

CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Chan Sui Kau, GBS, OBE, JP – *Chairman*
 Chan Wing Fui, Peter, MA – *Vice Chairman*
 Chan Wing Kee, GBS, OBE, JP – *Managing Director*
 Chan Wing To, PhD – *Deputy Managing Director*
 Chan Suk Man, MSc
 Chan Wing Sun, Samuel, FCA
 Yeung Wing Tak*
 Chan Wing Chak, David
 Chan Suk Ling, Shirley
 Leung Hok Lim, FCPA(Aust.), CPA(Macau), FCPA(Practising)**
 Wong Lam, OBE, JP**
 Lin Keping**

* Non-executive Director

** Independent Non-executive Director

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
 1 Queen's Road Central
 Hong Kong

SOLICITORS

Johnson Stokes & Master
 Prince's Building
 16-19th Floor
 10 Chater Road
 Hong Kong

AUDITORS

KPMG
 Prince's Building
 8th Floor
 10 Chater Road
 Hong Kong

SECRETARY AND REGISTERED OFFICE

Hui Sau Ling
 22 Tai Yau Street
 San Po Kong
 Kowloon

REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
 Shops 1712-1716
 17th Floor, Hopewell Centre
 Hong Kong

董事會

陳瑞球 (主席)
 陳永奎 (副主席)
 陳永棋 (董事總經理)
 陳永滔 (副董事總經理)
 劉陳淑文
 陳永燊
 楊永德*
 陳永澤
 周陳淑玲
 梁學濂**
 王霖**
 林克平**

* 非執行董事

** 獨立非執行董事

銀行

香港上海匯豐銀行有限公司
 香港皇后大道中一號

律師

孖士打律師行
 香港
 遮打道十號
 太子大廈十六至十九樓

核數師

畢馬威會計師事務所
 香港
 遮打道十號
 太子大廈八樓

秘書及註冊辦事處

許秀玲
 九龍
 新蒲崗
 大有街二十二號

股份過戶登記處

香港中央證券登記有限公司
 香港
 合和中心十七樓
 1712-1716室

CHAIRMAN'S STATEMENT 主席報告

GROUP RESULTS

Sales turnover of the Group for the current year of 2004/05 is HK\$1,666 million with an increase of 12% comparing with the previous year (2003/04: HK\$1,493 million). However overall profit has decreased to HK\$35 million (2003/04: HK\$69 million).

BUSINESS REVIEW AND PROSPECTS

Despite of a decrease in overall profit, our core business of garment trading in both woven and knits has achieved better results than last year both in terms of revenue and profit. Our garment manufacturing plants in China also enjoyed a better year. Our problem in the garment division remains still with the overseas factories in Cambodia, Sri Lanka and Lesotho. Four main factors negatively impacted our results:

1. As reported in our interim report, Qinghai Changqing Aluminium Corporation – an aluminium smelter in Qinghai China continued to suffer losses during the current year due to high materials and energy costs. This is compared with a good profit the year before.
2. We have ceased operation in our Lesotho factory because we no longer see any potential in profitability there due to high costs, low efficiency and a drop in sale prices.
3. YangtzeKiang S.A. – a garment import company in France suffered a loss this year as compared with last year due to poor economic conditions and severe price competition.
4. Although results from Wuxi Changxin Textile Co., Ltd. remain positive during the current year, its profit has decreased significantly as compared with the previous year due to high cost of raw cotton, the major raw material.

集團業務

本集團之2004/05年度銷售額為16億6千6百萬港元(2003/04年度：14億9千3百萬港元)，較去年同期上升12%，淨溢利減少至3千5百萬港元(2003/04年度：6千9百萬港元)。

業務回顧及展望

儘管整體利潤有所下跌，本集團之核心業務－梭織與針織成衣貿易的收益及利潤雙雙報升，成績更勝往年。我們於中國之製衣廠亦於今年取得較好成績。位於柬埔寨、斯里蘭卡及萊索托之海外廠房的成衣部門仍然面對既有問題。以下四項主要因素對我們之業績造成負面影響：

1. 如我們於中期報告所述，中國青海之熔鋁廠青海長青鋁業有限公司於本年度因材料及能源成本高企而持續虧損。上年度則錄得不俗利潤。
2. 面對高成本、低效益，以及銷售價格下跌之情況，萊索托廠房難望獲利，因此，我們已結束萊索托廠房之營運。
3. 由於經濟疲弱及價格競爭激烈，以致法國成衣進口公司YangtzeKiang S.A.於今年轉盈為虧。
4. 縱然無錫長新紡織有限公司於本年度之業績仍然向好，其利潤較上年度大幅減少，蓋因主要原料原棉之高成本所致。

CHAIRMAN'S STATEMENT 主席報告

OUTLOOK

Although the U.S. and E.U. re-introduced quota for China garment exports in the middle of 2005, selling prices continue to drop due to severe competition from other non-quota countries such as Bangladesh and India, etc. As a result, we expect profits from our garment trading and manufacturing divisions in both woven and knits to decrease slightly in the coming year. Our factories in Cambodia and Sri Lanka will continue to incur losses. The same negative conditions for our aluminium investment in China will persist and, therefore, further losses are expected.

On the brighter side, we expect great improvement from our textile investment in Wuxi: Wuxi Changxin Textile Co., Ltd. and Wuxi YGM Textile Co., Ltd. because the high cost raw cotton inventory that has decreased our profit margin this year has finally been exhausted. Both revenue and profit for the two textile investments are expected to increase.

APPRECIATION

I would like, on behalf of the Board and shareholders, to express our appreciation to the Company's employees for their efforts and loyal service to the Company during the past year.

By Order of the Board

Chan Sui Kau

Chairman

Hong Kong, 15th July, 2005

前景

儘管美國及歐洲於二零零五年年中重新對中國之成衣出口實施配額措施，惟因面對孟加拉及印度等其他無配額限制國家之激烈競爭，銷售價格仍持續下降。因此我們預計來年梭織及針織成衣貿易及製造部門之利潤將會輕微下跌。位於柬埔寨及斯里蘭卡之廠房將會繼續錄得虧損，而中國之鋁業投資將因面對相同之困境而預期會錄得進一步虧損。

可喜的是，我們預計於無錫市的紡織業投資－無錫長新紡織有限公司及無錫長江精密紡織有限公司將有大幅改善，蓋因終於用盡拖低今年利潤率之高成本原棉存貨。此兩項紡織業投資的收益與利潤可望增加。

鳴謝

本人謹代表董事會及全體股東向本公司之僱員在過去一年內所付出之努力及盡忠職守深表謝意。

承董事會命

主席

陳瑞球

香港，二零零五年七月十五日

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

RESULTS OF OPERATIONS

The Group's turnover for the year ended 31st March, 2005 was HK\$1,666 million as compared with HK\$1,493 million for the year ended 31st March, 2004. The Group's profit from ordinary activities after share of profits less losses of associates, income tax and minority interests was HK\$35 million compared with last year's profit of HK\$69 million.

GARMENT BUSINESS

We operate our woven clothing business under the name of YangtzeKiang Garment Mfg. Co., Ltd. and knitted business under the name of Hong Kong Knitters Ltd. Our products include men's and women's shirts, trousers, shorts, polo shirts, T-shirts and fleeces. Our head office in Hong Kong is the sales and management office for the whole Group. In Hong Kong, we concentrate on the role of garment trading as well as all the sales and overall control of our production facilities in China, Sri Lanka and Cambodia. The Hong Kong office also oversees business with many factories that we have agreements with in China, Bangladesh, Myanmar and Vietnam.

Exquisite Knitters (Guangzhou) Ltd. in Panyu, China operates a vertical setup factory from knitting, dyeing and finishing of fabrics to the manufacturing of garments – mainly high quality mercerized knitted polo shirts.

Whampoa Garment Mfg. (Guangzhou) Co., Ltd. also in Panyu, China was set up in November, 2002 mainly for the manufacture of high quality men's and ladies woven shirts to non-quota markets. We have subsequently also added production of knits. In addition to shipping to non-quota markets, we plan to use part of this factory to produce for the U.S. and E.U. markets depending on the quantity of quota allocated after the re-introduction in the middle of 2005.

經營業績

本集團截至二零零五年三月三十一日止年度之營業額為16億6千6百萬港元，比對截至二零零四年三月三十一日止年度之營業額則為14億9千3百萬港元。本集團在計入應佔聯營公司溢利減虧損及扣除所得稅與少數股東權益後之日常業務溢利為3千5百萬港元，比對上年度之有關溢利則為6千9百萬港元。

成衣業務

本集團以長江製衣廠有限公司之名義經營梭織成衣業務，並以香港織造有限公司之名義經營針織業務。本集團產品包括男仕及女仕恤衫、褲、短褲、馬球襯衫、T恤及毛衣。本集團之香港總部負責本集團整體之銷售及管理。本集團在香港專責成衣貿易業務，並全面控制設於中國、斯里蘭卡及柬埔寨之生產廠房。本集團與中國、孟加拉、緬甸及越南的多間廠房訂有合作協議，而香港辦事處亦負責監督該等廠房之業務往來。

位於中國番禺之卓越織造(廣州)有限公司，其經營之廠房負責全套縱向製衣工序，包括編織、漂染及棉布處理以至成衣製造等工序，主要生產優質絲光棉針織馬球襯衫。

位於中國番禺之黃浦江製衣(廣州)有限公司於二零零二年十一月成立，以生產優質男仕及女仕梭織恤衫並出口至無配額限制市場為主，更於其後加入針織成衣之生產。除出口到無配額市場外，我們計劃待歐美國家於二零零五年年中再次實施配額制度後，視乎該公司取得之配額而將部份廠房用於生產美國及歐洲市場所需貨品。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

Bangladesh remains an important area for us in woven shirts production. We have over a dozen factories that we have production agreements with. We have over 30 staff in our Bangladesh office overseeing all production and our products are mainly for the European market. The re-introduction of quota on China in the middle of 2005 has revived the importance of this operation.

Our operations in both Cambodia and Sri Lanka continued to suffer losses. It has always been our main concern that overseas factories are the most difficult to operate when selling prices continue to fall. Manufacturing costs are higher in these two countries than many places such as Bangladesh and India and yet efficiencies are lower. However these factories, which are 100% owned by our Company, manufacture for a top customer list mainly in the U.S.A. and have over the years contributed to our garment sales department in Hong Kong to expand its business with good income.

As stated in the Chairman's Statement, we closed down our factory in Lesotho, Africa in the current year. Lesotho's garment manufacturing could survive mainly because of its quota free and duty free access into the U.S. After 2005, cost and efficiency in Lesotho cannot face up to the competition created by a quota free environment. The drastic appreciation of the South African Rand which is pegged with the current high gold price also makes costing from this country more uncompetitive.

OTHER BUSINESSES

The two spinning and weaving mills we have in Wuxi, China: Wuxi Changxin Textile Co., Ltd. (we own 33%) and Wuxi YGM Textiles Co., Ltd. (we own 70%) remain profitable. However Wuxi Changxin Textile Co., Ltd.'s profits had decreased significantly as compared with last year. This was mainly due to the high cost raw cotton purchased earlier when cotton prices were very high. This situation will improve in the coming year as we have by and large used up this high cost inventory. Wuxi YGM Textiles Co., Ltd.'s profit had increased in the current year because it was operating one full year while last year it only operated for half a year, and we expect further improvement in this investment in the coming year.

孟加拉仍為本集團在梭織恤衫生產方面的一個重要地區，我們在當地設有逾多間已訂立生產協議之廠房。本集團在孟加拉之辦事處聘用逾30名員工，負責監察該等廠房之運作，而產品主要外銷至歐洲市場。於二零零五年年中重新對中國實施配額制度再度突顯出孟加拉業務之重要地位。

於柬埔寨及斯里蘭卡之業務均繼續錄得虧損。銷售價格持續下跌時，海外廠房是難以經營的，此一直為我們最關注之問題。於此兩國之製造成本比其他多個地方(如孟加拉及印度)為高，但效率卻反而較低。然而，該等由本公司全資擁有之廠房卻擁有以美國公司為主的高檔顧客網絡，多年來對香港之成衣銷售部門作出貢獻，以優厚收入擴充其業務。

如主席報告所述，我們已在本年度結束非洲萊索托之廠房。萊索托之成衣製造業得以繼續生存，全賴美國提供之無配額及免關稅環境。二零零五年後，萊索托之成衣製造業的成本與效率均未能應付無配額環境帶來的競爭。由於現時之黃金價格高企，造成與金價掛鉤之南非貨幣蘭德大幅升值，亦使到萊索托之成本更無競爭優勢。

其他業務

本集團在中國無錫的兩間紡紗及紡織廠(即本集團擁有33%權益之無錫長新紡織有限公司及擁有70%權益之無錫長江精密紡織有限公司)繼續獲利。然而，無錫長新紡織有限公司之利潤較上年度大幅減少，主因為貴價原棉是在早前棉紗價格高峰時期購入。整體而言，我們經已用盡此批高成本之存貨，故來年之情況將有所改善。無錫長江精密紡織有限公司於本年度之利潤增加，蓋因本年度為該公司投產後之首個完整經營年度而上年度則只有半個經營年度，我們期望此方面之投資在來年將有進一步改善。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

Qinghai Changqing Aluminium Corporation in Qinghai, China – an aluminium smelter this year suffered losses for the first time since our investment due to high materials and energy costs. Unfortunately this situation will persist during the coming year.

We announced our participation in a joint venture for the development of a power plant in Qinghai in July, 2004. The commercial operation and production of the first and the second power generation units of the power plant originally scheduled for end of 2005 and end of 2006 respectively would have to be postponed due to the delay in the governmental approval procedures, which we expect will be completed in 2006.

The newly added electrical razor production in W. Haking Enterprises Ltd. has not been able to produce a profit in the current year.

YangtzeKiang S.A. suffered a year of loss as compared to previous years' profits. The company was operating in a depressed economic condition in France and in addition there was keen price competition especially from cheap imports from China earlier this year. The underwear brand JIL that we acquired about two years ago continued to suffer losses caused by lower than expected sales and the pay out of indemnity expenses for laying off a good number of employees. We expect to reduce the loss in the coming year but conditions in France remain difficult.

LIQUIDITY AND FINANCIAL POSITION

During the period under review, the Group's operations continued to be financed by the internal resources and bank borrowings.

As at 31st March, 2005, the cash and bank balances of the Group were approximately HK\$103 million (2004: HK\$63 million). As at 31st March, 2005, the bank borrowings of the Group were approximately HK\$452 million (2004: HK\$588 million), of which approximately HK\$238 million (2004: HK\$313 million) was short-term while approximately HK\$214 million (2004: HK\$275 million) was long-term. The gearing ratio (calculated by dividing total bank borrowings net of cash and bank balances by shareholders' equity) of the Group as at 31st March, 2005 was 62% (as at 31st March, 2004: 127%). The bank borrowings including bank loans and overdrafts are mainly in Hong Kong dollars, United States dollars and Renminbi.

於本年度，位於中國青海之熔鋁廠青海長青鋁業有限公司自投資以來首次錄得虧損，主因是材料及能源成本高企，惜此艱難之環境將於來年持續。

我們於二零零四年七月公佈參與一間合營企業，以發展一個位於青海省的發電廠項目。按原訂計劃，發電廠的首個及第二個發電機組應分別於二零零五年年底及二零零六年年底開始商業運作及生產，惟因政府審批程序出現延誤，計劃須順延並預期將於二零零六年內完成。

寶源基業有限公司於本年度增加之一項新電鬚創產品亦未能錄得盈利。

YangtzeKiang S.A. 於本年轉盈為虧。該公司在法國經濟低迷下經營，且本年初更要面對激烈之價格競爭（尤其中國進口之廉價產品）。我們約於兩年前收購之內衣品牌「JIL」仍然錄得虧損，蓋因銷售額比預期為低，並因解僱多名員工而支付賠償。我們期望虧損可於來年收窄，但法國之營商環境將仍甚艱難。

流動資金及資本來源

於回顧期間內，本集團仍以其內部資源及銀行貸款作為營運資金。

於二零零五年三月三十一日，本集團之現金及銀行結餘約為1億3百萬港元（二零零四年：6千3百萬港元）。於二零零五年三月三十一日，本集團之銀行借貸約為4億5千2百萬港元（二零零四年：5億8千8百萬港元），當中約2億3千8百萬港元（二零零四年：3億1千3百萬港元）為短期借貸，約2億1千4百萬港元（二零零四年：2億7千5百萬港元）為長期借貸。於二零零五年三月三十一日，本集團之資本負債比率（銀行借貸總額扣除現金及銀行結餘後再除以股東權益）為62%（於二零零四年三月三十一日：127%）。銀行借貸包括銀行貸款及透支均以港幣、美元及人民幣為主。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

To strengthen the Group's financial position, on 12th October, 2004, the Group successfully raised funds of approximately HK\$126 million by way of a rights issue on the basis of one rights share for every two existing shares held by qualifying shareholders. The net proceeds of the rights issue have been or will be applied in repayment of part of the Group's bank loans, for possible expansion of textile business and for general working capital purposes.

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 may enter into forward contracts to hedge its receivables and payables denominated in foreign currencies against the exchange rate fluctuations.

PLEDGE OF ASSETS

As at 31st March, 2005, the Group had pledged certain assets with carrying values of HK\$339 million (2004: HK\$279 million) mainly for security of banking facilities granted to the Group.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2005, the Group, including its subsidiaries but excluding associates, employed approximately of 7,600 employees. Remuneration packages are determined by reference to employees' performance and the prevailing salary levels in the market. In addition, the Group provides year end double pay, provident fund schemes, medical insurance and training to staff.

為增強本集團之財政狀況，於二零零四年十月十二日本集團通過供股成功集資約1億2千6百萬港元，發行供股股份予合資格股東，以每持有兩股現有股份可獲發一股供股股份為基準。發行供股股份所得款項淨額已經或將會運用於償還本集團之部分銀行貸款、支付可能擴充紡織業務計劃及一般營運資金。

本集團採用審慎政策以對沖匯率波動。本集團大部份業務均主要以港元及美元結算。至於以其他貨幣結算之業務，本集團已就其以外幣結算之應收及應付款訂立若干遠期合約，以對沖外匯波動。

資產抵押

於二零零五年三月三十一日，本集團將若干資產賬面值3億3千9百萬港元（二零零四年：2億7千9百萬港元）抵押，主要作為授予本集團銀行信貸之擔保。

僱員及薪酬政策

於二零零五年三月三十一日，除聯營公司外，本集團（包括其附屬公司）聘用約7,600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薪、公積金計劃、醫療保險及培訓。

REPORT OF THE DIRECTORS 董事會報告

The directors have pleasure in submitting their annual report together with the audited financial statements of YangtzeKiang Garment Manufacturing Company Limited (the "Company", and together with its subsidiaries and associates, the "Group") for the year ended 31st March, 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and sale of garments, the provision of processing services and the rental of properties. The principal activities and other particulars of the Company's subsidiaries are set out on pages 106 to 108.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the financial year are set out in note 11 on the financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st March, 2005 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 24 to 110.

An interim dividend of HK2 cents (2004: HK1 cent) per share was paid on 15th January, 2005. The directors now recommend the payment of a final dividend of HK8 cents (2004: HK9 cents) per share in respect of the year ended 31st March, 2005.

SHARE CAPITAL

Details of the movements in the Company's share capital are set out in note 34 on the financial statements.

TRANSFER TO RESERVES

Profit attributable to shareholders, before dividends, for the year ended 31st March, 2005 of HK\$35,016,000 (2004: HK\$69,085,000) has been transferred to reserves.

FIXED ASSETS

Details of additions to and other movements of fixed assets during the year are set out in note 13 on the financial statements.

董事會同寅欣然提呈長江製衣廠有限公司(「本公司」及其附屬公司與聯營公司「本集團」)截至二零零五年三月三十一日止年度之年報及經審核賬目。

主要業務

本公司主要從事成衣之製造及銷售、提供加工服務及物業租金收入。本公司附屬公司之主要業務及其他詳情詳列於第106頁至108頁。

本公司及其附屬公司於本財政年度之主要業務及業務經營地區分析載於財務報表附註第11項。

財務報表

本集團截至二零零五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務狀況載於第24頁至第110頁之財務報表內。

本公司已於二零零五年一月十五日派發中期股息每股2港仙(二零零四年: 1港仙)。董事會現建議派發截至二零零五年三月三十一日止年度之末期股息每股8港仙(二零零四年: 9港仙)。

股本

本公司股本之變動詳情載於財務報表附註第34項。

轉入儲備的數額

截至二零零五年三月三十一日止年度股東應佔溢利(未扣除股息)35,016,000港元(二零零四年: 69,085,000港元)已轉入儲備。

固定資產

增購之詳情及年內固定資產之其他變動詳情載於財務報表附註第13項。

REPORT OF THE DIRECTORS 董事會報告

INVESTMENT PROPERTIES

Particulars of the Group's investment properties as at 31st March, 2005 are set out in note 13 on the financial statements.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group and the Company as at 31st March, 2005 are set out in notes 29 and 30 on the financial statements.

No interest expense was capitalised by the Group during the year (2004: HK\$2,082,000).

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to HK\$106,000 (2004: HK\$555,000).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's sales to the five largest customers and purchases from the five largest suppliers accounted for less than 30% of the Group's turnover and purchases respectively.

DIRECTORS

The present directors of the Company are listed on page 2.

In accordance with Article 104 of the Company's Articles of Association, Messrs Chan Wing Chak David, Yeung Wing Tak and Lin Keping and Madam Chan Suk Ling Shirley, shall retire as directors of the Company by rotation. Mr Chan Wing Chak David and Mr Yeung Wing Tak do not offer themselves for re-election at the forthcoming annual general meeting of the Company. Madam Chan Suk Ling Shirley and Mr Lin Keping, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Board would like to take this opportunity to thank Mr Chan Wing Chak David and Mr Yeung Wing Tak for their valuable contributions to the Company during their tenure of office.

The Company confirms that it has received from each of the Independent Non-executive Directors of the Company an annual confirmation of their respective independence pursuant to the Listing Rules and the Company considers that the Independent Non-executive Directors to be independent.

投資物業

本集團於二零零五年三月三十一日之投資物業詳情載於財務報表附註第13項。

銀行貸款及其他借款

本集團及本公司於二零零五年三月三十一日之銀行貸款及其他借款之詳情載於財務報表附註第29及30項。

年內本集團並無資本化利息(二零零四年：2,082,000港元)。

慈善捐款

年內本集團之捐款達106,000港元(二零零四年：555,000港元)。

主要客戶及主要供應商

年內本集團首五大銷售客戶及供應商佔本集團營業額及購貨額分別少於30%。

董事

本公司之現任董事芳名載於本年報第2頁。

根據本公司之組織章程細則第104條，陳永澤先生、楊永德先生、林克平先生及周陳淑玲女士任滿告退。陳永澤先生及楊永德先生將不願意於行將召開之本公司股東週年大會上膺選連任。周陳淑玲女士及林克平先生均具資格並願意於行將召開之本公司股東週年大會上膺選連任。

董事會謹此衷心感謝陳永澤先生及楊永德先生在任內對本公司的寶貴貢獻。

本公司確認根據上市規則收到本公司各位獨立非執行董事具有獨立身份之週年確認書，且本公司認為獨立非執行董事具有獨立身份。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the directors who offered themselves for re-election at the forthcoming annual general meeting of the Company has entered into any service contract with the Company or any other member of the Group which is not determinable by the relevant employer within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the connected transactions under Chapter 14A of the Listing Rules as set out in note 39 on the financial statements, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

董事服務合約

擬於行將召開之本公司股東週年大會上彼等願膺選連任之董事，概無與本公司或其任何附屬公司訂定於一年內不可在不予賠償（除一般法定賠償外）之情況下終止之尚未屆滿服務合約。

董事之合約權益

除根據上市規則第14A章所列之關連交易詳情載於財務報表附註第39項外，本公司各董事概無於本公司或其任何附屬公司所訂立，而在本年度結算日或年內任何時間仍屬有效之重大合約中佔有重大權益。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN SHARES

(a) As at 31st March, 2005, the interests and short positions of the directors and their associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Issuers, or which were required to be entered in the register kept by the Company under section 352 of the SFO were as follows:

董事之股份權益

(a) 於二零零五年三月三十一日，本公司各董事及彼等之聯繫人士於本公司或任何聯營公司（按證券及期貨條例（「證券條例」）第XV部之涵義）股份、相關股份及債券中擁有根據證券條例第XV部第7及8分部、上市公司董事進行證券交易的標準守則之規定須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及空倉（包括彼等根據該等證券條例規定被視作或當作擁有之權益及空倉），並須登記於根據證券條例第352條存置之登記冊之權益及空倉如下：

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 interest 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益
Chan Sui Kau	陳瑞球	6,324,696	3,999,354	5,611,230	(i)
Chan Wing Fui, Peter	陳永奎	486,102	1,589,130	—	(i) & (ii) & (iii)
Chan Wing Kee	陳永棋	1,761,624	208,356	—	(i) & (ii) & (iii) & (iv)
Chan Wing To	陳永滔	2,934,054	—	—	(i) & (ii) & (iii) & (iv)
Chan Wing Sun, Samuel	陳永燊	11,244	—	3,043,080	(i) & (ii) & (iii)
Yeung Wing Tak	楊永德	1,446,200	—	265,364	—
Chan Wing Chak, David	陳永澤	2,312,688	—	—	(i) & (iv)
Chan Suk Ling, Shirley	周陳淑玲	1,728,816	24,000	—	(i) & (ii) & (iii)
Chan Suk Man	劉陳淑文	1,535,442	—	—	(i) & (ii) & (iii) & (iv)
Leung Hok Lim	梁學濂	—	—	—	—
Wong Lam	王霖	—	—	—	—
Lin Keping	林克平	—	—	—	—

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN SHARES (continued)

(a) (continued)

Notes:

- (i) 44,388,696 shares of the Company were held by Chan Family Investment Corporation Ltd. (which is owned by 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 and other members of the Chan Family) and its subsidiaries.
- (ii) 34,595,908 shares of the Company were held by Joycome Limited, which is indirectly owned by 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 and other members of the Chan Family.
- (iii) 1,574,480 shares of the Company were held by Hearty Development Limited which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley, Madam Chan Suk Man and other members of the Chan Family.
- (iv) 2,383,500 shares of the Company were held by Super Team International Limited which is indirectly owned by Messrs Chan Wing Kee, Chan Wing To, Chan Wing Chak David, Madam Chan Suk Man and other members of the Chan family.

- (b) Save as disclosed above, as at 31st March, 2005, none of the directors or their associates, had, under Division 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

董事之股份權益 (續)

(a) (續)

附註：

- (i) 合共44,388,696股本公司股份乃由Chan Family Investment Corporation Ltd. (包括陳瑞球先生、陳永奎先生、陳永祺先生、陳永滔先生、陳永樂先生及陳永澤先生、周陳淑玲女士及劉陳淑文女士及其他家族成員)及其附屬公司所持有。
- (ii) 合共34,595,908股本公司股份乃由Joycome Limited持有。該公司由陳永奎先生、陳永祺先生、陳永滔先生及陳永樂先生、周陳淑玲女士及劉陳淑文女士及其他陳氏家族成員間接擁有。
- (iii) 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、陳永祺先生、陳永滔先生及陳永樂先生、周陳淑玲女士及劉陳淑文女士及其他陳氏家族成員間接擁有。
- (iv) 合共2,383,500股本公司股份乃由Super Team International Limited持有。該公司由陳永祺先生、陳永滔先生、陳永澤先生、劉陳淑文女士及其他陳氏家族成員間接擁有。

- (b) 除上文所披露者外，於二零零五年三月三十一日，各董事或彼等之聯繫人士概無於本公司或任何聯營公司(按證券條例第XV部之涵義)股份、相關股份或債券中擁有根據證券條例第XV部第7及8分部須知會本公司及聯交所之任何權益或空倉(或彼等根據該等證券條例規定被視作或當作擁有之任何權益及空倉)，或須登記於本公司根據證券條例第352條存置之登記冊之任何權益，或根據上市規則內上市公司董事進行證券的交易標準守則之規定須知會本公司及聯交所之任何權益。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, the directors are not aware of any person who was, directly or indirectly, interested or had short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, was directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company or any options in respect of such capital as at 31st March, 2005.

SHARE OPTION SCHEME

On 23rd September, 2004, the Company adopted a share option scheme (the "Share Option Scheme") which will remain in force until 22nd September, 2014. Pursuant to the terms of the Share Option Scheme, the Company may grant options to directors and employees of the Group and other eligible participants to subscribe for shares in the Company, provided that the total number of shares in the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company does not exceed 10% of the shares of the Company in issue at the date of adoption of the Share Option Scheme, which was 14,024,579 shares. No options were granted under the Share Option Scheme during the year.

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 year ended 31st March, 2005.

主要股東

除本文所披露者外，於二零零五年三月三十一日，各董事並不知悉有任何人士直接或間接擁有根據證券條例第XV部第2及3分部之條文規定而須向本公司及聯交所披露之股份或相關股份中之權益及淡倉，亦無於附有可在一切情況下於本公司之股東週年大會上投票之權利之已發行股本中，直接或間接擁有其面值10%或以上之權益，或有關該等股本涉及之任何購股權。

購股權計劃

於二零零四年九月二十三日，本公司採納購股權計劃（「購股權計劃」），購股權計劃將一直有效，直至二零一四年九月二十二日到期。根據購股權計劃之條款，本公司可向本集團董事及僱員及其他合資格參與者授出購股權，以認購本公司股份，惟根據購股權計劃及本公司任何其他購股權計劃授出之所有購股權獲行使時，為此發行之本公司股份總數不得超過採納購股權計劃當日本公司已發行股份之10%，即上限為14,024,579股股份。年內並無根據購股權計劃授出任何購股權。

收購、出售或贖回股份

截至二零零五年三月三十一日止年度內，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。

REPORT OF THE DIRECTORS 董事會報告

CONNECTED TRANSACTIONS

Details of connected transactions under Chapter 14A of the Listing Rules are set out in note 39 on the financial statements. In the opinion of the independent non-executive directors, these transactions were entered into by the Group:

- (i) in the ordinary and usual course of its business;
- (ii) conducted either on normal commercial terms (which expression will be applied by reference to transactions of a similar nature and to be made by similar entities) or where there is no available comparison, on terms that are fair and reasonable so far as the independent shareholders of the Company are concerned;
- (iii) in accordance with the terms of the agreements governing the transactions; and
- (iv) in accordance with the pricing policies of the Group, where applicable.

RETIREMENT BENEFIT SCHEMES

Particulars of the retirement benefit schemes of the Group are set out in note 12 on the financial statements

CORPORATE GOVERNANCE

The Company has complied with the Code of Best Practice, as set out in Appendix 14 to the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the year, 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 of the Company pursuant to Articles 95 and 104 of the Company's Articles of Association.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its code of conduct regarding the directors' securities transactions. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in Appendix 10 to the Listing Rules throughout the year.

關連交易

根據上市規則第14A章所列之關連交易詳情載於財務報表附註39項內，本公司之獨立非執行董事認為，本集團所進行之關連交易均：

- (i) 於一般及日常業務過程中進行；
- (ii) 按正常商業條款(所指之「正常商業條款」將參考類似機構進行性質相若之交易時所依據之條款)或倘並無可供比較之條款，則按對本公司之獨立股東而言屬公平合理之條款進行；
- (iii) 根據規管該等交易之協議條款；及
- (iv) 根據集團之定價政策(如有)進行。

退休福利計劃

本集團退休福利計劃之詳情載於財務報表附註第12項。

公司管治

本公司於整年度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無特定任期，彼等須按本公司之公司章程細則第95及第104條於本公司之股東週年大會上輪值告退。

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則，作為本公司董事進行證券交易之守則。本公司向所有董事作出具體查詢後確認，於是年內，彼等均已遵照上市規則附錄10所載之規定標準。

REPORT OF THE DIRECTORS 董事會報告

AUDIT COMMITTEE

To comply with the revised Code of Best Practice as set out in Appendix I4 to the Listing Rules of The Stock Exchange of Hong Kong Limited, the Company has set up an audit committee (the "Committee") with written terms of reference, for the purposes of reviewing and providing supervision on the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors.

FIVE YEAR SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 111 and 112 of the annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board
Chan Sui Kau
 Chairman

Hong Kong, 15th July, 2005

審核委員會

根據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(經修訂)之規定,本公司已成立一個審核委員會(「委員會」)並已備妥職權範圍書,藉以檢討及監察本集團之財務申報程序及內部控制事務。委員會成員包括三名獨立非執行董事。

五年概要

本集團在過去五個財政年度之業績及資產與負債概要載於本年報第111頁及112頁。

公眾持股量

根據本公司獲得之公開資料並就本公司董事所知,本公司於刊發本年報之日已維持公眾持股量不少於上市規則規定之公司已發行股本之25%。

核數師

畢馬威會計師事務所依章告退,惟願膺選連任。在行將召開之本公司股東週年大會上,董事會將提呈決議案,動議續聘畢馬威會計師事務所為本公司核數師。

承董事會命
 主席
 陳瑞球

香港,二零零五年七月十五日

DIRECTORS AND MANAGEMENT 董事及管理人員

DIRECTORS

Chan Sui Kau, GBS, OBE, JP

Age 80. Dr. Chan is the founder of our Group. He established YangtzeKiang Garment Mfg. Co., Ltd. in 1949 and is the Executive Chairman of the Group as well as YGM Trading Ltd. Dr. Chan was a member of the 8th & 9th Chinese People's Political Consultative Committee. In 2002 Dr. Chan was awarded the Gold Bauhinia Star of the HKSAR and in 2001 a Doctoral Degree of Business Administration was conferred upon him by the Hong Kong Polytechnic University. In 1988 he was awarded O.B.E. and in 1983 he was appointed as the Non-official Justice of the Peace. Dr. Chan is the former Chairman of Clothing Industry Training Authority (1986); former Chairman of Textile Council of Hong Kong from (1988-1994) and presently its Honorary Chairman; former President of Federation of Hong Kong Garment Manufacturers (1977-1988) and currently its Life Honorary President; Honorary President of Hong Kong Woollen & Synthetic Knitting Manufacturers' Association since 1980 and former member of Textile Advisory Board of Hong Kong (1971-1989) and The Labour Advisory Board (1985-1995).

Chan Wing Fui, Peter, MA

Age 59. Received a Master's degree in Administrative Science from Yale University USA in 1969 and joined the Group in the same year. Appointed Director in 1971, Managing Director in 1980 and Vice Chairman of the Group and YGM Trading Ltd in 1987. Mr Chan has been actively involved in garment manufacturing and marketing in the Far East and the USA for over 30 years. He is the son of Mr Chan Sui Kau and the brother of Mr Chan Wing Sun Samuel and Ms Chan Suk Ling Shirley.

DIRECTORS

陳瑞球

八十歲，一九四九年創辦長江製衣廠，為本集團之創辦人，亦為本集團及YGM貿易有限公司之執行主席，中國人民政治協商會議第八及九屆全國委員會委員，二零零二年獲香港特別行政區政府頒授金紫荊星章，二零零一年獲香港理工大學頒授榮譽博士學位，一九八八年獲頒授O.B.E.勳銜，一九八三年獲委任為非官守太平紳士。陳博士於一九八六年成為製衣業訓練局主席；一九八八年至一九九四年為香港紡織業聯會主席，現為該會的榮譽主席；一九七七年至一九八八年為香港製衣業總商會主席，現為該會的終生榮譽主席；一九八零年成為香港羊毛化纖針織業廠商會榮譽主席；一九七一年至一九八九年為香港政府紡織業諮詢委員會委員；一九八五年至一九九五年為香港政府勞工顧問委員會委員。

陳永奎

五十九歲，一九六九年獲美國耶魯大學頒發行政管理學碩士學位，並於同年加入本集團。彼於一九七一年獲委任為本集團董事，一九八零年為董事總經理，一九八七年分別任本集團及YGM貿易有限公司副主席。陳先生積極參與遠東及美國之成衣製造及市場推廣逾三十年之久。彼為陳瑞球先生之公子及陳永樂先生及周陳淑玲女士之兄。

DIRECTORS AND MANAGEMENT 董事及管理人員

Chan Wing Kee, GBS, OBE, JP

Age 58. Received a Bachelor's degree in Industrial Engineering in 1970. Joined the Group in 1970 as Production Manager and later became Sales Manager. Appointed Director in 1977 and Managing Director in 1987. He is also a Director of YGM Trading Ltd. Mr Chan has participated in many textile negotiations with the USA and Europe for Hong Kong and Macau. He is a member of the Textile Advisory Board of Hong Kong; a member of Economic Council of Macau S.A.R.; Standing Committee Member of The People's Political Consultative Committee of the People's Republic of China; Deputy of the 8th & 9th National People's Congress of China; Ex-Committee Member of the Preparatory Committee for Hong Kong Special Administrative Region and Ex-Advisor of Hong Kong Affairs. He is the brother of Mr Chan Wing Chak David, Mr Chan Wing To and Ms Chan Suk Man.

Chan Wing To, PhD

Age 54. Joined YGM Singapore in 1978 and was appointed Managing Director in 1980. Also appointed Director of the Group in 1983 and YGM Trading Ltd in 1987. He is the brother of Mr Chan Wing Chak David, Mr Chan Wing Kee and Ms Chan Suk Man.

Chan Suk Man, MSc

Age 57. Received Master of Science Degrees from the University of Windsor, Canada in 1973 and Case Western Reserve University USA in 1975. Joined the Group in 1976 and appointed Director in 1993. She is the sister of Mr Chan Wing Kee, Mr Chan Wing To and Mr Chan Wing Chak David.

陳永棋

五十八歲，於一九七零年獲工業工程學士學位。於一九七零年加入本集團，先後任生產經理、營業經理，一九七七年獲委任為董事，一九八七年任董事總經理。彼亦為YGM貿易有限公司董事，曾多次參與歐美與港澳之間之紡織品談判。陳先生為中華人民共和國第十屆全國政協常務委員、中華人民共和國第八屆及九屆全國人民代表大會代表、香港特別行政區紡織品諮詢委員會委員、澳門特別行政區經濟委員會委員、前香港特別行政區籌備委員會委員及前中國國務院香港事務顧問。彼為陳永澤先生之弟及陳永滔先生及劉陳淑文女士之兄。

陳永滔

五十四歲，於一九七八年加入新加坡長江，且於一九八零年獲委任為董事總經理，並先後於一九八三年及一九八七年獲委任為本集團及YGM貿易有限公司董事。陳先生為陳永澤先生、陳永棋先生及劉陳淑文女士之弟。

劉陳淑文

五十七歲，分別於一九七三年及一九七五年獲得加拿大University of Windsor及美國Case Western Reserve University 理科碩士學位，於一九七六年加入本集團，並於一九九三年獲委任為董事。陳女士為陳永棋先生及陳永澤先生之妹及為陳永滔先生之姊。

DIRECTORS AND MANAGEMENT 董事及管理人員

Chan Wing Sun, Samuel, FCA

Age 57. Received a Bachelor's degree from University of Manchester, United Kingdom in 1970 and qualified as a Chartered Accountant in 1973. Company Secretary of the Group from 1974 to 1988 and a Director since 1977. Appointed Managing Director of YGM Trading Ltd in 1987 and Chairman of Hang Ten Group Holdings Ltd in 2003. He is the son of Mr Chan Sui Kau and the brother of Mr Chan Wing Fui Peter and Ms Chan Suk Ling Shirley.

Yeung Wing Tak

Age 84. Appointed Director in 1970. Mr Yeung is also the Managing Director of Yee Woo Loong Rice Trading Co Ltd and Perfekta Enterprises Ltd. He is an honorary citizen of Guangzhou, Kaozhou and Heshan.

Chan Wing Chak, David

Age 69. Joined the Group in 1960 and appointed director in 1970. He is the brother of Mr Chan Wing Kee, Mr Chan Wing To and Ms Chan Suk Man.

Chan Suk Ling, Shirley

Age 54. Received a Bachelor's degree from Trent University, United Kingdom in 1973. Joined the Group in 1973. Appointed Director of the Group in 1983 and Deputy Managing Director of YGM Trading Ltd in 1987. She has extensive experience of management in the garment retail and wholesale business. She is a member of the Hong Kong Trade Development Council Garment Advisory Committee and the Executive Committee Member of the Hong Kong Retail Management Association. Committee Member of the Chinese Manufacturers' Association of Hong Kong. She is the daughter of Mr Chan Sui Kau and the sister of Mr Chan Wing Fui Peter and Mr Chan Wing Sun Samuel.

陳永燊

五十七歲，一九七零年獲英國曼徹斯特大學頒授學士學位，並於一九七三年成為特許會計師。彼於一九七四年至一九八八年間出任本集團之公司秘書，一九七七年獲委任為董事，自一九八七年起即為YGM貿易有限公司董事總經理及於二零零三年任漢登集團控股有限公司主席。陳先生為陳瑞球先生之公子、陳永奎先生之弟及周陳淑玲女士之兄。

楊永德

八十四歲，於一九七零年獲委任為董事，亦出任義和隆米業有限公司及寶法德企業有限公司董事總經理。楊先生為廣州、高州及鶴山之榮譽市民。

陳永澤

六十九歲，於一九六零年加入本集團，並於一九七零年獲委任為董事。彼為陳永棋先生、陳永滔先生及劉陳淑文女士之兄長。

周陳淑玲

五十四歲，於一九七三年獲英國Trent University頒發學士學位，同年加入本集團。一九八三年出任本集團董事及一九八七年獲委任為YGM貿易有限公司副董事總經理。彼於管理成衣零售及批發業務有廣泛之經驗。現為香港貿易發展局成衣業諮詢委員會成員及香港零售管理協會執委會成員。香港中華廠商聯合會會董。彼為陳瑞球先生之千金及陳永奎先生與陳永燊先生之妹。

DIRECTORS AND MANAGEMENT 董事及管理人員

Leung Hok Lim, FCPA(Aust.), CPA(Macau), FCPA(Practising)

Age 70. An independent non-executive Director of the Company, is the founding and senior partner of PKF, Certified Public Accountants. Mr. Leung obtained his fellowship with Hong Kong Institute of Certified Public Accountants (formerly Hong Kong Society of Accountants) in 1973. He is a non-executive director of Beijing Hong Kong Exchange of Personnel Centre Limited and a number of listed companies.

Wong Lam, OBE, JP

Age 86. Appointed as an independent non-executive Director in 1995. Mr Wong is a former member of the Legislative Council, a former Standing Committee Member of Chinese People's Political Consultative Conference of Dongguan and a Director of Lung Cheong International Holdings Ltd.

Lin Keping

Age 66. Appointed as an independent non-executive Director of the Company in 2004. Mr Lin is an engineer, graduated from Beijing University of Posts and Telecommunications in 1963. He is a member of the Eighth National Committee of the Chinese People's Political Consultation Conference and an executive member of the Eighth All-China Federation of Industry and Commerce. He has served in postal and telecommunication research institutes, the Ministry of Posts and Telecommunications and other organisations for years, and was an executive vice president of China Minsheng Bank Corp. Ltd.

梁學濂

七十歲，本公司獨立非執行董事，為梁學濂會計師事務所(執業會計師)之創辦人及高級合夥人。梁先生於一九七三年取得香港會計師公會執業資深會計師資格。彼為京港人才交流中心有限公司及多間上市公司之非執行董事。

王霖

八十六歲，於一九九五年獲委任為獨立非執行董事。王先生為前立法局議員、前東莞市政協常務委員及龍昌國際控股有限公司之董事。

林克平

六十六歲，於二零零四年獲委任為本公司獨立非執行董事。林先生為工程師，一九六三年畢業於北京郵電大學。為中國人民政治協商會議第八屆全國委員會委員、第八屆中華全國工商聯合會執行委員。曾在郵電科研機構、郵電部及其他部門任職，曾任中國民生銀行副行長。

DIRECTORS AND MANAGEMENT 董事及管理人員

MANAGEMENT

Lau Shing Choy

Age 57. Received a Bachelor's degree from the Chinese University of Hong Kong in 1969, and a Doctor of Philosophy Degree from Case Western Reserve University, USA in 1978. Mr Lau joined the Group in 1978 to develop the China business. He is the Director of Hong Kong Knitters Ltd. He is the husband of Ms Chan Suk Man.

So Ying Woon, Alan

Age 55. Received a Bachelor's degree from the Chinese University of Hong Kong in 1974. Mr So joined the Group in 1974 and was promoted to Sales Manager in 1976. He has been the General Manager since 1993.

Leung Ming Wai, Alan

Age 47. General Manager of Sales Department, obtained the diploma in Management Studies at Hong Kong Polytechnic University and Master Degree in Business Administration at University of East Asia, Macau. He joined the Company as Sales Manager in 1986.

Chui Wai Ha, Catherine, MBA

Age 43, Sales Manager. Ms. Chui joined the Group in 1994, and has over 20 years' managerial experience in the fashion business. She was awarded Master of Business Administration (Fashion Business) by the Hong Kong Polytechnic University in 2004.

Hui Sau Ling

Age 39. Appointed as Financial Controller and Company Secretary of the Group in 2000. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants (formerly Hong Kong Society of Accountants). She has 15 years' experience in auditing, accounting and business finance.

管理人員

劉盛材

五十七歲，於一九六九年獲得香港中文大學學士學位，及於一九七八年獲得美國 Case Western Reserve University 哲學博士學位。劉先生於一九七八年加入本集團，負責開拓中國業務。彼亦為香港織造有限公司之董事，劉陳淑文女士之丈夫。

蘇應垣

五十五歲，於一九七四年獲得香港中文大學學士學位，蘇先生於一九七四年加入本集團，於一九七六年升任營業部經理，自一九九三年出任營業總經理。

梁銘惠

四十七歲，現任營業部經理。曾於香港理工大學攻讀管理學文憑，及畢業於澳門東亞大學，選修工商管理碩士課程。一九八六年加入本集團任職營業部經理。

崔偉霞

四十三歲，營業經理，於一九九四年加入本集團。擁有二十年以上服裝銷售業務管理經驗。並於二零零四年獲香港理工大學頒授工商管理(服裝企業)碩士學位。

許秀玲

三十九歲，於二零零零年加入本集團出任財務總監及公司秘書。彼為英國特許公認會計師公會資深會員及香港會計師公會會員，擁有十五年審計、財務及會計方面之經驗。

REPORT OF THE AUDITORS 核數師報告


**AUDITORS' REPORT TO THE SHAREHOLDERS OF
YANGTZEKIANG GARMENT MANUFACTURING COMPANY
LIMITED**

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 24 to 110 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS
AND AUDITORS**

The Hong Kong Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statement of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

致：長江製衣廠有限公司股東
(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核刊於第24頁至110頁按照香港公認會計原則編製的財務報表。

董事及核數師的責任

香港《公司條例》規定董事須編製真實與公允的財務報表。在編製財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對這些財務報表提出獨立意見，並按照香港《公司條例》第141條的規定，僅向整體股東報告。除此之外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

意見的基礎

我們是按照香港會計師公會頒佈的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製財務報表時所作的主要估計和判斷、所釐定的會計政策是否適合 貴公司及 貴集團的具體情況，以及有否貫徹運用並足夠披露這些會計政策。

REPORT OF THE AUDITORS 核數師報告

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2005 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

Hong Kong, 15th July, 2005

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充份的憑證，就財務報表是否存在重大的錯誤陳述，作合理的確定。在提出意見時，我們亦已衡量財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

意見

我們認為，上述的財務報表均真實與公平地反映 貴公司及 貴集團於二零零五年三月三十一日的財政狀況和 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》適當地編製。

畢馬威會計師事務所

執業會計師

香港，二零零五年七月十五日

CONSOLIDATED INCOME STATEMENT 綜合損益表
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

		Note 附註	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Turnover	營業額	2	1,665,835	1,493,488
Cost of sales	銷售成本		(1,329,117)	(1,177,771)
			336,718	315,717
Other revenue	其他收入	3	8,286	10,598
Other net income	其他收益淨額	3	3,582	26,609
Selling and distribution expenses	銷售及分銷費用		(133,693)	(121,609)
Administrative expenses	行政費用		(102,944)	(120,081)
Other operating expenses	其他經營費用		(39,705)	(40,701)
Profit from operations	經營溢利		72,244	70,533
Finance costs	融資成本	4(a)	(31,800)	(26,206)
			40,444	44,327
Share of profits less losses of associates	應佔聯營公司溢利減虧損		2,028	49,466
Profit from ordinary activities before taxation	除稅前日常業務溢利	4	42,472	93,793
Income tax	所得稅	5(a)	(3,480)	(20,323)
Profit from ordinary activities after taxation	除稅後日常業務溢利		38,992	73,470
Minority interests	少數股東權益		(3,976)	(4,385)
Profit attributable to shareholders	股東應佔溢利	8	35,016	69,085
Dividends attributable to the year:	本年度股息：	9		
Interim dividend declared during the year	於年內已宣派之中期股息		4,207	1,402
Final dividend proposed after the balance sheet date	於結算日後建議派發末期股息		16,829	12,622
			21,036	14,024
Earnings per share	每股盈利			
Basic (2004: restated)	基本 (二零零四年：重列)	10	\$0.20	\$0.48

The notes on pages 31 to 110 form part of these financial statements.

第31頁至110頁的附註屬本財務報表之一部份。

CONSOLIDATED BALANCE SHEET 綜合資產負債表

At 31st March, 2005 (Expressed in Hong Kong dollars)

於二零零五年三月三十一日 (以港元計)

	Note 附註	2005 二零零五年		2004 二零零四年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets					
Fixed assets	13(a)				
Investment properties		51,309		28,001	
Other property, plant and equipment		569,613	620,922	592,253	620,254
Construction in progress	14		877		18,508
Intangible assets	15		1,853		3,479
Goodwill	16		(6,588)		(2,117)
Interest in associates	18		246,912		248,263
Permanent quota	19		-		-
Loans receivable	20		6,333		7,917
Non-trading securities	21		1,453		1,453
Other investments	22		2,873		2,873
Deferred tax assets	31(b)		4,367		-
			879,002		900,630
Current assets					
Inventories	23	233,836		159,821	
Trade and other receivables	24	250,319		258,250	
Loans receivable	20	1,693		1,693	
Tax recoverable	31(a)	1,693		2,143	
Pledged deposits	26	7,995		3,733	
Cash and cash equivalents	27	95,269		59,528	
		590,805		485,168	
Current liabilities					
Bank loans and overdrafts	29	237,778		312,948	
Trade and other payables	28	392,802		323,964	
Tax payable	31(a)	2,214		4,795	
		632,794		641,707	
Net current liabilities	32		(41,989)		(156,539)
Total assets less current liabilities			837,013		744,091
Non-current liabilities					
Bank loans	30	213,746		275,364	
Provision for long service payments	33	6,020		8,948	
Deferred tax liabilities	31(b)	12,017		10,767	
			231,783		295,079
Minority interests			605,230		449,012
			38,873		34,651
NET ASSETS			566,357		414,361
CAPITAL AND RESERVES					
Share capital	34		105,184		70,123
Reserves	35(a)		461,173		344,238
			566,357		414,361

Approved and authorised for issue by the board of directors on 15th July, 2005.

董事會已於二零零五年七月十五日核准及授權發佈上列賬目。

Chan Sui Kau

))))))

Directors

Chan Wing Kee

陳瑞球

陳永棋

))))))

董事

The notes on pages 31 to 110 form part of these financial statements.

第31頁至110頁的附註屬本財務報表之一部份。

BALANCE SHEET 資產負債表

At 31st March, 2005 (Expressed in Hong Kong dollars)

於二零零五年三月三十一日 (以港元計)

	Note 附註	2005 二零零五年		2004 二零零四年	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets					
Fixed assets	13(b)				
Investment properties		39,060		28,001	
Other property, plant and equipment		62,406		76,585	
			101,466		104,586
Interest in subsidiaries	17		389,644		301,472
Interest in associates	18		22,365		22,365
Permanent quota	19		-		-
Loans receivable	20		6,333		7,917
Non-trading securities	21		1,453		1,453
Other investments	22		2,384		2,384
			523,645		440,177
Current assets					
Inventories	23	38,198		17,751	
Trade and other receivables	24	122,388		141,221	
Loans receivable	20	1,693		1,693	
Cash and cash equivalents	27	53,944		26,981	
		216,223		187,646	
Current liabilities					
Bank loans and overdrafts	29	24,167		79,818	
Trade and other payables	28	105,431		100,956	
Tax payable	31(a)	1,501		1,447	
		131,099		182,221	
Net current assets			85,124		5,425
Total assets less current liabilities			608,769		445,602
Non-current liabilities					
Bank loans	30	33,333		37,500	
Provision for long service payments	33	2,708		4,872	
Deferred tax liabilities	31(b)	9,113		10,535	
			45,154		52,907
NET ASSETS			563,615		392,695
CAPITAL AND RESERVES					
Share capital	34		105,184		70,123
Reserves	35(b)		458,431		322,572
			563,615		392,695

Approved and authorised for issue by the board of directors on 15th July, 2005.

Chan Sui Kau)
)
) Directors
 Chan Wing Kee)
)

董事會已於二零零五年七月十五日核准及授權發佈上列賬目。

陳瑞球)
)
) 董事
 陳永棋)
)

The notes on pages 31 to 110 form part of these financial statements.

第31頁至110頁的附註屬本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益股本變動表
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

	Note 附註	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Shareholders' equity at 1st April	於四月一日之股東權益	414,361	352,168
Surplus on revaluation of:	重估盈餘：		
– investment properties, net of deferred tax	– 扣除遞延所得稅後 的投資物業淨額	35(a) 3,742	558
– investments in securities	– 證券投資	35(a) –	400
Share of associate's revaluation (deficit)/ surplus on investment properties	應佔聯營公司投資物業 重估(虧拙)/盈餘	35(a) (162)	973
Share of associates' other reserves	應佔聯營公司其他儲備	35(a) –	697
Share of associates' exchange reserve	應佔聯營公司匯兌儲備	35(a) 621	1,186
Exchange differences on translation of the financial statements of foreign entities	換算海外公司 財務報表之 匯兌差額	35(a) 1,728	2,038
Net gains not recognised in the income statement	未在損益表確認 之淨收益	5,929	5,852
Net profit for the year	本年度淨溢利	35(a) 35,016	69,085
Dividends approved during the year	年度內核准的股息	9 (16,829)	(12,622)
Movements in shareholders' equity arising from capital transactions with shareholders	與股東進行資本 交易所產生之股東 權益變動		
– rights issue	– 供股	34 & 35(a) 124,083	–
Reserves transferred to the income statement on:	儲備撥往 損益表：		
– deconsolidation of subsidiaries in liquidation	– 不再綜合計算在清盤中 之附屬公司	3,797	–
– disposal of subsidiaries	– 出售附屬公司	–	(122)
		3,797	(122)
Shareholders' equity at 31st March	於三月三十一日之股東權益	566,357	414,361

The notes on pages 31 to 110 form part of these financial statements.

第31頁至110頁的附註屬本財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表
 For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
 截至二零零五年三月三十一日止年度 (以港元計)

	Note 附註	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Operating activities	經營活動		
Profit from ordinary activities before taxation	除稅前日常業務溢利	42,472	93,793
Adjustments for:	調整項目：		
– Share of profits less losses of associates	– 應佔聯營公司溢利減虧損	(2,028)	(49,466)
– Depreciation	– 折舊	52,113	56,486
– Gain on disposal of subsidiary	– 出售附屬公司收益	–	(672)
– Loss on deconsolidation of subsidiaries in liquidation	– 不再綜合計算在清盤中之附屬公司虧損	5,654	–
– Loss/(gain) on disposal of fixed assets	– 出售固定資產虧損／(收益)	6,228	(792)
– Amortisation of positive goodwill	– 正商譽攤銷	6,522	3,852
– Amortisation of negative goodwill	– 負商譽攤銷	(2,051)	(1,772)
– Amortisation of intangible assets	– 無形資產攤銷	1,851	1,753
– Interest expenses	– 利息支出	31,800	26,206
– Interest income	– 利息收入	(670)	(264)
– Dividend income from unlisted equity securities	– 非上市股本證券之股息收入	(364)	(388)
– Tax refund upon reinvestment of dividend income from an associate and a subsidiary	– 聯營公司及附屬公司股息收入再投資之退稅	(2,034)	(2,595)
– Foreign exchange loss/(gain)	– 匯兌虧損／(收益)	1,083	(1,124)
Operating profit before changes in working capital	營運資金變動前經營溢利	140,576	125,017
Increase in inventories	存貨增加	(74,015)	(61,916)
Decrease in debtors, deposits and prepayments	應收賬款、按金及預付款項減少	22,029	5,528
Decrease/(increase) in bills receivable	應收票據減少／(增加)	33,114	(31,287)
Increase in amounts due from related companies	應收關連公司款項增加	(3,281)	(1,459)
(Increase)/decrease in amounts due from associates	應收聯營公司款項(增加)／減少	(42)	22,837
Increase in creditors and accrued charges	應付賬款及應計費用增加	37,687	36,515
Increase/(decrease) in bills payable	應付票據增加／(減少)	7,752	(11,691)
Increase/(decrease) in amounts due to related companies	應付關連公司款項增加／(減少)	15,269	(192)
Increase/(decrease) in amounts due to associates	應付聯營公司款項增加／(減少)	21,776	(13,257)
Increase in amount due to a shareholder	應付一股東款項增加	5,868	–
Decrease in long service payments	長期服務金減少	(2,928)	(79)
Cash generated from operations	經營業務所得現金	203,805	70,016
Tax paid	已付稅項		
– Hong Kong Profits Tax paid	– 已付香港利得稅	(9,612)	(7,414)
– Overseas tax refunded/(paid)	– 已退回／(已付)海外稅項	346	(1,359)
Net cash generated from operating activities	經營活動所得的現金淨額	194,539	61,243

CONSOLIDATED CASH FLOW STATEMENT (continued) 綜合現金流量表(續)

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度(以港元計)

	Note 附註	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Investing activities			
Payments for the purchase of fixed assets		(27,862)	(21,864)
Proceeds from sales of fixed assets		1,775	2,181
Payments for construction in progress		(20,633)	(110,587)
Payment for the purchase of intangible assets		-	(5,232)
Placement of pledged deposits		(4,262)	(3,592)
Interest received		670	264
Dividend received from associates		-	33,682
Dividend received from unlisted equity securities		364	388
Tax refund upon reinvestment of dividend income from an associate		-	5,775
Net cash outflow from acquisition of minority interest		-	(5,000)
Net cash inflow from acquisition of a subsidiary		-	824
Payment for capital contribution and additional investment in associates		(6,630)	(8,507)
Prepayment for investment	25	(33,235)	-
Repayment of loans receivable		1,584	-
Net cash outflow from deconsolidation/disposal of subsidiaries	(a)	(250)	(272)
Net cash used in investing activities		(88,479)	(111,940)
Financing activities			
Repayment to associate for construction in progress		(9,413)	(83,824)
Advance from associate for construction in progress		-	18,905
Repayment of bank loans		(333,653)	(278,106)
New bank loans		248,051	429,233
Repayment of trust receipt loans		(182,399)	(207,421)
New trust receipt loans		126,875	213,375
Capital contribution from minority shareholders		-	11,207
Proceeds from rights issue less expenses		124,083	-
Interest paid		(31,467)	(26,478)
Dividend paid		(16,829)	(12,622)
Net cash (used in)/generated from financing activities		(74,752)	64,269
Net increase in cash and cash equivalents		31,308	13,572
Cash and cash equivalents at 1st April		58,906	44,541
Effect of foreign exchange rates changes		95	793
Cash and cash equivalents at 31st March	27	90,309	58,906

The notes on pages 31 to 110 form part of these financial statements.

第31頁至110頁的附註屬本財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT (continued) 綜合現金流量表(續)

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度(以港元計)

Non-cash transaction:

During the year, dividends receivable from an associate of \$7,838,000 were re-invested in the associate as capital contributions.

非現金交易：

於年內，將一聯營公司之應收股息合共7,838,000元再投資，作為於一聯營公司資本投入。

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**(a) Deconsolidation of subsidiaries**

On 31st March, 2005, the Group deconsolidated its 100% equity interests in H.K. International Knitters (Proprietary) Limited and Capstone 161 (Pty) Ltd. as the operations of these companies have ceased and the companies have been placed in liquidation.

綜合現金流量表附註**(a) 不再綜合計算之附屬公司**

於二零零五年三月三十一日，本集團不再綜合計算已停止業務運作及被置放清盤之 H.K. International Knitters (Proprietary) Limited 及 Capstone 161 (Pty) Ltd. 之100%權益。

		\$'000 千元
Net assets deconsolidated:	不再綜合計算資產淨值：	
Trade debtors, deposits and prepayments	應收賬款，存款及預付款	2,052
Cash and cash equivalents	現金及現金等價物	250
Trade creditors and accrued charges	應付賬款及應計費用	(445)
Exchange reserve	匯兌儲備	3,797
		<hr/>
Loss on deconsolidation of subsidiaries	不再綜合計算附屬公司虧損	5,654
		<hr/> <hr/>
Net cash outflow from deconsolidation of subsidiaries	不再綜合計算附屬公司現金流出淨額	250
		<hr/> <hr/>

The notes on pages 31 to 110 form part of these financial statements.

第31頁至110頁的附註屬本財務報表之一部份。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost modified by the revaluation of investment properties and land and buildings, and the marking to market of certain investments in securities as explained in the accounting policies set out below.

(c) Subsidiaries and controlled enterprises

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Group, in which case, it is stated in the consolidated balance sheet at fair value with changes in fair value recognised in the same manner as for non-trading securities.

1. 主要會計政策

(a) 遵例聲明

本財務報表已按照香港會計師公會頒佈所有適用的《香港財務報告準則》(包括所有適用的《會計實務準則》及解釋)香港公認會計原則及香港《公司條例》的規定編製。本財務報表同時符合適用的《香港聯合交易所有限公司證券上市規則》披露規定。本集團採用之主要會計政策概述如下。

(b) 財務報表編製基準

除投資物業、土地及樓宇按重估值和部份證券投資按市值入賬(見下文所載的會計政策)外,本財務報表是以歷史成本作為編製基準。

(c) 附屬公司及受控制企業

按照香港《公司條例》規定,附屬公司是指本集團直接或間接持有其過半數已發行股份,或控制其過半數投票權,或控制其董事會組成的公司。當本公司有權直接或間接支配附屬公司的財務及經營政策,並藉此從其活動中取得利益,均視為受本公司控制。

集團於受控制附屬公司的投資均在綜合財務報表中綜合計算。然而,如購入並持有這些投資的唯一目的是在短期內將之出售,或受控制附屬公司是長期在嚴格限制條件下經營,以致其向本集團轉移資金的能力嚴重受損,則這些投資會按公平價值記入綜合資產負債表。公平價值的變動在綜合損益表確認的方法,與非交易證券相同。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)**(c) Subsidiaries and controlled enterprises (continued)**

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet separately from liabilities and the shareholders' equity. Minority interests in the results of the Group for the year are also separately presented in the consolidated income statement.

Where losses attributable to the minority exceed the minority interest in the net assets of a subsidiary, the excess and any further losses attributable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. All subsequent profits of the subsidiary are allocated to the Group until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note I(m)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company, in which case, it is stated at fair value with changes in fair value recognised in the same manner as for non-trading securities.

1. 主要會計政策 (續)**(c) 附屬公司及受控制企業 (續)**

集團內部往來的餘額和集團內部交易及其產生的未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現溢利相同，但抵銷額只限於沒有證據顯示已轉讓資產已出現減值。

於結算日的少數股東權益是指並非由本公司直接或透過附屬公司間接擁有的股權所佔附屬公司資產淨值的部分；這些權益在綜合資產負債表內是與負債及股東權益分開列示。少數股東所佔本集團本年度業績的權益在損益表內亦會分開列示。

如果少數股東應佔的虧損超過其所佔附屬公司資產淨值的權益，超額部分和任何歸屬於少數股東的進一步虧損便會沖減本集團所佔權益；但如少數股東須承擔具有約束力的義務並有能力彌補虧損則除外。附屬公司的所有其後溢利均會分配予本集團，直至本集團收回以往承擔的少數股東應佔虧損為止。

本公司資產負債表所示於附屬公司的投資，是按成本減去任何減值虧損(參閱附註I(m))後入賬。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或附屬公司是長期在嚴格限制條件下經營，以致其向本公司轉移資金的能力嚴重受損，則這些投資會按公平價值入賬。公平價值的變動確認的方法，與非交易證券相同。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor, in which case it is stated at fair value with changes in fair value recognised in the same manner as for non-trading securities. The consolidated income statement reflects the Group's share of the post-acquisition results of the associates for the year, including any amortisation of positive or negative goodwill charged or credited during the year in accordance with note 1(e). Where the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate. Where the associate has a financial year end other than 31st March, its latest audited financial statements made up to 31st December are used for equity accounting purposes.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the income statement.

1. 主要會計政策 (續)

(d) 聯營公司

聯營公司是指本集團或本公司可以對其管理層發揮重大影響的實體，包括參與其財務及經營決策，但不是控制或聯合控制管理層。

於聯營公司的投資是按權益法記入綜合財務報表，並且先以成本入賬，然後就本集團佔該聯營公司淨資產在收購後的變動作出調整。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或聯營公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損，則這些投資會按公平價值入賬。公平價值的變動在綜合損益表確認的方法，與非交易證券相同。綜合損益表反映出年內本集團所佔聯營公司於收購後的業績，包括按照附註1(e)在本年度列支或計入的正商譽或負商譽的任何攤銷。當本集團對聯營公司虧損的承擔額超出本集團於該聯營公司的賬面金額時，賬面金額將會減至零，並且不再確認其他虧損；但如本集團須向該聯營公司承擔義務則除外。如聯營公司之會計年度不是截至三月三十一日，則聯營公司截至十二月三十一日之審計財務報表會用作權益會計法之用途。

本集團與各聯營公司之間交易所產生的未變現損益，均按本集團在聯營公司所佔之權益比率抵銷；但假如未變現虧損顯示已轉讓資產出現減值，則這些未變現虧損會即時在損益表內確認。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)**(d) Associates (continued)**

In the Company's balance sheet, an investment in an associate is stated at cost less impairment losses (see note 1(m)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor, in which case, it is stated at fair value with changes in fair value recognised in the same manner as for non-trading securities.

(e) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired. In respect of controlled subsidiaries:

- for acquisitions before 1st April, 2001, positive goodwill is eliminated against reserves and is reduced by impairment losses (see note 1(m)); and
- for acquisitions on or after 1st April, 2001, positive goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life. Positive goodwill is stated in the consolidated balance sheet at cost less accumulated amortisation and impairment losses (see note 1(m)).

In respect of acquisitions of associates, positive goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life. The cost of positive goodwill less accumulated amortisation and impairment losses (see note 1(m)) is included in the carrying amount of the interest in associates.

Negative goodwill arising on acquisitions of controlled subsidiaries and associates represents the excess of the Group's share of the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition.

1. 主要會計政策 (續)**(d) 聯營公司 (續)**

本公司資產負債表所示於聯營公司的投資，是按成本減去減值虧損(參閱附註1(m))後入賬。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或聯營公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損，則這些投資會按公平價值入賬。公平價值的變動在綜合損益表確認的方法，與非交易證券相同。

(e) 商譽

編製綜合財務報表時產生的正商譽是指投資成本超過本集團佔所收購可分資產與負債公平價值的數額。就受控制附屬公司而言：

- 對於在二零零一年四月一日之前作出的收購，正商譽與儲備抵銷，並且減去減值虧損(參閱附註1(m))之數；及
- 對於在二零零一年四月一日或之後作出的收購，正商譽是按其預計可用年限，以直線法在綜合損益表內攤銷。正商譽是以成本減去累計攤銷及減值虧損(參閱附註1(m))後，記入綜合資產負債表。

至於收購聯營公司方面，正商譽是按其預計可用年限，以直線法在綜合損益表內攤銷。正商譽是以成本減去累計攤銷及減值虧損(參閱附註1(m))後，計入聯營公司權益之賬面金額中。

收購受控制附屬公司、聯營公司所產生的負商譽是指本集團佔所收購可分資產與負債公平價值超過投資成本的數額。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(e) Goodwill (continued)

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the consolidated income statement when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated income statement over the weighted average useful life of those non-monetary assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the consolidated income statement.

In respect of any negative goodwill not yet recognised in the consolidated income statement:

- for controlled subsidiaries, such negative goodwill is shown in the consolidated balance sheet as a deduction from assets in the same balance sheet classification as positive goodwill; and
- for associates, such negative goodwill is included in the carrying amount of the interest in associates.

On disposal of a controlled subsidiary or an associate during the year, any attributable amount of purchased goodwill which has previously been dealt with as a movement on Group reserves is included in the calculation of the profit or loss on disposal.

(f) Non-trading securities

The Group's and the Company's policies for investments in non-trading securities other than investments in subsidiaries and associates are as follows:

- (i) Non-trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the investment revaluation reserve until the security is sold, collected, or otherwise disposed of, or until there is objective evidence that the security is impaired, at which time the relevant cumulative gain or loss is transferred from the investment revaluation reserve to the income statement.

1. 主要會計政策 (續)

(e) 商譽 (續)

假如負商譽關乎已在收購計劃中確定及可以可靠地計算，但尚未確認的預計未來虧損及支出，便會在未來虧損和支出確認時，在綜合損益表內確認。任何尚餘的負商譽(但以所收購非貨幣資產公平價值為限)則按應計折舊／攤銷的非貨幣資產的加權平均可用年限，在綜合損益表內確認。然而，如尚餘的負商譽數額高於所收購非貨幣資產公平價值，這部份負商譽便會立即在綜合損益表內確認。

至於尚未在綜合損益表內確認的任何商譽：

- 如為受控制附屬公司，有關的負商譽會在綜合資產負債表內列示為資產的減項，與正商譽屬於同一個資產負債表類別；及
- 如為聯營公司，有關的負商譽會計入聯營公司權益中。

如於年內出售受控制附屬公司或聯營公司，以往作為集團儲備變動處理的應佔購入商譽的數額，均在計算出售的溢利或虧損時包括在內。

(f) 非交易證券

本集團及本公司就非交易證券(於附屬公司及聯營公司之投資除外)之政策如下：

- (i) 非交易證券是以公平值記入資產負債表內。公平價值之變動在投資重估儲備內確認，直至出售、收回或以其他方式處理證券，或是有客觀憑證顯示證券出現減值為止。當出現這些情況時，相關之累計盈虧會由投資重估儲備轉入損益表內。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(f) Non-trading securities (continued)**

(ii) Transfers from the investment revaluation reserve to the income statement as a result of impairments are reversed when the circumstances and events that led to the impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(iii) Profits or losses on disposal of non-trading securities are determined as the difference between the estimated net disposal proceeds and the carrying amount of the security and are accounted for in the income statement as they arise. The profit or loss includes any amount previously held in the investment revaluation reserve in respect of that security.

(g) Other investments

Other investments represent club debentures and are stated in the balance sheet at cost less provisions for diminution in value as determined by the directors.

(h) Fixed assets

(i) Fixed assets are carried in the balance sheet on the following bases:

- investment properties with an unexpired lease term of more than 20 years are stated in the balance sheet at their open market value which is assessed annually by external qualified valuers;
- land and buildings held for own use are stated in the balance sheet at cost or valuation less accumulated depreciation (see note I(k)) and impairment losses (see note I(m)).

1. 主要會計政策 (續)**(f) 非交易證券 (續)**

(ii) 在引致減值之情況及事項不再存在，並有具有說服力之憑證顯示新之情況及事項將會在可預見之將來持續下去時，因減值而從投資重估儲備轉入損益表之數額便會撥回。

(iii) 出售非交易證券投資之損益乃按估計出售所得淨額與證券賬面值之差額釐定，並在產生時記入損益表。損益包括之前就有關證券撥入投資重估儲備之任何數額。

(g) 其他投資

其他投資指會籍，乃按成本減去董事會決定之減值準備入賬。

(h) 固定資產

(i) 固定資產按下列基準列入資產負債表內：

- 剩餘租約年期超過二十年之投資物業按其公開市值列入資產負債表，公開市值乃由外聘的合資格估值師按年評估；
- 持作自用之土地及樓宇按成本或重估值減累計折舊 (參閱附註 I(k)) 及減值虧損 (參閱附註 I(m)) 列入資產負債表內。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(h) Fixed assets (continued)

(i) (continued)

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80 of the Statement of Standard Accounting Practice 17 "Property, plant and equipment" issued by the Hong Kong Institute of Certified Public Accountants, with the effect that land and buildings have not been revalued to fair value at the balance sheet date. Such properties are stated at their carrying value and will not be revalued in future years; and

- plant, machinery and other fixed assets are stated in the balance sheet at cost less accumulated depreciation (see note I(k)) and impairment losses (see note I(m)).

(ii) Changes arising on the revaluation of investment properties and land and buildings held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to the income statement, if and to the extent that it exceeds the amount held in the reserve in respect of that same asset, or solely in the case of investment properties, the portfolio of investment properties, immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to the income statement, if and to the extent that a deficit on revaluation in respect of that same asset, or, solely in the case of investment properties, the portfolio of investment properties, had previously been charged to the income statement.

(iii) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1. 主要會計政策 (續)

(h) 固定資產 (續)

(i) (續)

於編製這份財務報表時，土地及樓宇利用香港會計師公會頒佈之會計實務準則第十七條「物業、廠房及機器」之八十段之過渡附例而並未於結算日重估至公平價值。那些物業是按賬面值記賬，而且並不會在未來年度作出評估；及

- 廠房、機器及其他固定資產按成本減累計折舊(參閱附註I(k))及減值虧損(參閱附註I(m))列入資產負債表內。

(ii) 因重估投資物業及持作自用之土地及樓宇而出現之變動一般會在儲備中處理。唯一例外情況如下：

- 如果出現重估虧拙，而且有關的虧損額超過就該項資產或只限於投資物業的投資物業組合在截至重估前計入儲備的數額，便會在損益表列支；及
- 如果以往曾將同一項資產或只限於投資物業組合的重估虧拙在收益表列支，則在出現重估盈餘時，便會撥入損益表計算。

(iii) 在超過現有資產原先評估的表現水平的未來經濟效益很可能流入企業時，與固定資產有關而且已獲確認的其後支出便會加入資產的賬面金額。其後之一切其他支出在產生之期間確認為支出。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)**(h) Fixed assets (continued)**

- (iv) Gains or losses arising from the retirement or disposal of a fixed assets are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal. On disposal of an investment property, the related portion of surpluses or deficits previously taken to the investment properties revaluation reserve is also transferred to the income statement for the year. For all other fixed assets, any related revaluation surplus is transferred from the revaluation reserve to retained profits.

(i) Construction in progress

Construction in progress is stated at cost, including interest capitalised if appropriate, less provision as is considered necessary by the directors.

(j) Intangible assets (other than goodwill)

- (i) Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (see note I(k)) and impairment losses (see note I(m)).
- (ii) Subsequent expenditure on an intangible asset after its purchase or its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

(k) Amortisation and depreciation

- (i) No depreciation is provided on investment properties with an unexpired lease term of over 20 years or on freehold land.
- (ii) Depreciation is calculated to write off the cost or valuation of other fixed assets over their estimated useful lives as follows:
- leasehold land is depreciated on a straight-line basis over the remaining term of the lease;

1. 主要會計政策 (續)**(h) 固定資產 (續)**

- (iv) 報廢或出售固定資產所產生的損益以估計出售所得淨額與資產的賬面金額之間的差額釐定，並於報廢或出售當日在損益表確認。出售投資物業時，早前記入投資物業重估儲備的有關盈餘或虧損部份亦會轉入該年度的損益表內。就所有其他固定資產而言，任何相關的重估盈餘會由重估儲備轉入保留溢利。

(i) 在建工程

在建工程均按成本，包括資本化之利息(如適用)，減董事會認為必需之準備列賬。

(j) 無形資產 (商譽除外)

- (i) 由本集團購入的無形資產按成本減去累計攤銷(參閱附註I(k))及減值虧損(參閱附註I(m))後列入資產負債表。
- (ii) 在購入或完成無形資產後出現的其後開支均在產生時確認為支出；但如這些開支很可能令資產所產生的未來經濟效益超過原先評估的表現水平，而且開支的數額可以可靠地計算並歸屬於某項資產則除外。假如符合上述條件，其後開支會計入無形資產的成本。

(k) 攤銷與折舊

- (i) 剩餘租約年期超過二十年之投資物業或永久業權之土地不計提任何折舊。
- (ii) 其他固定資產之折舊乃按其估計可使用年期沖銷其成本或估值，計算方法如下：
- 租賃土地按租賃尚餘年期以直線法計算折舊；

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(k) Amortisation and depreciation (continued)

- land use rights are included under land and buildings and are amortised on a straight-line basis over a period of 50 years;
- buildings are depreciated on a straight-line basis over their estimated useful lives of 10 to 40 years; and
- other fixed assets are depreciated on a straight-line basis over the estimated useful lives as follows:

Plant and machinery
2.5% to 25% per annum

Other fixed assets
20% to 30% per annum

- (iii) Intangible assets are amortised on a straight-line basis over their estimated useful lives.

(l) Leased assets

Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

(i) *Assets held for use in operating leases*

Where the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note I(k) above. Impairment losses are accounted for in accordance with the accounting policy as set out in note I(m). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in note I(n)(ii) below.

1. 主要會計政策 (續)

(k) 攤銷與折舊 (續)

- 包括於土地及樓宇內之土地使用權乃按五十年期限以直線法攤銷；
- 樓宇乃按照其估計可用年期 (即十年至四十年不等) 以直線法計算折舊；及
- 其他固定資產之折舊，均按其估計可使用年期以直線法之基準計算折舊，折舊率如下：

廠房及機器
每年2.5%至25%

其他固定資產
每年20%至30%

- (iii) 無形資產是按其預計可用年限以直線法攤銷。

(l) 租賃資產

租賃人並無將資產擁有權之全部風險及利益轉讓之租賃乃列為經營租賃。

(i) *可作經營租賃之資產*

倘本集團根據經營租約租出資產，則資產會按其性質列入資產負債表，並在適用情況下，根據本集團之折舊政策 (如上文附註 I(k)所列) 計算折舊。減值虧損按照附註 I(m)所述的會計政策入賬。經營租賃所產生之收入則根據本集團之確認收入政策 (如下文附註 I(n)(ii)所列) 予以確認。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)**(I) Leased assets (continued)***(ii) Operating lease charges*

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

(m) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets (other than properties carried at revalued amounts);
- investments in subsidiaries and associates (except for those accounted for at fair value under notes I(c) and (d));
- positive goodwill (whether taken initially to reserves or recognised as an asset); and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated. For goodwill that is amortised over 20 years from initial recognition, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised in the income statement whenever the carrying amount of an asset (including positive goodwill taken directly to reserves) exceeds its recoverable amount.

1. 主要會計政策 (續)**(I) 租賃資產 (續)***(ii) 經營租賃支出*

如屬本集團透過經營租賃使用資產的情況，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額在損益表扣除；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認為租賃淨付款總額的組成部份。或有租金在其產生的會計期間內在損益表扣除。

(m) 資產減值

董事在每個結算日審閱內部和外來的信息，以確定下列資產有否出現減值跡象，或是以往確認的減值虧損不復存在或已經減少。

- 固定資產 (按重估數額列賬的物業除外)；
- 於附屬公司及聯營公司的投資 (根據附註 I(c)及(d)所述，按公平價值列賬者除外)；
- 正商譽 (不論是在產生時與儲備抵銷或確認為資產)；及
- 無形資產。

如果出現減值跡象，資產的可收回數額便會作估計。對於由最初獲確認時起計按二十年以上攤銷的商譽，均會在每個結算日評估其可收回數額。當資產 (包括已直接撥入儲值的正商譽) 的賬面金額高於可收回數額時，便會在損益表確認減值虧損。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(m) Impairment of assets (continued)

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

1. 主要會計政策 (續)

(m) 資產減值 (續)

(i) 計算可收回數額

資產的可收回數額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折舊率將估計未來現金流量折讓至現值。該折讓率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別 (即現金產生單位) 來釐定可收回數額。

(ii) 減值虧損轉回

倘若用以釐定可收回數額的估計發生有利的變化，便會將資產減值虧損轉回；但商譽除外。至於商譽的減值虧損，倘若虧損是由性質獨特及預計不會再出現的特殊外界因素所造成，而且可收回數額的增加明顯是與該特殊因素轉回有關，才會將減值虧損轉回。

所轉回的減值虧損以假設沒有在往年確認減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益表。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(n) Revenue recognition**

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Sales of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added or other sales taxes and is after deduction of any trade discounts.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. This is taken to be, for interim dividends, when the directors of the investee companies declare such dividends and for final dividends, when the shareholders of the investee companies at the general meeting approve the dividends proposed by the directors.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Interest income

Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.

1. 主要會計政策 (續)**(n) 收入確認**

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本 (如適用) 時，根據下列方法在損益表內確認：

(i) 貨品銷售

收入在貨品送達客戶場地，而且客戶接收貨品及其他相關的風險及回報時確認。收入不包括增值稅及其他銷售稅，並已扣除任何營業折扣。

(ii) 經營租賃之租金收入

經營租賃之應收租金收入在租賃期所涵蓋的會計期間內，以等額在損益表確認；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認應收租賃淨付款總額的組成部份。或有租金在其產生的會計期間內確認為收入。

(iii) 股息

非上市投資之股息收入在股東收取股息之權利被確認時入賬確認。就中期股息而言，當該項投資之董事會宣派股息之時入賬確認；而就末期股息而言，則在該項投資之股東在股東週年大會上批准由董事會建議派發股息時入賬確認。

上市投資之股息收入在有關投資股份之價格除息時入賬確認。

(iv) 利息收入

銀行存款之利息收入根據時間比例基準，按銀行存款金額及適用利率計算並入賬確認。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(n) Revenue recognition (continued)

(v) *Government grants*

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement as revenue on a systematic basis over the estimated useful life of the asset.

(o) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred directly in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(p) Quota

Cost of acquisition of permanent quota is amortised on a straight-line basis over a period of three to five years.

Income and expenses on temporary transfers of quota are dealt with in the income statement as they arise.

1. 主要會計政策 (續)

(n) 收入確認 (續)

(v) 政府補貼

當可以合理確定本集團將會收到政府補助並會履行該補助的附帶條件時，便會初次在資產負債表將政府補助確認為遞延收入。用於彌補本集團已產生開支的補助，會在開支產生的期間有系統地在損益表確認為收入。用於彌補本集團資產成本的補助，則按該資產的預計可用年限有系統地在損益表確認為收入。

(o) 存貨

存貨乃以成本或可變現淨值兩者中之較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、加工成本以及令存貨變成現狀和運輸之成本。

可變現淨值為正常業務之預期售價減去完成生產及銷售所需之估計成本後所得之數。

所出售存貨的賬面值在相關收入確認期間內確認為支出。存貨撇減至可變現淨值及所有存貨虧損會確認為減值或虧損期間之支出。因可變現淨值增加而需逆轉之任何存貨減值會扣減逆轉發生期間所確認之存貨成本。

(p) 配額

購入永久配額之成本以直線法於三至五年內攤銷。

暫時轉讓配額之收入及開支於產生時計入損益表。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(q) Income tax**

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1. 主要會計政策 (續)**(q) 所得稅**

- (i) 本年度所得稅包括本期所得稅及遞延所得稅資產和負債的變動。本期所得稅及遞延所得稅資產和負債的變動均在損益表內確認，但與直接確認為股東權益項目相關的，則確認為股東權益。
- (ii) 本期所得稅是按本年度應稅收入根據已執行或在結算日實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。
- (iii) 遞延所得稅資產和負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

除了某些有限的例外情況外，所有遞延所得稅負債和遞延所得稅資產 (只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應稅溢利) 都會確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應稅溢利包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年或遞延所得稅資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應稅實體有關，並是否預期在能使用未利用可抵扣虧損和稅款抵減撥回的同一年內轉回。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(q) Income tax (continued)

(iii) (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future or, in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1. 主要會計政策 (續)

(q) 所得稅 (續)

(iii) (續)

不確認為遞延所得稅資產和負債的暫時差異是產生自以下有限的例外情況：不可在稅務方面獲得扣減的商譽；作為遞延收入處理的負商譽；不影響會計或應稅溢利的資產或負債的初始確認 (如屬業務合併的一部分則除外)；以及投資附屬公司 (如屬應稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異)。

遞延所得稅額是按照資產和負債賬面金額的預期實現或清償方式，根據已執行或在結算日實質上已執行的稅率計量。遞延所得稅資產和負債均不貼現計算。

本集團會在每個結算日評估遞延所得稅資產的賬面金額。如果本集團預期不再可能獲得足夠的應稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後又可能獲得足夠的應稅溢利，有關減額便會轉回。

因分派股息而額外產生的所得稅是在支付相關股息的責任確立時確認。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES*(continued)***(q) Income tax (continued)**

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Foreign currency assets, being equity investments or other long-term non-monetary assets, the holding or the use or the subsequent disposal of which will generate receipts in a foreign currency, hedged by foreign currency borrowings, are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date.

1. 主要會計政策 (續)**(q) 所得稅 (續)**

(iv) 本期和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。本期和遞延所得稅資產只會在本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延所得稅負債：

- 本期所得稅資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延所得稅資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應稅實體；或
 - 不同的應稅實體。這些實體計劃在日後每個預計有大額遞延所得稅負債需要清償或大額遞延所得稅資產可以收回的期間，按淨額基準實現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

(r) 外幣換算

年度內的外幣交易按交易日的匯率換算為港幣。以外幣為單位的貨幣資產及負債則按結算日的匯率換算為港幣。以外幣借款作出對沖的外幣資產（即會在持有或使用或日後出售時產生外幣收益的股本投資或其他長期非貨幣資產）均按結算日的匯率換算為港幣。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(r) Translation of foreign currencies (continued)

Exchange gains and losses are dealt with in the income statement, except those arising from the translation at closing rates of foreign currency assets hedged by foreign currency borrowings and the gains and losses on those foreign currency borrowings (to the extent of exchange differences arising on the foreign currency assets), which are taken directly to reserves.

The results of foreign enterprises are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

(s) Pre-operating costs

Pre-operating costs are written off in the income statement when incurred.

(t) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

1. 主要會計政策 (續)

(r) 外幣換算 (續)

匯兌盈虧撥入損益表處理，但以外幣借款作出對沖的外幣資產按收市匯率換算及有關外幣借款所產生的匯兌盈虧(以外幣資產所產生的匯兌差額為限)，則直接撥入儲備。

海外企業的業績按年內的平均匯率換算為港幣；資產負債表項目則按結算日的匯率換算為港幣。所產生的匯兌差額作為儲備變動處理。

在出售海外企業時，與該海外企業有關的累計匯兌差額會在計算出售的溢利或虧損時包括在內。

(s) 經營前開支

經營前開支於發生時沖銷至損益表。

(t) 借貸成本

除直接用作收購、建設或生產而需要相當長時間才可以投入原定用途或銷售的資產的借貸成本予以資本化外，借貸成本均在產生的期間內在損益表列支。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生及使資產投入原定用途或銷售所必須的準備工作進行期間開始資本化。在使合資格資產投入原定用途或銷售所必須的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)**(u) Cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(v) Employees benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and other defined contribution schemes in which the Group participates, are recognised as an expense in the income statement as incurred. Particulars of the retirement schemes in which the Group participates are set out in note 12 on the financial statements.
- (iii) Subsidiaries incorporated in the People's Republic of China (the "PRC") participate in retirement schemes operated by the local authorities for employees in the PRC. Contributions to these schemes are charged to the income statement when incurred.
- (iv) When the Group grants employees options to acquire shares of the Company at nominal consideration, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.

1. 主要會計政策 (續)**(u) 現金等價物**

現金及現金等價物包含銀行存款及現金、存放於銀行和其他財務機構的活期存款，以及短期和流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額、所須承受的價值變動風險甚小，並在購入後三個月內到期。就編製現金流量表而言，現金及現金等價物也包括須於接獲通知時償還，並構成本集團現金管理一部分的銀行透支。

(v) 僱員福利

- (i) 薪金、年度獎金、有薪年假、假期旅遊津貼及各項非貨幣福利令本集團產生的成本，均在本集團僱員提供相關服務的年度內累計。如延遲付款或結算會構成重大的貨幣時間價值，則上述數額須按現值列賬。
- (ii) 根據香港《強制性公積金計劃條例》及既定供款計劃的規定作出的強制性公積金供款，均於產生時在損益表列支；退休金計劃詳情載於財務報表附註12。
- (iii) 設於中國的附屬公司給予僱員參與當地機構管理的退休計劃，該等計劃的供款於發生時記入損益表。
- (iv) 本集團以名義代價向僱員授出可購買本公司股份之購股權時，毋須於授出日期確認僱員利益成本或責任。當行使購股權時，股本按收到之款項增加。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
 For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
 截至二零零五年三月三十一日止年度 (以港元計)

I. SIGNIFICANT ACCOUNTING POLICIES
(continued)

(w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(x) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(y) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

1. 主要會計政策 (續)

(w) 準備及或有負債

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值計列準備。

倘若含有經濟效益的資源外流的可能性較低，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債；但假如這類資源外流的可能性極低則除外。

(x) 關連人士

就本財務報表而言，如果本集團能夠直接或間接監控另一方人士或對另一方人士之財務及經營決策發揮重大之影響力，或另一方人士能夠直接或間接監控本集團或對本集團之財務及經營決策發揮重大之影響力，或本集團與另一方人士均受制於共同之監控或共同之重大影響下，有關人士即被視為本集團的關連人士。關連人士可以是個別人士或其他實體。

(y) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供單項或一組相關的產品或服務(業務分部)，或在一個特定的經濟環境中提供產品或服務(地區分部)，並且承擔着不同於其他分部的風險和回報。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

**I. SIGNIFICANT ACCOUNTING POLICIES
(continued)****(y) Segment reporting (continued)**

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets and minority interests.

1. 主要會計政策 (續)**(y) 分部報告 (續)**

按照本集團的內部財務報告模式，本集團已就本財務報表選擇以業務分部為報告分部信息的主要形式，而地區分部則是次要的分部報告形式。

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括存貨、應收賬款及固定資產。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的集團企業之間的集團內部往來的餘額和交易除外。分部之間的轉移事項定價按與其他外界人士相若的條款計算。

分部資本開支是指在期內購入預計可於超過一個會計期間使用的分部資產 (包括有形和無形資產) 所產生的成本總額。

未能分配至分部的項目主要包括財務及企業資產及少數股東權益。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
 For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
 截至二零零五年三月三十一日止年度 (以港元計)

2. TURNOVER

The principal activities of the Company are the manufacture and sale of garments and textiles, the provision of processing services and the rental of properties. The principal activities and other particulars of the subsidiaries are set out on pages 106 to 108.

Turnover represents the sales value of goods supplied to customers, fee income from processing services and rental income from external customers, including associates, and is analysed as follows:

2. 營業額

本公司之主要業務是製造及銷售成衣及紡織品、提供加工服務和物業租賃。附屬公司之主要業務及其他資料詳載於第106頁至108頁。

營業額為供應給客戶(包括聯營公司)貨品的銷售價值、加工服務收入及租金收入，並分析如下：

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Manufacture and sale of garments	製造及銷售成衣	1,388,348	1,311,181
Manufacture and sale of textiles	製造及銷售紡織品	196,250	129,574
Processing services	加工服務收入	75,701	48,566
Property rental	物業租賃	5,536	4,167
		<u>1,665,835</u>	<u>1,493,488</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

3. OTHER REVENUE AND NET INCOME

3. 其他收入及收益淨額

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Other revenue	其他收入		
Commission income	佣金收入	1,716	-
Tax refund upon reinvestment of dividend income from an associate and a subsidiary	聯營公司及附屬公司股息收入再投資之退稅	2,034	2,595
Dividend income from unlisted equity securities	非上市股本證券之股息收入	364	388
Interest income	利息收入	670	264
Management fee income	管理費用收入	804	804
Sundry income	其他收入	2,698	6,547
		<u>8,286</u>	<u>10,598</u>
Other net income	其他收入淨額		
Gain on disposal of quota	出售配額收益	9,689	15,535
Gain on disposal of subsidiaries	出售附屬公司收益	-	672
Loss on deconsolidation of subsidiaries in liquidation	不再綜合計算在清盤中之附屬公司虧損	(5,654)	-
Net exchange gain	匯兌淨收益	1,909	7,138
Profit on sale of raw materials	銷售原材料溢利	2,696	1,185
(Loss)/gain on disposal of other fixed assets	出售其他固定資產(虧損)/收益	(6,228)	792
Net claims paid	賠償淨支出	(120)	(1,120)
Others	其他	1,290	2,407
		<u>3,582</u>	<u>26,609</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

4. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

4. 除稅前日常業務溢利

除稅前日常業務溢利已扣除/(計入):

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
(a) Finance costs: Interest on bank loans repayable within five years (including bank charges) Less: Borrowing costs capitalised*	(a) 融資成本： 須於五年內償還之銀行貸款利息 (包括銀行費用) 減：借貸成本資本化*	31,800 — <u>31,800</u>	28,288 (2,082) <u>26,206</u>
* The borrowing costs for the year ended 31st March, 2004 were capitalised at a rate of 4.93% per annum for construction in progress.		* 截至二零零四年三月三十一日止年度在建工程之借貸成本已按每年4.93%的比率資本化。	
(b) Staff costs: Salaries, wages and other benefits Contributions to defined contribution retirement schemes Reversal of provision for long service payments	(b) 員工成本： 薪金、工資及其他福利 既定供款退休計劃 供款 長期服務金準備 撥回	214,263 2,817 (2,712) <u>214,368</u>	221,906 3,663 — <u>225,569</u>
(c) Other items: Amortisation of positive goodwill Amortisation of negative goodwill Amortisation of negative goodwill included in share of profits less losses of associates Amortisation of intangible assets Auditors' remuneration Cost of inventories* Depreciation Operating lease charges: minimum lease payments — property rentals Rental receivable from investment properties less direct outgoings of \$1,685,000 (2004: \$1,572,000)	(c) 其他項目： 正商譽攤銷 負商譽攤銷 負商譽攤銷已包括在應佔聯營公司溢利減虧損 無形資產攤銷 核數師酬金 存貨成本* 折舊 經營租賃費用： 最低租賃付款額 — 物業之租金 投資物業租金收入、已扣除1,685,000元(二零零四年：1,572,000元)	6,522 (2,051) 8,471 1,851 1,787 1,329,117 52,113 4,766 <u>(3,851)</u>	3,852 (1,772) (8,471) 1,753 1,512 1,177,771 56,486 4,294 <u>(2,595)</u>
* Cost of inventories includes \$118,028,000 (2004: \$113,529,000) relating to staff costs, depreciation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above for each of these type of expenses.		* 存貨成本包括員工成本、折舊費用及經營租賃費用，有關款項共118,028,000元(二零零四年：113,529,000元)。有關數額亦已記入在上文分開列示之各項有關費用總額中。	

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

5. 綜合損益表所示的所得稅

(a) Income tax in the consolidated income statement represents:

(a) 綜合損益表中所示的所得稅為：

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Current tax – Provision for Hong Kong Profits Tax	本年稅項 – 香港利得稅準備		
Tax for the year	本年稅項	8,449	9,152
Over-provision in respect of prior years	以往年度過剩撥備	(1,290)	(1,394)
		<u>7,159</u>	<u>7,758</u>
Current tax – Overseas	本年稅項 – 海外		
Tax for the year	本年稅項	–	2,397
Over-provision in respect of prior years	以往年度過剩撥備	(24)	(782)
		<u>(24)</u>	<u>1,615</u>
Deferred tax	遞延所得稅		
Origination and reversal of temporary differences	暫時差異的產生和撥回	(5,555)	(405)
Effect of increase in tax rate on deferred tax balances at 1st April	稅率調高對遞延所得稅於四月一日結餘之影響	–	209
		<u>(5,555)</u>	<u>(196)</u>
Share of associates' taxation	聯營公司稅項	<u>1,900</u>	<u>11,146</u>
		<u><u>3,480</u></u>	<u><u>20,323</u></u>

The provision for Hong Kong Profits Tax for 2005 is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

二零零五年度香港利得稅準備是按本年度之估計應評稅溢利以 17.5% (二零零四年：17.5%) 的稅率計算。海外附屬公司稅項以相關國家適用的現行稅率計算。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

5. INCOME TAX IN THE CONSOLIDATED
INCOME STATEMENT (continued)

5. 綜合損益表所示的所得稅 (續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 所得稅支出和會計溢利按適用稅率計算的對賬：

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Profit from ordinary activities before taxation	除稅前日常業務溢利	42,472	93,793
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	按照在相關國家獲得溢利的適用稅率計算除稅前溢利的名義稅項	2,334	17,505
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	11,369	925
Tax effect of non-taxable revenue	毋須計稅收入的稅項影響	(1,440)	(2,544)
Tax effect of unused tax losses not recognised	未使用而且未確認的可抵扣虧損的稅項影響	2,792	10,360
Tax effect of tax losses not previously recognised but recognised in the current year	本年度確認先前未確認可抵扣虧損之稅項影響	(2,700)	-
Tax effect of tax exempted entities	企業獲免稅優惠的稅務影響	(7,561)	(4,718)
Tax effect on waived debts included in capital reserve	列入資本儲備的債務撤銷的稅項影響	-	762
Effect on opening deferred tax balances resulting from an increase in tax rate during the year	本年度稅率調高對遞延所得稅期初結餘造成的影響	-	209
Over-provision in respect of prior years	以往年度準備過剩	(1,314)	(2,176)
Actual tax expense	實際稅項支出	3,480	20,323

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Fee	袍金	490	370
Salaries and other emoluments	薪金及其他酬金	7,753	6,757
Discretionary bonuses	酌定花紅	3,530	7,030
Retirement scheme contributions	退休計劃供款	180	180
		<u>11,953</u>	<u>14,337</u>

The remuneration of the directors is within the following bands:

		Number of directors 董事人數	
		2005 二零零五年	2004 二零零四年
\$Nil – \$1,000,000	0 – 1,000,000元	8	6
\$1,000,001 – \$1,500,000	1,000,001元 – 1,500,000元	–	1
\$1,500,001 – \$2,000,000	1,500,001元 – 2,000,000元	–	–
\$2,000,001 – \$2,500,000	2,000,001元 – 2,500,000元	2	1
\$2,500,001 – \$3,000,000	2,500,001元 – 3,000,000元	1	2
\$3,000,001 – \$3,500,000	3,000,001元 – 3,500,000元	–	–
\$3,500,001 – \$4,000,000	3,500,001元 – 4,000,000元	1	–
\$4,000,001 – \$4,500,000	4,000,001元 – 4,500,000元	–	–
\$4,500,001 – \$5,000,000	4,500,001元 – 5,000,000元	–	1
		<u>12</u>	<u>11</u>

Included in the directors' fees were fees of \$220,000 (2004: \$100,000) paid to independent non-executive directors during the year.

6. 董事酬金

根據香港《公司條例》第161條披露之董事酬金如下：

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Fee	袍金	490	370
Salaries and other emoluments	薪金及其他酬金	7,753	6,757
Discretionary bonuses	酌定花紅	3,530	7,030
Retirement scheme contributions	退休計劃供款	180	180
		<u>11,953</u>	<u>14,337</u>

酬金在以下範圍內的董事人數如下：

		Number of directors 董事人數	
		2005 二零零五年	2004 二零零四年
\$Nil – \$1,000,000	0 – 1,000,000元	8	6
\$1,000,001 – \$1,500,000	1,000,001元 – 1,500,000元	–	1
\$1,500,001 – \$2,000,000	1,500,001元 – 2,000,000元	–	–
\$2,000,001 – \$2,500,000	2,000,001元 – 2,500,000元	2	1
\$2,500,001 – \$3,000,000	2,500,001元 – 3,000,000元	1	2
\$3,000,001 – \$3,500,000	3,000,001元 – 3,500,000元	–	–
\$3,500,001 – \$4,000,000	3,500,001元 – 4,000,000元	1	–
\$4,000,001 – \$4,500,000	4,000,001元 – 4,500,000元	–	–
\$4,500,001 – \$5,000,000	4,500,001元 – 5,000,000元	–	1
		<u>12</u>	<u>11</u>

董事袍金中包括本年度支付予獨立非執行董事之220,000元(二零零四年：100,000元)之袍金。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2004: four) are directors whose emoluments are disclosed in note 6. The emoluments in respect of the remaining individual are as follows:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	1,130	1,078
Discretionary bonuses	酌定花紅	600	435
Retirement scheme contributions	退休計劃供款	51	49
		1,781	1,562

8. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The consolidated profit attributable to shareholders includes a profit of \$61,548,000 (2004: \$89,700,000) which has been dealt with in the financial statements of the Company (note 35(b)).

7. 最高酬金人士

五位最高酬金人士中，四位(二零零四年：四位)為本公司董事，彼等之酬金見上文附註第6項。其餘最高酬金人士之酬金如下：

8. 股東應佔溢利

股東應佔綜合溢利包括一筆已列入本公司財務報表的61,548,000元(二零零四年：89,700,000元)溢利(附註35(b))。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

9. DIVIDENDS**(a) Dividends attributable to the year**

Interim dividend declared and paid of \$0.02 (2004: \$0.01) per share	支付已宣派中期股息 每股0.02元(二零零四年： 每股0.01元)
Final dividend proposed after the balance sheet date of \$0.08 (2004: \$0.09) per share	於結算日後建議派發 末期股息每股 0.08元(二零零四年： 每股0.09元)

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the year, of \$0.09 (2004: \$0.08) per share	屬於上一財政年度， 並於本年度核准及 支付末期股息 每股0.09元(二零零四年： 每股0.08元)
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9. 股息**(a) 本年度股息**

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
4,207	1,402
16,829	12,622
21,036	14,024

於結算日後建議分派的末期股息尚未在結算日確認為負債。

(b) 屬於上一財政年度，並於本年度核准及支付的股息

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
12,622	11,220

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

10. EARNINGS PER SHARE**(a) Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to shareholders of \$35,016,000 (2004: \$69,085,000) and the weighted average of 175,326,452 shares (2004: 143,050,708 shares after adjusting for the rights issue in 2005) in issue during the year.

(b) Diluted earnings per share

The diluted earnings per share is not presented as there were no dilutive potential ordinary shares in existence during the years ended 31st March, 2004 and 2005.

10. 每股盈利**(a) 每股基本盈利**

每股基本盈利乃根據股東應佔溢利35,016,000元(二零零四年: 69,085,000元)及年內已發行股份之加權平均數175,326,452股(二零零四年: 143,050,708股(已就二零零五年之供股作出調整))計算。

(b) 每股攤薄盈利

截至二零零四年及二零零五年三月三十一日止年度,本公司並無具有潛在攤薄能力之普通股;因此,攤薄後每股盈利並無予以呈報。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

II. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because it is more relevant to the Group's internal financial reporting. Geographical segment information has been chosen as the secondary reporting format for the purpose of these financial statements.

(a) The Group comprises the following main business segments:

Business segments

		Manufacture and sale of garments 製造及銷售成衣		Manufacture and sale of textiles 製造及銷售紡織品		Others 其他		Unallocated 未分類		Consolidated 綜合總額	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Revenue from external customers	來自外界客戶的收入	1,397,110	1,321,610	263,189	167,711	5,536	4,167	-	-	1,665,835	1,493,488
Other revenue	其他收入	4,396	5,865	19	-	804	1,486	3,067	3,247	8,286	10,598
Total revenue	收入總額	<u>1,401,506</u>	<u>1,327,475</u>	<u>263,208</u>	<u>167,711</u>	<u>6,340</u>	<u>5,653</u>	<u>3,067</u>	<u>3,247</u>	<u>1,674,121</u>	<u>1,504,086</u>
Segment result	分部經營結果	30,683	42,006	36,461	22,795	2,033	2,485	3,067	3,247	72,244	70,533
Finance costs	融資成本	(12,063)	(13,694)	(19,737)	(12,512)	-	-	-	-	(31,800)	(26,206)
Share of profits less (losses) of associates	應佔聯營公司溢利減(虧損)	1,096	(4,538)	3,039	30,630	(2,107)	23,374	-	-	2,028	49,466
Income tax	所得稅									(3,480)	(20,323)
Minority interests	少數股東權益									(3,976)	(4,385)
Profit attributable to shareholders	股東應佔溢利									<u>35,016</u>	<u>69,085</u>
Depreciation and amortisation for the year	年度內折舊及攤銷	33,325	35,203	24,327	23,406	783	1,710			<u>58,435</u>	<u>60,319</u>

11. 分部報告

分部資料乃按本集團之業務及地區分部呈列。業務分部資料獲選用作為主要呈報方式，蓋因業務分部資料較切合本集團之內部財務報告。地區分部資料則獲選用作為次要呈報方式。

(a) 本集團由下列主要業務分部組成：

業務分部

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

II. SEGMENT REPORTING (continued)

11. 分部報告 (續)

		Manufacture and sale of garments 製造及銷售成衣		Manufacture and sale of textiles 製造及銷售紡織品		Others 其他		Consolidated 綜合總額	
		2005	2004	2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	
Segment assets	分部資產	667,824	575,232	432,209	506,079	104,351	28,000	1,204,384	1,109,311
Interest in associates	於聯營公司權益	24,951	23,881	67,736	58,279	154,225	166,103	246,912	248,263
Unallocated assets	未分類資產							18,511	28,224
Total assets	資產總值							<u>1,469,807</u>	<u>1,385,798</u>
Segment liabilities	分部負債	538,112	521,101	312,191	400,123	43	-	850,346	921,224
Unallocated liabilities	未分類負債							14,231	15,562
Total liabilities	負債總額							<u>864,577</u>	<u>936,786</u>
Capital expenditure incurred during the year	年度內資本開支	<u>30,807</u>	<u>17,221</u>	<u>14,848</u>	<u>82,456</u>	<u>16,055</u>	<u>-</u>	<u>61,710</u>	<u>99,677</u>

- (b) The Group's business is managed on a worldwide basis, but participates in four principal economic environments.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

- (b) 本集團的業務遍及世界各地，可劃分為四個主要的經濟環境經營。

在呈述地區分部信息時，分部收入是以客戶的所在地為計算基準。分部資產及資本開支則以資產的所在地為計算基準。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
 For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
 截至二零零五年三月三十一日止年度 (以港元計)

II. SEGMENT REPORTING (continued)

11. 分部報告 (續)

Geographical segments

地區分部

		Revenue from external customers 來自外界客戶的收入	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
- Europe	- 歐洲		
France	法國	244,358	284,614
United Kingdom	英國	186,242	151,784
Other European countries	其他歐洲國家	316,402	308,272
- North America	- 北美洲	398,056	405,684
- Asia Pacific	- 亞太地區	502,980	336,978
- Others	- 其他	17,797	6,156
		1,665,835	1,493,488

		Segment assets 分部資產		Capital expenditure incurred during the year 年度內資本開支	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
- Hong Kong	- 香港	337,145	284,653	19,187	856
- The People's Republic of China	- 中國	677,079	651,204	35,948	87,507
- South East Asia	- 東南亞	68,287	48,725	765	1,481
- Europe	- 歐洲	119,407	117,610	5,161	7,404
- Others	- 其他	2,466	7,119	649	2,429
		1,204,384	1,109,311	61,710	99,677

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

12. RETIREMENT BENEFIT SCHEMES

In Hong Kong, the Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme has operated since 1st December, 2000. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also operated a Mandatory Provident Fund Exempted ORSO retirement benefit scheme for those employees who were eligible to participate in the scheme. This scheme is operated in a way similar to the MPF scheme, except that when an employee leaves the scheme prior to his/her interest in the Group’s employer contributions vesting fully, the ongoing contributions payable by the Group are reduced by the relevant amount of forfeited employer contributions or the forfeited employer contributions may be refunded to the employer. The amount of employer contributions forfeited during the year was immaterial.

The employees of a subsidiary in the People’s Republic of China (“the PRC”) and Sri Lanka are members of a state-sponsored retirement benefit scheme organised by the local government in the PRC and members of an Approved Provident Fund and Employees’ Trust Fund in Sri Lanka, respectively. The subsidiaries are required to contribute, based on a certain percentage of payroll, to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to these retirement benefit schemes is to make the required contributions under the terms of the schemes.

In addition, long service payments are also provided by the Group in accordance with Part VB of the Hong Kong Employment Ordinance based on the employees’ service to date and current salary levels for those employees in Hong Kong who have been employed by the Group for at least five years. Movements in the provision for long service payments are set out in note 33 on the financial statements.

12. 退休福利計劃

於香港，本集團已按照強制性公積金計劃條例為所有合資格參與強積金計劃之僱員設有既定供款強制性公積金計劃（「強積金計劃」）。強積金計劃自二零零零年十二月一日起運作。供款乃按照僱員底薪百分比計算，當需要按照強積金計劃條款規定供款時，即在損益表中計入有關供款。強積金計劃資產乃由獨立管理基金持有並與本集團資產分開管理。當向強積金計劃供款時，本集團僱主強制供款將全數歸於僱員所得。

本集團亦為合資格參與強制性公積金豁免職業退休計劃之僱員設有計劃。該計劃以類似強積金計劃之方式經營，惟當僱員於符合資格全數享有本集團僱主供款前離職，被沒收之僱主供款將用作減低集團日後之供款或退還僱主，年度內被沒收之僱主供款之數額不大。

在中華人民共和國及斯里蘭卡境內集團附屬公司之僱員乃當地政府組織之職工社會養老保險計劃之成員。該等附屬公司須按僱員工資之若干百分比作出退休福利計劃供款。本集團就退休福利計劃所承擔之唯一責任是支付該計劃規定之供款。

再者，是項準備指根據《僱傭條例》第五乙部份為在職不少於五年之僱員，按其在職年資及現時薪酬水平，提撥長期服務金。長期服務金準備之變動列於財務報表附註33。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

13. FIXED ASSETS**13. 固定資產****(a) The Group****(a) 本集團**

		Land and buildings 土地 及樓宇 \$'000 千元	Investment properties 投資物業 \$'000 千元	Plant and machinery 廠房 及機器 \$'000 千元	Other fixed assets 其他 固定資產 \$'000 千元	Total 合計 \$'000 千元
Cost or valuation:	成本或估值：					
At 1st April, 2004	於二零零四年四月一日	257,997	28,001	511,208	106,646	903,852
Exchange adjustments	匯兌調整	862	-	588	642	2,092
Transfer from construction in progress (note 14)	轉撥自在建工程 (附註14)	18,969	-	7,949	1,710	28,628
Additions	增置	4,574	8,217	4,754	10,317	27,862
Disposals	出售	-	-	(23,511)	(10,248)	(33,759)
Reclassification	重新分類	(11,391)	8,911	-	-	(2,480)
Surplus on revaluation	重估盈餘	-	6,180	-	-	6,180
		<u>271,011</u>	<u>51,309</u>	<u>500,988</u>	<u>109,067</u>	<u>932,375</u>
At 31st March, 2005	於二零零五年三月三十一日	271,011	51,309	500,988	109,067	932,375
Representing:	代表：					
Cost	成本	202,407	-	500,988	109,067	812,462
Valuation - 1988	估值 - 一九八八年	65,761	-	-	-	65,761
- 1991	- 一九九一年	2,843	-	-	-	2,843
- 2005	- 二零零五年	-	51,309	-	-	51,309
		<u>271,011</u>	<u>51,309</u>	<u>500,988</u>	<u>109,067</u>	<u>932,375</u>
Accumulated amortisation and depreciation:	累計攤銷 及折舊：					
At 1st April, 2004	於二零零四年四月一日	59,169	-	148,742	75,687	283,598
Exchange adjustments	匯兌調整	523	-	127	416	1,066
Charge for the year	本年度攤銷及折舊	8,011	-	37,025	7,077	52,113
Reclassification	重新分類	(2,480)	-	-	-	(2,480)
Written back on disposals	出售時撥回	-	-	(13,577)	(9,267)	(22,844)
		<u>65,223</u>	<u>-</u>	<u>172,317</u>	<u>73,913</u>	<u>311,453</u>
At 31st March, 2005	於二零零五年三月三十一日	65,223	-	172,317	73,913	311,453
Net book value:	賬面淨值：					
At 31st March, 2005	於二零零五年三月三十一日	<u>205,788</u>	<u>51,309</u>	<u>328,671</u>	<u>35,154</u>	<u>620,922</u>
At 31st March, 2004	於二零零四年三月三十一日	<u>198,828</u>	<u>28,001</u>	<u>362,466</u>	<u>30,959</u>	<u>620,254</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

13. FIXED ASSETS (continued)

13. 固定資產 (續)

(b) The Company

(b) 本公司

		Land and Buildings 土地 及樓宇 \$'000 千元	Investment properties 投資物業 \$'000 千元	Plant and machinery 廠房 及機器 \$'000 千元	Other fixed assets 其他 固定資產 \$'000 千元	Total 合計 \$'000 千元
Cost or valuation:	成本或估值：					
At 1st April, 2004	於二零零四年四月一日	86,863	28,001	21,652	50,311	186,827
Additions	增置	-	-	1,309	491	1,800
Disposals	出售	-	-	(3,892)	(316)	(4,208)
Reclassification	重新分類	(11,391)	8,911	-	-	(2,480)
Surplus on revaluation	重估盈餘	-	2,148	-	-	2,148
At 31st March, 2005	於二零零五年三月三十一日	75,472	39,060	19,069	50,486	184,087
Representing:	代表：					
Cost	成本	6,868	-	19,069	50,486	76,423
Valuation - 1988	估值 - 一九八八年	65,761	-	-	-	65,761
- 1991	- 一九九一年	2,843	-	-	-	2,843
- 2005	- 二零零五年	-	39,060	-	-	39,060
		75,472	39,060	19,069	50,486	184,087
Accumulated amortisation and depreciation:	累計攤銷及 折舊：					
At 1st April, 2004	於二零零四年四月一日	22,508	-	19,458	40,275	82,241
Charge for the year	本年度攤銷及折舊	2,015	-	1,019	2,409	5,443
Reclassification	重新分類	(2,480)	-	-	-	(2,480)
Written back on disposals	出售時撥回	-	-	(2,276)	(307)	(2,583)
At 31st March, 2005	於二零零五年三月三十一日	22,043	-	18,201	42,377	82,621
Net book value:	賬面淨值：					
At 31st March, 2005	於二零零五年三月三十一日	53,429	39,060	868	8,109	101,466
At 31st March, 2004	於二零零四年三月三十一日	64,355	28,001	2,194	10,036	104,586

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

13. FIXED ASSETS (continued)

- (c) The analysis of net book value of land and buildings and investment properties at 31st March, 2005 is as follows:

		Land and buildings 土地及樓宇				Investment properties 投資物業			
		The Group 本集團		The Company 本公司		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Long-term leases	長期租約								
- outside Hong Kong	- 香港以外地區	126,561	107,460	229	229	-	-	-	-
Medium-term leases	中期租約								
- in Hong Kong	- 香港	41,505	43,191	41,505	43,191	30,842	28,001	30,842	28,001
- outside Hong Kong	- 香港以外地區	26,028	27,242	-	-	12,249	-	-	-
Freehold	永久業權								
- outside Hong Kong	- 香港以外地區	11,694	20,935	11,695	20,935	8,218	-	8,218	-
		205,788	198,828	53,429	64,355	51,309	28,001	39,060	28,001

- (d) The net book value of the land and buildings stated at valuation in the balance sheets would have been as follows had the assets been carried at cost less accumulated depreciation:

- (c) 於二零零五年三月三十一日，土地及樓宇以及投資物業之賬面淨值分析如下：

- (d) 倘資產按成本值減累計折舊列賬，則於結算日按估值列賬之土地及樓宇之賬面淨值應如下列：

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Cost	成本	230,093	217,079	31,663	43,054
Accumulated depreciation	累計折舊	(59,780)	(54,941)	(13,709)	(15,389)
		170,313	162,138	17,954	27,665

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

13. FIXED ASSETS (continued)

- (e) Details of the Group's and the Company's major investment properties, held for use in operating leases which are held under medium-term leases, are as follows:

Location	Existing use
22 and 24, Tai Yau Street, San Po Kong, Kowloon.	Warehouse and office

- (f) The investment properties of the Group and the Company were valued at 31st March, 2005 by independent firms of surveyors, Chesterton Petty Limited and Vigers Appraisal and Consulting Limited, on an open market basis. The revaluation surpluses of \$6,180,000 and \$2,148,000 have been transferred to the investment properties revaluation reserve of the Group and the Company respectively (note 35).

- (g) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

The gross carrying amounts of investment properties of the Group and the Company held for use in operating leases were \$51,309,000 (2004: \$28,001,000) and \$39,060,000 (2004: \$28,001,000) respectively.

13. 固定資產 (續)

- (e) 本集團及本公司以中期租約持有用作經營租賃之主要投資物業詳情如下：

地點	現時用途
九龍 新蒲崗 大有街 22號及24號	貨倉及寫字樓

- (f) 本集團及本公司之投資物業由卓德測計師行及威格斯資產評估顧問有限公司(獨立測量師行)於二零零五年三月三十一日按公開市值之基準重估。為數6,180,000元及2,148,000元之重估盈餘已分別轉撥到本集團及本公司之投資物業重估儲備(附註35)。

- (g) 本集團以營業租賃合約出租投資物業。租賃合約初期一般為一年至二年，並且有權選擇在約滿後續約，屆時所有租約條款均重新協議。租賃費一般每年增加以反映市場租值。所有租賃合約並不包括或有租金。

本集團及本公司持作營業租賃的投資物業總賬面值分別為51,309,000元(二零零四年：28,001,000元)及39,060,000元(二零零四年：28,001,000元)。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

14. CONSTRUCTION IN PROGRESS

14. 在建工程

		The Group 本集團	
		2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元
At 1st April	於四月一日	18,508	341,607
Exchange adjustments	匯兌調整	20	363
Additions	增置	10,977	72,581
Transfer to fixed assets (note 13(a))	轉撥往固定資產 (附註13(a))	(28,628)	(396,043)
At 31st March	於三月三十一日	877	18,508

15. INTANGIBLE ASSETS

15. 無形資產

		The Group 本集團	
		\$'000 千元	
Cost:	成本：		
At 1st April, 2004	於二零零四年四月一日		5,232
Exchange adjustments	匯兌調整		325
At 31st March, 2005	於二零零五年三月三十一日		5,557
Accumulated amortisation:	累計攤銷：		
At 1st April, 2004	於二零零四年四月一日		(1,753)
Exchange adjustments	匯兌調整		(100)
Charge for the year	本年度攤銷		(1,851)
At 31st March, 2005	於二零零五年三月三十一日		(3,704)
Net book value:	賬面淨值：		
At 31st March, 2005	於二零零五年三月三十一日		1,853
At 31st March, 2004	於二零零四年三月三十一日		3,479

Intangible assets represent the cost of purchase of the right to brand names from an independent third party. The amortisation charge for the year is included in "other operating expenses" in the consolidated income statement.

無形資產乃從獨立第三者購入品牌使用權的成本，本年度攤銷已記入綜合損益表內的「其他經營費用」中。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

16. GOODWILL

16. 商譽

		Positive goodwill	Negative goodwill	Positive goodwill carried in reserves
		正商譽	負商譽	正商譽撥入儲備
		\$'000	\$'000	\$'000
		千元	千元	千元
Cost:	成本：			
At 1st April, 2004	於二零零四年四月一日	15,928	(13,082)	46,161
Written off on deconsolidation of subsidiaries	於不再綜合計算附屬公司時沖銷	(10,390)	-	-
At 31st March, 2005	於二零零五年三月三十一日	5,538	(13,082)	46,161
Accumulated amortisation:	累計攤銷：			
At 1st April, 2004	於二零零四年四月一日	7,229	(2,266)	-
Amortisation for the year	本年度攤銷	6,522	(2,051)	-
Written off on deconsolidation of subsidiaries	於不再綜合計算附屬公司時沖銷	(10,390)	-	-
At 31st March, 2005	於二零零五年三月三十一日	3,361	(4,317)	-
Carrying amount:	賬面金額：			
At 31st March, 2005	於二零零五年三月三十一日	2,177	(8,765)	46,161
At 31st March, 2004	於二零零四年三月三十一日	8,699	(10,816)	46,161

Positive goodwill is amortised to the income statement on a straight line basis over three years.

正商譽在三年內以直線法在損益表內攤銷。

Negative goodwill is recognised as income on a straight line basis over four to eight years. The amortisation of positive and negative goodwill for the year is included in "other operating expenses" in the consolidated income statement.

負商譽在四年至八年內以直線法攤銷確認為收入。每年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。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

17. INTEREST IN SUBSIDIARIES

17 附屬公司權益

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Unlisted investments, at cost	非上市投資，按成本	64,122	64,122
Amounts due from subsidiaries	應收附屬公司款項	332,698	244,452
		<u>396,820</u>	<u>308,574</u>
Amounts due to subsidiaries	應付附屬公司款項	(676)	(602)
		<u>396,144</u>	<u>307,972</u>
Less: Impairment losses	減：減值虧損	(6,500)	(6,500)
		<u><u>389,644</u></u>	<u><u>301,472</u></u>

Balances with subsidiaries are unsecured, not repayable within one year and are analysed as follows:

附屬公司所欠款項是沒有抵押，不需於一年內償還，並分析如下：

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Amounts due from subsidiaries:	附屬公司所欠款項：		
Interest free	不帶利息	283,228	215,104
Interest bearing at Hong Kong Prime Rate	以香港最優惠利率計算利息	49,470	29,348
		<u>332,698</u>	<u>244,452</u>
Amounts due to subsidiaries:	應付附屬公司款項：		
Interest free	不帶利息	(676)	(602)
		<u><u>(676)</u></u>	<u><u>(602)</u></u>

Details of principal subsidiaries at 31st March, 2005 are set out on pages 106 to 108.

於二零零五年三月三十一日主要附屬公司之資料載於第106頁至108頁。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

18. INTEREST IN ASSOCIATES

18. 聯營公司權益

		The Group 本集團	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Share of net assets	應佔資產淨值	272,328	282,150
Negative goodwill	負商譽	(25,416)	(33,887)
		246,912	248,263

Negative goodwill is amortised over the remaining weighted average useful life of the identifiable acquired depreciable assets. The calculation of the negative goodwill is based on the Group's share of the fair value of the identifiable assets and liabilities acquired as determined by the directors.

負商譽按所收購可分資產的加權平均餘下可用年限攤銷。負商譽乃根據董事確定本集團佔所收購可分資產與負債公平價值的數額計算。

		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Unlisted investments, at cost	非上市投資，按成本	22,881	22,881
Less: Impairment losses	減：減值虧損	(516)	(516)
		22,365	22,365

Details of the principal associates at 31st March, 2005 are set out on pages 109 and 110.

於二零零五年三月三十一日主要聯營公司之資料載列於第109頁及110頁。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

18. INTEREST IN ASSOCIATES (continued)

Information on material associates

The financial information of the associates, Qinghai Changqing Aluminium Corporation "Qinghai Aluminium", and Wuxi Changxin Textile Co., Ltd., which are material in the context of the Group's financial statements, as extracted from the audited financial statements of those companies, after making such adjustments considered necessary by the Company's directors in order to comply with the Group's accounting policies, for the year ended 31st March, 2005 are summarised below:

18. 聯營公司權益 (續)

重要聯營公司資料

對本集團賬目而言屬重要之聯營公司—青海長青鋁業有限公司「青海鋁業」及無錫長新紡織有限公司之財務報表乃摘錄自截至二零零五年三月三十一日止年度之經審核財務報表，包括經由本公司董事認為合適以符合集團的會計政策之調整，概要如下：

		Qinghai Changqing Aluminium Corporation 青海長青鋁業 有限公司		Wuxi Changxin Textile Co., Ltd. 無錫長新紡織 有限公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Income statement	損益表				
– year ended	– 截至三月三十一日				
31st March	止年度				
Turnover	營業額	<u>582,439</u>	<u>547,994</u>	<u>910,126</u>	<u>1,009,047</u>
(Loss)/profit from ordinary activities after taxation	除稅後日常業務 (虧損)/溢利	<u>(29,103)</u>	<u>42,867</u>	<u>2,936</u>	<u>60,682</u>
(Loss)/profit attributable to the Group	本集團應佔之 (虧損)/溢利	<u>(10,457)</u>	<u>15,402</u>	<u>979</u>	<u>20,225</u>
Balance Sheet	資產負債表				
– 31st March	– 三月三十一日				
Non-current assets	非流動資產	<u>382,932</u>	<u>395,731</u>	<u>176,045</u>	<u>191,799</u>
Current assets	流動資產	<u>129,215</u>	<u>227,880</u>	<u>585,107</u>	<u>407,001</u>
Current liabilities	流動負債	<u>(296,558)</u>	<u>(354,975)</u>	<u>(525,940)</u>	<u>(320,026)</u>
Non-current liabilities	非流動負債	<u>(20,731)</u>	<u>(24,474)</u>	<u>(81,871)</u>	<u>(128,515)</u>
Net assets	資產淨值	<u>194,858</u>	<u>244,162</u>	<u>153,341</u>	<u>150,259</u>
Net assets attributable to the Group	本集團應佔 資產淨值	<u>70,012</u>	<u>87,727</u>	<u>51,108</u>	<u>50,081</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

18. INTEREST IN ASSOCIATES (continued)

Information on material associates (continued)

Qinghai Aluminium entered into arrangements with certain banks in prior years to guarantee repayment of facilities extended by these banks to its shareholders and related companies. Certain claims against the guarantees have been lodged against Qinghai Aluminium which has paid out certain amounts claimed in prior years. Other claims against guarantees given by Qinghai Aluminium may be lodged in the future. The Chairman of Qinghai Aluminium is currently negotiating with all relevant parties and is confident that the issue will be resolved in a manner that will not adversely impact the results or financial position of Qinghai Aluminium and may even result in the recovery of part or all of amounts previously paid under the guarantees.

At 31st March, 2005, the current liabilities of Qinghai Aluminium exceed its current assets by \$167,343,000. The excess is principally represented by short-term loans which are renewable on a yearly basis at the option of the correspondent bank. The Chairman of Qinghai Aluminium is confident that such loans will be renewed upon expiry for the foreseeable future and that Qinghai Aluminium will be able to meet its liabilities as they fall due for the foreseeable future.

18. 聯營公司權益 (續)

重要聯營公司資料 (續)

青海鋁業於年前與有些銀行訂立安排以擔保償付該些銀行提供予其股東及關連公司之信貸額度。青海鋁業已被提出就違反擔保之部份索償，並於年前已支付部份索償，就青海鋁業提供擔保之其他索償將來有可能會被提出。青海鋁業之董事長現在正與有關人士談判，並有信心此事件，可在不會構成重大不利影響青海鋁業財務狀況之情況下獲得解決，甚至有可能獲得取回部份或全部為擔保已付出之賠償。

於二零零五年三月三十一日，青海鋁業之流動負債超越其流動資產167,343,000元。主要為根據相關銀行的要求每年續期之短期銀行貸款。青海鋁業之董事長有信心該等貸款在可預見的將來於限期屆滿時可再續期，同時，青海鋁業在可預見的將來有能力應付其到期負債。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

18. INTEREST IN ASSOCIATES (continued)**Information on material associates (continued)**

The financial information of the associate, W. Haking Enterprises Limited, as extracted from its latest audited financial statements for the year ended 31st December, 2004 is summarised below:

		W. Haking Enterprises Limited 寶源基業有限公司	
		2004 二零零四年 \$'000 千元	2003 二零零三年 \$'000 千元
Income statement	損益表		
– year ended 31st December	– 截至十二月三十一日止年度		
Turnover	營業額	<u>67,061</u>	<u>61,730</u>
Loss from ordinary activities after taxation	除稅後日常業務虧損	<u>(10,273)</u>	<u>(20,223)</u>
Loss attributable to the Group	本集團應佔之虧損	<u>(3,062)</u>	<u>(5,865)</u>
Balance Sheet	資產負債表		
– 31st December	– 十二月三十一日		
Non-current assets	非流動資產	108,750	132,883
Current assets	流動資產	167,029	144,235
Current liabilities	流動負債	(38,376)	(27,363)
Non-current liabilities	非流動負債	<u>(462)</u>	<u>(462)</u>
Net assets	資產淨值	<u>236,941</u>	<u>249,293</u>
Net assets attributable to the Group	本集團應佔 資產淨值	<u>70,632</u>	<u>74,314</u>

18. 聯營公司權益 (續)**重要聯營公司資料 (續)**

摘錄自截至二零零四年十二月三十一日止年度聯營公司寶源基業有限公司之經審核財務報表，其財務資料概要如下：

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

19. PERMANENT QUOTA

19. 永久配額

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Cost:	成本：				
At 1st April	於四月一日	13,144	13,144	9,002	9,002
Written off	沖銷	(13,144)	—	(9,002)	—
At 31st March	於三月三十一日	—	13,144	—	9,002
Accumulated amortisation:	累計攤銷：				
At 1st April	於四月一日	13,144	13,144	9,002	9,002
Written off	沖銷	(13,144)	—	(9,002)	—
At 31st March	於三月三十一日	—	13,144	—	9,002
Net book value:	賬面淨值：				
At 31st March	於三月三十一日	—	—	—	—

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

20. LOANS RECEIVABLE

At 31st March 2005, the loans receivable were repayable as follows:

Within 1 year	一年內
After 1 year but within 2 years	一年後但兩年內
After 2 years but within 5 years	兩年後但五年內

The loans receivable represent the consideration received from the disposal of subsidiaries during the year ended 31st March, 2004. They are interest bearing at 3% per annum on the principal outstanding.

21. NON-TRADING SECURITIES

Unlisted equity securities	非上市股本證券
Equity securities listed outside Hong Kong	香港以外之上市股本證券
Market value of listed equity securities	上市股本證券市值

20. 應收貸款

於二零零五年三月三十一日，應收貸款之還款期如下：

The Group and the Company
本集團及本公司

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
1,693	1,693
1,693	1,693
4,640	6,224
6,333	7,917
8,026	9,610

應收貸款為於二零零四年三月三十一日止年度出售附屬公司收取之代價。未償還的本金以年利率3%計算利息。

21. 非交易證券

The Group and The Company
本集團及本公司

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
895	895
558	558
1,453	1,453
558	558

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

22. OTHER INVESTMENTS

22. 其他投資

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Club debentures, at cost	會籍，按成本	<u>2,873</u>	<u>2,873</u>	<u>2,384</u>	<u>2,384</u>

23. INVENTORIES

23. 存貨

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Raw materials	原材料	86,219	54,017	5,934	1,735
Work in progress	在製品	103,075	68,150	31,696	15,963
Finished goods	製成品	44,542	37,624	568	23
Goods in transit	在途貨品	—	30	—	30
		<u>233,836</u>	<u>159,821</u>	<u>38,198</u>	<u>17,751</u>

Amounts included in the Group's and the Company's inventories of \$80,251,000 (2004: \$43,912,000) and \$32,226,000 (2004: \$633,000) are stated net of a specific provision of \$17,519,000 (2004: \$18,745,000) and \$4,442,000 (2004: \$3,799,000) respectively. In addition, there is a general provision made against the remaining inventories of the Group and the Company of \$11,528,000 (2004: \$21,722,000) and \$1,080,000 (2004: \$1,819,000) respectively. These provisions have been made in order to state these inventories at the lower of their cost and estimated net realisable value. The amount of reversal of a write-down of inventories to estimated net realisable value, recognised in the consolidated income statement as a reduction in the amount of inventories recognised as an expense during the year, is \$8,909,000 (2004: \$4,195,000). This reversal arose due to an increase in the estimated net realisable value of certain garments as a result of a change in consumer preferences.

該金額包括分別為本集團與本公司之存貨金額80,251,000元(二零零四年: 43,912,000元)及32,226,000元(二零零四年: 633,000元)，已分別扣除個別減值撥備17,519,000元(二零零四年: 18,745,000元)及4,442,000元(二零零四年: 3,799,000元)。此外，本集團與本公司之其餘存貨已分別作出一般減值撥備11,528,000元(二零零四年: 21,722,000元)及1,080,000元(二零零四年: 1,819,000元)。撥出該等存貨減值準備乃按成本或預計可變現淨值兩者之較低者將存貨數額列賬。存貨數額撇減至估計可變現淨值之逆轉金額為8,909,000元(二零零四年: 4,195,000元)。這數額已於年內在綜合損益表中確認，為列作支出的存貨數額的減少。產生該撥回金額乃由於客戶的喜好改變令若干成衣之估計可變現淨值增加所致。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

24. TRADE AND OTHER RECEIVABLES

24. 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Trade debtors	應收賬款	101,307	80,610	17,106	21,178
Bills receivable	應收票據	61,151	94,265	24,751	32,668
Deposits, prepayments and other debtors	訂金、預付款及 其他應收款	25,072	66,254	3,689	10,397
Prepayment for investment (note 25)	投資預付款 (附註 25)	33,235	—	—	—
Amounts due from related companies	應收關連公司 款項	8,257	4,976	439	270
Amounts due from associates	應收聯營公司 款項	1,392	—	21	5
Amounts due from subsidiaries	應收附屬公司 款項	—	—	76,382	76,703
Dividends receivable from associates	應收聯營公司 股息	19,905	12,145	—	—
		250,319	258,250	122,388	141,221

Amounts due from subsidiaries totalling \$15,992,000 (2004: \$41,243,000) are interest bearing at Hong Kong Prime Rate. Except for the foregoing, all other amounts due from subsidiaries, related companies and associates are unsecured, interest free and repayable on demand.

All of the trade and other receivables are expected to be recovered within one year apart from the prepayment mentioned in note 25.

應收附屬公司款項中共 15,992,000 元 (二零零四年: 41,243,000 元) 以香港最優惠利率計算利息。除以上所述之外, 其他所有應收附屬公司、關連公司及聯營公司款項是沒有抵押、不帶利息, 並需按通知即時償還。

除附註 25 所述的預付款外, 所有應收賬款及其他應收款預期將於一年內收回。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

24. TRADE AND OTHER RECEIVABLES

(continued)

Included in trade and other receivables are trade debtors and bills receivable (net of provisions for bad and doubtful debts) with the following ageing analysis:

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
0 – 60 days	0 – 60日	154,253	171,852	41,056	52,530
61 – 90 days	61 – 90日	4,541	1,156	366	806
> 90 days	90日以上	3,664	1,867	435	510
Trade debtors and bills receivable	應收賬款及 應收票據	<u>162,458</u>	<u>174,875</u>	<u>41,857</u>	<u>53,846</u>

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 is performed periodically.

25. PREPAYMENT FOR INVESTMENT

On 10th July, 2004, the Board approved the entering into a joint venture agreement with three PRC parties to establish a joint venture, Qinghai Wan Zhao Ningbei Electric Corporation Limited (“Qinghai Electric”), for the purpose of developing and operating power plants in Qinghai Province, the PRC.

The registered capital of Qinghai Electric will be RMB200,000,000 (equivalent to approximately \$188,000,000) of which the Company will contribute RMB70,000,000 (equivalent to approximately \$65,000,000) for its 35% interest.

24. 應收賬款及其他應收款 (續)

包括在應收賬款及其他應收款內為具有以下賬齡分析之應收賬款及應收票據 (已扣除呆壞賬準備) :

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。

25. 投資預付款

於二零零四年七月十日，董事局批准與三家中國公司訂立合營安排成立合營企業青海萬兆寧北發電有限公司 (「青海發電」)，以發展及經營青海之發電廠。

青海發電註冊資本為人民幣200,000,000元 (約188,000,000元)，其中本公司將出繳人民幣70,000,000元 (約65,000,000元) 佔其權益35%。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

25. PREPAYMENT FOR INVESTMENT (continued)

Contributions to the registered capital of Qinghai Electric will be made by all parties in stages according to their proportionate equity interests in Qinghai Electric. The first contribution to the registered capital of Qinghai Electric amounted to RMB100,000,000 (equivalent to approximately \$94,000,000). The Company contributed RMB35,000,000 (equivalent to \$33,235,000) on 16th December, 2004 in respect of its investment Qinghai Electric. As the approval documents from the relevant PRC authorities in relation to the formal establishment of the joint venture have not yet been obtained as at 31st March, 2005, the contribution paid is recorded in the balance sheet as a prepayment.

26. PLEDGED DEPOSITS

Pledged deposits as at 31st March, 2005 represents deposits pledged to designated banks for general banking facilities.

Pledged deposits as at 31st March, 2004 represents deposits pledged to designated banks to guarantee payment of imported processing materials with an aggregate value of \$52,844,000.

27. CASH AND CASH EQUIVALENTS**25. 投資預付款 (續)**

各方將根據應佔青海發電股本權益比例向青海發電出繳註冊資本。首批向青海發電出繳註冊資本款項總額為人民幣100,000,000元(約94,000,000元)。本公司已於二零零四年十二月十六日就青海發電投資出繳人民幣35,000,000元(約33,235,000元)。截至二零零五年三月三十一日,由於仍未取得中國當局批准正式成立合營企業文件,已付之出繳金額於資產負債表被記入預付款中。

26. 抵押存款

於二零零五年三月三十一日,抵押存款乃存款抵押於指定銀行以用作銀行融資。

於二零零四年三月三十一日,抵押存款乃存款抵押於指定銀行以用作擔保合共52,844,000元的進口加工材料。

27. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Deposits with banks	銀行存款	30,000	3,505	30,000	-
Cash at bank and in hand	銀行活期存款 及現金	65,269	56,023	23,944	26,981
Cash and cash equivalents in the balance sheet	於資產負債表 內之現金及 現金等價物	95,269	59,528	53,944	26,981
Bank overdraft (note 29)	銀行透支 (附註29)	(4,960)	(622)		
Cash and cash equivalents in the consolidated cash flow statement	於綜合現金流量 表內之現金及 現金等價物	90,309	58,906		

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

28. TRADE AND OTHER PAYABLES

28. 應付賬款及其他應付款

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Trade creditors	應付賬款	127,956	110,100	40,558	26,627
Bills payable	應付票據	54,747	46,995	6,759	6,213
Accrued charges and other creditors	應計費用及 其他應付款	138,906	119,520	43,086	51,009
Amounts payable for construction in progress (note 32)	應付在建工程 款 (附註32)	1,413	11,069	—	—
Amounts due to related companies	應付關連公司 款項	15,928	659	449	590
Amounts due to associates	應付聯營公司 款項	47,984	26,208	3,293	2,988
Amount due to a shareholder	應付一股東 款項	5,868	—	—	—
Advance from associate for construction in progress (note 32)	聯營公司借貸用 於支付建築工 程款 (附註32)	—	9,413	—	—
Amounts due to subsidiaries	應付附屬公司 款項	—	—	11,286	13,529
		392,802	323,964	105,431	100,956

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

28. TRADE AND OTHER PAYABLES (continued)

The amounts due to and advance from subsidiaries, related companies, associates and the shareholder are unsecured, interest-free and repayable on demand.

All of the trade and other payables are expected to be settled within one year.

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis:

28. 應付賬款及其他應付款 (續)

應付及借貸自附屬公司、關連公司、聯營公司及股東款項是沒有抵押、不帶利息，並需按通知即時償還。

所有應付賬款及其他應付款預期將於一年內償付。

包括在應付賬款及其他應付款內為具有以下賬齡分析之應付賬款及應付票據：

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
0 – 60 days	0 – 60日	168,734	136,010	44,674	30,745
61 – 90 days	61 – 90日	7,792	12,778	1,741	919
> 90 days	90日以上	6,177	8,307	902	1,176
Trade creditors and bills payable	應付賬款及 應付票據	<u>182,703</u>	<u>157,095</u>	<u>47,317</u>	<u>32,840</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

29. BANK LOANS AND OVERDRAFTS

29. 銀行貸款及透支

At 31st March, 2005, the bank loans and overdrafts (including trust receipt loans) were repayable as follows:

於二零零五年三月三十一日，銀行貸款及透支(包括信託收據貸款)之還款期如下：

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Trust receipt loans	信託收據貸款	-	55,524	-	50,276
Other bank loans and overdrafts	其他銀行貸款及透支				
- within 1 year or on demand	- 一年內或按通知	<u>237,778</u>	<u>257,424</u>	<u>24,167</u>	<u>29,542</u>
		<u>237,778</u>	<u>312,948</u>	<u>24,167</u>	<u>79,818</u>
Other bank loans	其他銀行貸款				
- after 1 year but within 2 years	- 一年後但兩年內	<u>103,843</u>	<u>102,083</u>	<u>33,333</u>	<u>22,500</u>
- after 2 years but within 5 years	- 兩年後但五年內	<u>109,145</u>	<u>173,281</u>	-	<u>15,000</u>
- after 5 years	- 五年後	<u>758</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>213,746</u>	<u>275,364</u>	<u>33,333</u>	<u>37,500</u>
		<u>451,524</u>	<u>588,312</u>	<u>57,500</u>	<u>117,318</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

29. BANK LOANS AND OVERDRAFTS

(continued)

At 31st March, 2005, the bank loans and overdrafts were secured as follows:

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Bank overdrafts	銀行透支				
– unsecured	– 無抵押				
(note 27)	(附註 27)	4,960	622	–	42
Bank loans	銀行貸款				
– secured	– 有抵押	188,364	194,443	–	–
– unsecured	– 無抵押	258,200	393,247	57,500	117,276
		<u>451,524</u>	<u>588,312</u>	<u>57,500</u>	<u>117,318</u>

Bank loans amounting to \$188,364,000 (2004: \$194,443,000) are secured by machinery and certain land and buildings with an aggregate net book value of \$324,540,000 (2004: \$275,758,000) and trade debtors amounting to \$6,782,000 (2004: \$Nil).

Unsecured bank loans amounting to \$131,922,000 (2004: \$179,789,000) and secured bank loans amounting to \$35,195,000 (2004: \$54,595,000) as at 31st March, 2005 which are also secured as noted in the paragraph above, are guaranteed by an associate, Wuxi Changxin Textile Co., Ltd.

29. 銀行貸款及透支 (續)

於二零零五年三月三十一日，銀行貸款及透支之抵押情況如下：

銀行貸款 188,364,000 元 (二零零四年：194,443,000 元) 是以累計賬面淨值為 324,540,000 元 (二零零四年：275,758,000 元) 的機器及部份土地及建築物及 6,782,000 元 (二零零四年：無) 的應收賬款作出抵押。

於二零零五年三月三十一日，獲聯營公司無錫長新紡織有限公司為提供無抵押銀行貸款 131,922,000 元 (二零零四年：179,789,000 元) 及有抵押貸款 35,195,000 元 (二零零四年：54,595,000 元) 作出擔保。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
 For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
 截至二零零五年三月三十一日止年度 (以港元計)

30. NON-CURRENT BANK LOANS

30. 非流動銀行貸款

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Bank loans (note 29)	銀行貸款 (附註29)				
- secured	- 有抵押	141,381	175,005	-	-
- unsecured	- 無抵押	72,365	100,359	33,333	37,500
		<u>213,746</u>	<u>275,364</u>	<u>33,333</u>	<u>37,500</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

31. INCOME TAX IN THE BALANCE SHEET

31. 資產負債表所示的所得稅

(a) Current taxation in the balance sheet represents:

(a) 資產負債表所示的本期所得稅為：

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	8,449	9,152	4,004	3,397
Provisional Profits Tax paid	已付暫繳利得稅	(6,236)	(4,486)	(2,503)	(1,985)
		<u>2,213</u>	<u>4,666</u>	<u>1,501</u>	<u>1,412</u>
Tax (recoverable)/ payable in respect to overseas subsidiaries and branches	海外附屬公司及分公司(可發還)/應付稅項				
– current year	– 本年度	(1,266)	(2,039)	–	35
– prior year	– 過往年度	(426)	25	–	–
		<u>521</u>	<u>2,652</u>	<u>1,501</u>	<u>1,447</u>
Net tax payable	應付稅項淨額	<u>521</u>	<u>2,652</u>	<u>1,501</u>	<u>1,447</u>
Representing:	代表：				
Tax recoverable	可發還稅項	(1,693)	(2,143)	–	–
Tax payable	應付稅項	<u>2,214</u>	<u>4,795</u>	<u>1,501</u>	<u>1,447</u>
		<u>521</u>	<u>2,652</u>	<u>1,501</u>	<u>1,447</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

31. INCOME TAX IN THE BALANCE SHEET
(continued)

31. 資產負債表所示的所得稅 (續)

(b) Deferred tax (assets)/liabilities recognised:

(b) 已確認遞延所得稅(資產)/負債

(i) The Group

(i) 本集團

The components of net deferred tax recognised in the consolidated balance sheet and the movements during the year are as follows:

已在綜合資產負債表確認的遞延所得稅淨值的組成部份和本年度變動如下：

		Future benefit of tax losses 可抵扣 虧損之 未來利益 \$'000 千元	Revaluation of properties 物業重估 \$'000 千元	Depreciation allowances in excess of of the related depreciation 超過相關 折舊的折舊 免稅額 \$'000 千元	Others 其他 \$'000 千元	Total 總額 \$'000 千元
Deferred tax arising from:	來自下列各項的遞延所得稅：					
At 1st April, 2003	於二零零三年四月一日	-	8,713	2,231	-	10,944
Credited to the consolidated income statement	在綜合損益表計入	-	-	(196)	-	(196)
Charged to reserves (note 35(a))	在儲備列支 (附註35(a))	-	19	-	-	19
At 31st March, 2004	於二零零四年三月三十一日	<u>-</u>	<u>8,732</u>	<u>2,035</u>	<u>-</u>	<u>10,767</u>
At 1st April, 2004	於二零零四年四月一日	-	8,732	2,035	-	10,767
Credited to the consolidated income statement	在綜合損益表計入	(4,367)	-	(603)	(585)	(5,555)
Charged to reserves (note 35(a))	在儲備列支 (附註35(a))	-	2,438	-	-	2,438
At 31st March, 2005	於二零零五年三月三十一日	<u>(4,367)</u>	<u>11,170</u>	<u>1,432</u>	<u>(585)</u>	<u>7,650</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

31. INCOME TAX IN THE BALANCE SHEET

(continued)

(ii) The Company

The components of deferred tax liabilities recognised in the balance sheet and the movements during the year are as follows:

31. 資產負債表所示的所得稅 (續)

(ii) 本公司

已在資產負債表確認的遞延所得稅負債的組成部份和本年度變動如下：

		Revaluation of properties 物業重估 \$'000 千元	Depreciation allowances in excess of the related depreciation 超過相關 折舊的折舊 免稅額 \$'000 千元	Provisions 準備 \$'000 千元	Total 總額 \$'000 千元
Deferred tax arising from:	來自下列各項的 遞延所得稅：				
At 1st April, 2003	於二零零三年四月一日	8,713	1,990	-	10,703
Credited to the income statement	在損益表計入	-	(187)	-	(187)
Charged to reserves (note 35(b))	在儲備列支 (附註35(b))	19	-	-	19
At 31st March, 2004	於二零零四年三月三十一日	<u>8,732</u>	<u>1,803</u>	<u>-</u>	<u>10,535</u>
At 1st April, 2004	於二零零四年四月一日	8,732	1,803	-	10,535
Credited to the income statement	在損益表計入	-	(1,076)	(376)	(1,452)
Charged to reserves (note 35(b))	在儲備列支 (附註35(b))	30	-	-	30
At 31st March, 2005	於二零零五年三月三十一日	<u>8,762</u>	<u>727</u>	<u>(376)</u>	<u>9,113</u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

31. INCOME TAX IN THE BALANCE SHEET
(continued)

31. 資產負債表所示的所得稅 (續)

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Net deferred tax assets recognised in the balance sheet	在資產負債表確認的遞延所得稅資產淨值	(4,367)	—	—	—
Net deferred tax liabilities recognised in the balance sheet	在資產負債表確認的遞延所得稅負債淨值	12,017	10,767	9,113	10,535
		<u>7,650</u>	<u>10,767</u>	<u>9,113</u>	<u>10,535</u>

(c) **Deferred tax assets not recognised:**

The Group has not recognised deferred tax assets in respect of tax losses of \$10,910,000 attributable to certain PRC subsidiaries (2004: \$19,300,000) as the directors consider it is not probable that these companies will generate sufficient taxable profits in the foreseeable future to utilise the tax losses. The tax losses expire five years after they are incurred.

(c) 未確認的遞延所得稅資產

本集團尚未就若干中國的附屬公司為數10,910,000元(二零零四年: 19,300,000元)的可抵扣虧損確認有關的遞延所得稅資產, 因董事認為公司在可能的將來不可能產生足夠應稅溢利來使用可抵扣虧損。這些可抵扣虧損應用限期為五年。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

32. NET CURRENT LIABILITIES

The following current liabilities are attributable to a subsidiary, Wuxi YGM Textile Co., Ltd.:

Amounts payable for construction in progress (note 28)	在建工程應付款 (附註28)
Advance from associate for construction in progress (note 28)	聯營公司借貸—用於支付建築工程款 (附註28)
Short-term bank loans	短期銀行貸款
Current portion of bank loans wholly repayable within 4 years	於四年內償還之銀行貸款即期部份

The short-term bank loans are renewable on a yearly basis at the option of the bank. The directors are confident that these bank loans will be renewed upon expiry for the foreseeable future.

32. 流動負債淨值

附屬公司無錫長江精密紡織有限公司產生之流動負債如下：

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
1,413	11,069
—	9,413
131,922	179,788
35,195	19,438
168,530	219,708

短期銀行貸款是根據銀行的要求每年續期，董事有信心該等銀行貸款在可預見的將來於限期屆滿時再續期。

33. PROVISION FOR LONG SERVICE PAYMENTS**33. 長期服務金準備**

		The Group 本集團		The Company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
At 1st April	於四月一日	8,948	9,027	4,872	5,063
Less: Payments during the year	減：年內付款	(216)	(79)	(127)	(191)
Less: Reversal of provision	減：準備撥回	(2,712)	—	(2,037)	—
At 31st March	於三月三十一日	6,020	8,948	2,708	4,872

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

34. SHARE CAPITAL

34. 股本

		2005		2004	
		No. of shares 股份數目 '000 千股	Amount 金額 \$'000 千元	No. of shares 股份數目 '000 千股	Amount 金額 \$'000 千元
Authorised:	法定股本：				
Ordinary shares of \$0.50 each	每股面值0.5元 之普通股	<u>400,000</u>	<u>200,000</u>	<u>200,000</u>	<u>100,000</u>
Issued and fully paid:	已發行及繳足 股本：				
At 1st April	於四月一日	<u>140,246</u>	<u>70,123</u>	140,246	70,123
Rights issue	供股	<u>70,123</u>	<u>35,061</u>	—	—
At 31st March	於三月三十一日	<u>210,369</u>	<u>105,184</u>	<u>140,246</u>	<u>70,123</u>

By an ordinary resolution passed at the Extraordinary General Meeting held on 20th September, 2004, the Company's authorised share capital was increased to \$200,000,000 by the creation of an additional 200,000,000 ordinary shares of \$0.50 each, ranking pari passu with the existing shares of the Company.

On 12th October, 2004, the Company completed a rights issue and raised funds of approximately \$126 million by issuing 70,122,896 rights shares at a price of \$1.8 per rights share on the basis of one rights share for every two existing shares held by qualifying shareholders.

在二零零四年九月二十日股東特別大會上通過之普通議案，議決透過增加200,000,000股每股面值0.5元股份，本公司之法定股本增加至200,000,000元。該等股份享有與本公司已發行股份同等權利。

於二零零四年十月十二日，本公司已完成以每股供股股份1.8元之價格供股配售70,122,896股供股股份予合資格股東，集資約1億2千6百萬元。比例以每持有兩股現有股份可獲發一股供股股份計算。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

35. RESERVES

35. 儲備

(a) The Group

(a) 本集團

		Share premium	Capital redemption reserve	Exchange reserve	Goodwill arising on consolidation	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Other reserves	Retained profits	Total
		股份溢價	資本贖回儲備	匯兌儲備	綜合賬目所產生之商譽	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	其他儲備	保留溢利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
As at 1st April, 2003	於二零零三年四月一日	13,731	481	(17,833)	(46,161)	-	42,635	29,262	2,416	257,514	282,045
Dividend approved in respect of the previous year (note 9(b))	本年度內批准屬於上一 年度的股息(附註9(b))	-	-	-	-	-	-	-	-	(11,220)	(11,220)
Exchange differences on translation of the financial statements of foreign entities	換算海外附屬公司財務 報表之匯兌差額	-	-	2,038	-	-	-	-	-	-	2,038
Revaluation surpluses	重估盈餘	-	-	-	-	400	-	577	-	-	977
Deferred tax (note 31(b))	遞延所得稅(附註31(b))	-	-	-	-	-	-	(19)	-	-	(19)
Share of associates' revaluation surplus, net of deferred tax	應佔聯營公司重估盈餘 (已扣除遞延所得稅)	-	-	-	-	-	-	973	-	-	973
Share of associates' other reserves	應佔聯營公司其他儲備	-	-	-	-	-	-	-	697	-	697
Share of associates' exchange reserve	應佔聯營公司匯兌 儲備	-	-	1,186	-	-	-	-	-	-	1,186
Disposal of subsidiaries	出售附屬公司	-	-	(122)	-	-	-	-	-	-	(122)
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	69,085	69,085
Dividend declared for the year (note 9(a))	本年度已宣派股息 (附註9(a))	-	-	-	-	-	-	-	-	(1,402)	(1,402)
Appropriation to other reserves	撥往其他儲備	-	-	-	-	-	-	-	1,695	(1,695)	-
As at 31st March, 2004	於二零零四年三月 三十一日	13,731	481	(14,731)	(46,161)	400	42,635	30,793	4,808	312,282	344,238

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

35. RESERVES (continued)

35. 儲備 (續)

(a) The Group (continued)

(a) 本集團 (續)

	Share premium	Capital redemption reserve	Exchange reserve	Goodwill arising on consolidation	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Other reserves	Retained profits	Total
	股份溢價	資本贖回儲備	匯兌儲備	綜合賬目所產生之商譽	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	其他儲備	保留溢利	總額
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
As at 1st April, 2004	13,731	481	(14,731)	(46,161)	400	42,635	30,793	4,808	312,282	344,238
Dividend approved in respect of the previous year (note 9(b))	-	-	-	-	-	-	-	-	(12,622)	(12,622)
Exchange differences on translation of the financial statements of foreign entities	-	-	1,728	-	-	-	-	-	-	1,728
Revaluation surpluses	-	-	-	-	-	-	6,180	-	-	6,180
Deferred tax (note 31(b))	-	-	-	-	-	-	(2,438)	-	-	(2,438)
Share of associates' revaluation deficit, net of deferred tax	-	-	-	-	-	-	(162)	-	-	(162)
Share of associates' exchange reserve	-	-	621	-	-	-	-	-	-	621
Share premium on issue of rights shares net of issue expenses	89,022	-	-	-	-	-	-	-	-	89,022
Deconsolidation of subsidiaries in liquidation	-	-	3,797	-	-	-	-	-	-	3,797
Profit for the year	-	-	-	-	-	-	-	-	35,016	35,016
Dividend declared for the year (note 9(a))	-	-	-	-	-	-	-	-	(4,207)	(4,207)
Appropriation to other reserves	-	-	-	-	-	-	-	2,546	(2,546)	-
As at 31st March, 2005	102,753	481	(8,585)	(46,161)	400	42,635	34,373	7,354	327,923	461,173

Included in the Group's retained profits is a net loss of \$15,925,000 (2004: net profit of \$21,000) being the Group's share of retained accumulated losses attributable to the associates.

The application of the share premium account and the capital redemption reserve is governed by sections 48B and 49H respectively of the Hong Kong Companies Ordinance. The revaluation reserves have been set up and will be dealt with in accordance with accounting policies adopted for the revaluation of properties.

In accordance with the relevant PRC laws applicable to wholly foreign owned enterprises, a PRC subsidiary is required to make appropriations of at least 10% of its after-tax profit, determined under the relevant PRC accounting regulations to other reserves. Other reserves attributable to the PRC subsidiary can be used to make good losses or may be converted into paid-up capital.

本集團保留溢利內包括虧損淨額 15,925,000 元 (二零零四年: 溢利淨額 21,000 元), 即集團應佔聯營公司之累計保留虧損。

資本贖回儲備的用途分別受到香港《公司條例》第 48B 條及第 49H 條所管轄。本公司已設立重估儲備, 並會根據就重估投資物業所採用的會計政策處理這些儲備。

根據適用於國外獨資企業之有關中國法律, 中國附屬公司必須將其稅後溢利最少 10% (由有關中國會計規例釐定) 撥往其他儲備。應佔中國附屬公司之其他儲備可用以抵銷虧損及轉換為繳足股本。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

35. RESERVES (continued)

(b) The Company

		Share premium	Capital redemption reserve	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Retained profits	Total
		股份溢價	資本贖回儲備	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	保留溢利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
As at 1st April, 2003	於二零零三年四月一日	13,731	481	-	42,635	26,563	161,126	244,536
Dividend approved in respect of the previous year (note 9(b))	本年度內批准屬於上一年度的股息 (附註9(b))	-	-	-	-	-	(11,220)	(11,220)
Revaluation surpluses	重估盈餘	-	-	400	-	577	-	977
Deferred tax (note 31(b))	遞延所得稅 (附註31(b))	-	-	-	-	(19)	-	(19)
Profit for the year	本年度溢利	-	-	-	-	-	89,700	89,700
Dividend declared in respect of the current year (note 9(a))	本年度已宣派股息 (附註9(a))	-	-	-	-	-	(1,402)	(1,402)
As at 31st March, 2004	於二零零四年三月三十一日	<u>13,731</u>	<u>481</u>	<u>400</u>	<u>42,635</u>	<u>27,121</u>	<u>238,204</u>	<u>322,572</u>
As at 1st April, 2004	於二零零四年四月一日	13,731	481	400	42,635	27,121	238,204	322,572
Dividend approved in respect of the previous year (note 9(b))	本年度內批准屬於上一年度的股息 (附註9(b))	-	-	-	-	-	(12,622)	(12,622)
Revaluation surpluses	重估盈餘	-	-	-	-	2,148	-	2,148
Share premium on issue of rights shares net of issue expenses	配售供股股份扣除配售費用之股份溢價	89,022	-	-	-	-	-	89,022
Deferred tax (note 31(b))	遞延所得稅 (附註31(b))	-	-	-	-	(30)	-	(30)
Profit for the year	本年度溢利	-	-	-	-	-	61,548	61,548
Dividend declared in respect of the current year (note 9(a))	本年度已宣派股息 (附註9(a))	-	-	-	-	-	(4,207)	(4,207)
As at 31st March, 2005	於二零零五年三月三十一日	<u>102,753</u>	<u>481</u>	<u>400</u>	<u>42,635</u>	<u>29,239</u>	<u>282,923</u>	<u>458,431</u>

The revaluation reserves in respect of investments, investment properties and land and buildings are not available for distribution to shareholders because they do not constitute realised profits within the meaning of section 79B(2) of the Hong Kong Companies Ordinance.

The distributable reserves of the Company as at 31st March, 2005 were \$282,923,000 (2004: \$238,204,000).

35. 儲備 (續)

(b) 本公司

Share premium	Capital redemption reserve	Investment revaluation reserve	Land and buildings revaluation reserve	Investment properties revaluation reserve	Retained profits	Total
股份溢價	資本贖回儲備	投資重估儲備	土地及樓宇重估儲備	投資物業重估儲備	保留溢利	總額
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
千元	千元	千元	千元	千元	千元	千元

As at 1st April, 2003	於二零零三年四月一日	13,731	481	-	42,635	26,563	161,126	244,536
Dividend approved in respect of the previous year (note 9(b))	本年度內批准屬於上一年度的股息 (附註9(b))	-	-	-	-	-	(11,220)	(11,220)
Revaluation surpluses	重估盈餘	-	-	400	-	577	-	977
Deferred tax (note 31(b))	遞延所得稅 (附註31(b))	-	-	-	-	(19)	-	(19)
Profit for the year	本年度溢利	-	-	-	-	-	89,700	89,700
Dividend declared in respect of the current year (note 9(a))	本年度已宣派股息 (附註9(a))	-	-	-	-	-	(1,402)	(1,402)
As at 31st March, 2004	於二零零四年三月三十一日	<u>13,731</u>	<u>481</u>	<u>400</u>	<u>42,635</u>	<u>27,121</u>	<u>238,204</u>	<u>322,572</u>
As at 1st April, 2004	於二零零四年四月一日	13,731	481	400	42,635	27,121	238,204	322,572
Dividend approved in respect of the previous year (note 9(b))	本年度內批准屬於上一年度的股息 (附註9(b))	-	-	-	-	-	(12,622)	(12,622)
Revaluation surpluses	重估盈餘	-	-	-	-	2,148	-	2,148
Share premium on issue of rights shares net of issue expenses	配售供股股份扣除配售費用之股份溢價	89,022	-	-	-	-	-	89,022
Deferred tax (note 31(b))	遞延所得稅 (附註31(b))	-	-	-	-	(30)	-	(30)
Profit for the year	本年度溢利	-	-	-	-	-	61,548	61,548
Dividend declared in respect of the current year (note 9(a))	本年度已宣派股息 (附註9(a))	-	-	-	-	-	(4,207)	(4,207)
As at 31st March, 2005	於二零零五年三月三十一日	<u>102,753</u>	<u>481</u>	<u>400</u>	<u>42,635</u>	<u>29,239</u>	<u>282,923</u>	<u>458,431</u>

就投資、投資物業及土地及樓宇之重估儲備並不可供分派予股東，此乃因為該等儲備並不構成香港《公司條例》第79B(2)條涵義所指定之可變現溢利。

本公司於二零零五年三月三十一日之可供分派儲備為282,923,000元(二零零四年：238,204,000元)。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

36. EQUITY COMPENSATION BENEFITS

The Company operates a share option scheme which was adopted on 23rd September, 2004 whereby the directors of the Company are authorised, at their discretion, to invite the following eligible participants, to take up options to subscribe for ordinary shares in the Company subject to a maximum of 14,024,579 new shares:

- (a) any employees (including directors) of the Group and any entity in which any member of the Group holds any equity interest ("Invested Entity");
- (b) any supplier of goods or services to any member of the Group or any Invested Entity;
- (c) any customer of the Group or any Invested Entity;
- (d) any person or entity that provides research, development or technological support or other services to the Group or any Invested Entity; and
- (e) any shareholder or any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

The exercise price of options granted is determined by the directors of the Company as the highest of the nominal value of the Company's ordinary shares, the closing price of the Company's ordinary shares on The Stock Exchange of Hong Kong Limited ("SEHK") on the date of the grant (which must be a business day) and the average closing price of the Company's ordinary shares on the SEHK for the five business days immediately preceding the date of the grant.

The options vest immediately when they are granted and are exercisable within a period of ten years although the directors may, at their discretion, determine the minimum period for which options must be held or other restrictions before a holder of such options can exercise the subscription rights attaching thereto. Each option gives the holder the right to subscribe for one ordinary share in the Company.

No options were granted during the year ended 31st March, 2005.

36. 股本賠償福利

本公司設有一個購股權計劃，其於二零零四年九月二十三日採納。據此，本公司董事獲授權可酌情邀請下列合資格參與者接納購股權以認購本公司最多14,024,579新股。

- (a) 本集團及本集團任何成員持有股本權益之任何實體（「投資實體」）之任何僱員（包括董事）；
- (b) 向本集團任何成員公司或任何投資實體提供貨品或服務之任何供應商；
- (c) 本集團或任何投資實體之任何客戶；
- (d) 向本集團或任何投資實體提供研究、開發或技術支援或其他服務之任何人士或實體；及
- (e) 本集團或任何投資實體之任何股東或任何成員公司，或本集團任何成員公司或任何投資實體之任何已發行證券之持有人；

所授出購股權之行使價由本公司董事以本公司股份面值、股份於授出日期（必須為交易日）在香港聯合交易所有限公司（「聯交所」）之收市價或股份緊接授出日期前五個交易日在聯交所之平均收市價之最高者釐定。

購股權自授出日期起即時生效及其行使期自屆時起計十年內有效。惟董事可酌情設定購股權所附認購權可予以行使前須持有購股權之最短期限或其他限制。每股購股權賦予其持有人認購一股股份之權利。

於二零零五年三月三十一日止年度內並無授出任何購股權。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

37. COMMITMENTS

- (a) Capital commitments outstanding at 31st March, 2005 not provided for in the financial statements were as follows:

Contracted for	已訂約
– construction in progress	– 在建工程
– fixed assets	– 固定資產
– capital contributions	– 資本投入

The Group's share of the capital commitments of associates outstanding at 31st March, 2005 were as follows:

Authorised but not contracted for	已授權但未訂約
Contracted but not provided for	已訂約但未作出準備

37. 承擔

- (a) 於二零零五年三月三十一日，仍未在財務報表作出準備之資本承擔如下：

The Group 本集團	
2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
–	847
1,200	–
<u>98,501</u>	<u>10,343</u>
<u><u>99,701</u></u>	<u><u>11,190</u></u>

於二零零五年三月三十一日，本集團佔聯營公司未償付的資本承擔如下：

The Group 本集團	
2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
–	1,010
<u>4,025</u>	<u>648</u>
<u><u>4,025</u></u>	<u><u>1,658</u></u>

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

37. COMMITMENTS

- (b) At 31st March, 2005, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	一年內
After 1 year but within 2 years	一年後至兩年內
After 2 years but within 5 years	二年後至五年內
More than 5 years	五年以上

The Group leases a number of properties and a piece of land under operating leases. The leases run for a period of 4 to 60 years. None of the leases includes contingent rentals.

- (c) At 31st March, 2005, the Group and the Company had outstanding commitments in respect of outstanding foreign exchange forward contracts amounting to \$Nil (2004: \$47,981,000), which were designed as non-speculative hedges of the Group's and the Company's foreign currency denominated trade receivables.

38. CONTINGENT LIABILITIES

At 31st March, 2005, there were contingent liabilities in respect of the following:

- (a) Bills discounted with banks amounting to approximately \$144,863,000 (2004: \$139,925,000) for the Group and \$85,835,000 (2004: \$67,135,000) for the Company.
- (b) Guarantees given to banks by the Company to the extent of \$49,148,000 (2004: \$49,148,000) in respect of banking facilities extended to its subsidiaries and associates.

37. 承擔

- (b) 於二零零五年三月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款總數如下：

The Group 本集團	
2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
2,526	2,579
2,198	2,732
1,791	3,515
7,941	8,220
14,456	17,046

本集團以經營租賃租用部分物業及一幅土地，這些租賃為期四至六十年。各項經營租賃均不包含或有租金。

- (c) 於二零零五年三月三十一日，本集團及本公司並沒有遠期外匯期貨合同作承擔（二零零四年：47,981,000元）。按非投機性對沖保值方法，本集團及本公司為外幣結算之應收賬款而訂立此等外匯期貨合同。

38. 或有負債

於二零零五年三月三十一日，本集團之或有負債如下：

- (a) 本集團及本公司分別跟銀行貼現了約共144,863,000元（二零零四年：139,925,000元）及85,835,000元（二零零四年：67,135,000元）的票據。
- (b) 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49,148,000元（二零零四年：49,148,000元）。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (以港元計)

39. MATERIAL RELATED PARTY TRANSACTIONS

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

39. 與關連人士之重大交易

(1.1) 董事會認為，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：

		Notes 附註	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
(i) YGM Trading Limited and its subsidiaries (“YGMT Group”)	Purchases of traded products by the Group	YGM貿易有限公司及其附屬公司(「YGMT集團」) 本集團購買貿易產品	(a)	
	Sales of traded products by the Group	本集團銷售貿易產品	(e)	2,860
	Rental income received and receivable from properties by the Group	本集團已收及應收物業租金收入	(e)	35,709
	Management fee received and receivable by the Group	本集團已收及應收管理費	(e)	3,904
	Building management fee received and receivable by the Group	本集團已收及應收樓宇管理費	(f)	804
	Commission expenses paid and payable by the Group	本集團已付及應付佣金支出	(g)	898
(ii) YGM Marketing Pte Limited	Purchases of traded products by the Group	YGM Marketing Pte Limited 本集團購買貿易產品	(b)	
	Sales of traded products by the Group	本集團銷售貿易產品	(e)	30
			(e)	6,578
				4,867
(iii) Wuxi Changxin Textile Co., Ltd.	Purchases of traded products by the Group	無錫長新紡織有限公司 本集團購買貿易產品	(c)	
	Sales of traded products by the Group	本集團銷售貿易產品		100,149
	Processing income received and receivable by the Group	本集團已收及應收加工收入		20,709
	Subcontracting fee paid and payable by the Group	本集團已付及應付外發加工費用		66,939
			3,250	101,047
				7,480
				38,137
				15,205

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

39. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

39. 與關連人士之重大交易 (續)

		Notes 附註	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
(iv) Allied Textiles Limited	新聯興紡織有限公司	(c)		
Purchases of traded products by the Group	本集團購買貿易產品		21,154	18,338
Purchases on behalf of and sales of traded products by the Group	本集團代購買及銷售貿易產品	(h)	2,066	2,027
(v) Taizhou Changxin Textile (Xinghua) Co., Ltd.	泰州長新紡織(興化)有限公司	(c)		
Sales of traded products by the Group	本集團銷售貿易產品		4,128	2,149
(vi) Wuxi No. 1 Cotton Mill Import and Export Co., Ltd.	無錫一棉進出口有限公司	(d)		
Purchases of traded products by the Group	本集團購買貿易產品		25,641	—
Sales of traded products by the Group	本集團銷售貿易產品		2	—
Subcontracting fee paid and payable by the Group	本集團已付及應付外發加工費用		17	—
(vii) YangtzeKiang Industries (Myanmar) Ltd. ("YangtzeKiang Myanmar")	YangtzeKiang Industries (Myanmar) Ltd. ("YangtzeKiang Myanmar")	(i)		
Subcontracting fee paid and payable by the Group	本集團已付及應付外發加工費用		13,647	—

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

Notes:

- (a) Certain directors of the Company are collectively the controlling shareholders of both the YGMT Group and the Group.
- (b) YGM Marketing Pte Limited is beneficially owned by certain directors of the Company.
- (c) Wuxi Changxin Textile Co., Ltd., Allied Textiles Limited and Taizhou Changxin Textile (Xinghua) Co., Ltd. are the associates of the Group.
- (d) Wuxi No. 1 Cotton Mill Import and Export Co., Ltd. is a subsidiary of Wuxi No. 1 Cotton Mill which is minority shareholder of Wuxi YGM Textile Co., Ltd., a subsidiary of the Group.

董事會認為上述交易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。

附註：

- (a) 本公司若干董事統稱為YGMT集團及本集團之控股股東。
- (b) YGM Marketing Pte Limited為本公司若干董事實益擁有之公司。
- (c) 無錫長新紡織有限公司、新聯興紡織有限公司、泰州長新紡織(興化)有限公司均為本集團之聯營公司。
- (d) 無錫一棉進出口有限公司為無錫市第一棉紡織廠之附屬公司，而無錫市第一棉紡織廠為無錫長江精密紡織有限公司(本集團之附屬公司)之少數股東。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

39. MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

(e) Continuing connected transactions:

As certain directors and their associates are collectively the controlling shareholder (as defined in the Listing Rules) of YGMT Group and the Group and ultimate beneficial owner of YGM Marketing Pte Limited, the continuing connected transactions and the licence arrangement constitute connected transactions for the Group under the Listing Rules. The SEHK has granted to the Company waivers from strict compliance with the disclosure and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(f) The management fees were charged for administrative, business strategy, personnel, legal and company secretarial work, accounting and management services provided, which are determined annually between the respective parties after negotiations having regard to the cost of services provided.

(g) The commission expenses were charged for referral of a customer and sales services provided by YGMT Group.

(h) The Group purchased traded products on behalf of Allied Textiles Limited which were reimbursed to the Group at cost.

(i) YangtzeKiang Myanmar was a wholly-owned subsidiary of the Group before disposal of by the Company of its entire interests in YangtzeKiang Myanmar to Mr. Wong Pui Lam, Mr. Wong Chun Yu, Mr. Chee Chong Sin and Ms. Tsang Sau Ngor on 30th March, 2004 ("Disposal"). On 8th June, 2004, the Company entered into the Master Subcontracting Agreement with YangtzeKiang Myanmar in relation to subcontracting services. YangtzeKiang Myanmar has been providing subcontracting services to the Company in the past and will continue to provide such services after the Disposal. Since Mr. Wong Pui Lam is a director of YangtzeKiang Myanmar before the Disposal, Mr. Wong Pui Lam remains a connected person of the Company for 12 months after the Disposal. The subcontracting services constitute continuing connected transactions for the Company during the said period. The SEHK has granted to the Company waivers from strict compliance with the disclosure and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

39. 與關連人士之重大交易 (續)

附註：(續)

(e) 集團之持續關連交易：

若干董事統稱為YGMT集團及本集團之控股股東(定義見上市規則)及YGM Marketing Pte Limited之最終實益擁有人，因此，持續關連交易及使用權安排構成本集團之關連交易。聯交所已授出豁免就每次進行該等交易而嚴格遵守上市規則第14A章披露及取得獨立股東批准之規定。

(f) 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。

(g) 佣金費用乃YGMT集團代尋找一客戶及提供銷售服務所收取之佣金。

(h) 本集團代新聯興紡織有限公司購買之貿易產品均全數按成本付還。

(i) 於二零零四年三月三十日本公司出售其於YangtzeKiang Myanmar之全部權益予王沛霖先生、王震宇先生、徐崇勝先生及曾秀娥女士(「出售事項」)前，YangtzeKiang Myanmar為本集團之全資擁有附屬公司。於二零零四年六月八日，本公司與YangtzeKiang Myanmar就外發加工服務訂立主要外發加工協議。YangtzeKiang Myanmar在過往一直為本公司提供外發加工服務，並將於出售事項後繼續提供該等服務。由於王沛霖先生於出售事項前為YangtzeKiang Myanmar之董事，故此王沛霖先生在出售事項後之十二個月內仍為本公司之關連人士。於上述期間內之外發加工交易已構成本公司之持續關連交易。聯交所已授出豁免就每次進行該等交易而嚴格遵守上市規則第14A章披露及取得獨立股東批准之規定。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

39. MATERIAL RELATED PARTY
TRANSACTIONS (continued)

(1.2) Outstanding balances due from/(to) related companies, associates and the shareholder:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Amount due from YGMT Group	應收YGMT集團款項	8,228	1,690
Amount due to YGMT Group	應付YGMT集團款項	(4,103)	-
Amount due from YGM Marketing Pte Limited	應收YGM Marketing Pte Limited款項	29	65
Amount due from Wuxi Changxin Textile Co., Ltd.	應收無錫長新紡織有限公司款項	1,350	-
Dividend receivable from Wuxi Changxin Textile Co., Ltd.	應收無錫長新紡織有限公司股息	99	99
Amount due to Wuxi Changxin Textile Co., Ltd.	應付無錫長新紡織有限公司款項	(45,732)	(33,165)
Amount due to Allied Textiles Limited	應付新聯興紡織有限公司款項	(2,220)	(2,290)
Amount due to Wuxi No. 1 Cotton Mill Import and Export Co., Ltd.	應付無錫一棉進出口有限公司款項	(11,825)	-
Amount due to a shareholder, Chan Family Investment Corporation Ltd.	應付股東款項－Chan Family Investment Corporation Ltd.	(5,868)	-

Balances with related companies, associates and the shareholder are unsecured, interest free and repayable on demand.

39. 與關連人士之重大交易 (續)

(1.2) 應收／(應付)關連公司、聯營公司及股東款項：

	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Amount due from YGMT Group	8,228	1,690
Amount due to YGMT Group	(4,103)	-
Amount due from YGM Marketing Pte Limited	29	65
Amount due from Wuxi Changxin Textile Co., Ltd.	1,350	-
Dividend receivable from Wuxi Changxin Textile Co., Ltd.	99	99
Amount due to Wuxi Changxin Textile Co., Ltd.	(45,732)	(33,165)
Amount due to Allied Textiles Limited	(2,220)	(2,290)
Amount due to Wuxi No. 1 Cotton Mill Import and Export Co., Ltd.	(11,825)	-
Amount due to a shareholder, Chan Family Investment Corporation Ltd.	(5,868)	-

與關連公司、聯營公司及股東之結餘是沒有抵押、不帶利息，並需按通知即時償還。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

40. RECENTLY ISSUED ACCOUNTING STANDARDS

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively, "new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005.

The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st March, 2005.

The Group has made a preliminary assessment of the impact of these new HKFRSs and has so far concluded that the adoption of the Hong Kong Financial Reporting Standard ("HKFRS") 3 "Business combinations", Hong Kong Accounting Standard ("HKAS") 40 "Investment properties" and HKFRS 2 "Share-based payment" will have a significant impact on its consolidated financial statements as set out below:

- (a) At present, the Group has recognised positive goodwill arising on acquisitions of controlled subsidiaries and associates after 1st April, 2001 in the balance sheet as assets. Such goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life which may not exceed 20 years. Positive goodwill arising on acquisitions prior to 1st April, 2001 was charged to reserves in the period in which it arose and has not been restated. Under the transitional arrangements of HKFRS 3, the Group will discontinue amortising the positive goodwill classified as assets as at 1st April, 2005 and eliminate the carrying amount of the related accumulated amortisation with a corresponding decrease in positive goodwill. Positive goodwill will then be subject to an annual impairment test in accordance with HKAS 36 "Impairment of assets". If the Group had adopted HKFRS 3 for the current year, the Group's profit attributable to the shareholders for the year ended 31st March, 2005 and the Group's net assets at 31st March, 2005 would have been increased by \$6,522,000.

40. 近期頒佈之主要會計政策

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則及香港會計準則 (統稱為「新香港財務報告準則」)，於二零零五年一月一日或之後開始之會計期間有效。

本集團並無提前於截至二零零五年三月三十一日止年度之財務報表中採納該等新香港財務報告準則。

本集團對新香港財務報告準則之影響作初步評估，至今斷定採納香港財務報告準則 (「香港財務報告準則」) 第3號「業務合併」、香港會計準則 (「香港會計準則」) 第40號「投資物業」及香港財務報告準則第2號「以股份為基礎的支付」將對其綜合財務報表有重大影響，茲載列如下：

- (a) 現時，本集團就二零零一年四月一日後收購之受控制附屬公司及聯營公司產生之正商譽於資產負債表確認為資產。該商譽於綜合損益表按直線法於其估計可用年期 (不得超過20年) 攤銷。於二零零一年四月一日前收購產生之正商譽則計入產生期間之儲備，不予重列。根據香港財務報告準則第3號之過渡安排，本集團將不再攤銷二零零五年四月一日列作資產之正商譽，並對銷相關累計攤銷之賬面值，正商譽則相應減少。正商譽將須根據香港會計準則第36號「資產減值」作出年度減值測試。倘本年度本集團採納香港財務報告準則第3號，本集團截至二零零五年三月三十一日止年度之股東應佔溢利及本集團於二零零五年三月三十一日之資產淨值將增加6,522,000元。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

40. RECENTLY ISSUED ACCOUNTING STANDARDS (continued)

(a) (continued)

In addition, the Group has recognised negative goodwill arising on acquisitions of controlled subsidiaries and associates in prior years. Such negative goodwill is amortised to the consolidated income statement on a proportional basis, when the relevant assets acquired are sold or otherwise realised. HKFRS 3 requires negative goodwill to be recognised in the consolidated income statement immediately. Under the transitional arrangements of HKFRS 3, the existing negative goodwill recognised in the balance sheet will be derecognised by way of an adjustment to retained earnings at 1st April, 2005. If the Group had adopted HKFRS 3 for the current year, the Group's profit attributable to shareholders for the year ended 31st March, 2005 would have been decreased by \$10,522,000 and the Group's net assets as at 31st March, 2005 would have been increased by approximately \$44,703,000 respectively.

- (b) At present, surpluses or deficits arising on the annual revaluation of the Group's and its associates' investment properties to open market value at the balance sheet date are dealt with in the investment properties revaluation reserves or in the income statement if the total of those reserves is insufficient to cover a deficit on a portfolio basis. Following the adoption of the new HKAS 40, the investment properties of the Group and its associates will continue to be stated at open market value and all surpluses or deficits arising from the revaluation of the investment properties will be reported in the consolidated income statement. The new HKAS 40 requires the provision of deferred tax on revaluation surpluses or deficits calculated at applicable profits tax rates in accordance with the guidance in HKAS Interpretation 21 "Income taxes – recovery of revalued non-depreciable assets". If HKAS 40 had been adopted for the current year, the Group's profit attributable to shareholders for the year ended 31st March, 2005 would have been increased by \$3,580,000, being the total of the net revaluation surpluses arising on the Group's investment properties of \$6,180,000 which has been dealt with in the investment properties revaluation reserves less deferred tax of \$2,438,000 and the Group's share of the associates' net revaluation surpluses (net of deferred tax) of \$162,000. Furthermore, recognition of deferred tax on the Group's cumulative properties revaluation surpluses would also be required which would have reduced the Group's net assets as at 31st March, 2005.

40. 近期頒佈之主要會計政策 (續)

(a) (續)

此外，本集團確認過往年度收購之受控制附屬公司及聯營公司產生之負商譽。該負商譽於綜合損益表按比例於有關已收購資產出售或另行變現時攤銷。香港財務報告準則第3號規定負商譽即時於綜合損益表確認。根據香港財務報告準則第3號之過渡安排，資產負債表內已確認之現有負商譽將透過調整二零零五年四月一日之保留盈利而解除確認。倘本年度本集團採納香港財務報告準則第3號，本集團截至二零零五年三月三十一日止年度之股東應佔溢利將減少10,522,000元而本集團於二零零五年三月三十一日之資產淨值將增加約44,703,000元。

- (b) 現時，本集團及其聯營公司之投資物業會每年進行重估，以得知於結算日之公開市值。重估產生之盈虧於投資物業重估儲備中處理。倘以組合基準計算，該等儲備不足以補足虧拙，則重估產生之盈虧將於損益表中處理。採納新香港會計準則第40號後，本集團及其聯營公司之投資物業將繼續按公開市值列賬，而重估投資物業產生之所有盈虧將於綜合損益表中呈列。新香港會計準則第40號規定，重估盈虧須根據香港會計準則詮釋21「所得稅－收回重估之不可折舊資產」之指引按適用利得稅稅率作遞延所得稅撥備。倘本年度採納香港會計準則第40號，本集團截至二零零五年三月三十一日止年度之股東應佔溢利將增加3,580,000元，即本集團投資物業產生之總重估盈餘淨額6,180,000元(已於投資物業重估儲備處理)減去遞延所得稅2,438,000元，以及本集團應佔聯營公司之投資物業產生之總重估盈餘淨額(已扣除遞延所得稅)162,000元。此外，亦須就本集團之累計物業重估盈餘確認遞延所得稅，將使本集團於二零零五年三月三十一日之資產淨額減少。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

40. RECENTLY ISSUED ACCOUNTING STANDARDS (continued)

(b) (continued)

HKAS 40 is required to be adopted retrospectively. Consequently upon adoption for the year ending 31st March, 2006, comparative figures will be restated such that revaluation surpluses (net of deferred tax) at 1st April, 2004 and 1st April, 2005 of \$30,793,000 and \$34,373,000, respectively, will be dealt with in retained earnings and additional deferred tax liabilities will be created.

- (c) At present, when the Group grants employees options to acquire shares in the Company at nominal consideration, no employee benefit cost or obligation is recognised at the date of grant. When options are exercised, equity is increased by the amount of the proceeds received.

In accordance with the requirements of HKFRS 2, for the year beginning 1st April, 2005, an expense, equivalent to the fair value of the option, is required to be recognised in the consolidated income statement where the Group obtains services in exchange for share-based consideration. The expense would be charged to the expense category to which the respective individual relates and a corresponding entry would be made to a capital reserve.

When the options are exercised, the amounts recorded in the capital reserve in respect of the share option, to the extent of the nominal value of the shares issued on exercise of the option, would be transferred to share capital and the balance to the share premium account.

Accordingly, the principal impact of HKFRS 2 on the Group depends on the fair value of the options, usually at the date of grant. The Group granted no options during the year ended 31st March, 2005. Accordingly, there will be no retrospective effect upon adoption of HKFRS 2.

The Group is continuing its assessment of the impact of the new HKFRSs and other significant changes may be identified as a result of this assessment.

40. 近期頒佈之主要會計政策 (續)

(b) (續)

香港會計準則第40號須追溯採納。因此於截至二零零六年三月三十一日止年度採納後，須重列比較數字使到於二零零四年四月一日及於二零零五年四月一日之重估盈餘(已扣減遞延所得稅)分別30,793,000元及34,373,000元將於保留盈利處理並出現額外遞延所得稅負債。

- (c) 目前，本集團以名義代價向僱員授出可購買本公司股份之購股權時，毋須於授出日期確認僱員利益成本或責任。當行使購股權時，股本按收到之款項增加。

根據香港財務報告準則第2號之規定，於二零零五年四月一日開始之年度，倘本集團是以股份為基礎的代價來取得服務，則相等於購股權公平值之開支須於綜合損益表確認。開支於各別相關個人之開支類別中扣除，而股本儲備將錄得相應項目。

當行使購股權時，就購股權於股本儲備錄得之款項(以行使購股權所發行股份之面值為限)將轉入股本，餘額則轉入股份溢價賬。

因此，香港財務報告準則第2號對本集團之主要影響一般視乎購股權於授出日期之公平值而定。本集團於截至二零零五年三月三十一日止年度並無授出購股權。因此採納香港財務報告準則第2號並無追溯影響。

本集團正繼續評估新香港財務報告準則之影響，故可能因評估而得知其他重大變動。

NOTES ON THE FINANCIAL STATEMENTS 財務報表附註
For the year ended 31st March, 2005 (Expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (以港元計)

41. POST BALANCE SHEET EVENT

Subsequent to year end, a capital contribution of \$65,500,000 was paid in respect of the establishment of a subsidiary in the People's Republic of China, Wuxi YangtzeKiang Textile Co., Ltd. ("Wuxi YangtzeKiang Textile"). Wuxi YangtzeKiang Textile will be engaged in the manufacture and sale of textile products and has registered capital of US\$12,000,000 (equivalent to approximately \$93,600,000). The capital contribution made by the Group represented the Group's 70% equity interest in this subsidiary.

41. 結算日後事項

於結算日後，已就成立位於中華人民共和國之附屬公司無錫揚子江精密紡織有限公司（「無錫揚子江」）繳付65,500,000元出資。無錫揚子江將從事製造及銷售紡織品業務，註冊資本為12,000,000美元（相等於約93,600,000元）。本集團之出資佔本集團於該附屬公司股本權益之70%。

PRINCIPAL SUBSIDIARIES 主要附屬公司

At 31st March, 2005

於二零零五年三月三十一日

The following list contains only the particulars of principal subsidiaries which materially affect the results or assets of the Group. The class of shares held is ordinary unless otherwise stated.

對本集團業績或資產有重大影響之主要附屬公司之詳情如下。除另有註明外，所持有之股份均為普通股。

Company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立 及經營地點	Issued and paid up share capital/registered capital 已發行及繳足 股本／註冊資本	Percentage of equity held by the the Group Company 持有股本百分率		Principal activity 主要業務
			本集團	本公司	
Whampoa Textile Limited 黃浦江紡織有限公司	Hong Kong 香港	HK\$25,000,000	100	100	Investment holding 投資控股
Hong Kong Knitters Limited 香港織造有限公司	Hong Kong 香港	HK\$3,000,000	100	—	Garment manufacturing and investment holding 成衣製造及 投資控股
Easeley Knitwear Limited 依時針織廠有限公司	Hong Kong 香港	HK\$100,000	100	—	Garment manufacturing 成衣製造
Exquisite Knitters (Guangzhou) Limited* 卓越織造(廣州) 有限公司*	The PRC/ wholly foreign owned enterprise 中國/ 國外獨資企業	HK\$75,600,000	100	—	Knitting and dyeing of fabrics and manufacturing of garments 布料織造、印染 及成衣製造
卓越製衣(陽江) 有限公司*	The PRC/ wholly foreign owned enterprise 中國/ 國外獨資企業	HK\$2,800,000	100	—	Manufacture and sale of garments 成衣製造及銷售
YangtzeKiang Cambodia Limited	British Virgin Islands 英屬處女群島	US\$1	100	100	Investment holding 投資控股

PRINCIPAL SUBSIDIARIES 主要附屬公司

At 31st March, 2005

於二零零五年三月三十一日

Company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立 及經營地點	Issued and paid up share capital/registered capital 已發行及繳足 股本／註冊資本	Percentage of equity held by the		Principal activity 主要業務
			Group 本集團	Company 本公司	
YGM (Cambodia) Limited	Cambodia 柬埔寨	US\$750,000	100	—	Garment manufacturing 成衣製造
Co-Union Limited 互聯基業有限公司	Hong Kong 香港	HK\$2	100	100	Investment holding 投資控股
Broad Plan Investment Limited 兆策投資有限公司	Hong Kong 香港	HK\$2	100	—	Investment holding 投資控股
Wuxi YGM Textile Co., Ltd. 無錫長江精密紡織 有限公司	The PRC/ Sino-foreign equity joint venture 中國／中外 合資 經營企業	US\$12,000,000	70	—	Manufacture and sale of textiles 製造及銷售 紡織品
Guardo Limited 熹年有限公司	Hong Kong 香港	HK\$20	100	100	Investment holding 投資控股
Whampoa Garment Manufacturing (Guangzhou) Co., Ltd.* 黃浦江製衣(廣州) 有限公司*	The PRC/ wholly foreign owned enterprise 中國／ 國外獨資企業	HK\$15,000,000	100	—	Garment Manufacturing 成衣製造
YangtzeKiang S. A.	France 法國	Euro3,086,735	90.19	90.19	Garment wholesaling 成衣批發

PRINCIPAL SUBSIDIARIES 主要附屬公司

At 31st March, 2005

於二零零五年三月三十一日

Company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立 及經營地點	Issued and paid up share capital/registered capital 已發行及繳足 股本／註冊資本	Percentage of equity held by the		Principal activity 主要業務
			Group 本集團	Company 本公司	
JIL International*	France 法國	Euro37,000	90.19	—	Garment retailing 成衣零售
Hongkong Knitters Lanka (PVT) Limited	Sri Lanka 斯里蘭卡	Rs50,000,000	100	100	Garment manufacturing 成衣製造

* Companies not audited by KPMG. The financial statements of the subsidiaries not audited by KPMG reflect total assets and total turnover constituting approximately 8% of consolidated net assets and 18% of the consolidated turnover respectively.

* 並非由畢馬威會計師事務所審核之公司。並非由畢馬威會計師事務所審核之附屬公司財務報表反映出之淨資產和營業額分別構成個別綜合淨資產約8%及綜合營業額18%。

PRINCIPAL ASSOCIATES 主要聯營公司

At 31st March, 2005

於二零零五年三月三十一日

The following list contains only the particulars of principal associates, all of which are unlisted corporate entities, which materially affected the results or assets of the Group:

對本集團業績或資產有重大影響之主要聯營公司（所有聯營公司均為非上市法人公司）之詳情如下：

Company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立 及經營地點	Percentage of ownership interest held by the Group the Company 持有股本百分比 本集團 本公司		Principal activity 主要業務
Qinghai Changqing Aluminium Corporation 青海長青鋁業有限公司	The PRC/ Sino-foreign equity joint venture 中國／中外合資 經營企業	35.93	—	Production and distribution of aluminium products 生產及分銷 鋁質產品
Qinghai Changchun Carbon Co., Ltd.* 青海長春炭素有限公司*	The PRC/ Sino-foreign equity joint venture 中國／中外合資 經營企業	28.59	—	Production and distribution of carbon used in aluminium production 鋁用炭素產品 的生產、銷售 及服務
Wuxi Changxin Textile Co., Ltd. 無錫長新紡織有限公司	The PRC/ Sino-foreign equity joint venture 中國／中外合資 經營企業	33.33	—	Manufacturing of yarns and fabrics 紗及布料製造
Wuxi Changxin Real Estate Development Co., Ltd. 無錫長新房地產開發有限公司	The PRC/ Sino-foreign equity joint venture 中國／中外合資 經營企業	33.33	—	Property development and investment 物業發展及投資
Allied Textiles Limited** 新聯興紡織有限公司**	The PRC/ Sino-foreign equity joint venture 中國／中外合資 經營企業	37.5	—	Manufacturing of garments and textiles 紡織品製造

PRINCIPAL ASSOCIATES 主要聯營公司

At 31st March, 2005

於二零零五年三月三十一日

Company 公司名稱	Place of incorporation/ establishment and operation 註冊／成立 及經營地點	Percentage of ownership interest held by		Principal activity 主要業務
		the Group 本集團	the Company 本公司	
Taizhou Changxin Textile (Xinghua) Co., Ltd. 泰州長新紡織(興化) 有限公司	The PRC/ Sino-foreign equity joint venture 中國／中外合資 經營企業	33.33	—	Manufacturing of textile products 紡織品製造
YangtzeKiang Industries Sdn. Bhd.	Malaysia 馬來西亞	49.0	49.0	Garment manufacturing 成衣製造
W. Haking Enterprises Limited** 寶源基業有限公司**	Hong Kong 香港	29.81	—	Design, manufacture and sale of cameras and binoculars 設計、製造及銷售 照相機及望遠鏡

* Companies not audited by KPMG.

* 並非由畢馬威會計師事務所審核之公司。

Audited financial statements as at 31st December, 2004 are used for equity accounting purposes.

二零零四年十二月三十一日之經審核賬目乃作為權益會計法用途。

FIVE YEAR SUMMARY 五年概要

		2001	2002	2003	2004	2005
		(restated)	(restated)	(restated)	(restated)	
		(重列)	(重列)	(重列)	(重列)	
		note(i)	note(iii)	note(ii)	note(iii)	
		and (iii)		and (iii)		
		附註(i)	附註(iii)	附註(ii)	附註(iii)	
		及(iii)		及(iii)		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Income statement	損益表					
Group turnover	集團營業額	<u>1,243,679</u>	<u>1,159,929</u>	<u>1,238,363</u>	<u>1,493,488</u>	<u>1,665,835</u>
Profit from operations	經營溢利	67,788	38,317	28,751	70,533	72,244
Finance costs	融資成本	(23,935)	(17,346)	(15,213)	(26,206)	(31,800)
Share of profits less losses of associates	應佔聯營公司 溢利減虧損	<u>23,623</u>	<u>20,950</u>	<u>33,887</u>	<u>49,466</u>	<u>2,028</u>
Profit from ordinary activities before taxation	除稅前日常 業務溢利	67,476	41,921	47,425	93,793	42,472
Income tax	所得稅	(12,837)	(10,520)	(9,237)	(20,323)	(3,480)
Minority interests	少數股東權益	<u>(6,671)</u>	<u>(3,810)</u>	<u>(5,111)</u>	<u>(4,385)</u>	<u>(3,976)</u>
Profit attributable to shareholders	股東應佔溢利	<u>47,968</u>	<u>27,591</u>	<u>33,077</u>	<u>69,085</u>	<u>35,016</u>

FIVE YEAR SUMMARY 五年概要

		2001 (restated) (重列) note(i) and (iii) 附註(i) 及(iii) HK\$'000 千港元	2002 (restated) (重列) note(iii) 附註(iii) HK\$'000 千港元	2003 (restated) (重列) note(ii) and (iii) 附註(ii) 及(iii) HK\$'000 千港元	2004 (restated) (重列) note(iii) 附註(iii) HK\$'000 千港元	2005 HK\$'000 千港元
Assets and liabilities	資產及負債					
Fixed assets	固定資產	223,987	232,797	259,543	620,254	620,922
Construction in progress	在建工程	–	2,401	341,607	18,508	877
Intangible assets	無形資產	–	–	–	3,479	1,853
Goodwill	商譽	–	9,351	4,875	(2,117)	(6,588)
Interest in associates	應佔聯營公司權益	169,936	201,930	219,322	248,263	246,912
Loans receivable	應收貸款	–	–	–	7,917	6,333
Investments	投資	4,717	4,322	3,926	4,326	4,326
Deferred tax assets	遞延所得稅資產	–	–	–	–	4,367
Net current (liabilities)/ assets	流動(負債)/ 資產淨額	11,655	20,611	(331,551)	(156,539)	(41,989)
Total assets less current liabilities	資產總額減流動 負債	410,295	471,412	497,722	744,091	837,013
Non-current liabilities	非流動負債	(58,772)	(99,691)	(111,704)	(295,079)	(231,783)
Minority interests	少數股東權益	(9,390)	(17,627)	(33,850)	(34,651)	(38,873)
		<u>342,133</u>	<u>354,094</u>	<u>352,168</u>	<u>414,361</u>	<u>566,357</u>
Share capital	股本	70,326	70,123	70,123	70,123	105,184
Reserves	儲備	271,807	283,971	282,045	344,238	461,173
		<u>342,133</u>	<u>354,094</u>	<u>352,168</u>	<u>414,361</u>	<u>566,357</u>
Per share basis	以每股計算					
Earnings per share	每股盈利	HK\$0.33	HK\$0.19	HK\$0.23	HK\$0.48	HK\$0.20

Notes:

- (i) As a result of a change in accounting policy for dividends, in accordance with Hong Kong Statement of Standard Accounting Practice No. 9 (revised) in 2002, figures for 2001 have been restated for comparison purposes.
- (ii) Hong Kong Statement of Standard Accounting Practice No. 12 (revised) "Income taxes" was first effective for accounting periods beginning on or after 1st April, 2003. Figures for the year 2003 have been restated. However, it is not practicable to restate earlier years for comparison purposes.
- (iii) As a result of the rights issue during the year ended 31st March, 2005, in accordance with the Hong Kong Statement of Standard Accounting Practice No. 5, figures for 2004 and prior years have been restated for comparison purposes.

附註：

- (i) 由於本集團於二零零二年度改變了股息之會計政策，以及採用了香港會計實務準則第9號(經修訂)二零零一年度之數字已重新報告以作比較用途。
- (ii) 香港會計實務準則第12號(經修訂)「所得稅」在由二零零三年四月一日或之後起計的會計期間開始生效。二零零三年度的數字已作調整，但是難以重報較早年度的數字以作比較。
- (iii) 已就於二零零五年三月三十一日止年度內已完成之供股，採用了香港會計實務準則第5號，二零零四年度及過往年度之數字已重新報告以作比較用途。