個月之未經審核中期賬目。

承董事會命  
主席  
陳瑞球

香港，二零零三年十二月十九日